4Q11 and 2011 Results

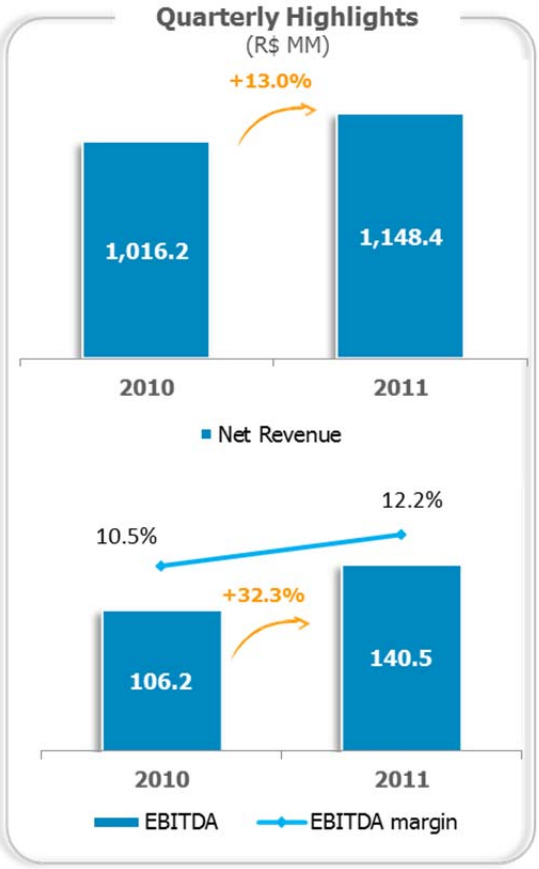
2011: EBITDA & EVA

32.3% growth in EBITDA, with positive EVA®

Rio de Janeiro, March 1, 2012 – ***Estácio Participações S.A.*** – "Estácio" or "Company" (BM&FBovespa: ESTC3; Bloomberg: ESTC3.BZ; Reuters: ESTC3.SA) – announces its results for the fourth quarter and full year 2011 (4Q11 and 2011) in comparison with the fourth quarter and full year 2010 (4Q10 and 2010). Except where stated otherwise, the following financial and operating information is presented in accordance with the International Financial Reporting Standards ("IFRS") and on a consolidated basis.

Highlights

- Estácio ended 2011 with a total base of **240,000 students,** 14.3% more than in 2010, of which 200,600 were enrolled in on-campus courses (9.1% more than in 2010, including acquisitions) and 39,400 in distance learning courses (up 50.4% on 2010).
- **Net operating revenue** in 2011 was R$1,148.4 million, up 13.0% YoY, mainly due to the increase in the student base and in the average ticket.
- **On-campus average ticket** increased 3.7% over 2010, as well as **distance learning average ticket,** confirming Estácio's capacity to pass on the inflationary effect to tuitions, combined with the students base growth.
- Consolidated **EBITDA** came to R$140.5 million in 2011, up 32.3%, with a margin expansion of 1.7 p.p. on 2010.
- **Net income** totaled R$70.2 million in 2011, yielding earnings per share of R$0.90.
- At the end of 2011, **cash and cash equivalents** stood at R$169.4 million.



ESTC3
(At 02/29/2012)

Price: R$20.83/share
Number of shares: 82.251.937
Market Cap: R$1.7 billion
Free Float: 78%

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Key Indicators in the Quarter

	Consolidated			Excluding Acquisitions		
Financial Highlights	**4Q10**	**4Q11**	**Change**	**4Q10**	**4Q11**	**Change**
Net Revenue (R$ million)	252.5	294.4	16.6%	252.5	280.2	11.0%
Gross Profit (R$ million)	79.5	100.2	26.0%	79.5	94.3	18.6%
Gross Profit margin	*31.5%*	*34.0%*	*2.5 p.p.*	*31.5%*	*33.7%*	*2.2 p.p.*
EBIT (R$ million)	10.1	11.2	10.9%	10.1	8.4	-16.8%
EBIT Margin	*4.0%*	*3.8%*	*-0.2 p.p.*	*4.0%*	*3.0%*	*-1.0 p.p.*
EBITDA (R$ million)	21.6	26.8	24.1%	21.6	23.8	10.2%
EBITDA Margin	*8.6%*	*9.1%*	*0.5 p.p.*	*8.6%*	*8.5%*	*-0.1 p.p.*
Net Income (R$ million)	21.8	2.4	-89.0%	21.8	-0.4	-101.8%
Net Income Margin	*8.6%*	*0.8%*	*-7.8 p.p.*	*8.6%*	*-0.1%*	*-8.7 p.p.*

Note: EBITDA adjusted by the addition of the operating financial result (revenue from fines and interest on tuition payments).

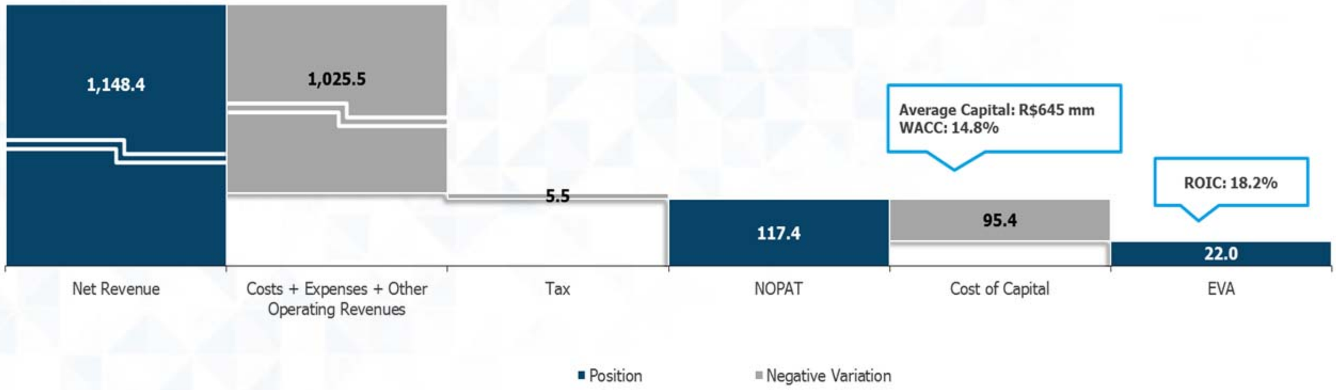
Key Indicators in the Year

	Consolidated			Excluding Acquisitions		
Financial Highlights	**2010**	**2011**	**Change**	**2010**	**2011**	**Change**
Net Revenue (R$ million)	1,016.2	1,148.4	13.0%	1,016.2	1,102.8	8.5%
Gross Profit (R$ million)	323.9	382.9	18.2%	323.9	367.1	13.3%
Gross Profit margin	*31.9%*	*33.3%*	*1.4 p.p.*	*31.9%*	*33.3%*	*1.4 p.p.*
EBIT (R$ million)	60.5	84.3	39.3%	60.5	77.9	28.8%
EBIT Margin	*6.0%*	*7.3%*	*1.3 p.p.*	*6.0%*	*7.1%*	*1.1 p.p.*
EBITDA (R$ million)	106.2	140.5	32.3%	106.2	133.6	25.8%
EBITDA Margin	*10.5%*	*12.2%*	*1.7 p.p.*	*10.5%*	*12.1%*	*1.6 p.p.*
Net Income (R$ million)	80.7	70.2	-13.0%	80.7	65.2	-19.2%
Net Income Margin	*7.9%*	*6.1%*	*-1.8 p.p.*	*7.9%*	*5.9%*	*-2.0 p.p.*

Note: EBITDA adjusted by the addition of the operating financial result (revenue from fines and interest on tuition payments).

Value Creation (Economic Value Added)

As part of our commitment and discipline to create value to our shareholders, at the end of 2011, we carried out the project to adopt the EVA methodology (Economic Value Added). This methodology takes into account the capital employed in our activities (particularly working capital and fixed assets), and seeks to measure our capability to generate return on capital, to which it is assigned an average cost. In 2011, we presented a positive EVA of R$22 million, which means we were capable to generate a return on invested capital (ROIC) higher than the cost of capital (WACC) employed in our activities, creating value to our shareholders in the most strict meaning of the word.



** NOPAT: Net Operating Profit After Tax*

Message from Management

2011 was a special year for Estácio. Our organic student base resumed its growth trend, which, combined with the outstanding growth of distance learning and our first acquisitions in this new phase of expansion, generated a 13.0% increase of our net revenue over 2010 and a 32.3% growth of our EBITDA, with a margin gain of 1.7 p.p YoY. Such performance rewards and confirms the foundations of our philosophy to seek organic growth through quality, differentiation and financial discipline and, since 2011, adding acquisitions that bring further scale and increase geographic presence to our current platform in a synergetic way, with attractive return on invested capital. Thus, our model based in quality of product, processes centralization, efficiency gains and scale, definitely results in EBITDA and EBITDA margin growth.

Those who follow us for a longer time know our long term vision and investments philosophy, based on: (i) an organizational redesign with the centralization of activities in our Shared Services Center, (ii) the implementation of a new results-oriented management and remuneration system and (iii) the development and roll-out of our new academic model, an investment of R$40 million over 4 years. The benefits of this hard work done in 2008, 2009 and 2010 were reaped in 2011, with the resumption of organic growth, improved levels of operational efficiency and the consolidation of the new organizational culture, generating growth with profitability in a sustainable way for the long run.

Another landmark in 2011, which came through the recognition of our students, is worth mentioning: in a poll carried out by the Ibope-Inteligência Institute, Estácio's textbook materials bundled in the tuitions appeared as a relevant differentiation factor for Estácio in the opinion of our students, students from our competitors and prospect students. This confirms the strength of our business model and academic model, which have in the textbook material its most tangible differentiation aspect in the moment of the enrollment decision by students. The launch of tablets in 2011, which brings the digital configuration of our academic model, makes it even more evident that Estácio has been positioning itself one step ahead in terms of providing distinct education services based on quality and innovation.

Launched in 2009, our distance learning (EAD) operation already has 39,400 students, reflecting our successful strategy and the quality of our product. We operate 52 distance learning centers, which are located in our campuses across 17 Brazilian states. Our distance learning model brings a series of advantages that are unmatched in the domestic market. The content, most of it delivered through a modern online platform, and the requirement that students visit the centers only to take their exams, provide modern students with all the convenience they need, without any loss of quality or academic performance. The complete convergence between the on-campus and distance learning curricula gives us a series of synergies such as content generation and the utilization of the same professors and tutors in both modalities. Given the excellent coverage provided by the Estácio network, using our own campuses as distance learning centers means that students visiting our EAD centers have access to a full-fledged university, complete with library, laboratories, infrastructure and tutors, enabling them to use the on-campus infrastructure and vice versa, which serves to underline Estácio's concept of convenience.

In 2011 we could finally make use of the tripod that sustains any successful company in the medium and long terms: people, processes and products. With these elements in place, the results came as a natural consequence and, more importantly, in a way which is sustainable for the future.

In the past three admission exam cycles, we grew significantly and even outpaced market growth - all without resorting to discounts or promotional campaigns, setting consecutive records while adjusting prices for inflation. All this means disciplined and sustainable growth. Our EAD business, which started from zero at the end of 2008, already has approximately 10% of market share of new enrolled students in Brazil (2010 data), growing to become one of the largest in the country and already generating extremely attractive returns over the approximate R$40 million invested in the business.

In this context, our student base started growing again, enabling us to end the year with 240,000 students (on-campus and distance learning, including acquisitions). Our net revenue reached at R$ 1,148.4 million, up 13.0% on 2010, thanks to the 3.7% growth of our organic on-campus base, the 50.4% growth of our EAD operation, the acquisitions that added around 10,000 undergraduate students, besides Academia do Concurso, which contributed with R$6,6 million to the net revenue, starting at 2Q11. Our EBITDA totaled R$140.5 million in 2011, up 32.3% on the previous year and our EBITDA margin was 12.2% p.p., 1.7 p.p. higher than in 2010, already without the 'non-recurring items' concept. As we said in 3Q11, at Estácio we disclose only one EBITDA. Note that this margin was adversely affected by the Academia do Concurso, whose first year of operations were affected by severe adjustments. Excluding Academia do Concurso's results, margin expansion would have been 2.0 p.p., which is in line with overall expectations.

2011 was also a year marked by the return to acquisitions and the acceleration of organic growth. We acquired four companies, integrating them to our network and obtaining excellent returns from the integration of processes and systems through both the Shared Services Center and our academic model. We also built two new campuses during the year, one in Rio de Janeiro and one in São Paulo, and invested in three new campuses that should start operating in 2012. Another important growth driver was our entry into a new market: preparatory courses for civil service exams, through the acquisition of Academia do Concurso. Leveraging its strong presence and leading brand in the on-campus course segment in Rio de Janeiro, we will expand Academia do Concurso nationwide through an online platform.

We also had some milestones on the financial front during the year - two loans from the International Finance Corporation (IFC), the first local bond issuance in Estácio's history, our first rating, and the launch of our ADR level I program.

Net income in 2011 was R$70.2 million, 13.0% lower than in 2010, due to: (i) a lower financial result given the decrease in our average cash position and service of new loans; (ii) the increase in depreciation and amortization, reflecting the Company's investments since the turnaround process in 2008; (iii) the non-repetition of the one-time effect on income tax and social contribution in 2010 amounting to R$13 million, detailed in the 'Net Income' section, and (iv) the sale of our operation in Paraguay, which represented an accounting, non-cash loss of R$2.2 million.

Net cash at the end of the year was R$169.4 million, resulting from an EBITDA of R$140.5 million, adversely affected by the: (i) working capital consumption given the increase in receivables; (ii) execution of a more intensive CAPEX plan for the improvement and expansion of our business and acquisitions; (iii) lower financial result and (iv) payment of dividends. Our working capital during the year was significantly affected by the increase in delinquency levels and in the FIES' share of our student base, considering that the average days receivables of FIES is higher than our average on regular tuitions.

Aware of the need to improve our cash generation, we launched several initiatives across the company to involve the entire organization in the quest to improve operating cash flows. We now have a deep understanding of our receivables and accounts payable drivers, we monitor these drivers (especially receivables) using business intelligence tools; we have set our targets for 2012 ensuring that all our employees involved in cash collection and management get their share of responsibility and we have included the cash flow management in our day-to-day managerial tasks. We are simultaneously encouraging the use of debit and credit cards, and directing FIES and PraValer (a bank financing instrument) to students with a history of payment problems. We keep our restrictive credit and debt negotiation policies and have launched a campaign called 'Universitário Responsável' (Responsible University Student) to engage our professors and employees in controlling and lowering delinquency, assigning to them this responsibility and helping to educate our students on better financial planning. Finally, the whole team is focused on finding opportunities such as releasing 'idle' escrow deposits and freezing orders, as well as selling non-core assets, apart from seeking other ways to improve our cash flows. We know that all these initiatives will produce effects in the medium term and are confident that our disciplined execution of these drivers will ensure that 2012 will bring more favorable cash generation than 2011 did.

On the management side, we decided in the fourth quarter to go ahead with the project to implement the Economic Value Added (EVA) methodology at Estácio. This methodology considers the capital employed in our operation (particularly working capital and fixed assets), and seeks to measure the Company's capacity to generate return on this capital, to which it is assigned an average carrying cost. In 2011, we presented a positive EVA of R$22 million, which means we were capable to generate a return on invested capital (ROIC) higher than the cost of capital (WACC) employed in our activities, creating value to our shareholders in the most strict sense of the word. That means despite the cash consumption caused by the increase in receivables and other factors mentioned in the previous paragraphs, Estácio was able to generate results that compensated the investment of such a capital in its operations, which directly reflects our ability to do more with less, thus creating real value to our shareholders.

In 2012, we plan to continue this process of disciplined and sustainable growth. The year will be marked by organic expansion and the continuation of acquisitions that started in 2011, besides EBITDA and Operational Cash Flow generation, and our goals will continue to direct ourselves to improvements in quality, organizational climate, institutional evaluations and our students' satisfaction, as we know that without these factors, no result is sustainable. Therefore, we believe we will see once again in 2012 proof of our theory that financial returns come through investments in quality, products, processes and people – and not through short-term breakthroughs.

Student Base

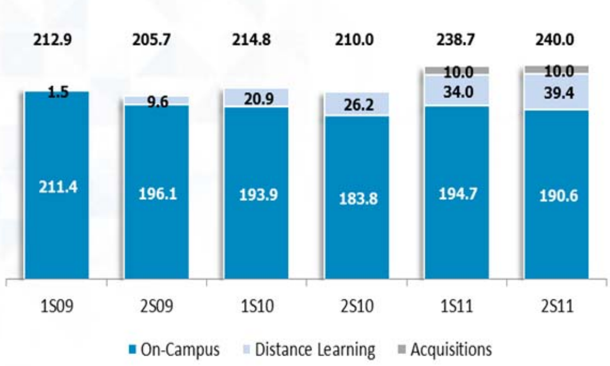
Estácio ended 2011 with a **student base** of 240,000 students (up 14.3% from 2010), with 200,600 students enrolled in on-campus programs and 39,400 in distance-learning programs, including the acquisitions of Atual, FAL and FATERN. Excluding these acquisitions, the student base in a 'same-shop' concept in 2011 stood at 230,000 students, up 9.5% from the previous year.

Table 1 – Total Student Base

'000	4Q10	4Q11	Change
On-Campus	**183.8**	**190.6**	**3.7%**
Undergraduate	173.1	179.9	3.9%
Graduate	10.7	10.7	0.0%
Distance Learning	**26.2**	**39.4**	**50.4%**
Undergraduate	23.7	37.5	58.2%
Graduate	2.5	1.9	-24.0%
Total Student Base ex-Acquisitions	**210.0**	**230.0**	**9.5%**
2011 Acquisitions	-	10.0	N.A.
Total Student Base	**210.0**	**240.0**	**14.3%**

Note: The Acquisitions line refers to the total on-campus undergraduate student base from companies acquired in 2011 (Atual, FAL and FATERN).

Chart 1 – Total Student Base



At the end of 2011, Estácio's on-campus undergraduate student base totaled 189,900 students, up 9.7% from 2010. Excluding the acquisitions during the year, the undergraduate student base ended the year at 179,900 students, 3.9% more than at the end of 2010, reinforcing the trend towards organic growth after three consecutive cycles of record enrollments. Note that around 3,000 students left our base after the sale of our Paraguay unit, as announced in 3Q11. Using the same-shops concept, excluding Paraguay, Estácio's student base organic growth would have been 5.7%.

Table 2 – Evolution of On-Campus Undergraduate Student Base

'000	4Q10	4Q11	Change
Students - Starting balance	**180.6**	**189.9**	**5.1%**
(-) Dropouts	(7.5)	(7.0)	-6.7%
Students after dropouts	**173.1**	**182.9**	**5.7%**
(-) Divestiture of Paraguay's unit	-	(3.0)	N.A.
Students - Same shops	**173.1**	**179.9**	**3.9%**
(+) Acquisitions	-	10.0	N.A.
Students - Ending balance	**173.1**	**189.9**	**9.7%**

Note: The Acquisitions line refers to the total on-campus undergraduate student base from companies acquired in 2011 (Atual, FAL and FATERN).

Besides the student base growth, dropouts decreased both in absolute and relative terms, repeating what happened in 3Q11 and already reflecting a healthier student base, which is also more satisfied with Estácio's new academic model, and a more careful management of retention processes.

Undergraduate distance learning student base grew 58.2% in 2011 to reach 37,500 students, reflecting the excellent enrollments in 2011. It is worth noting that due to new renewal processes and delinquency control policies, graduate distance learning student base showed a decrease of 600 students when compared with 4Q10.

Table 3 – Evolution of Distance Learning Undergraduate Student Base

'000	4Q10	4Q11	Change
Students - Starting Balance	**22.3**	**37.4**	**67.7%**
(+) Enrollments	4.1	4.4	7.3%
(-) Dropouts	(2.7)	(4.3)	59.3%
Students - Ending Balance	**23.7**	**37.5**	**58.2%**

Operating Revenue

Net operating revenue totaled R$294.4 million in 4Q11 and R$1,148.4 in 2011, up 16.6% and 13.0% respectively, thanks to the 14.3% growth of the student base, the positive performance of average tickets and the 1.3 p.p. gain in scholarships and discounts in 4Q11 and 0.7 p.p in 2011. Excluding acquisitions, net operating revenue totaled R$280.2 million in 4Q11 and R$1,102.8 in 2011, up 11.0% and 8.5% year-on-year, respectively.

Table 4 – Breakdown of Operating Revenue

R$ MM	4Q10	4Q11	Change	2010	2011	Change
Gross Operating Revenue	**356.3**	**411.0**	**15.4%**	**1,454.3**	**1,632.1**	**12.2%**
Monthly Tuition Fees	351.2	407.0	15.9%	1,435.7	1,608.7	12.0%
Others	5.1	4.0	-21.6%	18.6	23.4	25.8%
Gross Revenue Deductions	**(103.8)**	**(116.6)**	**12.3%**	**(438.2)**	**(483.6)**	**10.4%**
Scholarships and Discounts	(94.3)	(103.5)	9.8%	(396.5)	(433.7)	9.4%
Taxes	(9.6)	(13.1)	36.5%	(41.7)	(49.9)	19.7%
% Scholarships and Discounts/ Gross Operating Revenue	*26.5%*	*25.2%*	*-1.3 p.p.*	*27.3%*	*26.6%*	*-0.7 p.p.*
Net Operating Revenue	**252.5**	**294.4**	**16.6%**	**1,016.2**	**1,148.4**	**13.0%**

The **on-campus average ticket** in 2011 stood at R$436.2, up 3.7% over 2010, reflecting our success in applying the inflationary adjustments to our tuitions, supported by a growing perception of quality among our students.

Table 5 – Calculation of Average Ticket - On-Campus

R$ MM*	4Q10	4Q11	Change	2010	2011	Change
Gross Revenue - On-Campus	**337.8**	**377.6**	**11.8%**	**1,390.9**	**1,513.5**	**8.8%**
Deductions - On-Campus	(98.1)	(106.6)	8.7%	(419.0)	(446.2)	6.5%
Net Revenue - On-Campus	**239.7**	**271.0**	**13.1%**	**971.9**	**1,067.3**	**9.8%**
On-Campus Students - Total (000)	183.8	200.6	9.1%	192.5	203.9	5.9%
Average Ticket - On-Campus (R$)	**434.8**	**450.4**	**3.6%**	**420.8**	**436.2**	**3.7%**

** Unless otherwise stated.*

*** Annual student base calculated as the average of the final student base of the quarters.*

Table 6 – Calculation of Average Ticket - On-Campus Ex-acquisitions

R$ MM*	4Q10	4Q11	Change	2010	2011 ex-acquisitions	Change
Gross Revenue - On-Campus	**337.8**	**361.9**	**7.1%**	**1,390.9**	**1,462.1**	**5.1%**
Deductions - On-Campus	(98.1)	(102.9)	4.9%	(419.0)	(433.9)	3.6%
Net Revenue - On-Campus	**239.7**	**259.0**	**8.1%**	**971.9**	**1,028.2**	**5.8%**
On-Campus Students - Total (000)	183.8	190.6	3.7%	192.5	196.6	2.1%
Average Ticket - On-Campus (R$)	**434.8**	**453.0**	**4.2%**	**420.8**	**436.0**	**3.6%**

** Unless otherwise stated.*

*** Annual student base calculated as the average of the final student base of the quarters.*

The **distance learning average ticket** in 2011 came to R$173.2, a 3.7% increase over the previous year.

Table 7 – Calculation of Average Ticket - Distance Learning

R$ MM*	4Q10	4Q11	Change	2010	2011	Change
Gross Revenue - Distance Learning	**18.5**	**30.8**	**66.5%**	**63.5**	**110.9**	**74.6%**
Deductions - Distance Learning	(5.7)	(9.6)	68.4%	(19.2)	(36.3)	89.1%
Net Revenue - Distance Learning	**12.8**	**21.2**	**65.6%**	**44.3**	**74.6**	**68.4%**
Distance Learning Students - Total (000)	26.5	39.4	48.8%	22.1	35.9	62.4%
Average Ticket - Distance Learning (R$)	**161.0**	**179.2**	**11.3%**	**167.0**	**173.2**	**3.7%**

** Unless otherwise stated.*

*** Annual student base calculated as the average of the final student base of the quarters.*

Cost of Services

In 4Q11, the **ratio of cash cost to net revenue** reached a 2.9 p.p. margin gain, mainly due to the reduction in personnel costs (3.0 p.p. gain), rentals / real estate taxes expenses (1.2 p.p. gain) and outsourced services (0.5 p.p. gain), which more than offset the already expected increase in textbook costs (1.3 p.p.) and INSS (0.5 p.p.).

Cash cost of services in 2011 was 1.9 p.p. lower than in 2010, thanks to significant gains in personnel (reflecting the launch of the academic model and the improved academic planning) and rentals (reflecting more efficient building occupancy with the growth of the student base).

Table 8 – Breakdown of Cost of Services

R$ MM	4Q10	4Q11	Change	2010	2011	Change
Cash Cost of Services	**(167.2)**	**(186.1)**	**11.3%**	**(672.4)**	**(738.5)**	**9.8%**
Personnel	(123.3)	(136.3)	10.5%	(508.6)	(556.1)	9.3%
Salaries and Payroll Charges	(103.2)	(111.4)	7.9%	(425.7)	(455.4)	7.0%
Brazilian Social Security Institute (INSS)	(20.1)	(24.9)	23.9%	(82.9)	(100.6)	21.4%
Rentals / Real Estate Taxes Expenses	(24.5)	(24.9)	1.6%	(96.5)	(102.6)	6.3%
Textbooks Materials	(6.9)	(11.7)	69.6%	(16.6)	(29.4)	77.1%
Third-Party Services and Others	(12.5)	(13.2)	5.6%	(50.7)	(50.4)	-0.6%

Note: To better reflect the nature of costs and expenses, the following changes were made in the 2010 numbers:
(i) Third-Party Services and Others – (+2.3 million) transferred from Others in General and Administrative (G&A) Expenses to this account in Costs.
(ii) Rentals / Real Estate Taxes Expenses – (-R$7.0 million) transferred from this Account in Costs to Others in G&A.

Table 9 – Vertical Analysis of Cost of Services

% of Net Operating Revenue	4Q10	4Q11	Change	2010	2011	Change
Cash Cost of Services	**-66.2%**	**-63.3%**	***2.9 p.p.***	**-66.2%**	**-64.3%**	***1.9 p.p.***
Personnel	-48.8%	-46.3%	*2.5 p.p.*	-50.1%	-48.4%	*1.7 p.p.*
Salaries and Payroll Charges	-40.8%	-37.8%	*3.0 p.p.*	-41.9%	-39.6%	*2.3 p.p.*
Brazilian Social Security Institute (INSS)	-8.0%	-8.5%	*-0.5 p.p.*	-8.2%	-8.8%	*-0.6 p.p.*
Rentals / Real Estate Taxes Expenses	-9.7%	-8.5%	*1.2 p.p.*	-9.5%	-8.9%	*0.6 p.p.*
Textbooks Materials	-2.7%	-4.0%	*-1.3 p.p.*	-1.6%	-2.6%	*-1.0 p.p.*
Third-Party Services and Others	-5.0%	-4.5%	*0.5 p.p.*	-5.0%	-4.4%	*0.6 p.p.*

Table 10 – Cost Reconciliation

R$ MM	4Q10	4Q11	Change	2010	2011	Change
Cash Cost of Services	**(167.2)**	**(186.1)**	**11.3%**	**(672.4)**	**(738.5)**	**9.8%**
(+) Depreciation	(5.8)	(8.2)	41.4%	(19.8)	(27.1)	36.9%
Cost of Services	**(173.0)**	**(194.3)**	**12.3%**	**(692.3)**	**(765.5)**	**10.6%**

Gross Income

Table 11 – Statement of Gross Income

R$ MM	4Q10	4Q11	Change	2010	2011	Change
Net Operating Revenue	252.5	294.4	16.6%	1,016.2	1,148.4	13.0%
Cost of Services	(173.0)	(194.3)	12.3%	(692.3)	(765.5)	10.6%
Gross Profit	**79.5**	**100.2**	**26.0%**	**323.9**	**382.9**	**18.2%**
(-) Depreciation	5.8	8.2	41.4%	19.8	27.1	36.9%
Cash Gross Profit	**85.3**	**108.4**	**27.1%**	**343.7**	**410.0**	**19.3%**
Cash Gross Margin	*33.8%*	*36.8%*	*3.0 p.p.*	*33.8%*	*35.7%*	*1.9 p.p.*

Selling, General & Administrative Expenses

In 2011, **general and administrative expenses** registered a margin gain of 0.4 p.p., mainly due to the 0.6 p.p. reduction in salaries and payroll charges. This gain reflects the operating leverage that comes with growth in revenues, due to our scalable fixed administrative structure and the utilization of tools such as matrix budgeting and routine management, which offset the increase of R$5.9 million in outsourced services, caused by R$4.3 million expenses in M&A activities (consulting, legal services and others) and of R$1.6 million in collection services, due to campaigns carried out during the year aiming to recover debts in a more efficient way. G&A expenses in 4Q11 were 2.6 p.p. worse in relation to 4Q10, mainly due to the higher provision for bonus in the personnel line, which in 2011 included 340 eligible employees, compared to 225 in 2010, and also due to a larger bonus pool on account of the higher results of the period. Besides that, there was an adjustment in the third-party services line (see note “1” under table 12) which impacted 4Q10, but made the years comparable.

Selling expenses corresponded to 9.9% of net revenue in 2011, reducing margin by 0.5 p.p. from the previous year, mainly due to the 0.6 p.p. increase in the ratio of provisions for doubtful debts (PDD) to net revenue, reflecting the scenario of delinquency during the year, captured by our straightforward and transparent provision criteria. The increase in the provision was higher in 4Q11 (up 1.9 p.p. on 4Q10) when the delinquency in the first half of the year completed 180 days and was fully provisioned according to our policy for doubtful debts, maintaining the health of our receivables, as shown in the aging tables below.

Table 12 – Breakdown of Selling, General and Administrative Expenses

R$ MM	4Q10	4Q11	Change	2010	2011	Change
Selling, General and Administrative Cash Expenses	**(65.4)**	**(84.7)**	**29.5%**	**(250.3)**	**(283.5)**	**13.3%**
Selling Expenses	**(26.2)**	**(31.1)**	**18.7%**	**(95.4)**	**(113.8)**	**19.3%**
Provisions for Doubtful Debts	(15.2)	(23.4)	53.9%	(41.6)	(54.4)	30.8%
Marketing	(11.0)	(7.6)	-30.9%	(53.9)	(59.5)	10.4%
General and Administrative Expenses	**(39.2)**	**(53.6)**	**36.7%**	**(154.9)**	**(169.7)**	**9.6%**
Personnel	(21.9)	(28.5)	30.1%	(75.8)	(79.0)	4.2%
Salaries and Payroll Charges	(20.0)	(26.0)	30.0%	(65.6)	(68.1)	3.8%
Brazilian Social Security Institute (INSS)	(1.9)	(2.4)	26.3%	(10.2)	(10.9)	6.9%
Others	(17.3)	(25.1)	45.1%	(79.1)	(90.6)	14.5%
Third-Party Services	(3.5)	(12.4)	254.3%	(38.6)	(44.5)	15.3%
Machinery rentals and leasing	(0.6)	(0.6)	0.0%	(2.9)	(2.6)	-10.3%
Consumable Material	(0.3)	(0.4)	33.3%	(1.3)	(1.5)	15.4%
Provision for Contingencies	(2.2)	(3.5)	59.1%	(5.2)	(4.7)	-9.6%
Other Operating Renevue (expenses)	3.3	4.7	42.4%	11.4	12.1	6.1%
Others	(14.0)	(12.9)	-7.9%	(42.5)	(49.4)	16.2%
Depreciation	**(3.9)**	**(4.3)**	**10.3%**	**(13.0)**	**(15.1)**	**16.2%**

Note: To better reflect the nature of costs and expenses, the following changes were made in the 2010 numbers:

(i) Third-party services – (-R$7.7 million) transferred from this account to Others G&A, reflecting an adjustment in previous quarters.

(ii) Others – (-R$2.3 million) transferred from this account to Third-party Services and Other in Costs; (+R$7.0 million) transferred from Rentals / Real Estate Taxes Expenses in Costs to this account; and (+R$7.7 million) transferred from Third-party Services to this account.

Table 13 – Vertical Analysis of Selling, General and Administrative Expenses

% of Net Operating Revenue	4Q10	4Q11	Change	2010	2011	Change
Selling, General and Administrative Cash Expenses	**-26.0%**	**-28.8%**	***-2.8 p.p.***	**-24.6%**	**-24.7%**	***-0.1 p.p.***
Selling Expenses	**-10.4%**	**-10.6%**	***-0.2 p.p.***	**-9.4%**	**-9.9%**	***-0.5 p.p.***
Provisions for Doubtful Debts	-6.0%	-7.9%	*-1.9 p.p.*	-4.1%	-4.7%	*-0.6 p.p.*
Marketing	-4.4%	-2.7%	*1.7 p.p.*	-5.3%	-5.2%	*0.1 p.p.*
General and Administrative Expenses	**-15.6%**	**-18.2%**	***-2.6 p.p.***	**-15.2%**	**-14.8%**	***0.4 p.p.***
Personnel	-8.7%	-9.7%	*-1.0 p.p.*	-7.5%	-6.9%	*0.6 p.p.*
Salaries and Payroll Charges	-7.9%	-8.8%	*-0.9 p.p.*	-6.5%	-5.9%	*0.6 p.p.*
Brazilian Social Security Institute (INSS)	-0.8%	-0.9%	*-0.1 p.p.*	-1.0%	-1.0%	*0.0 p.p.*
Others	-6.9%	-8.5%	*-1.6 p.p.*	-7.8%	-7.9%	*-0.1 p.p.*
Third-Party Services	-1.4%	-4.2%	*-2.8 p.p.*	-3.8%	-3.9%	*-0.1 p.p.*
Machinery rentals and leasing	-0.2%	-0.2%	*0.0 p.p.*	-0.3%	-0.3%	*0.0 p.p.*
Consumable Material	-0.1%	-0.1%	*0.0 p.p.*	-0.1%	-0.1%	*0.0 p.p.*
Provision for Contingencies	-0.9%	-1.2%	*-0.3 p.p.*	-0.5%	-0.4%	*0.1 p.p.*
Other Operating Renevue (expenses)	1.3%	1.6%	*0.3 p.p.*	1.1%	1.1%	*0.0 p.p.*
Others	-5.6%	-4.4%	*1.2 p.p.*	-4.2%	-4.3%	*-0.1 p.p.*
Depreciation	**-1.5%**	**-1.5%**	**0.0 p.p.**	**-1.3%**	**-1.3%**	***0.0 p.p.***

EBITDA

EBITDA came to R$140.5 million in 2011, up 32.3% over 2010, accompanied by an EBITDA margin of 12.2%, up 1.7 p.p. over the previous year, mainly due to better management of personnel costs and expenses, which offset the step-up of the INSS, as well as the already expected increase in textbook material and marketing expenses. Excluding Academia do Concurso, which underwent severe one-time adjustments during the year, EBITDA margin would have improved by 2.0 p.p.

EBITDA in 4Q11 stood at R$26.8 million, up 24.1% on 4Q10, for an **EBITDA margin** of 9.1%, up 0.5 p.p. from 4Q10, lower than the annual increase due to the provision of the annual bonus in the quarter, as previously described.

Table 14 – Statement of Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

R$ MM	4Q10	4Q11	Change	2010	2011	Change
Net Revenue	**252.5**	**294.4**	**16.6%**	**1,016.2**	**1,148.4**	**13.0%**
(-) Cash Cost of Services	(167.2)	(186.1)	11.3%	(672.4)	(738.5)	9.8%
(-) Selling, General and Administrative Cash Expenses	(65.4)	(84.7)	29.5%	(250.3)	(283.5)	13.3%
(+) Operating Financial Result	1.8	3.1	72.2%	12.9	14.0	8.5%
EBITDA	**21.6**	**26.8**	**24.1%**	**106.2**	**140.5**	**32.3%**
EBITDA Margin	*8.6%*	*9.1%*	*0.5 p.p.*	*10.5%*	*12.2%*	*1.7 p.p.*

In 2011, under the 'same shops' concept, **EBITDA** was R$133.6 million, up 25.8% over 2010, for an **EBITDA margin** of 12.1%. Our challenge for 2012 is to consolidate the changes and the new model for Academia do Concurso so that it also grows in a healthy way and contributes to our consolidated margin.

Also in the 'same shops', 4Q11 **EBITDA** was R$23.8 million and **EBITDA margin** totaled 8.5%, which demonstrates we were capable of integrating the 3 acquired companies with success.

Table 15 – Statement of Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) – same shops concept

R$ MM	4Q10	4Q11 ex-acquisitions	Change	2010	2011 ex-acquisitions	Change
Net Revenue	**252.5**	**280.2**	**11.0%**	**1,016.2**	**1,102.8**	**8.5%**
(-) Cash Cost of Services	(167.2)	(177.9)	6.4%	(672.4)	(709.1)	5.5%
(-) Selling, General and Administrative Cash Expenses	(65.4)	(81.6)	24.7%	(250.3)	(274.1)	9.5%
(+) Operating Financial Result	1.8	3.0	66.7%	12.9	14.0	8.5%
EBITDA	**21.6**	**23.8**	**10.2%**	**106.2**	**133.6**	**25.8%**
EBITDA Margin	*8.6%*	*8.5%*	*-0.1 p.p.*	*10.5%*	*12.1%*	*1.6 p.p.*

Acquired Companies

The following charts show the results of the companies acquired in 2011. We will provide these details up to 12 months from the date of acquisition to enable follow-up of the Company's performance in the 'same shops' concept. After this period, the results of acquired companies will be included in the consolidated data.

Table 16 – Key Indicators of Acquired Companies in 4Q11

R$ million	Atual	FAL	FATERN	Academia do Concurso
Net Revenue	**5.2**	**2.2**	**4.8**	**1.8**
Gross Profit	**1.8**	**0.7**	**2.9**	**0.1**
Gross Margin	*34.6%*	*31.8%*	*60.4%*	*5.6%*
EBITDA	**1.1**	**0.7**	**2.2**	**-0.9**
EBITDA Margin	*21.2%*	*31.8%*	*45.8%*	*-50.0%*
Net Income	**0.9**	**0.6**	**2.4**	**-1.0**
Income Margin	*17.3%*	*27.3%*	*50.0%*	*-55.6%*

Table 17 – Key Indicators of Acquired Companies in 2011

R$ million	Atual	FAL	FATERN	Academia do Concurso
Net Revenue	**19.0**	**7.7**	**11.7**	**6.6**
Gross Profit	**6.1**	**1.6**	**5.9**	**1.6**
Gross Margin	*32.1%*	*20.5%*	*50.0%*	*24.3%*
EBITDA	**4.3**	**0.6**	**4.3**	**-2.0**
EBITDA Margin	*22.6%*	*8.0%*	*36.4%*	*-30.3%*
Net Income	**3.4**	**0.2**	**3.9**	**-2.2**
Income Margin	*17.9%*	*2.6%*	*33.5%*	*-33.4%*

** Results of acquired companies from when they started integrating Estácio's consolidated result (Atual from 01/24/2011, FAL from 02/22/2011, FATERN from 04/12/2011 and Academia do Concurso from 04/07/2011).*

As shown above, the acquired companies once again performed generally well. Our acquisitions in Natal - Estácio-FAL and Estácio-Fatern – registered positive margins in the year and in 4Q11, particularly Estácio-Fatern, which recorded EBITDA margins of 36.4% and 45.8%, respectively. Both Units are already benefitting from the implementation of the 'Natal cluster' together with our already owned Unit in the city, which is aimed at capturing synergies and economies of scale, thereby increasing their margins.

Estácio-Atual, in the most advanced stage of integration, posted an EBITDA margin of 22.6% in 2011, reflecting the excellent performance of the new Boa Vista Unit in its first year with Estácio, well above projections in the budget and business plan that supported the acquisition.

Academia do Concurso, on the other hand, continues to undergo a number of adjustments to fit it with Estácio, as it continues to structure its platform for distance-learning courses and prepare itself to market a platform of non-regulated courses that will contribute to revenue generation, thereby increasing its margins and expanding growth prospects.

Financial Result

Table 18 – Breakdown of Financial Result

R$ MM	4Q10	4Q11	Change	2010	2011	Change
Financial Revenue	**7.2**	**5.7**	**-20.8%**	**30.5**	**23.9**	**-21.6%**
Fines and interest charged	1.8	3.1	72.2%	12.9	14.1	9.3%
Income of financial applications	5.1	1.9	-62.7%	16.4	8.0	-51.2%
Other	0.3	0.7	133.3%	1.2	1.8	50.0%
Financial Expenses	**(3.6)**	**(8.5)**	**136.8%**	**(16.2)**	**(29.5)**	**82.1%**
Bank charges	(1.5)	(1.3)	-13.3%	(4.6)	(5.6)	21.7%
Interest and fianancial charges	(0.3)	(4.8)	1500.0%	(1.4)	(9.7)	592.9%
Debt relief	-	-	N.A.	-	(3.3)	N.A.
Financial Discounts	(1.7)	(0.9)	-47.1%	(7.1)	(6.7)	-5.6%
Other	(0.1)	(1.5)	1400.0%	(3.1)	(4.2)	35.5%
Financial Result	**3.6**	**(2.8)**	**-177.8%**	**14.3**	**(5.6)**	**-139.2%**

In 2011, **financial result** was a negative R$5.6 million due to a R$6.6 million decrease in financial revenues and a R$13.3 million increase in financial expenses. In the financial revenue line, the decrease was caused by the reduced amount of cash after the series of acquisitions at the beginning of the year. On the other hand,the major factor behind the increase in financial expenses over last year was the beginning of payments of the IFC loans, which were practically nonexistent in 2010.

In 4Q11, the **financial result** was a negative R$2.8 million, due to the R$1.5 million decrease in financial revenue and R$4.9 million increase in financial expenses.

Net Income

Table 19 – Reconciliation of EBITDA and Net Income

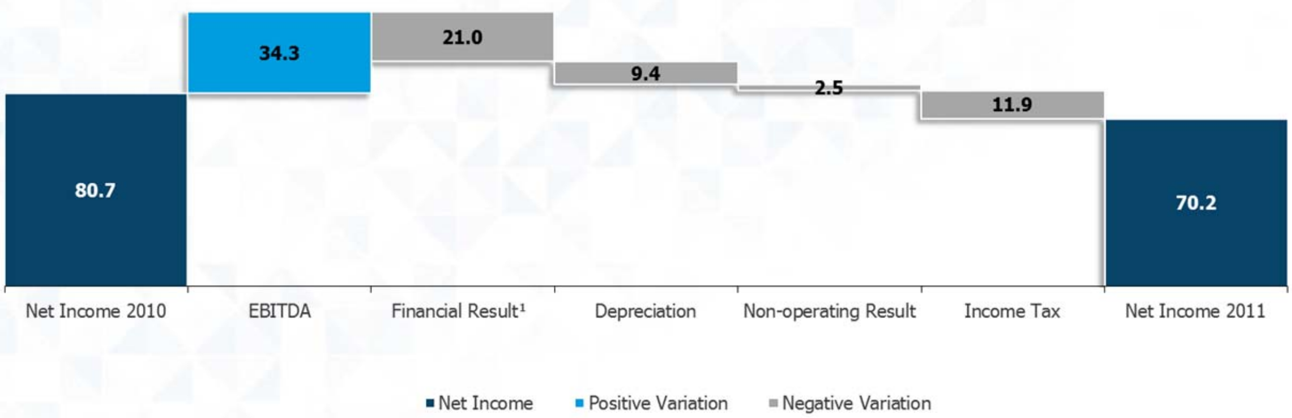
R$ MM	4Q10	4Q11	Change	2010	2011	Change
EBITDA	**21.6**	**26.8**	**24.1%**	**106.2**	**140.5**	**32.3%**
Operating Financial Result	(1.8)	(3.1)	72.2%	(12.9)	(14.0)	8.5%
Financial Result	3.6	(2.8)	-177.8%	14.3	(5.6)	-139.2%
Depreciation	(9.7)	(12.5)	28.9%	(32.8)	(42.2)	28.7%
Non-operating result	-	(1.2)	N.A.	(1.0)	(3.5)	250.0%
Social Contribution	2.1	(1.4)	-166.7%	1.8	(1.5)	-183.3%
Income Tax	5.9	(3.4)	-157.6%	5.0	(3.6)	-172.0%
Net Income	**21.8**	**2.4**	**-89.0%**	**80.7**	**70.2**	**-13.0%**

Net income in 2011 totaled R$70.2 million, down 13.0% from the previous year, due to the impact of R$13.0 million on income tax and social contribution lines (explained below) resulting from the (aforementioned) lower financial result and the R$9.4 million increase in depreciation and amortization. Note that the sale of our Paraguay operation also represented a non-cash accounting loss of R$2.2 million, which further reduced the net income in the period.

Net income in 4Q11 totaled R$2.4 million, versus R$21.8 million in 4Q10. The 89.0% decrease in net income is due to the impact of R$13.0 million on income tax and social contribution lines, the decline in the financial result (explained above) and the R$2.8 million increase in depreciation and amortization (due to the higher CAPEX).

The impact on income tax and social contribution lines is due to the nonrecurrence of the one-time gain of R$13.0 million registered in 4Q10, when deferred income tax and social contribution assets were recorded, as a result of the recognition of potential future tax deductions arising from provisions for asset retirement and for contingencies, in compliance with the accounting rules relating to the adoption of International Financial Reporting Standards (IFRS). In 2011, however, the Company recorded deferred income tax and social contribution expenses in the amount of R$1.8 million, related to the fiscal amortization of goodwill arising from companies incorporated by IREP. It is worth noting that these movements do not affect the Company's cash position.

Chart 2 – Reconciliation of Net Income from 2010 to 2011



Accounts Receivable and Average Receivable Days

The number of average **days receivables for students tuitions** stood at 65 days in 4Q11. The Company continued to adopt strict credit and negotiation policies in an effort to control the quality of its receivables, keeping the amount of renegotiation receivables stable in 2011. Nonetheless, the tuitions line increased R$84 million during the year, of which R$22 million came from acquired units.

Table 20 – Accounts Receivable and Average Receivable Days

Accounts Receivable (R$ MM)	4Q10	1Q11	2Q11	3Q11	4Q11	4Q11 ex-acquisitions
Gross Accounts Receivable	**210.9**	**234.4**	**273.1**	**283.2**	**320.8**	**295.3**
FIES	15.3	21.2	25.4	31.0	36.5	36.1
Tuition monthly fees	157.4	164.6	198.7	195.0	241.4	218.3
Credit Cards receivable	6.9	12.8	10.8	16.4	12.2	11.8
Renegotiation receivables	26.9	31.7	32.4	35.5	26.4	24.7
Fees receivables	4.4	4.1	5.7	5.3	4.4	4.4
Credits to identify	(9.2)	(5.5)	(6.8)	(5.2)	(7.4)	(7.2)
Provision for bad debts	(45.4)	(49.9)	(55.8)	(56.0)	(69.3)	(56.8)
Net Accounts Receivable	**156.4**	**179.0**	**210.5**	**221.9**	**244.1**	**231.3**
(-) FIES	(15.3)	(21.2)	(25.4)	(31.0)	(36.5)	(36.1)
Net Accounts Receivable Ex. FIES	**141.1**	**157.8**	**185.0**	**190.9**	**207.6**	**195.2**
Net Revenue (last twelve months)*	**1,016.2**	**1,288.4**	**1,119.3**	**1,106.5**	**1,148.4**	**1,102.8**
Days Receivables Ex. FIES	**50**	**44**	**60**	**62**	**65**	**64**

In line with our transparency and disclosure guidelines, from now on we will publish the calculation of the average days receivables of FIES and the calculation of the average days of gross receivables, which includes FIES and uses Gross Accounts Receivable (without discounting the PDA), given that this indicator has a direct impact in our working capital and thus with the Company's cash generation, therefore being the focus of several aforementioned actions to improve our cash flow.

Table 21 – Accounts Receivable and Average FIES Receivable Days

FIES Average Days Receivables	4Q10	1Q11	2Q11	3Q11	4Q11
FIES Receivables	15.3	21.2	25.4	31.0	36.5
Carry-Forward Credits	14.5	22.6	18.2	9.7	16.7
FIES Net Revenue (last twelve months)*	37.4	49.8	67.6	82.7	101.4
FIES Days Receivables	**287**	**317**	**233**	**177**	**189**

FIES accounts receivable stood at R$36.5 million, a R$21.2 million increase over 2010. In addition to the credits in accounts receivable, the balance sheet includes an additional R$16.7 million that were already converted into certificates and are waiting to be used for tax payment or buybacks. At the end of December, we had around 15,000 FIES students. While average receivable days for FIES has been declining, thanks to our growing efforts to improve FIES receivables management, the table above shows that the average collection time is still much higher than that of current tuitions. Although these credits present no delinquency risk, their increase impacts our working capital and therefore we are dedicated to shorten as much as possible this specific collection period, besides seeking to direct this financing instrument, as far as possible, to students with history or tendency of having difficulties to make their payments.

Average days of receivables, as shown in the table below, consider both FIES and total gross accounts receivable, without excluding PDA. As it can be seen, this figure is greater than the days receivables usually shown (as indicated in Table 20 - **Accounts Receivable and Average Receivable Days**), due to the fact it includes FIES receivables and does not discount PDA.

Table 22 – Gross Accounts Receivable and Average Receivable Days

Average Days Receivables	4Q10	1Q11	2Q11	3Q11	4Q11
Gross Accounts Receivable	210.9	234.4	273.1	283.2	320.8
Net Revenue (last twelve months)*	1,016.2	1,288.4	1,119.3	1,106.5	1,148.4
Gross Days Receivables	**75**	**65**	**88**	**92**	**101**
Gross Days Receivables Ex. FIES	**69**	**60**	**80**	**82**	**89**

The increase from 75 to 101 days during the year is directly tied to the increase in receivables, which has a direct impact on working capital and cash generation, which explains in a large extent the changes in our cash position in 2011. It is in this context that we are working to reverse this trend with the entire organization and management, in an effort to ensure a more favorable cycle already in 2012.

Table 23 – Aging of Total Gross Accounts Receivable

Breakdown of Accounts Receivable by Age (R$ million)	4Q10	%	4Q11	%
FIES	15.3	7%	36.5	11%
Not yet due	32.5	15%	60.6	19%
Overdue up to 30 days	32.3	15%	40.0	12%
Overdue from 31 to 60 days	22.0	10%	30.6	10%
Overdue from 61 to 90 days	22.0	10%	31.5	10%
Overdue from 91 to 179 days	41.5	20%	52.4	16%
Overdue more than 180 days	45.4	22%	69.3	22%
TOTAL	**211.0**	**100%**	**320.8**	**100%**

On the other hand, we remain firm in our credit policies aiming not to allow our student base to growth at the cost of unfavorable credit negotiations for the Company, which may jeopardize the future solvency of these receivables. As a result, the aging profile of our receivables did not change significantly from 2010, except for a 4 p.p. increase in the 'not yet due' line, explained by the following factors:

(i) the increase in credit cards receivables on account of the recent campaigns to encourage this risk-free payment method (+R$5 million);
(ii) agreements with companies and public sector entities (+R$9 million);
(iii) the increase in the renegotiation of overdue amounts (+R$8 million), always in line with Estácio's strict policies; and
(iv) the addition of accounts receivable from the acquired companies (+R$8 million).

At the same time, and also as a result of the adoption of strict debt renegotiation policies, only 11% of total receivables are from renegotiations agreements with students and, besides that, the percentage of receivables overdue more than 60 days represents 42% of all agreements, or 4.6% of our accounts receivable.

Table 24 – Aging of Agreements Receivable

Breakdown of Agreements by Age (R$ million)	4Q10	%	4Q11	%
Not yet due	10.9	40%	9.1	34%
Overdue up to 30 days	6.6	25%	4.0	15%
Overdue from 31 to 60 days	1.3	5%	2.4	9%
Overdue from 61 to 90 days	1.6	6%	2.4	9%
Overdue from 91 to 179 days	3.2	12%	4.4	17%
Overdue more than 180 days	3.4	12%	4.2	16%
TOTAL	**26.9**	**100%**	**26.4**	**100%**
% over Accounts Receivable	**17%**		**11%**	

Our criteria remain strict, transparent and objective, as we provision 100% of receivables overdue for more than 180 days. Tables 25 and 26 show how our provision for doubtful accounts is built, and reconcile accounts balances with numbers registered in the result.

Table 25 – Constitution of Provision for Doubtful Accounts in the 2011 P&L

R$ MM	12/31/2010	Gross increase in the provision for deliquency	Deliquency recover	Net provision effect	Acquired Companies effect	Write off	12/31/2011
Tuitions and fees	45.4	104.7	(39.7)	65.1	-	(53.6)	56.8
Acquired Companies	-	1.3	(0.2)	1.1	11.3	-	12.5
TOTAL	**45.4**	**106.1**	**(39.9)**	**66.2**	**11.3**	**(53.6)**	**69.3**

Table 26 – Reconciliation of the Provision for Doubtful Accounts Balances in the Balance Sheet

	12/31/2011
Additional Provision	66.2
Credit Risk - FIES	0.2
Write off of charges and unidentified deposits	(8.2)
Sale of 2009's receivables	(3.9)
Total	**54.4**

Investments (CAPEX and Acquisitions)

Table 27 – CAPEX Breakdown

R$ million	4Q10	4Q11	Change	2010	2011	Change
Total CAPEX	**37.1**	**32.0**	**-13.7%**	**70.5**	**178.7**	**153.4%**
Maintenance	**32.4**	**14.6**	**-54.9%**	**60.0**	**47.3**	**-21.2%**
Discretionary, Expansion and Acquisitions	**4.7**	**17.4**	**270.6%**	**10.5**	**131.4**	**1151.6%**
Academic Model	4.7	5.0	**6.4%**	10.5	17.1	62.9%
New IT Architecture	-	6.2	N.A.	-	17.9	N.A.
Integration Processes	-	1.3	N.A.	-	3.8	N.A.
Computers	-	-	N.A.	-	14.1	N.A.
Expansion	-	4.9	N.A.	-	17.5	N.A.
Acquisitions	-	-	N.A.	-	61.0	N.A.

Maintenance CAPEX totaled R$14.6 million in 4Q11 and R$47.3 million in 2011, and was mainly allocated to the upgrade of systems, equipment, libraries and laboratories in our units. The Company invested around R$5.0 million in 4Q11 and R$17.1 million in 2011 in the new academic model (to build content and curricula), and R$6.2 and R$17.9 million, respectively, in the acquisition of hardware and licenses for our IT architecture revamp project, which involves replacing our legacy academic systems and preparing our hardware to meet the growth envisioned by Estácio. **Investments in expansion, revitalizations and improvements of units** totaled R$4.9 million in 4Q11 and R$17.5 million in 2011 and covered expansion and construction works at the Sulacap, Ibiúna, Tom Jobim and Marajoara II campuses and part of the investments in new units to be launched in 2012. Investment in acquisitions totaled R$ 61 million in 2011.

Capitalization and Cash

Table 28 – Capitalization and Cash

R$ MM	12/31/2010	12/31/2011
Shareholders' Equity	**585.9**	**618.9**
Cash & Cash Equivalents	**165.4**	**169.4**
Total Gross Debt	**(12.9)**	**(264.4)**
Loans and Financing	(9.6)	(254.4)
Short Term	(1.8)	(3.2)
Long Term	(7.8)	(251.2)
Commitments to Pay	(1.5)	(5.4)
Taxes Paid in Installments	(1.8)	(4.6)
Cash / Net Debt	**152.5**	**(95.0)**

At the close of 4Q11, **cash** stood at R$169.4 million, which was conservatively invested in fixed-income instruments pegged to the CDI rate, in government bonds and in certificates of deposits at top-tier Brazilian banks.

The **debt balance** of R$254.4 million in 4Q11 corresponds to the Company's first local bond issuance amounting to R$200 million, the R$48.5 million loan taken from the IFC and the capitalization of equipment leasing expenses in accordance with Federal Law 11,638. We also have commitments for future payments related to acquisitions made, in the order of R$10.0 million, and installments of taxes payable, which bring **gross debt** to R$264.4 million at the end of 4Q11.

Thus, the Company's **net debt** at the end of 4Q11 stood at R$95.0 million.

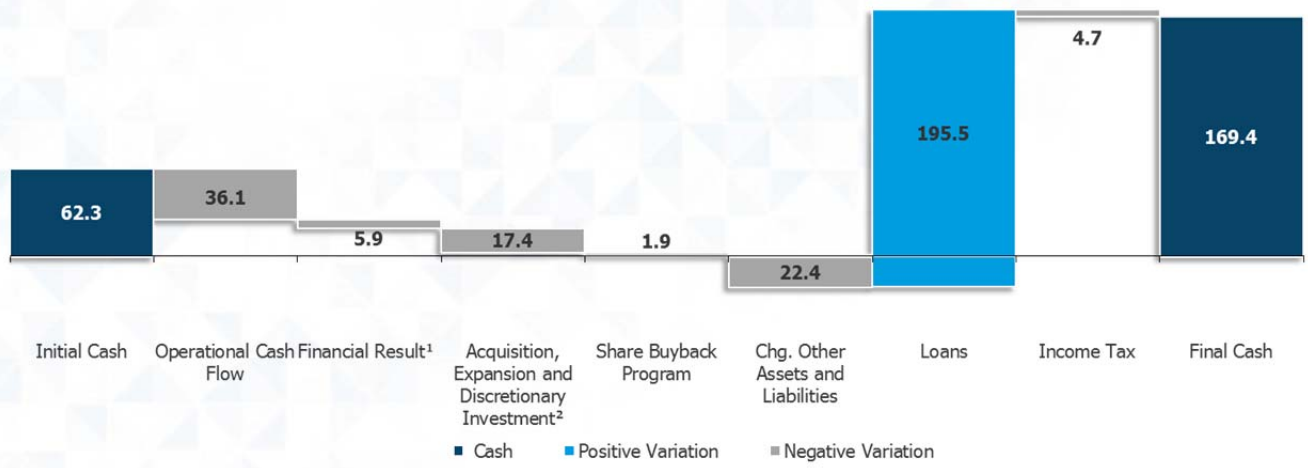
Cash Flow

In 4Q11, the working capital increase of R$48.3 million, together with the Maintenance CAPEX of R$14.6 million, consumed more than the R$26.8 million EBITDA generated in the period. The working capital increase is mainly the result of the increase in accounts receivable (R$22.1 million) and the payment of year-end salary benefits and vacation pay to employees (R$34.7 million). Note that at the end of the year we held R$36.5 million FIES receivables which had not been converted into certificates, but will benefit Estácio's cash flow during 2012, since they do not post credit risk.

Chart 3 – Operational Cash Flow (R$ million) - Quarter

In 4Q11, the negative operating cash flow, the Discretionary CAPEX (New Academic Model, Expansion & Greenfield Projects, IT Architecture Project) and the variation in other assets and liabilities (escrow deposits, carry-forward credits and others) consumed part of the R$195.5 million raised from Estácio's 1st bond issuance. It is important to note that at the end of the year we held R$16.7 million worth of certificates issued by FIES, which, though not included under cash and cash equivalents in our reports, were fully used to pay taxes (or sold at auction) in January.

Chart 4 – Cash Flow (R$ million) - Quarter



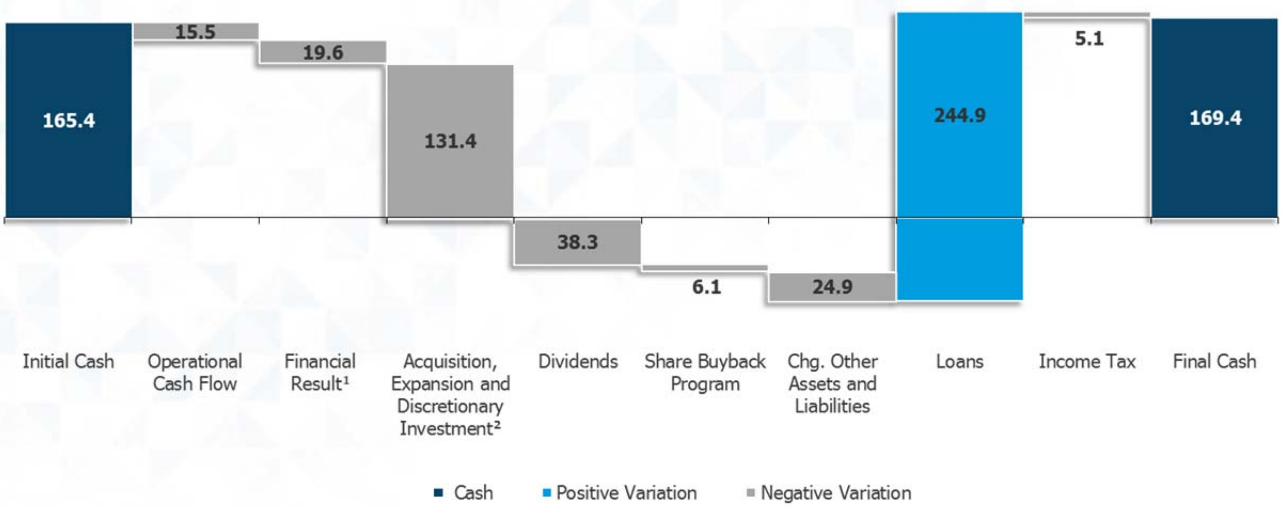
[1]Financial result excluding the operating financial result.
[2] Breakdown of Investments: Discretionary (R$12.5 million) + Expansion (R$4.9 million)

In 2011, operational cash generation (EBITDA) totaled R$140.5 million and was consumed by the working capital increase and Maintenance CAPEX, leading to a negative operating cash flow of R$15.5 million. The working capital change is explained mainly by: the increase in accounts receivable in the amount of R$87.6 million, of which R$36.5 million are FIES receivables (thus do not represent credit risk); the increase of R$11.3 million in advanced payments to suppliers and third-party services; and the decrease in early received tuitions in the amount of R$9.9 million, due to the end of discounts given for the anticipated payment of tuitions.

Chart 5 – Operational Cash Flow (R$ million) – 2011

During the year, Discretionary CAPEX (New Academic Model, replacement of computers, IT Architecture Project and Investments in Acquisitions, Expansions & Greenfields), together with the payment of dividends, stock buybacks, the impact of escrow deposits and carry-forward credits, consumed part of the R$244.9 million in loans taken during the year, leaving the cash position practically stable in comparison with the previous year. It is important to note that at the end of the year we held R$16.7 million worth of certificates issued by FIES, which, though not included under cash and cash equivalents in our reports, were fully used to pay taxes (or sold at auction) in January.

Chart 6 – Cash Flow (R$ million) – 2011



[1]Financial result excluding the operating financial result.
[2] Breakdown of Investments: Discretionary (R$52.9 million) + Acquisitions (R$61.0 million) + Expansion (R$17.5 million)

As explained in previous sections, our cash flow was severely impacted by the increase in the average days receivables of students without financing, as result of the increased delinquency in the first semester, the increase in the number of FIES students, whose average days receivables are higher than Estácio's, the increase in the Company's discretionary investments (particularly expansion, acquisitions, content production and modernization of the computer infrastructure) and the higher volume of escrow deposits and freezing orders in 2011.

Furthermore, financial revenues were lower, we maintained an active stock buyback program throughout the year and also paid dividends, all of which resulted in cash consumption beyond the business operating aspects.

For 2012, we are working with different expectations, based on a stricter control of receivables (including FIES) and an action plan to improve cash flow in each one of the lines that impact our result, besides seeking alternatives such as divestments and the removal of 'idle' freezing orders to enable a healthier cash generation. At the same time, we will continue to adopt management practices that aim to strengthen our cash position, such as the setting of cash targets for the entire Company and the gradual adoption of EVA as a performance metric for the Institution.

Key Material Facts in 4Q11

Estácio Day in New York

In an effort to strengthen our relations with foreign investors, we held the first Estácio Day in New York City on December 5.

The event, which marked Estácio Participações' first public presentation in the city, was attended by executive officers and the Company's CEO, Eduardo Alcalay. Nearly 40 shareholders and analysts interested in learning more about the Company's history and outlook for the coming years attended the event.

The Chief Financial and Investor Relations Officer, Rogério Melzi, the Chief Operating Officer, Virgílio Gibbon, the Chief Academic Officer, Paula Caleffi and the Investor Relations Manager, Flávia de Oliveira shared with investors and analysts relevant information on the Company, details of its strategy and the important achievements of each area.

Photo: Rogério Melzi, Virgílio Gibbon, Paula Caleffi, Eduardo Alcalay and Flávia de Oliveira (from left to right).

1st Bond Issuance

In December, Estácio completed its first issue of simple, local, unsecured, non-convertible bonds in a single series, for a total amount of R$200 million. The proceeds from the issue will be used to strengthen the Company's cash position to meet the demands of its expansion policy, which includes, but is not limited to, the acquisition of companies in the sector and/or the construction of new campuses.

Sustainability Projects

Socio-Environmental Management System

Being constantly aware of the needs of communities where it operates and of environmental issues is a fundamental step for an economically healthy project that contributes to the nation's development.

During 2011, Estácio improved its Sustainability Policy and the Managerial Procedures for the most important social and environmental issues, which will be put into practice at all units in the near future.

In line with the rules of the International Finance Corporation (IFC), a global investor and consultant that promotes sustainable development, Estácio has the opportunity to meet its objectives in tune with the social demands and the commitment to future generations.

2012 at Estácio, which is on the track of economic growth aligned with sustainability, will be marked by the implementation of the Socio-Environmental Management System. This project reinforces the mission "to promote the academic qualification and professional growth of our students through quality education, while contributing to the sustainable development of the communities where Estácio operates."

Support to Sport

Always concerned with social development, Estácio has increasingly provided support to Brazilian sport through its Strategic Alliances area.

It has signed a number of partnerships with clubs, associations, institutes and NGOs, including Flamengo, Escola Zico 10, Instituto Fernanda Keller, Instituto Kinder do Brasil and the Brazilian Olympic Committee. Through these partnerships, diverse lectures are being given by athletes and former athletes as well as renowned by sports professionals to our students in our campuses throughout Brazil.

Estácio's support is given through the development of athletes, aiming to capacitate sporting talents by combining efforts allied to the application and transfer of knowledge of our core business: teaching.

A number of medalists from diverse sports, such as beach volleyball, diving, gymnastics, footvolley, track and field and tennis have either graduated from Estácio or are students of our on-campus and distance learning courses. Sandra Pires (beach volleyball), Cassius Duran (diving), Daniele and Diego Hypólito (gymnastics), Fabiano de Paula and Marcelo Demoliner (tennis) are a few of Estácio's athletes.

Moreover, in an effort to prepare professionals for the World Cup and the Olympic Games, Estácio has launched a new course in partnership with Effect Sport: Sports Business.

Thereby, Estácio is increasing the number of athletes in its student base in order to become the national reference as a post-secondary institution providing support to athletes.

Conference Calls relating to Results

Conference Call (in Portuguese)	Conference Call (in English)
Date: March 2, 2012 (Friday)	Date: March 2, 2012 (Friday)
Time: 10:00 a.m. (Brasília) / 8:00 a.m. (NY)	Time: 12:00 p.m. (Brasília) / 10:00 a.m. (NY)
Phone number: +55 (11) 3127-4971	Phone number: +1 (412) 317-6776
Password: Estácio	Password: Estácio
Webcast: www.estacioparticipacoes.com.br/ri	Webcast: www.estacioparticipacoes.com.br/ir
Replay: available until March 3, 2012	Replay: available until March 13, 2012
Phone number: +55 (11) 3127-4999	Phone number: +1 (412) 317-0088
Password: 17275654	Password: 10008978

The statements included in this report related to the prospects of the business, estimates of operating and financial results, as well as those relating to Estácio's growth prospects, are merely projections and as such are based exclusively on the Management's expectations regarding the future of the business. These statements depend substantially on changes in market conditions and the performance of the Brazilian economy, the industry and international markets and therefore are subject to changes without prior notice.

Income Statement in IFRS

R$ MM	Consolidated 4Q10	Consolidated 4Q11	Consolidated Change	Excluding Acquisitions 4Q10	Excluding Acquisitions 4Q11	Excluding Acquisitions Change
Gross Operating Revenue	**356.3**	**411.0**	**15.4%**	**356.3**	**392.7**	**10.2%**
Monthly Tuition Fees	351.2	407.0	15.9%	351.2	390.8	11.3%
Others	5.1	4.0	-21.6%	5.1	1.9	-62.7%
Gross Revenue Deductions	**(103.8)**	**(116.6)**	**12.3%**	**(103.8)**	**(112.5)**	**8.4%**
Scholarships and Discounts	(94.3)	(103.5)	9.8%	(94.3)	(100.3)	6.4%
Taxes	(9.6)	(13.1)	36.5%	(9.6)	(12.2)	27.1%
Net Operating Revenue	**252.5**	**294.4**	**16.6%**	**252.5**	**280.2**	**11.0%**
Cost of Services	**(173.0)**	**(194.3)**	**12.3%**	**(173.0)**	**(185.9)**	**7.5%**
Personnel	(123.3)	(136.3)	10.5%	(123.3)	(129.9)	5.4%
Rentals / Real Estate Taxes Expenses	(24.5)	(24.9)	1.6%	(24.5)	(24.0)	-2.0%
Textbooks Materials	(6.9)	(11.7)	69.6%	(6.9)	(11.6)	68.1%
Third-Party Services and Others	(12.5)	(13.2)	5.6%	(12.5)	(12.4)	-0.5%
Depreciation	(5.8)	(8.2)	41.4%	(5.8)	(8.1)	39.7%
Gross Profit	**79.5**	**100.2**	**26.0%**	**79.5**	**94.3**	**18.6%**
Gross Margin	***31.5%***	***34.0%***	***2.5 p.p.***	***31.5%***	***33.7%***	***2.2 p.p.***
Selling, General and Administrative Expenses	**(69.3)**	**(89.0)**	**28.4%**	**(69.3)**	**(85.9)**	**24.0%**
Selling Expenses	**(26.2)**	**(31.1)**	**18.7%**	**(26.2)**	**(29.6)**	**13.0%**
Provisions for Doubtful Debts	(15.2)	(23.4)	53.9%	(15.2)	(22.3)	46.7%
Marketing	(11.0)	(7.6)	-30.9%	(11.0)	(7.3)	-33.6%
General and Administrative Expenses	**(39.2)**	**(53.6)**	**36.7%**	**(39.2)**	**(51.9)**	**32.4%**
Personnel	(21.9)	(28.5)	30.1%	(21.9)	(28.0)	28.0%
Others	(17.3)	(25.1)	45.1%	(17.3)	(23.9)	38.2%
Depreciation	**(3.9)**	**(4.3)**	**10.3%**	**(3.9)**	**(4.3)**	**10.3%**
EBIT	**10.1**	**11.2**	**10.9%**	**10.1**	**8.4**	**-16.8%**
EBIT Margin	***4.0%***	***3.8%***	***-0.2 p.p.***	***4.0%***	***3.0%***	***-1.0 p.p.***
(+) Depreciation	9.7	12.6	29.9%	9.7	12.4	27.8%
(+) Operating Financial Result	1.8	3.1	72.2%	1.8	3.0	66.7%
EBITDA	**21.6**	**26.8**	**24.1%**	**21.6**	**23.8**	**10.2%**
EBITDA Margin	***8.6%***	***9.1%***	***0.5 p.p.***	***8.6%***	***8.5%***	***-0.1 p.p.***
Operating Financial Result	(1.8)	(3.1)	72.2%	(1.8)	(3.0)	66.7%
Financial Result	3.6	(2.8)	-177.8%	3.6	(2.7)	-175.0%
Depreciation and Amortization	(9.7)	(12.6)	29.9%	(9.7)	(12.4)	27.8%
Non-operating result	-	(1.2)	N.A.	-	(1.2)	N.A.
Social Contribution	2.1	(1.4)	-166.7%	2.1	(1.4)	-166.7%
Income Tax	5.9	(3.4)	-157.6%	5.9	(3.5)	-159.3%
Net Income	**21.8**	**2.4**	**-89.0%**	**21.8**	**(0.4)**	**-101.8%**
Net Income Margin	***8.6%***	***0.8%***	***-7.8 p.p.***	***8.6%***	***-0.1%***	***-8.7 p.p.***

R$ MM	Consolidated 2010	Consolidated 2011	Consolidated Change	Excluding Acquisitions 2010	Excluding Acquisitions 2011	Excluding Acquisitions Change
Gross Operating Revenue	**1,454.3**	**1,632.1**	**12.2%**	**1,454.3**	**1,573.0**	**8.2%**
Monthly Tuition Fees	1,435.7	1,608.7	12.0%	1,435.7	1,557.6	8.5%
Others	18.6	23.4	25.8%	18.6	15.4	-17.2%
Gross Revenue Deductions	**(438.2)**	**(483.6)**	**10.4%**	**(438.2)**	**(470.2)**	**7.3%**
Scholarships and Discounts	(396.4)	(433.7)	9.4%	(396.4)	(423.5)	6.8%
Taxes	(41.7)	(49.9)	19.7%	(41.7)	(46.8)	12.2%
Net Operating Revenue	**1,016.2**	**1,148.4**	**13.0%**	**1,016.2**	**1,102.8**	**8.5%**
Cost of Services	**(692.3)**	**(765.5)**	**10.6%**	**(692.3)**	**(735.7)**	**6.3%**
Personnel	(508.6)	(556.1)	9.3%	(508.6)	(532.6)	4.7%
Rentals / Real Estate Taxes Expenses	(96.5)	(102.6)	6.3%	(96.5)	(99.5)	3.1%
Textbooks Materials	(16.6)	(29.4)	77.1%	(16.6)	(29.0)	74.7%
Third-Party Services and Others	(50.7)	(50.4)	-0.6%	(50.7)	(48.0)	-5.3%
Depreciation	(19.8)	(27.1)	36.9%	(19.8)	(26.6)	34.3%
Gross Profit	**323.9**	**382.9**	**18.2%**	**323.9**	**367.1**	**13.3%**
Gross Margin	***31.9%***	***33.3%***	***1.4 p.p.***	***31.9%***	***33.3%***	***1.4 p.p.***
Selling, General and Administrative Expenses	**(263.4)**	**(298.6)**	**13.4%**	**(263.4)**	**(289.2)**	**9.8%**
Selling Expenses	**(95.4)**	**(113.8)**	**19.3%**	**(95.4)**	**(110.1)**	**15.4%**
Provisions for Doubtful Debts	(41.6)	(54.4)	30.8%	(41.6)	(51.9)	24.8%
Marketing	(53.9)	(59.5)	10.4%	(53.9)	(58.2)	8.0%
General and Administrative Expenses	**(154.9)**	**(169.7)**	**9.6%**	**(154.9)**	**(164.0)**	**5.9%**
Personnel	(75.8)	(79.0)	4.2%	(75.8)	(77.7)	2.5%
Others	(79.1)	(90.6)	14.5%	(79.1)	(86.3)	9.1%
Depreciation	**(13.0)**	**(15.1)**	**16.2%**	**(13.0)**	**(15.1)**	**16.2%**
EBIT	**60.5**	**84.3**	**39.3%**	**60.5**	**77.9**	**28.8%**
EBIT Margin	***6.0%***	***7.3%***	***1.3 p.p.***	***6.0%***	***7.1%***	***1.1 p.p.***
(+) Depreciation	32.8	42.2	28.7%	32.8	41.7	27.1%
(+) Operating Financial Result	12.9	14.0	8.5%	12.9	14.0	8.5%
EBITDA	**106.2**	**140.5**	**32.3%**	**106.2**	**133.6**	**25.8%**
EBITDA Margin	***10.5%***	***12.2%***	***1.7 p.p.***	***10.5%***	***12.1%***	***1.6 p.p.***
Operating Financial Result	(12.9)	(14.0)	8.5%	(12.9)	(14.0)	8.5%
Financial Result	14.3	(5.6)	-139.2%	14.3	(4.4)	-130.8%
Depreciation and Amortization	(32.8)	(42.2)	28.7%	(32.8)	(41.7)	27.1%
Non-operating result	(1.0)	(3.5)	250.0%	(1.0)	(3.5)	250.0%
Social Contribution	1.8	(1.5)	-183.3%	1.8	(1.4)	-177.8%
Income Tax	5.0	(3.6)	-172.0%	5.0	(3.5)	-170.0%
Net Income	**80.7**	**70.2**	**-13.0%**	**80.7**	**65.2**	**-19.2%**
Net Income Margin	***7.9%***	***6.1%***	***-1.8 p.p.***	***7.9%***	***5.9%***	***-2.0 p.p.***

Balance Sheet in IFRS

R$ MM	12/31/2010	09/30/2011	12/31/2011
Short-Term Assets	**390.4**	**355.2**	**497.7**
Cash & Cash Equivalents	44.7	53.7	21.9
Short-Term Investments	120.7	8.7	147.6
Accounts Receivable	156.4	221.9	244.1
Carry-Forwards Credits	14.5	9.7	16.7
Advance to Employees / Third-Parties	6.2	18.7	17.5
Related Parties	7.1	0.3	0.3
Prepaid Expenses	10.0	12.9	10.3
Others	30.8	29.3	39.5
Long-Term Assets	**414.1**	**545.3**	**571.0**
Non-Current Assets	**58.7**	**72.9**	**79.1**
Prepaid Expenses	2.2	0.6	0.7
Related Parties	3.2	-	-
Judicial Deposits	38.1	56.1	63.6
Deferred Taxes	15.3	16.1	14.9
Permanent Assets	**355.4**	**472.4**	**491.9**
Investments	7.7	0.2	0.2
Fixed Assets	211.0	250.8	263.8
Intangible	136.7	221.4	227.9
Total Assets	**804.5**	**900.5**	**1068.7**
Short-Term Liabilities	**139.5**	**143.0**	**128.5**
Loans and Financing	1.8	3.2	3.2
Suppliers	17.8	17.6	18.2
Salaries and Payroll Charges	58.0	92.2	57.5
Taxes Payable	18.9	12.2	15.6
Prepaid Monthly Tuition Fees	18.9	6.3	9.0
Taxes Paid in Installments	0.3	0.3	0.2
Dividends Payable	19.2	-	16.7
Commitments Payable	1.5	7.3	5.4
Others	3.2	3.9	2.7
Long-Term Liabilities	**79.1**	**123.4**	**321.3**
Loans and Financing	7.8	55.7	251.2
Provisions for Contingencies	36.4	30.9	32.4
Advances under Partnership Agreement	20.7	18.5	17.8
Taxes Paid in Installments	1.5	4.7	4.4
Provision for asset retirement obligations	12.7	13.6	13.7
Deferred Taxes	-	-	1.8
Others	-	-	-
Shareholders' Equity	**585.9**	**634.1**	**618.9**
Capital	360.1	364.4	364.4
Share Issuance Expenses		(2.8)	(2.8)
Capital Reserves	106.9	108.7	109.8
Earnings Reserves	100.5	100.5	153.9
Retained Earnings	-	67.8	-
Retained Translation Adjustments	(0.4)	-	-
Treasury Stocks	(0.3)	(4.4)	(6.3)
Total Liabilities and Shareholders' Equity	**804.5**	**900.5**	**1068.7**

About Estácio

Estácio is one of the largest **private sector post-secondary educational institutions** in Brazil in number of students enrolled, with a nationwide presence, in the country's major cities. Its student base has a highly diversified profile and includes mostly young working adults from the middle and lower-middle income brackets. Its growth and market leadership are due to the quality of its programs, the strategic location of its units, its competitive prices and its solid financial position.

Estácio's strengths are:

Strong Positioning to Explore the Market's Growth Potential

- Nationwide presence, with units in the country's largest urban centers
- Broad portfolio of academic programs
- Managerial and financial capacity to innovate and improve the academic programs
- The broad recognition of the 'Estácio'' brand

High Quality Learning Experience

- Nationally integrated syllabi
- Unique teaching methodology
- Highly qualified faculty

Professional and Integrated Operational Management

- Result oriented management model
- Focus on educational quality

Scalable Business Model

- Growth with profitability
- Organic expansion and through acquisitions

Financial Solidity

- Strong cash reserve
- Capacity to generate and raise funds
- Control of working capital

At the end of 2011, Estácio had 240,000 students enrolled in its undergraduate, graduate and distance learning education network with nationwide coverage, as the map shows: