2Q13 RESULTS

One Eye on the Present, and Other on the Future

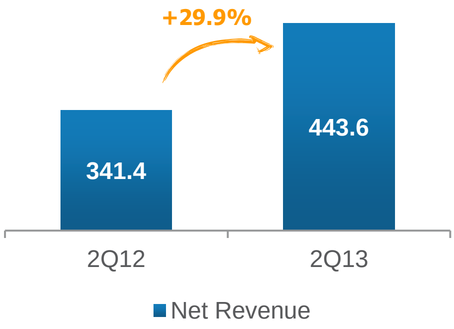
EBITDA increases by 80% to R$67 million in 2Q13
Year-to-date EBITDA already represents 73% of the 2012 total
Net income moves up by 209% to R$47 million

Rio de Janeiro, August 8, 2013 – **Estácio Participações S.A.** – "Estácio" or "Company" (BM&FBovespa: ESTC3; Bloomberg: ESTC3.BZ; Reuters: ESTC3.SA; OTC: ECPCY) announces its results for the second quarter of 2013 (2Q13) in comparison with the second quarter of 2012 (2Q12). The following accounting information is presented in accordance with International Financial Reporting Standards (IFRS) and on a consolidated basis.

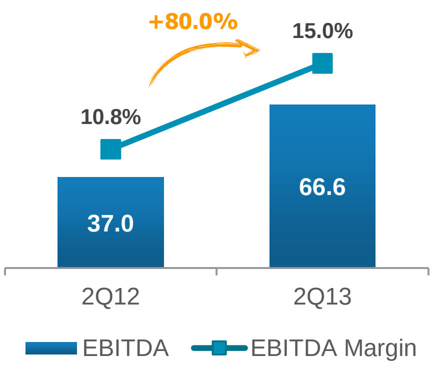
Quarter Highlights

(R$ million)

Net Revenue



EBITDA and EBITDA Margin



Highlights:

- Estácio closed 2Q13 with a **total base** of 313,400 **students**, 20.2% up on 2Q12, 254,600 of whom enrolled in on-campus programs (18.1% up year-on-year, including acquisitions) and 58,800 in distance-learning programs (29.8% more than in 2Q12).
- **Net operating revenue** came to R$443.6 million in 2Q13, 29.9% more than in the same period last year, once again due to the expansion of the student base and the real increase in the average ticket.
- **EBITDA** totaled R$66.6 million in 2Q13, 80.0% up on 2Q12, with a margin gain of 4.2 p.p.
- **Net income** came to R$46.7 million in the second quarter, a massive year-on-year improvement of 209%, while **earnings per share** came to R$0.16.
- **Operational cash flow** totaled R$41.1 million in 2Q13, R$13.1 million more than in 2Q12.
- **Cash and cash equivalents** closed 2Q13 at R$741.9 million.

ESTC3
(On August 7, 2013)

Price: R$16.99/share
Number of shares: 293,698,314
Market cap: R$5.0 billion
Free Float: 86%

IR Contacts:

Flávia de Oliveira
IR Manager
+55 (21) 3311-9789
ri@estacioparticipacoes.com

Key Indicators in the Quarter

	Consolidated			Excluding acquisitions in the last 12 months		
Financial Highlights	2Q12	2Q13	Change	2Q12	2Q13	Change
Net Revenue (R$ million)	341.4	443.6	29.9%	341.4	429.0	25.7%
Gross Profit (R$ milllion)	114.9	173.1	50.7%	114.9	169.5	47.5%
Gross Profit margin	*33.7%*	*39.0%*	*5.3 p.p.*	*33.7%*	*39.5%*	*5.8 p.p.*
EBIT (R$ million)	20.7	48.6	134.8%	20.7	46.1	122.7%
EBIT Margin	*6.1%*	*11.0%*	*4.9 p.p.*	*6.1%*	*10.7%*	*4.6 p.p.*
EBITDA (R$ million)	37.0	66.6	80.0%	37.0	63.6	71.9%
EBITDA Margin	*10.8%*	*15.0%*	*4.2 p.p.*	*10.8%*	*14.8%*	*4.0 p.p.*
Net Income (R$ milllion)	15.1	46.7	209.3%	15.1	44.6	195.4%
Net Income Margin	*4.4%*	*10.5%*	*6.1 p.p.*	*4.4%*	*10.4%*	*6.0 p.p.*

	Consolidated		
Financial Highlights	1H12	1H13	Change
Net Revenue (R$ million)	672.0	856.8	27.5%
Gross Profit (R$ milllion)	245.9	343.7	39.8%
Gross Profit margin	*36.6%*	*40.1%*	*3.5 p.p.*
EBIT (R$ million)	67.0	117.6	75.5%
EBIT Margin	*10.0%*	*13.7%*	*3.7 p.p.*
EBITDA (R$ million)	94.9	153.6	61.9%
EBITDA Margin	*14.1%*	*17.9%*	*3.8 p.p.*
Net Income (R$ milllion)	55.0	113.3	106.0%
Net Income Margin	*8.2%*	*13.2%*	*5.0 p.p.*

Note: EBITDA according CVM Rule 527.

Message from Management

Following the trend started in the second half of 2011, when all the effort we put into the turnaround of our Institution began to generate consistent results, the second quarter of 2013 once again brought excellent numbers in virtually all our financial statement lines and the EBITDA margin moved up for the tenth quarter in a row.

Thanks to a very strong intake cycle at the beginning of the year, as well as improved renewal and dropout ratios, our same-shop on-campus student base grew by 14.2% and our distance learning base by 29.8%, giving total same-shop growth of 16.6% over 2Q12. The number of students joining the FIES program also increased substantially, ending the quarter at 61,000, which should have a positive impact on future cycles. At the end of the first-half admissions cycle, 26% of our on-campus undergraduate students were using FIES.

Our average on-campus and distance learning ticket increased by 9.7% and 6.0%, respectively, reflecting the health of our business model and laying the ground for significant net revenue growth, which came to R$443.6 million in 2Q13, 29.9% up on 1Q12 (including acquired companies in the period).

As in previous quarters, the net revenue increase had a direct impact on the other lines of the result. Personnel costs recorded gains of 3.7 p.p., mainly due to the improved faculty cost management, the formation of more efficient and profitable classes, and the continuing implementation of our academic model. As a result, we closed the quarter with a gross cash margin of 41.7%, 4.6 p.p. up on 2Q12.

We also recorded gains with selling expenses due to the improvement in the provision for doubtful accounts (PDA), which has been gradually returning to its historic levels following the spike in 2012. On the other hand, the G&A Personnel line did not perform so well as in 2012, largely due to investments in headcount for new business areas that are not yet generating revenue, losses from labor lawsuits that are maturing in 2013, and higher provisions for 2013 bonus payments.

As a result, consolidated 2Q13 EBITDA totaled R$66.6 million, 80.0% more than in 2Q12, with a margin of 15.0%, up by 4.2 p.p. Year-to-date EBITDA came to R$153.6 million, 61.9% higher than in the first six months of 2012, for a margin gain of 3.8 p.p., confirming our trend towards a new profitability level. Net income totaled R$46.7 million, a hefty 209.3% year-on-year improvement, with a net margin of 10.5%, up by 6.1 p.p.

Finally, operational cash flow came to R$41.1 million in 2Q13, 47% more than in 2Q12, and R$62.6 million in the first half, further underlining our higher level of cash generation since 2012.

Besides the significant organic growth, we continue our efforts to accelerate our growth rates, aiming to take full advantage of the good times we are experiencing. In this context, we obtained an important victory when the *Diário Oficial da União* published the official recognition of our distance learning Pedagogy course, thereby concluding the second of three steps towards concluding the process of coverage increase for our distance learning operation, currently under way with the Ministry of Education.

On another front, which is likely to become increasingly important in the coming years, our graduate programs also reported strong results, fueled by the changes in this segment management, following the creation of the Continuing Education Office at the end of 2012. Our graduate student base increased by 26.4% to 15,800 on-campus students and 4,800 distance learning students. We keep working on the development of a new graduate program academic model based on the same innovative principles we used to build our undergraduate academic model, which will be gradually introduced in the second half of 2013. We also began activities in the Corporate Solutions area, which was created to directly meet the needs of Brazil's most important employers. In the M&A area, we announced the acquisition of ASSESC, an institution of enormous potential in Florianópolis, Santa Catarina.

We are aware that all this growth is the fruit of what we planned and executed with great discipline between 2008 and 2012. So, as we reap the rewards of what we sowed in previous years, in terms of exceptionally healthy results, we are just as concerned about planting new seeds for the years to come. As a result, and as we explained in our previous results disclosure, we are more aware than ever of the need to invest in what we call the 3Ps – Products, Processes, and People – which have led us to where we are today.

Efforts to strengthen these pillars can be seen throughout the entire company and include initiatives such as the development of the “Academic Model 2.0”, which will bring many innovations to our already successful academic model, the “Operational Benchmarking Project”, which seeks to identify and define best practices for each main process, and our management and leadership development programs, which are the basis of our People pillar and are absolutely essential for Estácio's sustainable growth.

At the same time, we are redoubling our efforts to disseminate our Culture throughout the entire Institution, so that every single member is aware of our principles, shares the same dreams, pursues the same targets and always seeks to exceed their goals while working for the benefit of our students and colleagues. This is the Culture we dream of. And here at Estácio, Culture continues to be the strategy.

Student Base

Estácio ended 2Q13 with a base of 313,400 students (20.2% more than in 2Q12), 254,600 of whom enrolled in on-campus programs and 58,800 in distance-learning programs. The same-shop student base (excluding acquisitions in the last 12 months) grew by 16.6% over the same period last year. It is also worth noting the acquisition of ASSESC in Florianópolis, Santa Catarina, announced in June, whose approximately 900 students will be consolidated in our student base in the coming quarters.

Table 1 – Total Student Base *

'000	2Q12	2Q13	Change
On-Campus	**215.5**	**245.4**	**13.9%**
Undergraduate	201.1	229.6	14.2%
Graduate	14.4	15.8	9.7%
Distance Learning	**45.3**	**58.8**	**29.8%**
Undergraduate	43.4	54.0	24.4%
Graduate	1.9	4.8	152.6%
Student Base - same shops	**260.8**	**304.2**	**16.6%**
Acquisitions in the last 12 months	-	9.2	N.A.
Total Student Base	**260.8**	**313.4**	**20.2%**
# Campuses	71	77	8.5%
On-Campus Students per Campus	**3,036**	**3,187**	**5.0%**
# Distance Learning Centers	52	52	0.0%
Distance Learning Students per Center	**871**	**1,131**	**29.8%**

Note: Acquisitions in the last 12 months refer to students from FARGS, São Luís, Uniuol and FACITEC. Students from SEAMA and iDez are already included in the same-shop student base.

Estácio's **on-campus undergraduate base** totaled 238,800 students at the close of 2Q13, 18.7% more than at the end of 2Q12. Same-shop growth, excluding the institutions acquired in the last 12 months, came to 14.2%.

Table 2 – Evolution of On-Campus Undergraduate Student Base*

'000	2Q12	2Q13	Change
Students - Starting balance	**219.4**	**259.1**	**18.1%**
(+/-) Acquisitions in the last 12 months (until 1Q13)	3.1	(5.6)	N.A.
Renewable Base	**222.5**	**253.5**	**13.9%**
(-) Dropouts	(21.4)	(23.9)	11.7%
Students - same shops	**201.1**	**229.6**	**14.2%**
(+) Acquisitions in the last 12 months	-	9.2	N.A.
Students - Ending Balance	**201.1**	**238.8**	**18.7%**

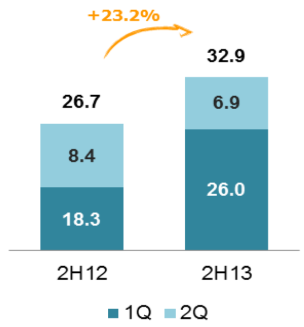
Our **distance learning undergraduate student base** grew by 24.4% over 2Q12 to 54,000 students.

Table 3 – Evolution of Distance Learning Undergraduate Student Base*

'000	2Q12	2Q13	Change
Students - Starting Balance	**46.3**	**61.6**	**33.0%**
(-) Graduates	-	(0.9)	N.A.
(+) Enrollments	8.4	6.9	-17.9%
(-) Dropouts	(11.3)	(13.6)	20.4%
Students - Ending Balance	**43.4**	**54.0**	**24.4%**

(*) Figures not reviewed by the auditors

Graph 1 – Evolution of Distance Learning Enrollments (undergraduate)



It is worth mentioning the **distance learning enrollment** growth when considering the two intake cycles in the first semester of 2013. In 1H13, we had 32,900 new DL undergraduate students, 23% up on 1H12. Another positive was the decrease in the dropout rate this quarter, which recorded a 2.0 p.p. improvement in comparison to 2Q12.

Operating Revenue

Net operating revenue came to R$443.6 million in 2Q13, 29.9% up on 2Q12, due to the 20.2% expansion of the student base and the average ticket increase.

It is worth noting once again that, as of 4Q12, we have changed the provisioning methodology for students contracting loans through the FIES Guarantee Fund (FGEDUC). Over the revenues of these students, we must make a contribution in order to constitute the Fund. This contribution, currently 5.63%, has been recorded as a deduction from gross revenue (in the FGEDUC line) and no longer as selling expenses under the PDA (provision for doubtful accounts) line, as previously.

Table 4 – Operating Revenue

R$ MM	2Q12	2Q13	Change	1H12	1H13	Change
Gross Operating Revenue	**484.8**	**615.0**	**26.9%**	**966.0**	**1,228.8**	**27.2%**
Monthly Tuition Fees	477.8	608.4	27.3%	954.6	1,215.8	27.4%
Others	7.0	6.6	-5.7%	11.3	12.9	14.2%
Gross Revenue Deductions	**(143.4)**	**(171.4)**	**19.5%**	**(294.0)**	**(372.0)**	**26.5%**
Scholarships and Discounts	(127.2)	(149.9)	17.8%	(263.1)	(330.5)	25.6%
Taxes	(16.2)	(18.0)	11.1%	(31.0)	(36.4)	17.4%
FGEDUC	-	(3.6)	N.A.		(5.2)	N.A.
% Scholarships and Discounts/ Gross Operating Revenue	*26.2%*	*24.4%*	*-1.9 p.p.*	*27.2%*	*26.9%*	*-0.3 p.p.*
Net Operating Revenue	**341.4**	**443.6**	**29.9%**	**672.0**	**856.8**	**27.5%**

In 2Q13, the **average on-campus and distance learning ticket** recorded respective increases of 9.7%, above inflation, and 6.0%, in line with inflation, once more achieving our aim of ensuring that price hikes are at least in step with inflation. Our capacity to increase prices in a sustainable manner, at a similar pace to last year's, is proof that students have a growing perception of our quality and are attributing more value to our product. As a highlight, after the enrollment cycle, we saw a 1.9 p.p. decrease in the scholarships and discounts/gross operating revenue ratio. In 1H13, the gain was 0.3 p.p., an evidence of the healthy student base growth, which is not coming due to scholarships and discounts increase.

Table 5 – Calculation of the Average Ticket in 2Q13 – On-Campus

'000	2Q12	2Q13	Change
On-Campus Undergraduate Student Base	201.1	238.8	18.7%
(+) On-Campus Graduate Student Base	14.4	15.8	9.7%
(=) Revenue Generating On-Campus Student Base	215.5	254.6	18.1%
On-Campus Gross Revenue	442.8	560.0	26.5%
On-Campus Deductions	(128.7)	(153.0)	18.9%
On-Campus Net Revenue (R$ million)	314.1	407.1	29.6%
On-Campus Average Ticket (R$)	485.8	533.0	9.7%

Note: Calculation of the average ticket does not include revenue from Academia do Concurso.

Table 6 – Calculation of the Average Ticket in 2Q13 – Distance Learning

'000	2Q12	2Q13	Change
Distance Learning Undergraduate Student Base	43.4	54.0	24.4%
(+) Distance Learning Graduate Student Base	1.9	4.8	152.6%
(=) Revenue Generating Distance Learning Student Base	45.3	58.8	29.8%
Distance Learning Gross Revenue	39.9	53.3	33.6%
Distance Learning Deductions	(14.4)	(18.2)	26.4%
Distance Learning Net Revenue (R$ million)	25.5	35.1	37.6%
Distance Learning Average Ticket (R$)	187.7	199.0	6.0%

Cost of Services

In 2Q13, the **cash cost to net revenue ratio** recorded a significant efficiency gain of 4.6 p.p. over 2Q12, thanks to gains in the following lines: (i) 2.0 p.p. in personnel; (ii) 1.7 p.p. in the INSS line, partly due to a R$3,0 million reversion related to better tax management, compensating negative effects from labor lawsuits that have been impacting us in 2013; (iii) 0.2 p.p. in rentals, due to cost dilution with the growth of the student base; and (iv) 0.7 p.p. in third-party services, thanks to scale gains.

Table 7 – Breakdown of Cost of Services

R$ MM	2Q12	2Q13	Change	1H12	1H13	Change
Cost of Services	(214.9)	(258.6)	20.3%	(406.9)	(489.6)	20.3%
Personnel	(160.1)	(191.4)	19.6%	(303.9)	(370.8)	22.0%
Salaries and Payroll Charges	(131.4)	(161.9)	23.2%	(249.4)	(309.6)	24.1%
Brazilian Social Security Institute (INSS)	(28.6)	(29.5)	3.1%	(54.5)	(61.3)	12.5%
Rentals / Real Estate Taxes Expenses	(27.6)	(35.0)	26.8%	(57.6)	(65.5)	13.7%
Textbooks Materials	(12.4)	(15.8)	27.4%	(18.0)	(22.9)	27.2%
Third-Party Services and Others	(14.8)	(16.4)	10.8%	(27.4)	(30.4)	10.9%

Table 8 – Vertical Analysis of Cost of Services

% of Net Operating Revenue	2Q12	2Q13	Change	1H12	1H13	Change
Cost of Services	-62.9%	-58.3%	*4.6 p.p.*	-60.6%	-57.1%	*3.5 p.p.*
Personnel	-46.9%	-43.2%	*3.7 p.p.*	-45.2%	-43.3%	*1.9 p.p.*
Salaries and Payroll Charges	-38.5%	-36.5%	*2.0 p.p.*	-37.1%	-36.1%	*1.0 p.p.*
Brazilian Social Security Institute (INSS)	-8.4%	-6.7%	*1.7 p.p.*	-8.1%	-7.2%	*0.9 p.p.*
Rentals / Real Estate Taxes Expenses	-8.1%	-7.9%	*0.2 p.p.*	-8.6%	-7.6%	*1.0 p.p.*
Textbooks Materials	-3.6%	-3.6%	*0.0 p.p.*	-2.7%	-2.7%	*0.0 p.p.*
Third-Party Services and Others	-4.3%	-3.6%	*0.7 p.p.*	-4.1%	-3.5%	*0.6 p.p.*

Table 9 – Cost Reconciliation

R$ MM	2Q12	2Q13	Change	1H12	1H13	Change
Cash Cost of Services	(214.9)	(258.6)	20.3%	(406.9)	(489.6)	20.3%
(+) Depreciation	(11.6)	(11.9)	2.6%	(19.2)	(23.5)	22.4%
Cost of Services	(226.5)	(270.5)	19.4%	(426.1)	(513.1)	20.4%

Gross Income

Table 10 – Statement of Gross Income

R$ MM	2Q12	2Q13	Change	1H12	1H13	Change
Net Operating Revenue	341.4	443.6	29.9%	672.0	856.8	27.5%
Cost of Services	(226.5)	(270.5)	19.4%	(426.1)	(513.1)	20.4%
Gross Profit	**114.9**	**173.1**	**50.7%**	**245.9**	**343.7**	**39.8%**
(-) Depreciation	11.6	11.9	2.6%	19.2	23.5	22.4%
Cash Gross Profit	**126.5**	**185.0**	**46.2%**	**265.1**	**367.2**	**38.5%**
Cash Gross Margin	*37.1%*	*41.7%*	*4.6 p.p.*	*39.4%*	*42.9%*	*3.5 p.p.*

Selling, General and Administrative Expenses

Selling expenses represented 12.6% of 2Q13 net revenue, generating a margin gain of 1.6 p.p. over 2Q12, due to the 2.8 p.p. increase in the PDA/net revenue ratio, which more than offset the impact of the Provision for FIES line (-0.5 p.p.). It is worth noting the organic improvement in PDA over the previous year, even considering the impact of the Provision for FIES (which was recognized under PDA in 2Q12). More details on our "Provisioning for FIES" can be found in "Annex I", at the end of this release (page 23).

General and administrative expenses recorded a 2.0 p.p. year-on-year margin loss, chiefly due to losses of: (i) 1.5 p.p. in personnel, due to salary increases following the collective bargaining agreement and the increase in headcount, related to the creation of new business areas, which still generate none or little revenues, and to the linearization of bonus provisioning in 2013; and (ii) 0.7 p.p. under provision for contingencies, largely due to the reversal that benefited this line in 2Q12.

Table 11 – Selling, General and Administrative Expenses

R$ MM	2Q12	2Q13	Change	1H12	1H13	Change
Selling, General and Administrative Cash Expenses	**(89.4)**	**(118.4)**	**32.4%**	**(170.2)**	**(213.5)**	**25.4%**
Selling Expenses	**(48.4)**	**(56.1)**	**15.9%**	**(85.8)**	**(99.0)**	**15.4%**
Provisions for Doubtful Accounts	(30.0)	(26.8)	-10.7%	(44.0)	(41.6)	-5.5%
Provision for FIES	-	(2.1)	N.A.	-	(3.2)	N.A.
Marketing	(18.4)	(27.1)	47.3%	(41.7)	(54.2)	30.0%
General and Administrative Expenses	**(41.0)**	**(62.3)**	**52.0%**	(84.4)	**(114.5)**	**35.7%**
Personnel	(20.8)	(33.6)	61.5%	(41.7)	(59.0)	41.5%
Salaries and Payroll Charges	(17.9)	(29.7)	65.9%	(35.8)	(51.8)	44.7%
Brazilian Social Security Institute (INSS)	(2.9)	(3.9)	34.5%	(5.9)	(7.2)	22.0%
Others	(20.2)	(28.7)	42.1%	(42.7)	(55.5)	30.0%
Third-Party Services	(10.5)	(11.5)	9.5%	(22.6)	(24.3)	7.5%
Machinery rentals and leasing	-	(0.1)	N.A.	(0.6)	(0.6)	0.0%
Consumable Material	(0.4)	(0.5)	25.0%	(0.7)	(0.9)	28.6%
Provision for Contingencies	1.1	(1.7)	-254.5%	(0.6)	(2.0)	233.3%
Other Operating Renevue (expenses)	4.1	3.5	-14.6%	6.6	7.0	6.1%
Others	(14.6)	(18.4)	26.0%	(24.7)	(34.6)	40.1%
Depreciation	**(4.7)**	**(6.1)**	**29.8%**	**(8.7)**	**(12.5)**	**43.7%**

Table 12 – Vertical Analysis of Selling, General and Administrative Expenses

% of Net Operating Revenue	2Q12	2Q13	Change	1H12	1H13	Change
Selling, General and Administrative Cash Expenses	**-26.2%**	**-26.7%**	***-0.5 p.p.***	**-25.3%**	**-24.9%**	***0.4 p.p.***
Selling Expenses	**-14.2%**	**-12.6%**	***1.6 p.p.***	**-12.8%**	**-11.6%**	***1.2 p.p.***
Provisions for Doubtful Accounts	-8.8%	-6.0%	*2.8 p.p.*	-6.5%	-4.9%	*1.6 p.p.*
Provision for FIES	0.0%	-0.5%	*-0.5 p.p.*	0.0%	-0.4%	*-0.4 p.p.*
Marketing	-5.4%	-6.1%	*-0.7 p.p.*	-6.2%	-6.3%	*-0.1 p.p.*
General and Administrative Expenses	**-12.0%**	**-14.0%**	***-2.0 p.p.***	**-12.6%**	**-13.4%**	***-0.8 p.p.***
Personnel	-6.1%	-7.6%	*-1.5 p.p.*	-6.2%	-6.9%	*-0.7 p.p.*
Salaries and Payroll Charges	-5.2%	-6.7%	*-1.5 p.p.*	-5.3%	-6.0%	*-0.7 p.p.*
Brazilian Social Security Institute (INSS)	-0.8%	-0.9%	*-0.1 p.p.*	-0.9%	-0.9%	*0.0 p.p.*
Others	-5.9%	-6.4%	*-0.5 p.p.*	-6.4%	-6.5%	*-0.1 p.p.*
Third-Party Services	-3.1%	-2.6%	*0.5 p.p.*	-3.4%	-2.8%	*0.6 p.p.*
Machinery rentals and leasing	0.0%	0.0%	*0.0 p.p.*	-0.1%	-0.1%	*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	0.3%	-0.4%	*-0.7 p.p.*	-0.1%	-0.2%	*-0.1 p.p.*
Other Operating Renevue (expenses)	1.2%	0.8%	*-0.4 p.p.*	1.0%	0.8%	*-0.2 p.p.*
Others	-4.3%	-4.1%	*0.2 p.p.*	-3.7%	-4.0%	*-0.3 p.p.*
Depreciation	**-1.4%**	**-1.4%**	***0.0 p.p.***	**-1.3%**	**-1.5%**	***-0.2 p.p.***

EBITDA

EBITDA totaled R$66.6 million in 2Q13, 80.0% up on 2Q12, with an **EBITDA margin** of 15.0%, up by 4.2 p.p. It is worth emphasizing that our EBITDA was calculated in accordance with the concept proposed by CVM Rule 527 (i.e. excluding the operating financial result and non-recurring items). Once again, EBITDA moved up substantially, unquestionably reflecting our growing capacity to attract students, benefiting from our highly scalable business model, and our efforts to manage and control costs and expenses, which are becoming increasingly efficient thanks to our management model.

Table 13 – Statement of Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

R$ MM	2Q12	2Q13	Change	1H12	1H13	Change
Net Revenue	**341.4**	**443.6**	**29.9%**	**672.0**	**856.8**	**27.5%**
(-) Cash Cost of Services	(214.9)	(258.6)	20.3%	(406.9)	(489.6)	20.3%
(-) Selling, General and Administrative Cash Expenses	(89.4)	(118.4)	32.4%	(170.2)	(213.5)	25.4%
EBITDA	**37.0**	**66.6**	**80.0%**	**94.9**	**153.6**	**61.9%**
EBITDA Margin	*10.8%*	*15.0%*	*4.2 p.p.*	*14.1%*	*17.9%*	*3.8 p.p.*

Under the same-shop concept, excluding acquisitions in the last 12 months (Uniuol, FARGS, Fac, São Luís and FACITEC), 2Q13 EBITDA totaled R$63.6 million, 71.8% up year-on-year, with an EBITDA margin of 14.8%, up by 4.0 p.p.

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

R$ MM	2Q12	2Q13 ex-acquisitions	Change
Net Revenue	**341.4**	**429.0**	**25.7%**
(-) Cash Cost of Services	(214.9)	(248.1)	15.4%
(-) Selling, General and Administrative Cash Expenses	(89.4)	(117.3)	31.2%
EBITDA	**37.0**	**63.6**	**71.8%**
EBITDA Margin	*10.8%*	*14.8%*	*4.0 p.p.*

Companies Acquired

The following chart shows the 2Q13 results of the companies acquired in the last 12 months (Uniuol, FARGS, Fac. São Luís and FACITEC). These details will be provided up to 12 months as of the acquisition date to enable follow-up of the Company's performance under the same-shop concept. The acquisitions made in the first half of 2012 (SEAMA and iDez) are already consolidated in our results, as are the companies acquired in 2011. It is also worth noting that we announced the acquisition of ASSESC, in Santa Catarina, in June, which will be incorporated into our results in the coming quarters.

Table 15 – Key Indicators of Acquired Companies in 2Q13

R$ million	Uniuol	FARGS	São Luis	FACITEC	Total
Net Revenue	0.2	1.6	8.2	4.6	14.6
Gross Profit	-0.1	-0.6	2.7	1.5	3.5
Gross Margin	*-50.0%*	*-37.5%*	*32.9%*	*32.6%*	*24.0%*
EBITDA	-0.1	-0.3	3.0	0.4	3.0
EBITDA Margin	*-50.0%*	*-18.8%*	*36.6%*	*8.7%*	*20.5%*
Net Income	-0.1	-0.9	2.8	0.3	2.1
Income Margin	*-50.0%*	*-56.3%*	*34.1%*	*6.5%*	*14.4%*

Financial Result

Table 16 – Breakdown of the Financial Result

R$ MM	2Q12	2Q13	Change	1H12	1H13	Change
Financial Revenue	**5.5**	**11.8**	**114.5%**	**14.1**	**23.1**	**63.8%**
Fines and interest charged	1.5	0.2	N.A.	5.5	3.2	-41.8%
Income of financial applications	3.1	11.4	267.4%	7.3	19.6	168.5%
Other	0.9	0.2	-72.9%	1.3	0.3	-76.9%
Financial Expenses	**(12.5)**	**(11.4)**	**-8.8%**	**(25.2)**	**(24.4)**	**-3.2%**
Bank charges	(1.1)	(1.7)	54.5%	(3.4)	(3.4)	0.0%
Interest and fianancial charges	(6.6)	(6.5)	-1.5%	(14.4)	(12.6)	-12.5%
Financial Discounts	(4.2)	(0.9)	-79.3%	(5.1)	(4.7)	-7.8%
Other	(0.7)	(2.4)	244.1%	(2.3)	(3.8)	65.2%
Financial Result	**(7.1)**	**0.3**	**-104.2%**	**(11.1)**	**(1.3)**	**-88.3%**

The 2Q13 **financial result** was positive by R$0.3 million, a R$7.4 million improvement over 2Q12, chiefly due to the R$8.3 million increase in income from financial investments as a result of the higher volume of cash available for investment. The financial discounts line recorded a decline over previous quarters, which also benefited the financial result this quarter. It is worth noting that this line usually varies with specific renegotiating campaigns, launched during enrollment cycles, which are aimed at former students who want to renegotiate their debts and re-enroll in our courses under Estácio's terms. With that in mind, it is more interesting to observe the behavior of financial discounts in the whole semester, in order to avoid seasonality effects.

Net Income

Table 17 – Reconciliation of EBITDA and Net Income

R$ MM	2Q12	2Q13	Change	1H12	1H13	Change
EBITDA	**37.0**	**66.6**	**80.0%**	**94.9**	**153.6**	**61.9%**
Financial Result	(7.1)	0.3	N.A.	(11.1)	(1.4)	-87.4%
Depreciation	(16.3)	(17.9)	9.8%	(27.9)	(36.0)	29.0%
Social Contribution	0.4	(0.7)	N.A.	(0.2)	(0.9)	350.0%
Income Tax	1.0	(1.6)	N.A.	(0.7)	(2.1)	200.0%
Net Income	**15.1**	**46.7**	**209.3%**	**55.0**	**113.3**	**106.0%**

Estácio posted 2Q13 **net income** of R$46.7 million, 209% more than in 2Q12, due to the almost 30% increase in net revenue and efficiency gains in the cost and expense lines, which led to EBITDA growth of 80.0%. It is also worth mentioning the R$7.4 million improvement in the financial result. **Earnings per share** came to R$0.16 in 2Q13.

FIES

As expected, the **FIES student base** recorded substantial growth over 1Q13, totaling 61,100 students at the end of June, 102% up year-on-year and 25% more than in the previous quarter, representing 25.6% of our on-campus undergraduate student base at end of the semester. The 12,200-student increase during the academic semester confirms the growing adhesion to the FIES program, especially among freshmen. At the end of the first half, 20,400 students who enrolled in 2013 also took FIES, which is equivalent to around 23% of total enrollments for on-campus courses in 1H13.

Table 18 – FIES Student Base

('000)	2Q12	3Q12	4Q12	1Q13	2Q13	Change
On-campus undergraduate students	201.1	221.7	209.9	259.1	238.8	18.7%
FIES Student Base	**30.3**	**39.5**	**41.3**	**48.9**	**61.1**	**101.6%**
% of FIES Students	15.1%	17.8%	19.7%	18.9%	25.6%	*10.5 p.p.*

Accounts Receivable and Average Receivable Days

The number of **net student receivables days** (tuition and agreements), including FIES receivables and net revenue, averaged 79 days, 6 less than in 1Q13 and 2 more than in 2Q12. Excluding FIES net revenue and receivables, the average receivables period was 85 days, 9 days more than 2Q12. The fact that this figure remained at the same levels of the previous quarter is directly related to the process of contracting FIES, which lasted until June 30. Thus, at the end of the semester, we still had around 5,000 students adhering to FIES, whose non-FIES tuitions were part of our Accounts Receivable. Once these FIES applications are concluded, we cancel the non-FIES tuitions, with a counterparty recording in the FIES Accounts Receivable.

Table 19 – Accounts Receivable and Average Receivable Days

Accounts Receivable (R$ MM)	2Q12	3Q12	4Q12	1Q13	2Q13
Gross Accounts Receivable	**350.9**	**351.6**	**362.3**	**428.5**	**439.7**
FIES	36.5	45.0	55.7	82.2	77.3
Tuition monthly fees	261.7	251.5	267.7	289.9	307.7
Credit Cards receivable	20.0	25.3	19.0	27.1	23.8
Renegotiation receivables	32.8	29.8	19.9	29.3	30.9
Fees receivables	(0.0)	-	-	-	-
Credits to identify	(5.7)	(5.3)	(6.2)	(3.6)	(3.6)
Provision for bad debts	(77.2)	(81.9)	(76.4)	(77.6)	(90.2)
Net Accounts Receivable	**268.0**	**264.4**	**279.7**	**347.4**	**345.9**
Net Revenue (last twelve months)	**1,254.7**	**1,316.1**	**1,383.3**	**1,466.0**	**1,568.1**
Days Receivables	**77**	**72**	**73**	**85**	**79**
Net Revenue Ex. FIES (last twelve months)	**1,096.9**	**1,098.1**	**1,111.3**	**1,133.3**	**1,143.9**
Days Receivables Ex. FIES and FIES Revenue	**76**	**72**	**73**	**84**	**85**

Table 20 – Accounts Receivable and Average FIES Receivable Days

FIES Average Days Receivables	2Q12	3Q12	4Q12	1Q13	2Q13
FIES Receivables	36.5	45.0	55.7	82.2	77.3
FIES Carry-Forward Credits	2.3	10.9	1.1	0.4	0.5
FIES Net Revenue (last twelve months)	157.8	218.0	272.0	332.7	424.2
FIES Days Receivables	**88**	**92**	**75**	**89**	**66**

FIES accounts receivable fell by R$4.9 million over 1Q13, as a result of the normalization of the process of transferring FIES certifications following the period in which a greater volume of FIES contracts were amended in 1Q13. In fact, we had R$153.2 million in FIES transfers in 2Q13 alone, R$78.5 million up on the previous quarter. As observed in 1Q13, the concentration of contract amendment processes in the odd quarters increased the average FIES days receivables. This scenario was reversed, due to the reduction of the average FIES receivables period to 66 days in 2Q13, 23 less than 1Q13 and 22 less than in 2Q12, despite the substantially higher FIES student base.

We believe the level of our FIES accounts receivable, around R$77 million, or approximately 1.5 to 2 times the FIES monthly net revenues, is appropriate for the sustainable expansion of the FIES base in our operation.

FIES carry-forward credits remained in line with 1Q13, as a result of repurchase auctions and tax payments that have been occurring normally.

Table 21 – Evolution of FIES Accounts Receivable*

FIES Accounts Receivable (R$ MM)	2Q12	3Q12	4Q12	1Q13	2Q13
Opening Balance	**55.4**	**36.5**	**45.0**	**55.7**	**82.2**
(+) FIES Net Revenue	60.7	78.7	90.2	103.1	152.2
(-) Transfer	75.6	70.1	81.0	74.7	153.2
(-) FIES PDA	4.1	1.0	-1.8	2.0	4.2
(+) Acquisitions	-	0.8	-0.3	0.0	0.3
Ending Balance	**36.5**	**45.0**	**55.7**	**82.2**	**77.3**

(*) Figures not reviewed by the auditors

Table 22 – Evolution of FIES Carry-Forward Credits*

FIES Carry-Forward Credits (R$ MM)	2Q12	3Q12	4Q12	1Q13	2Q13
Opening Balance	**8.0**	**2.3**	**10.9**	**1.1**	**0.4**
(+) Transfer	75.6	70.1	81.0	74.7	153.2
(-) Tax payment	33.0	43.0	48.5	44.7	59.9
(-) Repurchase auctions	50.2	18.5	42.7	30.6	93.2
(+) Acquisitions	1.9	0.0	0.4	0.0	0.0
Ending Balance	**2.3**	**10.9**	**1.1**	**0.4**	**0.5**

Table 23 – Aging of Gross Total Accounts Receivable

Breakdown of Accounts Receivable by Age (R$ million)	2Q12	%	2Q13	%
FIES	36.5	10%	77.3	18%
Not yet due	76.2	22%	78.4	18%
Overdue up to 30 days	43.9	13%	45.2	10%
Overdue from 31 to 60 days	29.0	8%	40.7	9%
Overdue from 61 to 90 days	33.6	10%	40.4	9%
Overdue from 91 to 179 days	54.6	16%	67.5	15%
Overdue more than 180 days	77.2	22%	90.2	21%
TOTAL	**350.9**	**100%**	**439.7**	**100%**

Table 24 – Aging of Agreements Receivable[1]

Breakdown of Agreements by Age (R$ million)	2Q12	%	2Q13	%
Not yet due	14.1	43%	12.4	40%
Overdue up to 30 days	6.5	20%	3.4	11%
Overdue from 31 to 60 days	1.6	5%	2.0	6%
Overdue from 61 to 90 days	1.5	5%	2.2	7%
Overdue from 91 to 179 days	3.4	10%	6.0	19%
Overdue more than 180 days	5.7	17%	4.9	16%
TOTAL	**32.8**	**100%**	**30.9**	**100%**
% over Accounts Receivable	**9%**		**7%**	

[1]Excluding credit card agreements

Our second-quarter receivables portfolio remained healthy. Thanks to the continuation of our rigorous debt renegotiation policies, in 2Q13 only 7% of total receivables came from renegotiations with students, 2 p.p. lower than in 2Q12, maintaining the improvement recorded in 1Q13. In addition, the percentage of receivables from renegotiations overdue by more than 60 days accounted for 42% of total agreements, or 3.0% of total accounts receivable.

Our criteria remain rigid, clear and objective, exemplified by the fact that we provision 100% of receivables overdue by more than 180 days, complemented by the FIES provisions. Tables 25 and 26 show how our PDA is constituted, and reconciles the balance sheet amounts with those in the income statement.

Table 25 – Constitution of Provision for Doubtful Accounts in the Income Statement

R$ MM	12/31/2012	Gross increase in the provision for deliquency	Deliquency recover	Net provision effect	Write off	6/30/2013
Tuitions and fees	59.7	72.9	(23.5)	49.4	(38.4)	70.7
Acquired Companies	16.7	13.6	(5.6)	8.0	(5.3)	19.4
TOTAL	**76.4**	**86.5**	**(29.1)**	**57.4**	**(43.7)**	**90.2**

(*) Figures not reviewed by the auditors

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

	6/30/2013
Additional Provision	57.4
Write off of charges and unidentified deposits	(4.0)
Portfolio sale	(8.6)
Acquired companies at the time of acquisition	(2.6)
Others	(0.6)
Total	**41.6**

Investments (CAPEX and Acquisitions)

Table 27 – CAPEX Breakdown

R$ million	2Q12	2Q13	Change	1H12	1H13	Change
Total CAPEX	**47.4**	**56.8**	**19.8%**	**72.2**	**70.6**	**-2.2%**
Maintenance	**17.3**	**18.0**	**4.0%**	**25.7**	**26.3**	**2.3%**
Discretionary, Expansion and Acquisitions	**30.1**	**38.8**	**28.9%**	**46.5**	**44.3**	**-4.6%**
Academic Model	4.3	2.1	-51.2%	8.3	4.0	-51.9%
New IT Architecture	1.2	4.1	241.7%	5.7	5.6	-2.5%
Integration Processes	-	0.4	N.A	-	0.4	N.A.
Tablet Project	1.7	3.1	82.4%	5.3	5.2	-1.9%
Expansion	1.7	2.2	29.4%	5.9	2.2	-62.7%
Acquisitions	21.2	26.9	26.9%	21.2	26.9	26.9%

In 2Q13, **total CAPEX came to** R$56.8 million, 19.8% up on 2Q12, due to investments in acquisitions and the increase in discretionary investments, which was expected given that these lines recorded low figures in 1Q13.

Maintenance CAPEX totaled R$18.0 million, 4.0% up year-on-year, mostly allocated to upgrading software and hardware, as well as the modernization of equipment, libraries and laboratories in our units. In 2Q13, we also invested around R$2.1 million in the **Academic Model** (creation of content and distance-learning development and production), R$3.1 million in the Tablet Project and R$4.1 million in the acquisition of hardware and in the development of our IT architecture revision project, which will replace our legacy academic systems and prepare our hardware for the Company' growth.

Investments in expansion projects, as well as the revitalization and improvement of units, totaled R$2.2 million in 2Q13, including investments in new units, such as the new Parangaba campus in Fortaleza, Ceará, and in expansions, new rooms and units to be launched.

Capitalization and Cash

Table 28 – Capitalization and Cash

R$ MM	06/30/2012	03/31/2013	06/30/2013
Shareholders' Equity	**679.1**	**1,371.3**	**1,431.2**
Cash & Cash Equivalents	**167.7**	**747.5**	**741.9**
Total Gross Debt	**(272.2)**	**(309.8)**	**(315.3)**
Loans and Financing	(258.4)	(278.8)	(274.0)
Short Term	(7.7)	(14.0)	(19.5)
Long Term	(250.6)	(264.8)	(254.4)
Commitments to Pay	(9.5)	(22.8)	(32.0)
Taxes Paid in Installments	(4.4)	(8.1)	(9.3)
Cash / Net Debt	**(104.5)**	**437.7**	**426.6**

Cash and cash equivalents closed 2Q13 at R$741.9 million, conservatively invested in fixed-income instruments pegged to the CDI interbank rate, government bonds and certificates of deposit with top-tier Brazilian banks. Bank **debt** of R$274.0 million corresponded to the Company's first local debenture issue totaling R$200 million, the loan from the IFC (first loan of R$48.5 million and first withdrawal of the second line of funding, totaling R$20 million) and the capitalization of equipment leasing expenses in compliance with Federal Law 11638. We have also included the commitments for future payments related to acquisitions made, totaling around R$32.0 million, as well as taxes payable in installments, to determine our **gross debt**, which came to R$315.3 million at the end of the second quarter. Thus, the Company's **net cash** closed 2Q13 at R$426.6 million.

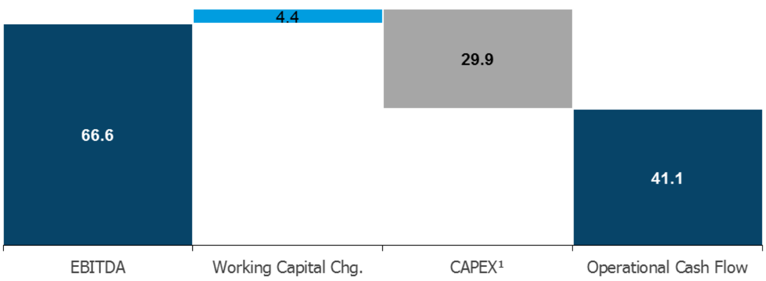
Cash Flow

In 2Q13, we recorded a positive working capital variation of R$4.4 million, while CAPEX (excluding acquisitions) totaled R$29.9 million, reflecting the expected increase in investment levels after 1Q13.

These variations plus EBITDA of R$66.6 million generated **positive operational cash flow** of R$41.1 million, confirming our expectations of higher cash generation despite the quarterly increase in CAPEX.

Operational cash flow before CAPEX came to R$71.0 million in 2Q13.

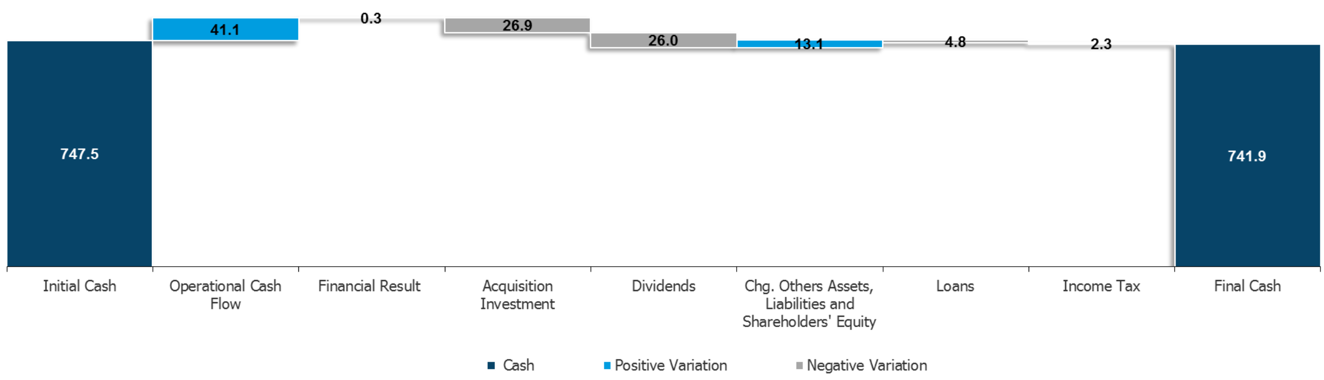
Graph 2 - Operational Cash Flow (R$ million) - Quarter



[1]CAPEX excluding Acquisitions.

This positive operational cash flow of R$41.1 million was mostly consumed by acquisitions (R$26.9 million) and dividends payment (R$26.0 million). Nevertheless, cash and cash equivalents fell by only R$5.6 million, reaching R$741.9 million at the end of the quarter.

Graph 3 – Cash Flow (R$ million) – Quarter



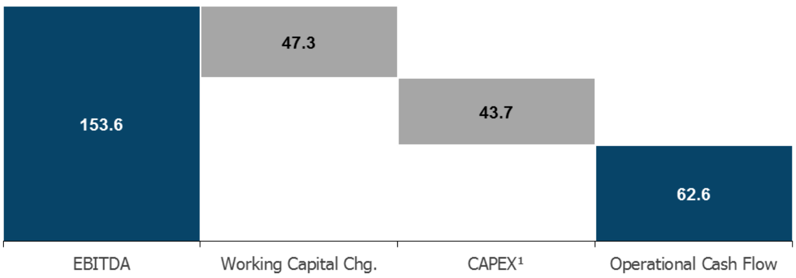
The table below gives a detailed breakdown of operational cash flow, in order to ensure a better understanding of our working capital variations.

Table 29 – Quarterly Cash Flow 2Q13 x 2Q12

In million	2Q12	2Q13
Initial Cash Position	**182.7**	**747.5**
EBITDA	**37.0**	**66.6**
Working Capital Change	**17.2**	**4.4**
Increase (Decrease) in Accounts receivable	10.5	1.4
Increase (Decrease) in Carry-Forward credits	4.8	0.0
Increase (Decrease) in Advance to employees / third-parties	(5.5)	(3.3)
Increase (Decrease) in Prepaid expenses	6.3	11.1
Increase (Decrease) in Taxes and contributions	(1.7)	(6.4)
Increase (Decrease) in Suppliers	2.5	(1.6)
Increase (Decrease) in Salaries and payroll charges	4.9	5.8
Increase (Decrease) in Taxes payable	(5.9)	(3.0)
Increase (Decrease) in Prepaid monthly tuition fees	1.9	2.7
Increase (Decrease) in Commitments payable	(0.6)	(2.2)
CAPEX	**(47.4)**	**(56.8)**
Permanent Assets Change	(31.1)	(38.8)
Depreciation and amortization	(16.3)	(17.9)
Acquisition Investment	**21.2**	**26.9**
Operational Cash Flow	**28.0**	**41.1**
Acquisition Investment	**(21.2)**	**(26.9)**
Financial Result	(7.1)	0.3
Chg. Other Assets, Liabilities and Shareholders' Equity	(9.2)	13.1
Dividends	-	(26.0)
Loans	(6.9)	(4.8)
Income Tax	1.4	(2.3)
Final Cash Position	**167.7**	**741.9**

In 1H13, operational cash flow was positive by R$61.8 million, R$22.1 million higher than in the same period last year, due to EBITDA growth and the improved cash, receivables and FIES processes management, underlining the continuous improvement in our cash generation.

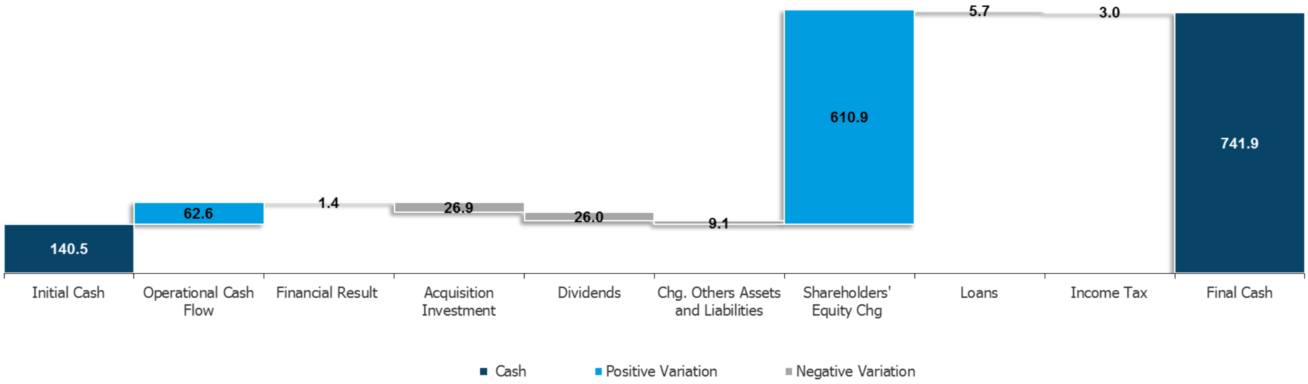
Graph 4 – Operational Cash Flow (R$ million) – Half Year



[1]CAPEX excluding acquisitions.

In 1H13, operational cash flow of R$62.6 million and the public share offering concluded in January were the main reasons for the R$601.4 million increase in our cash position, which more than offset the investments in acquisitions and the payment of dividends. Thus, Estácio's cash position stood at R$741.9 million at the end of the first half.

Graph 5 – Cash Flow (R$ million) – Half Year



Key Material Facts

Acquisition of ASSESC

On June 17, we announced the formalization of a purchase commitment to acquire Associação de Ensino de Santa Catarina (ASSESC), the controlling institution of Faculdades Integradas Associação de Ensino de Santa Catarina (FASSESC), headquartered and with a campus in Florianópolis, Santa Catarina.

Should the operation be concluded, Estácio will invest five million, eight hundred and twenty-five thousand reais (R$5,825,000.00) in ASSESC. The transaction does not involve real estate. ASSESC has approximately 915 students and 4,970 total seats, divided into ten undergraduate programs, and an average ticket of around R$570. The acquisition marks the Company's entry into the Santa Catarina state capital and will permit the consolidation of operations in Greater Florianópolis, considering the *Centro Universitário* in São José.

The acquisition also complements Estácio's course portfolio, which now covers all the main areas with high demand in the local labor market. Finally, the operation in the city will benefit from the exploration of important gains in academic quality, efficiency and scale. In 2011, ASSESC was evaluated by the Ministry of Education (MEC) and obtained a General Course Index (IGC) of 3 on a scale from 1 to 5.

Recognition of the first distance learning course

As published in the Diário Oficial da União on May 22, 2013, *Universidade Estácio de Sá*'s distance learning Pedagogy course was recognized. Besides this first one, we also had two other distance learning programs recognized this semester: Marketing and HR Management, both evaluated with a Course Concept (CC) of 4.

The recognition of the first distance learning program is one of the steps towards coverage increase (possibility of requiring new distance learning centers), following the analysis and approval of the request for new centers already filed by Estácio with MEC. The Company will keep the market informed of progress of this process.

Stock split

The Shareholders' Meeting of May 21, 2013 approved a stock split in the ratio of one existing share to three new shares of the same class and type. The split does not imply a change in the monetary expression of the Company's capital stock. Consequently, there was no change in the financial amount or individual interest of each shareholder.

The purpose of the split was to adjust the trading price of the minimum share lot issued by the Company, thus making our shares more attractive to investors and allowing for an increase in their liquidity.

Investing in our People

We commented on the 4th edition of our successful **Trainee program** in the 4Q12 earnings release, when applications closed. As of August, the 17 selected candidates are already Estácio employees, working in several areas of the Company, in Corporate and Operations. They will follow a structured program with job rotations and workshops in order to estimulate and develop each trainee.

Besides attracting new talents, we continue to increase the investments in our People, with iniciatives such as the ELO and IES programs. The **ELO program** (Efficiency for Operations Leaders, in Portuguese) had two groups concluding the program in July, enabling campus, administrative, academic and commercial managers, nationwide, to improve the operational efficiency of our current leaders, based on technical and behavioral skills development. It is a 158-hour program divided into 3 face-to-face modules and 2 online disciplines.

Picture: One of ELO's groups in the last class in July.

The **IES Program** (Grad Program in Higher Education Institutions Management) seeks to select employees to take management positions in Operations, providing the chosen ones with a *lato sensu* graduate program aimed at perfecting and specializing these professionals, thus enabling them to perform as managers in Higher Eduction business units. It is a 260-hour program divided into 4 face-to-face modules (207h), as well as distance learning disciplines (153h).

Such iniciatives show our growing investment in People, building the foundation for the Company's sustainable growth.

Estácio's shares receive ratings upgrade from Standard & Poor's

In July, Standard & Poor's Ratings Services upgraded Estácio Participações' Domestic Scale rating, including its corporate credit rating, from 'brA+' to 'brAA-'.

"Estácio's upgrade reflects the consistent improvement in its operating performance, together with a reduction in its leverage metrics and stronger liquidity. The company has expanded its student base, both organically and through acquisitions, increasing its operational cash flow while gradually improving its operating efficiency through economies of scale from the implementation of standardized academic processes and a reduction in fixed costs, as it increases the average number of students per campus." ***Standard & Poor's***

Another successful "E Day"

Picture: "E Day" in Estácio's unit in Juiz de Fora, Minas Gerais

Estácio's faculty, administrative staff, students and corporate managers took part in another national mobilization day to provide services to the community. "E Day – People teaching People" – took place on May 23, with the participation of around 6,000 employees with the sole purpose of creating a better Estácio. More than 32,000 people benefited from the initiative and more than a thousand prospective students registered for our entrance exams. Low-income communities in Brazil were able to take advantage of health services, vocational guidance and advice on legal and human resources issues.

Results Conference Call

Conference Call (in Portuguese)	Conference Call (in English)
Date: August 9, 2013 (Friday)	Date: August 9, 2013 (Friday)
Time: 10 a.m. (Brasília) / 9 a.m. (US ET)	Time: 11:30 a.m. (Brasília) / 10:30 a.m. (US ET)
Connection Dial-in Brazil: +55 (11) 3127-4971 / 3728-5971	Connection Dial-in NY: +1 (412) 317-6776
Access Code: Estácio	Access Code: Estácio
Webcast: www.estacioparticipacoes.com.br/ri	Webcast: www.estacioparticipacoes.com.br/ir
Replay: available until August 15	Replay: available until August 18
Access Dial-in Brazil: +55 (11) 3127-4999	Access Dial-in NY: +1 (412) 317-0088
Access Code: 40401060	Access Code: 10030898

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 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 change without prior notice.

Income Statement in IFRS

R$ MM	Consolidated 2Q12	Consolidated 2Q13	Consolidated Change	Excluding acquisitions in the last 12 months 2Q12	Excluding acquisitions in the last 12 months 2Q13	Excluding acquisitions in the last 12 months Change
Gross Operating Revenue	**484.8**	**615.0**	**26.9%**	**484.8**	**597.8**	**23.3%**
Monthly Tuition Fees	477.8	608.4	27.3%	477.8	591.4	23.8%
Others	7.0	6.6	-5.7%	7.0	6.4	-8.6%
Gross Revenue Deductions	**(143.4)**	**(171.4)**	**19.5%**	**(143.4)**	**(168.8)**	**17.7%**
Scholarships and Discounts	(127.2)	(149.9)	17.8%	(127.2)	(148.0)	16.3%
Taxes	(16.2)	(18.0)	11.1%	(16.2)	(17.3)	6.8%
FGEDUC	-	(3.6)	N.A.	-	(3.5)	N.A.
Net Operating Revenue	**341.4**	**443.6**	**29.9%**	**341.4**	**429.0**	**25.7%**
Cost of Services	**(226.5)**	**(270.5)**	**19.4%**	**(226.5)**	**(259.5)**	**14.6%**
Personnel	(160.1)	(191.4)	19.6%	(160.1)	(183.2)	14.4%
Rentals / Real Estate Taxes Expenses	(27.6)	(35.0)	26.8%	(27.6)	(33.6)	21.7%
Textbooks Materials	(12.4)	(15.8)	27.4%	(12.4)	(15.6)	25.8%
Third-Party Services and Others	(14.8)	(16.4)	10.8%	(14.8)	(15.7)	6.4%
Depreciation	(11.6)	(11.9)	2.6%	(11.6)	(11.4)	-1.7%
Gross Profit	**114.9**	**173.1**	**50.7%**	**114.9**	**169.5**	**47.5%**
Gross Margin	***33.7%***	***39.0%***	***5.3 p.p.***	***33.7%***	***39.5%***	***5.8 p.p.***
Selling, General and Administrative Expenses	**(94.2)**	**(124.4)**	**32.1%**	**(94.2)**	**(123.4)**	**31.0%**
Selling Expenses	**(48.4)**	**(56.1)**	**15.9%**	**(48.4)**	**(56.4)**	**16.5%**
Provisions for Doubtful Accounts	(30.0)	(26.8)	-10.7%	(30.0)	(27.2)	-9.3%
Provisions for FIES	-	(2.1)	N.A.	-	(2.1)	N.A.
Marketing	(18.4)	(27.1)	47.3%	(18.4)	(27.1)	47.3%
General and Administrative Expenses	**(41.0)**	**(62.3)**	**52.0%**	**(41.0)**	**(60.9)**	**48.5%**
Personnel	(20.8)	(33.6)	61.5%	(20.8)	(32.8)	57.9%
Others	(20.2)	(28.7)	42.1%	(20.2)	(28.1)	39.1%
Depreciation	**(4.7)**	**(6.1)**	**29.8%**	**(4.7)**	**(6.1)**	**29.8%**
EBIT	**20.7**	**48.6**	**134.8%**	**20.7**	**46.1**	**122.7%**
EBIT Margin	***6.1%***	***11.0%***	***4.9 p.p.***	***6.1%***	***10.7%***	***4.6 p.p.***
(+) Depreciation	16.3	17.9	9.8%	16.3	17.4	6.7%
EBITDA	**37.0**	**66.6**	**80.0%**	**37.0**	**63.6**	**71.9%**
EBITDA Margin	***10.8%***	***15.0%***	***4.2 p.p.***	***10.8%***	***14.8%***	***4.0 p.p.***
Financial Result	(7.1)	0.3	-104.2%	(7.1)	0.8	-111.3%
Depreciation and Amortization	(16.3)	(17.9)	9.8%	(16.3)	(17.4)	6.7%
Social Contribution	0.4	(0.7)	-275.0%	0.4	(0.7)	-275.0%
Income Tax	1.0	(1.6)	-260.0%	1.0	(1.7)	-270.0%
Net Income	**15.1**	**46.7**	**209.3%**	**15.1**	**44.6**	**195.4%**
Net Income Margin	***4.4%***	***10.5%***	***6.1 p.p.***	***4.4%***	***10.4%***	***6.0 p.p.***

R$ MM	Consolidated 1H12	1H13	Change
Gross Operating Revenue	**966.0**	**1,228.8**	**27.2%**
Monthly Tuition Fees	954.6	1,215.8	27.4%
Others	11.3	12.9	14.2%
Gross Revenue Deductions	**(294.0)**	**(372.0)**	**26.5%**
Scholarships and Discounts	(263.0)	(330.4)	25.6%
Taxes	(31.0)	(36.4)	17.4%
FGEDUC	-	(5.2)	N.A.
Net Operating Revenue	**672.0**	**856.8**	**27.5%**
Cost of Services	**(426.1)**	**(513.1)**	**20.4%**
Personnel	(303.9)	(370.8)	22.0%
Rentals / Real Estate Taxes Expenses	(57.6)	(65.5)	13.7%
Textbooks Materials	(18.0)	(22.9)	27.2%
Third-Party Services and Others	(27.4)	(30.4)	10.9%
Depreciation	(19.2)	(23.5)	22.4%
Gross Profit	**245.9**	**343.7**	**39.8%**
Gross Margin	***36.6%***	***40.1%***	***3.5 p.p.***
Selling, General and Administrative Expenses	**(178.9)**	**(226.1)**	**26.4%**
Selling Expenses	**(85.8)**	**(99.0)**	**15.4%**
Provisions for Doubtful Accounts	(44.0)	(41.6)	-5.5%
Provisions for FIES	-	(3.2)	N.A.
Marketing	(41.7)	(54.2)	30.0%
General and Administrative Expenses	**(84.4)**	**(114.5)**	**35.7%**
Personnel	(41.7)	(59.0)	41.5%
Others	(42.7)	(55.5)	30.0%
Depreciation	**(8.7)**	**(12.5)**	**43.7%**
EBIT	**67.0**	**117.6**	**75.5%**
EBIT Margin	***10.0%***	***13.7%***	***3.7 p.p.***
(+) Depreciation	27.9	36.0	29.0%
EBITDA	**94.9**	**153.6**	**61.9%**
EBITDA Margin	***14.1%***	***17.9%***	***3.8 p.p.***
Financial Result	(11.1)	(1.4)	-87.4%
Depreciation and Amortization	(27.9)	(36.0)	29.0%
Social Contribution	(0.2)	(0.9)	350.0%
Income Tax	(0.7)	(2.1)	200.0%
Net Income	**55.0**	**113.3**	**106.0%**
Net Income Margin	***8.2%***	***13.2%***	***5.0 p.p.***

Balance Sheet in IFRS

R$ MM	06/30/2012	03/31/2013	06/30/2013
Short-Term Assets	**520.5**	**1,191.3**	**1,193.4**
Cash & Cash Equivalents	17.9	18.4	6.8
Short-Term Investments	149.7	729.1	735.1
Accounts Receivable	268.0	347.4	345.9
Carry-Forwards Credits	6.2	4.9	4.9
Advance to Employees / Third-Parties	20.3	24.1	27.5
Related Parties	0.3	0.3	0.3
Prepaid Expenses	12.8	37.2	26.1
Taxes and contributions	18.6	9.6	16.0
Others	26.7	20.4	30.8
Long-Term Assets	**630.5**	**730.4**	**776.6**
Non-Current Assets	**94.4**	**131.8**	**139.2**
Prepaid Expenses	0.7	2.5	2.8
Judicial Deposits	78.8	85.3	92.5
Taxes and contributions	-	22.7	24.0
Deferred Taxes and others	15.0	21.3	19.9
Permanent Assets	**536.1**	**598.5**	**637.4**
Investments	0.2	0.2	0.2
Fixed Assets	275.9	289.2	297.3
Intangible	260.0	309.1	339.8
Total Assets	**1,151.0**	**1,921.6**	**1,969.9**
Short-Term Liabilities	**154.2**	**211.5**	**192.6**
Loans and Financing	7.7	14.0	19.5
Suppliers	20.7	29.1	27.5
Salaries and Payroll Charges	83.6	93.9	99.7
Taxes Payable	8.9	25.2	22.2
Prepaid Monthly Tuition Fees	7.2	4.7	7.4
Advances under Partnership Agreement	2.9	2.9	2.9
Taxes Paid in Installments	0.2	2.0	2.0
Dividends Payable	16.7	26.1	0.0
Commitments Payable	3.5	11.2	9.0
Others	2.9	2.4	2.4
Long-Term Liabilities	**317.6**	**338.8**	**346.2**
Loans and Financing	250.6	264.8	254.4
Provisions for Contingencies	27.0	23.8	25.4
Advances under Partnership Agreement	13.5	11.3	10.6
Taxes Paid in Installments	4.2	6.1	7.3
Provision for asset retirement obligations	13.7	14.2	14.8
Deferred Taxes	2.7	0.8	2.4
Commitments Payable	6.0	11.6	23.0
Others	-	6.2	8.2
Shareholders' Equity	**679.1**	**1,371.3**	**1,431.2**
Capital	367.8	986.2	1,000.5
Share Issuance Expenses	(2.8)	(23.4)	(26.5)
Capital Reserves	111.8	115.7	117.7
Earnings Reserves	153.9	237.6	237.6
Retained Earnings	55.0	66.6	113.3
Treasury Stocks	(6.5)	(11.3)	(11.3)
Total Liabilities and Shareholders' Equity	**1,151.0**	**1,921.6**	**1,969.9**

Annex I – Provisioning for FIES

We detail here the “Provision for FIES” line under selling expenses, which constitutes provisions for:

(i) FIES students with a guarantor (at 2.25%, as we have already been doing this year, conservatively assuming future losses of 15% from the FIES portfolio, which is approximately three times higher than historical losses from the student portfolio; the provision was constituted considering 15% of credit risk over 15% of delinquency);

(ii) FIES students with FGEDUC after April 2012 for uncovered FGEDUC risk under the current rule, i.e. provisions were constituted for the 10% not covered by FGEDUC. Over this amount, we constituted provisions for the 15% credit risk over estimated delinquency of 15% (0.225%);

(iii) FIES students with FGEDUC until March 2012 for uncovered FGEDUC risk under the former rule, i.e. provisions were constituted for the 20% not covered by FGEDUC. Over this amount, we constituted provisions for the 15% credit risk over estimated delinquency of 15% (0.450%);

(iv) FIES students with FGEDUC until March 2012, for losses on the balance of restricted deposits based on the 2% FGEDUC contribution under the former rule, recorded as Minimum Guarantee, on estimated delinquency of 15% (0.30%).

It is worth noting that items (i), (ii) and (iii) have counter entries under noncurrent liabilities in the “Provision for FIES risk line”, while item (iv) has a counter entry as a noncurrent asset reducing account – “Provision for loss of FIES restricted deposits” – as an adjustment for the expected realization of the restricted deposits account, recorded based on the 2% FGEDUC contribution under the former rule.

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 groups. 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
- Widely recognized "Estácio'' brand

High Quality Learning Experience

- Nationally integrated syllabi
- Unique teaching methodology
- Full convergence between the On-Campus and Distance Learning models
- Highly qualified faculty

Professional and Integrated Operational Management

- Result-oriented management model
- Focus on educational quality

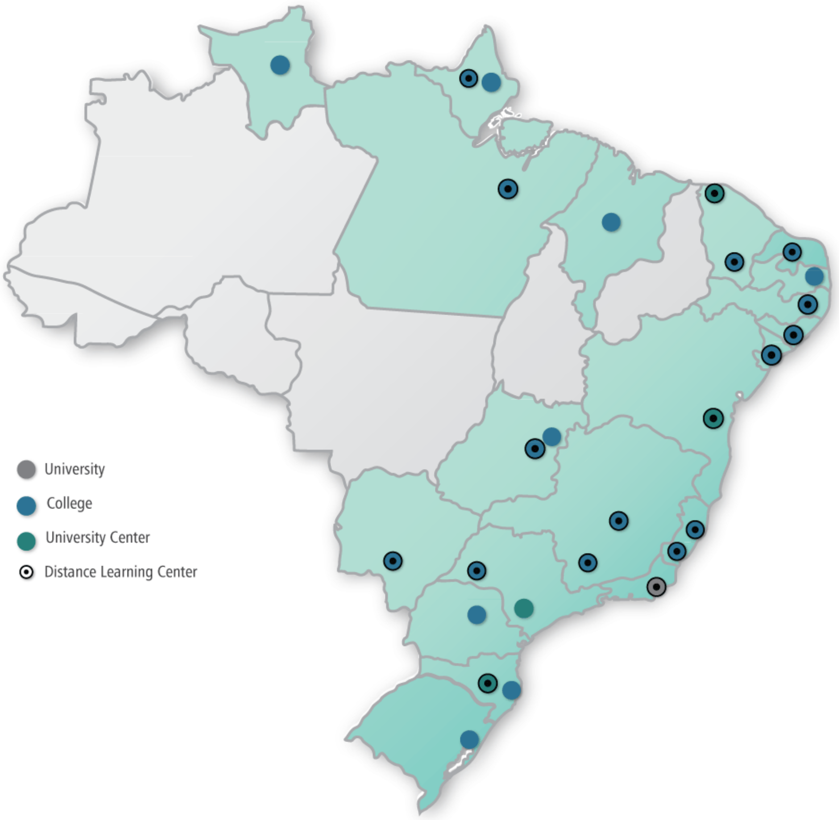
Scalable Business Model

- Growth with profitability
- Organic expansion through acquisitions

Financial Solidity

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

Estácio closed 2Q13 with 313,400 undergraduate, graduate and distance-learning students enrolled in its nationwide educational network, which now operates in 20 states, as well as the Federal District, following the acquisitions in recent years, as shown in the map below:



(A free translation of the original in Portuguese)

Estácio Participações S.A.

Quarterly Information (ITR) at
June 30, 2013 and
Report on review of quarterly information

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Sergio Zamora / Renata Santos

(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Shareholders
Estácio Participações S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Estácio Participações S.A. (the "Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2013, comprising the balance sheet as at that date and the statements of income for the quarter and six-month periods then ended, and the statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21 R1, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 R1 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 R1 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Estácio Participações S.A.

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 R1 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the six-month period ended June 30, 2013. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Rio de Janeiro, August 7, 2013

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" RJ

Claudia Eliza Medeiros de Miranda
Contadora CRC 1RJ087128/O-0

Estácio Participações S.A.

Balance sheets

All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent		Consolidated	
Assets	**June 30, 2013**	**December 31, 2012**	**June 30, 2013**	**December 31, 2012**
Current assets				
Cash and cash equivalents (Note 3)	137	132	6,838	18,132
Marketable securities (Note 3)	635,392	88,495	735,072	122,340
Accounts receivable (Note 4)			345,942	279,657
Accounts recoverable - FIES program			4,880	5,416
Advances to employees / third parties	19	24	27,464	25,957
Related parties (Note 5)	897	897	259	259
Prepaid expenses (Note 6)	35	542	26,103	30,931
Dividends receivable (Note 8)	14,000	93,699		
Interest on capital receivable	1,275	1,275		
Taxes and contributions (Note 7)	407		15,960	10,588
Other	1,984	1,364	30,836	17,947
	654,146	186,428	1,193,354	511,227
Non-current assets				
Long-term receivables				
Prepaid expenses (Note 6)			2,802	1,337
Judicial deposits (Note 16)	2,019	1,897	92,509	83,221
Deferred taxes (Note 28)			12,086	11,695
Taxes and contributions (Note 7)	6,719	6,722	24,001	20,886
Other	1,108	1,022	7,833	8,658
	9,846	9,641	139,231	125,797
Investments				
In subsidiaries (Note 8)	1,046,024	818,052		
Other			228	228
	1,046,024	818,052	228	228
Intangible assets (Note 9)	485	550	339,778	307,898
Property and equipment (Note 10)	2,526	3,707	297,349	294,660
	1,049,035	822,309	637,355	602,786
	1,058,881	831,950	776,586	728,583
	1,713,027	1,018,378	1,969,940	1,239,810

	Parent		Consolidated	
Liabilities and equity	**June 30, 2013**	**December 31, 2012**	**June 30, 2013**	**December 31, 2012**
Current liabilities				
Trade accounts payable	412	405	27,549	35,435
Borrowings and financing (Note 11)	15,436	9,978	19,549	13,856
Payroll and related charges (Note 12)	140	136	99,715	65,727
Taxes payable (Note 13)	1,008	24	22,178	22,229
Prepaid monthly tuition fees			7,363	8,854
Advances under exclusivity agreements (Note 17)	1,800	1,800	2,887	2,887
Taxes paid in installments (Note 14)			1,971	2,210
Related parties (Note 5)	4,056	3,122		
Dividends payable	7	26,051	7	26,051
Commitments payable (Note 15)			8,957	12,985
Other	4		2,418	3,078
	22,863	41,516	192,594	193,312
Non-current liabilities				
Long-term liabilities				
Borrowings and financing (Note 11)	252,376	262,327	254,449	265,868
Provision for contingencies (Note 16)			25,435	23,205
Advances under exclusivity agreements (Note 17)	6,600	7,500	10,584	12,027
Taxes paid in installments (Note 14)			7,328	6,410
Deferred taxes (Note 28)			2,392	1,638
Provision for decommissioning of assets			14,792	14,004
Commitments payable (Note 15)			23,009	11,180
Other			8,169	5,131
	258,976	269,827	346,158	339,463
Equity (Note 18)				
Share capital	1,000,462	369,319	1,000,462	369,319
Share issue costs	(26,502)	(2,819)	(26,502)	(2,819)
Capital reserves	117,686	114,298	117,686	114,298
Treasury shares	(11,348)	(11,348)	(11,348)	(11,348)
Revenue reserves	237,585	237,585	237,585	237,585
Profit for the period	113,305		113,305	
	1,431,188	707,035	1,431,188	707,035
	1,713,027	1,018,378	1,969,940	1,239,810

The accompanying notes are an integral part of this quarterly information.

Estácio Participações S.A.

Statement of income
Periods ended June 30

All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent				Consolidated			
	2013		2012		2013		2012	
	3 meses	6 meses	3 meses	6 meses	3 meses	6 meses	3 meses	6 meses
Continuing operations								
Net operating revenue (Note 23)					443,561	856,815	341,422	671,974
Cost of services (Note 24)					(270,498)	(513,111)	(226,512)	(426,079)
Gross profit					173,063	343,704	114,910	245,895
Operating income (expenses)								
Selling expenses (Note 26)					(56,088)	(99,030)	(48,441)	(85,783)
General and administrative expenses (Note 26)	(1,588)	(4,326)	(3,632)	(6,553)	(71,861)	(134,040)	(49,898)	(99,663)
Equity in the results of subsidiaries (Note 8)	44,606	111,730	21,015	67,063				
Other operating income (Note 25)	528	846	896	1,346	3,501	7,005	4,142	6,606
Operating profit	43,542	108,250	18,279	61,856	48,615	117,639	20,713	67,055
Finance income (Note 27)	9,943	17,396)	3,362	7,644	11,737	23,074	5,470	14,073
Finance costs (Note 27)	(5,976)	(11,495)	(6,577)	(14,519)	(11,411)	(24,428)	(12,535)	(25,191)
Finance income (costs), net	3,967	5,901	(3,215)	(6,875)	326	(1,354)	(7,065)	(11,118)
Profit before income tax and social contribution	47,509	114,151	15,064	54,981	48,941	116,285	13,648	55,937
Income tax (Note 28)	(619)	(619)			(1,608)	(2,051)	(63)	(685)
Social contribution (Note 28)	(227)	(227)			(670)	(929)	1,479	(245)
Profit for the period from continuing operations	46,663	113,305	15,064	54,981	46,663	113,305	15,064	55,007
Discontinued operations								
Loss from discontinued operations								(26)
Profit for the period	46,663	113,305	15,064	54,981	46,663	113,305	15,064	54,981
Attributable to								
Owners of the Company					46,663	113,305	15,064	54,981
Non-controlling interests								
Earnings per share from continuing and discontinued operations attributable to the owners of the Company during the period (expressed in R$ per share)					46,663	113,305	15,064	54,981
Basic earnings per share (Note 22)								
From continuing operations					0.00016	0.00039	0.00018	0.00022
From discontinued operations								
					0.00016	0.00039	0.00018	0.00022
Diluted earnings per share (Note 22)								
From continuing operations					0.00016	0.00038	0.00018	0.00022
From discontinued operations								
					0.00016	0.00038	0.00018	0.00022

The accompanying notes are an integral part of this quarterly information.

Estácio Participações S.A.

Statement of changes in equity

All amounts in thousands of reais (A free translation of the original in Portuguese)

				Capital reserves		Revenue reserves				
	Share capital	**Unpaid capital**	**Share issue costs**	**Share premium**	**Options granted**	**Legal**	**Profit retention**	**Treasury shares**	**Retained earnings**	**Total**
At January 1, 2012	364,392		(2,819)	96,565	13,195	13,779	140,170	(6,347)		618,935
Capital increase	3,406									3,406
Profit for the period									54,981	54,981
Options granted					2,006					2,006
Treasury shares acquired								(199)		(199)
At June 30, 2012	367,798		(2,819)	96,565	15,201	13,779	140,170	(6,546)	54,981	679,129
Capital increase	1,521									1,521
Profit for the period									54,706	54,706
Allocation of profit for the period										
Transfer to reserves						5,484	78,152		(83,636)	
Proposed dividends									(26,051)	(26,051)
Options granted					2,532					2,532)
Treasury shares acquired								(2,376)		(2,376)
Share repurchase option								(2,426)		(2,426)
At December 31, 2012	369,319		(2,819)	96,565	17,733	19,263	218,322	(11,348)		707,035
Capital increase	631,269	(126)								631,143
Share issue costs			(23,683)							(23,683)
Profit for the period									113,305	113,305
Options granted					3,388					3,388
Treasury shares acquired								(4,216)		(4,216)
Share repurchase option								4,216		4,216
At June 30, 2013	1,000,462	(126)	(26,502)	96,565	21,121	19,263	218,322	(11,348)	113,305	1,431,188

The accompanying notes are an integral part of this quarterly information.

Estácio Participações S.A.

Statement of cash flows
Periods ended June 30
All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent		Consolidated	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit before taxes and after result of discontinued operations	114,151	54,981	116,285	55,911
Adjustments to reconcile profit to net cash generated				
Depreciation and amortization	1,263	1,761	35,654	27,921
Amortization of funding costs	330		330	
Net book amount of property and equipment written off			258	143
Provision for impairment of trade receivables			41,641	44,045
Options granted		2,006	3,388	2,006
Earnings on investments	(17,196)	(6,246)	(19,567)	(7,329)
Provision for contingencies			1,999	586
Appropriation of agreements	(900)	(900)	(1,443)	(1,443)
Interest on commitments payable			1,332	
Interest on loans to subsidiaries		(94)		
Interest on borrowings and financing	11,371	13,507	11,371	13,507
Increase in provision for decommissioning of assets			788	562
Equity in the results of subsidiaries	(111,730)	(67,063)		
	(2,711)	(2,048)	192,036	135,909
Changes in assets and liabilities				
(Increase) in accounts receivable			(106,782)	(67,977)
Decrease (increase) in other assets	(617)	439	(12,352)	(505)
(Increase) decrease in advances to employees / third parties	4		(1,507)	
Decrease in prepaid expenses	508		4,828	
(Increase) decrease in taxes and contributions	(404)		(8,879)	
Increase (decrease) in trade accounts payable	7	(289)	(8,411)	2,474
Increase (decrease) in taxes payable	138	(195)	(3,086)	(7,670)
Increase (decrease) in payroll and related charges	4	(58)	33,217	26,117
(Decrease) in prepaid monthly tuition fees			(1,491)	(1,753)
Increase (decrease) in provision for contingencies			224	(6,022)
(Decrease) in deferred income tax and social contribution				(69)
Provision for decommissioning of assets				(547)
Increase (decrease) in other liabilities	4	(19)	3,130	5,144
(Decrease) in taxes paid in installments			(24)	
Changes in related parties transactions				
Decrease accounts receivables		22,942		
(Decrease) accounts payables		(2,581)		
(Increase) in non-current assets	(86)	(929)	(640)	(15,310)
(Decrease) in judicial deposits	(122)		(9,288)	
	(3,275)	17,262	80,975	69,791
Dividends received	26,000	43,865		
Interest paid on borrowings	(11,255)	(14,505)	(11,255)	(14,505)
Net cash (used in) provided by operating activities	11,470	46,622	69,720	55,286
Cash flows from investing activities:				
Financial investments	(529,702)	42,386	(593,165)	5,161
Property and equipment		(580)	(22,473)	(29,747)
Intangible assets	(20)	(64)	(19,104)	(42,166)
Commitments payable			(5,527)	
Intercompany loans	933			
Investments in subsidiaries	(19,240)	(99,252)		
Acquisition of subsidiaries, net of cash obtained on acquisition			(15,810)	
Advance for future capital increase	(39,914)	6,256		
Net cash (used in) provided by investing activities	(587,943)	(51,254)	(656,079)	(66,752)
Cash flows from financing activities				
Capital increase	631,143	3,406	631,143	3,406
Share issue costs	(23,683)		(23,683)	
Dividends paid	(26,043)		(26,043)	
Treasury shares		(199)		(199)
Increase in borrowings and financing	(4,939)		(6,352)	4,330
Net cash provided by (used in) financing activities	576,478	3,207	575,065	7,537
Net (decrease) increase in cash and cash equivalents	5	(1,425)	(11,294)	(3,929)
Cash and cash equivalents at the beginning of the period	132	1,530	18,132	21,857
Cash and cash equivalents at the end of the period	137	105	6,838	17,928
Net (decrease) increase in cash and cash equivalents	5	(1,425)	(11,294)	(3,929)

The accompanying notes are an integral part of this quarterly information.

Estácio Participações S.A.

Statement of value added
Periods ended June 30
All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent		Consolidated	
	2013	**2012**	**2013**	**2012**
Revenue				
Educational services			885,882	700,098
Other revenues			7,316	2,835
Provision for impairment of trade receivables			(41,634)	(44,045)
Other commercial expenses			(4,285)	
			847,279	658,888
Inputs acquired from third parties				
Materials, energy and services	(1,921)	(3,596)	(161,736)	(130,359)
Impairment/recovery of assets				(12)
Contingencies			(1,999)	(586)
	(1,921)	(3,596)	(163,735)	(130,957)
Gross value added	(1,921)	(3,596)	683,544	527,931
Depreciation and amortization	(1,595)	(1,761)	(35,984)	(27,921)
Net value added generated by the Company	(3,516)	(5,357)	647,560	500,010
Value added received through transfer				
Equity in the results of subsidiaries	111,730	67,063		
Finance income	17,396	7,644	23,074	14,073
Other	941	1,346	7,005	6,591
	130,067	76,053	30,079	20,664
Total value added to distribute	126,551	70,696	677,639	520,674
Distribution of value added				
Personnel				
Direct compensation	676	876	326,472	256,667
Benefits			10,234	8,825
Government Severance Indemnity Fund for Employees (FGTS)			22,964	19,177
	676	876	359,670	284,669
Taxes, charges and contributions				
Federal	1,073	302	75,685	64,441
State			1	2
Municipal	2	18	39,495	34,399
	1,075	320	115,181	98,842
Remuneration of third-party capital				
Interest	11,495	14,519	23,336	25,192
Rentals			66,147	56,990
	11,495	14,519	89,483	82,182
Return on equity				
Dividends				
Retained profits	113,305	54,981	113,305	54,981
	113,305	54,981	113,305	54,981
Value added distributed	126,551	70,696	677,639	520,674

The accompanying notes are an integral part of this quarterly information.

1 Operations

Estácio Participações S.A. ("Estácio" or "Company") and its subsidiaries (together the "Group") have as main activities the development and/or administration of activities and/or institutions in the college and professional education areas and other areas associated to education, to the administration of own assets and business, and the interest, as partner or shareholder, in other limited companies in Brazil. The Company's corporate head office is located at Avenida Embaixador Abelardo Bueno, 199, Rio de Janeiro - RJ.

The Company is a corporation headquartered in the Municipality and State of Rio de Janeiro, incorporated by the private subscription of shares on March 31, 2007, and currently listed on the New Market.

The Group has thirteen companies: eleven of them are sponsors of college institutions, incorporated as limited liability companies, and holds one University, four University Centers and thirty-four colleges, distributed in twenty states of the country and in the Federal District.

The Company's Board of Directors, in a meeting that took place on August 7, 2013, authorized the disclosure of this quarterly information.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of this quarterly information are set out below. These policies have been consistently applied to the years and periods presented, unless otherwise stated.

2.1 Basis of preparation

The quarterly information has been prepared under the historical cost convention, as modified by available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) measured at fair value, when applicable.

The preparation of quarterly information requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the quarterly information, include: selection of useful lives of property and equipment and the recoverability thereof in the normal course of operations, valuation of financial assets at fair value, credit risk assessment to determine the provision for impairment of trade receivables, as well as assessment of other risks to determine other provisions, including provisions for contingencies (Note 2.24).

Settlement of transactions involving these estimates may result in amounts different from those recorded in the quarterly information due to the uncertainties inherent in the estimation process. The Company reviews its estimates and assumptions periodically, at least annually.

The consolidated quarterly information was prepared in accordance with CPC 21 (R1)/IAS 34 'Interim Financial Reporting'. The Company also applies accounting policies set out in the Brazilian corporation law and specific rules issued by the Brazilian Securities Commission (CVM), which do not conflict with CPC 21 (R1)/IAS 34.

The parent company quarterly information was prepared in accordance with CPC 21 (R1) 'Interim Financial Reporting', and is disclosed together with the consolidated quarterly information.

The information relating to the annual financial statements for the year ended December 31, 2012, presented together with the quarterly information for comparison purposes, was prepared in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS). The accounting practices applied in this parent company and consolidated quarterly information are consistent with those applied in the annual financial statements as at December 31, 2012.

For a better comparison of the quarterly information for June 30, 2012, the Company reclassified R$ 6,246 (parent) and R$ 7,329 (consolidated) in the statement of cash flow from operatingactivity to investing activity.

2.2 Consolidation

The following accounting policies are applied in the preparation of the consolidated quarterly information.

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of assets or liabilities resulting from a contingent consideration arrangement, when applicable. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and assets and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the consideration transferred plus the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. When the consideration transferred is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of income.

Transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

All amounts in thousands of reais unless otherwise stated

The consolidated quarterly information includes the operations of the Company and the following subsidiaries, together with its ownership interest in each:

	Direct - %	
	June 30, 2013	**December 31, 2012**
Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES")	100	100
Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP")	100	100
Nova Academia do Concurso - Cursos Preparatórios Ltda.	100	100
Estácio Editora	100	100

	Indirect - %	
	June 30, 2013	**December 31, 2012**
Sociedade Educacional Atual da Amazônia ("ATUAL")	100	100
ANEC - Sociedade Natalense de Educação e Cultura ("FAL")	100	100
Sociedade Universitária de Excelência Educacional do Rio Grande do Norte ("FATERN")	100	100
Idez Empreendimentos Educacionais Sociedade Simples Ltda.	100	100
Sociedade Educacional do Rio Grande do Sul S/S Ltda. ("FARGS")	100	100
Unisãoluis Educacional S.A ("Unisãoluis")	100	100
UNIUOL Gestão de Empreendimentos Educacionais e Participações S.A. ("UNIUOL")	100	100
Sociedade Educacional da Amazônia ("Seama")	100	100
Instituto de Ensino Superior Social e Tecnológico Ltda. ("Facitec")	100	

The reporting periods of the quarterly information of the subsidiaries included in the consolidation are the same as those of the Company. Accounting practices were applied uniformly by the consolidated companies and are consistent with those used in the prior period.

The consolidation process of the equity and result accounts corresponds to the sum of the balances of the assets, liabilities, revenues and expenses accounts, according to their nature, complemented by the eliminations of the operations carried out between the consolidated companies, as well as the economically unrealized balances and results between the mentioned companies.

2.3 Business combinations

The acquisitions occurred in 2013 are as follows:

(i) Faculdade de Ciências Sociais e Tecnológicas ("FACITEC")

On April 5, 2013, the Group acquired all the quotas of Faculdade de Ciências Sociais e Tecnológicas (FACITEC), which has its headquarters and campus in the city of Taguatinga, in the Federal District.

The acquisition price was determined based on the acquired company's enterprise value of R$29,000, minus R$1,824 of debt assumed by the Group.

Additional payment of R$ 7 million may be made if FACITEC becomes a University Center until December 31, 2014.

All amounts in thousands of reais unless otherwise stated

The institution was founded in 2001 and at the acquisition date had approximately 3,600 students and 120 professors in 13 undergraduate courses and 24 graduate courses, in addition to extension and free courses.

None of the goodwill recognized is expected to be deductible for income tax purposes. The considerations paid and the values of the acquired assets and contracted liabilities recognized at the acquisition date are as follows:

	FACITEC
Acquisition value	
Cash	15,176
Commitments payable	12,000
Total consideration	27,176
Identifiable assets acquired and liabilities assumed	(1,139)
Goodwill	26,037
Students portfolio	1,657
Goodwill	24,380

	FACITEC
Cash and cash equivalents	232
Trade receivables	1,147
Property and equipment	2,003
Borrowings and financing	(180)
Trade payables	(525)
Labor obligations	(204)
Taxes payable	(54)
Installment payments	(704)
Provisions	(574)
Net assets acquired	1,139

The Company has not yet allocated the goodwill because it is in the process of determining the fair value of the assets acquired and liabilities assumed.

(ii) Associação de Ensino de Santa Catarina ("ASSESC")

On June 17, 2013, the Company, through its indirect subsidiary SOCIEDADE EDUCACIONAL ATUAL DA AMAZÔNIA LTDA. ("ATUAL"), entered into a purchase commitment to acquire all the shares of Associação de Ensino de Santa Catarina ("ASSESC"), sponsor of Faculdades Integradas Associação de Ensino de Santa Catarina ("FASSESC"), which has its headquarters and campus in the city of Florianópolis, State of Santa Catarina.

If the deal is concluded, the value of the investment in ASSESC will be R$ 5,825. ASSESC has approximately 915 students for a total capacity of 4,970, divided among 10 undergraduate courses and an average ticket of about R$ 570.

This acquisition will mark the entry of the Group into the capital of Santa Catarina, and will thus allow the Group to consolidate its operations in the Greater Florianópolis, considering the São José University Center.

2.4 Recognition of revenue, costs and expenses

Revenues, costs and expenses are recognized on an accrual basis.

(a) Service revenue

Revenue comprises the fair value of the consideration received or receivable for the provision of educational services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The Group recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will result from the transaction and when specific criteria have been met.

(b) Finance income and costs

The finance income and costs include mainly income from interest on financial investments, expenses for interest on financing, gains and losses stated at fair value, according to the classification of the note, besides net exchange and monetary variations.

Interest income is recognized on the accrual basis, using the effective interest method. When a loan and receivable instrument is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument. Subsequently, as time goes by, interest is incorporated into loans and receivables against interest income. This interest income is calculated at the same effective interest rate used to determine the recoverable amount, that is, the original rate of the instrument.

2.5 Foreign currency translation

Items included in the quarterly information of each of the Group's entities are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The parent company and consolidated quarterly information are presented in Brazilian reais (R$), which is the Company's functional currency, and also the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the dates of valuation when items are remeasured. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognized in the income statement.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash, bank accounts and other highly liquid short-term investments with original maturities of three months or less and with immaterial risk of change in value, which are held to meet the Company's short-term commitments.

2.7 Marketable securities

At initial recognition, the Company classifies its marketable securities in the following categories, depending on the purpose for which the securities were acquired:

- held for trading - they are bought for the purpose of sale in the near term and are measured at fair value. Interest, monetary variation and fair value changes are recognized in profit or loss;

- held to maturity - they are purchased with the intention and ability to hold them to maturity, and are recognized and measured at amortized cost using the effective interest method, with earnings allocated to profit or loss; and

- available for sale - they are non-derivative instruments that are either designated in this category or not classified in any of the previous categories. They are measured at fair value and interest and monetary variations are charged to profit or loss, while the fair value changes are recorded in equity under the heading of carrying value adjustments and transferred to profit or loss for the period upon the settlement of the security.

At June 30, 2013 and December 31, 2012, all of the Company's marketable securities are classified as "held for trading".

2.8 Accounts receivable and prepaid monthly tuition fees

Accounts receivable arise from the provision of educational services and do not include any amounts for services provided after the balance sheet date. Services billed but not yet provided at the balance sheet date are recorded as prepaid monthly tuition fees and will be recognized in the respective income statement for the period on the accrual basis.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment of trade receivables.

2.9 Provision for impairment of trade receivables

This provision, recorded as a reduction of accounts receivable, is set up in an amount considered sufficient by the Company's management to cover any losses on collection of monthly tuition fees and checks receivable, considering the risks involved.

2.10 Investments in subsidiaries (applicable only for the parent company quarterly information)

The investments in subsidiaries are accounted for using the equity method. In the parent company quarterly information, the goodwill based on the expected future profitability of the acquired companies is presented in the investment account.

2.11 Property and equipment

Property and equipment are measured at acquisition or construction cost, less accumulated depreciation.

Depreciation is calculated under the straight-line method over the useful life of the assets at the rates mentioned in Note 10.

Costs subsequent to initial recognition are included in the net book amount of property and equipment or recognized as a specific item, as applicable, only if the economic benefits related to these items are probable and the amounts can be reliably measured. The residual balance of the replaced item is written off. Other repair and maintenance expenses are recognized directly in the income statement when incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.12 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the net fair value of assets and liabilities of the acquired entity. Goodwill on acquisitions of subsidiaries is recorded as "Intangible assets" in the consolidated quarterly information. If negative goodwill is determined, the amount is recorded as a gain in profit or loss for the period on the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

(b) Students portfolio

Contractual student relationships acquired in a business combination are recognized at fair value at the acquisition date. The contractual student relations have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the student relationship.

(c) Computer software

Computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over the estimated useful life of the software (five years).

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use.
- Management intends to complete the software product and use or sell it.
- There is an ability to use or sell the software product.
- It can be demonstrated how the software product will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available.
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of applicable overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful life, which does not exceed five years.

2.13 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that were adjusted due to impairment are subsequently reviewed for possible reversal of the impairment at the balance sheet date.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the weighted average cost of capital for the industry in which the cash-generating unit operates. Fair value less costs to sell is determined considering, whenever possible, firm sale agreements in arm's length transactions between knowledgeable and willing parties less costs to sell the asset; if no firm sale agreements can be identified, this will be based on the market price of an active market or the price of the most recent transaction involving similar assets.

2.14 Leases

Finance leases

Lease agreements which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item are classified as finance lease agreements, and the corresponding assets are recognized at fair value or present value of minimum lease payments. Items recognized as assets are depreciated at the rates applicable to each group of assets detailed in Note 10. Financial charges related to finance lease agreements are appropriated to the income statement over the lease term, based on the amortized cost and effective interest method.

Operating leases

Operating lease expenses are recognized in the income statement based on payments made and on a straight-line accrual basis during the lease term.

2.15 Borrowings and financing

Borrowings are recognized initially at fair value, net of transaction costs incurred, and are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the statement of income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.16 Distribution of dividends and interest on capital

The distribution of dividends and interest on capital to the Company's shareholders is recognized as a liability in the Group's financial statements at year-end based on the Company's bylaws. Any amount above the mandatory minimum is only accrued on the date it is approved by the shareholders in a General Meeting.

The tax benefit of interest on capital is recognized in the statement of income.

2.17 Provision for decommissioning of assets

This represents the estimated future cost of renovation of rented buildings where the Company's teaching units are located. They are recognized in property and equipment at present value, discounted at an adjusted credit rate, as part of the value of the assets that gave rise to it, since there is a legal obligation and its value can be reliably estimated, with the contra entry of a provision recorded in liabilities. Interest incurred on this provision is classified as finance costs. The annually reviewed decommissioning estimates suffer depreciation/amortization on the same bases of the main assets.

2.18 Provisions

Provisions for legal claims (labor, civil and tax) are recognized when: (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.19 Taxation

Subsidiaries that enrolled in PROUNI (the "University for All" Program) benefit from exemption of the federal taxes listed below, for as long as they remain registered with the program:

- Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL), introduced by Law 7,689, of December 15, 1988;

- Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS), introduced by Supplementary Law 70, of December 30, 1991; and

- Social Contribution Tax on Gross Revenue for Social Integration Program (PIS), introduced by Supplementary Law 7 of September 7, 1970.

The above exemptions are originally calculated on the amount of revenues earned from higher education activities, derived from undergraduate and occupationally specific sequential courses. Also as a result of the change in the form of organization to limited companies, the Company became subject to the following events as from October 2005 and February 2007:

(i) Loss of Service Tax (ISS) immunity.

(ii) Loss of 100% exemption regarding the employer's contribution to the National Institute for Social Security (INSS), which is required to be paid on a graduating scale as defined under PROUNI legislation (20% in the first year, 40% in the second year and up to 100% in the fifth year). In 2012, the Company began to pay 100% of the employer's contribution to INSS.

Estácio Participações S.A. (Parent Company) does not benefit from PROUNI-related exemptions and computes its federal taxes payable in the normal manner.

Current income tax and social contribution

Current income tax and social contribution were determined considering the criteria established by the Revenue Procedure issued by the Brazilian IRS, with specific regard to PROUNI, whereby such taxes may not be paid on profits from regular undergraduate and technological educational activities that benefit from a favorable tax treatment ("lucro da exploração") and may be subsequently transferred to a reserve account.

Social Integration Program (PIS) and Social Contribution on Revenues (COFINS)

The rules governing PROUNI establish that revenues from traditional undergraduate and technological courses are exempt from PIS and COFINS contributions. Revenues from other educational activities are subject to PIS and COFINS at the rate of 0.65% and 3.00%, respectively, whereas non-education related revenues are subject to PIS at the rate of 1.65% and to COFINS, at 7.6%.

Deferred income tax and social contribution

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- On deductible temporary differences referring to investments in subsidiaries, deferred tax assets are recognized only to the extent that the temporary differences will likely be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Derecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred taxes relating to items recognized directly in equity are also recognized in equity and not in the income statement. Deferred tax items are recognized in correlation to the underlying transaction either in comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset tax assets against tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

2.20 Share-based payments

The Company grants to its main executives and officers an equity-settled, share-based compensation plan, under which the Company receives services from these executives and officers as consideration for equity instruments (options) of the Group. The fair value of the services received in exchange for the grant of the options is recognized as an expense. The total amount to be recognized is determined by reference to the fair value of the options granted, excluding the impact of any service and non-market performance vesting conditions (for example, profitability, revenue growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the balance sheet date, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the statement of income, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.21 Profit sharing

The Group recognizes a liability and an expense for profit-sharing based on a methodology that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.22 Earnings per share

The Company calculates earnings per thousand shares using the weighted average number of outstanding common shares, in the period to which profit refers, according to Technical Pronouncement CPC 41 (IAS 33). (Note 22)

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potential common shares with dilutive effects. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would be outstanding assuming the exercise of the share options.

2.23 Share capital

Common shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any company of the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are canceled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax and social contribution effects, is included in equity attributable to the Company's shareholders.

2.24 Critical accounting judgments, estimates and assumptions

Judgments

The preparation of the parent company and consolidated quarterly information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, the uncertainty involved in these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the quarterly information due to the uncertainties inherent in their estimation process. The Company reviews its estimates and assumptions at least quarterly.

(i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.13. The recoverable amounts of cash-generating units (CGUs) have been determined based on value-in-use calculations. These calculations require the use of estimates as follows:

	In percentages
	December 31, 2012
Gross margin (i)	38.7%
Growth rate (ii)	5%
Discount rate (iii)	14.6%

(i) Budgeted gross margin.

(ii) Weighted average growth rate used to extrapolate cash flows beyond the budget period.

(iii) Pre-tax discount rate applied to the cash flow projections.

If the estimated pre-tax discount rate on the discounted cash flows had been 1% higher than management's estimates (for example, 15.6% instead of 14.6%), the Group would not have recognized a further impairment against goodwill.

(ii) Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 21(b).

(iii) Provisions for tax, civil and labor contingencies

The Company recognizes provisions for civil, tax and labor cases. The assessment of the probability of loss includes an analysis of available evidence, the hierarchy of laws, available case law, the latest decisions of courts of law and their relevance in the legal system, as well as the opinion of external legal advisors. The provisions are reviewed and adjusted to take into account changes in circumstances, such as the applicable statute of limitations, outcomes of tax inspections, or additional exposures that may be identified based on new issues or court decisions.

(iv) Assets' useful life

The Company annually reviews the economic useful life of its assets, based on the opinion of external appraisers. The depreciation is recognized in the income statement based on the remaining useful life of the asset.

2.25 Statement of cash flows

The statements of cash flows were prepared using the indirect method and are presented in accordance with Technical Pronouncement CPC 03 R2 (IAS 7) - Statement of cash flows, issued by CPC (IASB).

2.26 Statement of value added ("DVA")

The purpose of the statement of value added is to disclose the wealth generated by the Company and its subsidiaries and the wealth distribution over a given period. As required by Brazilian corporate law, this statement is an integral part of the parent company financial statements and supplementary information to the consolidated quarterly information, considering that it is not required under IFRS.

The statement of value added was prepared based on information obtained from the accounting records used to prepare the quarterly information and pursuant to the provisions of Technical Pronouncement CPC 09. The first part shows the wealth created by the Company, represented by revenues (gross sales revenue, including applicable taxes, other revenues and the effects of the provision for impairment of trade receivables), inputs acquired from third parties (cost of sales and purchases of materials, electric power and outsourced services, including taxes levied upon acquisition, effects of impairment and recovery of assets, depreciation and amortization), and value added received from third parties (equity in the results of subsidiaries, finance and other income). The second part of the statement of value added shows how this wealth is distributed among personnel, taxes, charges and contributions, and return on equity and remuneration of third-party capital.

2.27 Financial instruments

(a) Initial recognition and measurement

The Company's financial instruments are represented by cash and cash equivalents, marketable securities, accounts receivable, judicial deposits, accounts payable, debentures, borrowings and financing. The instruments are initially recognized at fair value plus costs directly attributable to their acquisition or issue, except for financial instruments classified at fair value through profit or loss, when such costs are directly recorded in the income statement.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

(i) significant financial difficulty of the issuer or debtor;

(ii) a breach of contract, such as a default or delinquency in interest or principal payments;

(iii) the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that it would not otherwise consider;

(iv) it becomes probable that the borrower will enter bankruptcy or other financial reorganization;

(v) the disappearance of an active market for that financial asset because of financial difficulties; or

(vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

- adverse changes in the payment status of borrowers in the portfolio; and

- national or local economic conditions that correlate with defaults on the assets in the portfolio.

Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "Financial assets at fair value through profit or loss" category are presented in the statement of income within "Finance income (costs), net" in the period in which they arise.

(b) Subsequent measurement

The subsequent measurement of financial assets and liabilities depends on their classification as follows:

Financial assets and liabilities
at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss include financial assets and liabilities held for trading and financial assets and liabilities designated upon initial recognition at fair value through profit or loss. Financial assets and liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by CPC 38 (IAS 39).

Gains or losses on liabilities held for trading are recognized in the income statement.

At June 30, 2013 and December 31, 2012, the Company did not have derivative operations.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

(c) Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recorded only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of any impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recorded loss is recognized in the statement of income.

2.28 Segment information

Because the Company concentrates its businesses on college educational activities, it is organized into one single business unit. Although the courses offered by the Company are designed for different student requirements, they are neither controlled nor managed as independent segments, and the Company's results are analyzed, monitored and evaluated on an integrated basis.

2.29 New standards, amendments and interpretations to existing standards that are not yet effective

The following new standards, amendments and interpretations to existing standards became effective as from January 1, 2013, but did not impact the Group:

- IAS 1, "Presentation of financial statements". The main change is a requirement for entities to group items presented in "other comprehensive income" on the basis of whether they will be reclassified to profit or loss or remain in equity.

- IAS 19, "Employee benefits" was amended in June 2011. This amendment was included in the text of CPC 33 (R1) - "Employee benefits".

All amounts in thousands of reais unless otherwise stated

- IFRS 10, "Consolidated financial statements", included as an amendment to CPC 36(R3), "Consolidated financial statements". This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated quarterly information of the parent company. The standard provides additional guidance to assist in the determination of control.

- IFRS 11, "Joint arrangements" was issued in May 2011 and included as an amendment to CPC 19(R2), "Joint ventures". The standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangements: (i) joint operations - arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses; and (ii) joint ventures - arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. The proportional consolidation method will no longer be permitted in joint ventures.

- IFRS 12, "Disclosures of interests in other entities", considered in a new pronouncement CPC 45 - "Disclosures of interests in other entities". IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles.

- IFRS 13,"Fair value measurement" was issued in May 2011 and disclosed in a new pronouncement CPC 46, "Fair value measurement". IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

3 Cash and cash equivalents and marketable securities

	Parent		Consolidated	
	June 3o, 2013	**December 31, 2012**	**June 30, 2013**	**December 31, 2012**
Cash and banks	137	132	6,838	18,132
Cash and cash equivalents	137	132	6,838	18,132
Bank Deposit Certificates (CDB)	147,391	39,505	181,981	51,068
Investment fund	126,993	1,105	133,589	2,908
Repurchase agreements	361,008	47,885	419,502	68,364
Marketable securities	635,392	88,495	735,072	122,340
	635,529	88,627	741,910	140,472

The Bank Deposit Certificates (CDB) earn interest based on two indexes: Interbank Deposit Certificate (CDI) with rates varying from 93.0% to 101.5% at June 30, 2013 (from 101.5% to 101.8% at June 30, 2012) and Amplified Consumer Price Index (IPCA), plus 2.44% per annum.

All amounts in thousands of reais unless otherwise stated

Repurchase agreements backed by first-tier debentures are recorded at fair value, bearing interest at 75% to 105.7% of CDI at June 30, 2013 (102.5% of CDI at June 30, 2012).

The fair values of securities traded in the market are based on cash flows discounted using a rate based on the market interest rate and the risk premium specific to the unlisted securities (2013 - 8.00%; 2012 - 8.50%). None of these financial assets is either past due or impaired.

The investment funds comprise non-exclusive fixed-income and multimarket funds, whose portfolio mainly includes government securities, debentures from prime companies and other fixed-income securities.

The Company has a Financial Investments and Derivatives Policy that stipulates that investments must be in low risk marketable securities with highly-rated financial institutions. At June 30, 2013, the operations earn interest based on the variation of the Interbank Deposit Certificate (CDI) rate.

4 Accounts receivable

	Consolidated	
	June 30, 2013	**December 31, 2012**
FIES	77,294	55,735
Monthly tuition fees	274,913	235,319
Accounts receivable (Corporate)	32,761	32,349
Receivables on credit cards	23,837	18,982
Renegotiated receivables	30,866	19,896
	439,671	362,281
Unidentified credits	(3,564)	(6,187)
Provision for impairment of trade receivables	(90,165)	(76,437)
	345,942	279,657

Substantial part of the receivables on credit cards arises from the funding and renewal of payment capacity.

Accounts receivable from Student Financing Fund (FIES) are represented by educational loans obtained by students from Caixa Econômica Federal (CEF) and the National Education Development Fund (FNDE), whereby the financed funds are transferred monthly by CEF and Banco do Brasil to a specific bank account. This amount has been used exclusively to pay the social security contributions and federal taxes and converted into cash by means of auctions of Brazilian National Treasury securities.

All amounts in thousands of reais unless otherwise stated

The aging of accounts receivable is as follows:

	Consolidated			
	June 30, 2013	%	December 31, 2012	%
FIES	77,294	18	55,735	15
Not yet due	78,441	18	76,258	21
Overdue up to 30 days	45,150	10	37,217	10
Overdue from 31 to 60 days	40,673	9	31,599	9
Overdue from 61 to 90 days	40,408	9	28,839	8
Overdue from 91 to 179 days	67,540	15	56,196	16
Overdue for more than 180 days	90,165	21	76,437	21
	439,671	100	362,281	100

The aging of renegotiated receivables is as follows:

	Consolidated			
	June 30, 2013	%	December 31, 2012	%
Not yet due	12,364	40	7,558	38
Overdue up to 30 days	3,405	11	2,349	12
Overdue from 31 to 60 days	2,025	7	917	5
Overdue from 61 to 90 days	2,209	7	1,109	5
Overdue from 91 to 179 days	5,995	19	3,159	16
Overdue for more than 180 days	4,868	16	4,804	24
	30,866	100	19,896	100

Because of the adjustments implemented from 2010 in handling default-related procedures, receivables from agreements/negotiations are substantially settled within 60 days. The Company's management has strict criteria that prevent debt from rolling over from one semester to another. The Company offers various payment methods to students, within their related credit limits.

Changes in the consolidated provision for impairment of trade receivables were as follows:

Description	December 31, 2012	Gross increase in provision for impairment of trade receivables	Recovered amounts	Net effect of provision	Write-off	June 30, 2013
Monthly tuition and fees	59,702	72,939	(23,501)	49,438	(38,396)	70,744
Other	16,735	13,594	(5,585)	8,009	(5,323)	19,421
	76,437	86,533	(29,086)	57,447	(43,719)	90,165

All amounts in thousands of reais unless otherwise stated

In order to facilitate understanding and to allow a direct reconciliation of the provision for impairment of trade receivables between the balance sheet and income statement, the Company believes that this change should consider the consolidated amount not recovered after 180 days from the due date as supplementary amounts, and the consolidated amount received/renegotiated relating to bills not settled up to the previous month as recovered amounts.

(i) FIES student with guarantor (a provision was recognized for 2.25% of the accounts receivable with this characteristic, considering the assumptions of 15% of the credit risk on 15% of default).

(ii) For the uncovered risk of FGEDUC a provision was recognized for 10% of the receivables under the responsibility of the sponsors (and the Guarantor Fund is responsible for the remaining 90%) on the 15% credit risk on an estimate of 15% of default, i.e. 0.225%.

(iii) For the uncovered risk of FGEDUC, a provision was recognized for 20% under the responsibility of the sponsors (and the Guarantor Fund is responsible for the remaining 80%) on the 15% credit risk on an estimate of 15% of default, i.e. 0.450%.

(iv) For the provision for loss recognized on the balance of the restricted deposits based on 2% of the FGEDUC contribution, held as Minimum Guarantee, on an estimate of 15% of default.

For the quarters ended June 30, 2013 and June 30, 2012, expenses for the provision for impairment of trade receivables (Note 26), recognized in the income statement as 'selling expenses', consist of the following:

	June 30, 2013	**June 30, 2012**
Supplementary provision	57,447	43,697
Unidentified deposit and collection written off	(4,030)	(1,469)
Sale of customer portfolio	(8,555)	(5,000)
Provision for impairment of trade receivables	(2,595)	
Credit risk - FIES	10	6,202
Other	(636)	615
	41,641	44,045

All amounts in thousands of reais unless otherwise stated

5 Related-party transactions

The related-party transactions were carried out in terms equivalent to those prevailing in the transactions with independent parties, according to item 23 of Technical Pronouncement CPC 05 and are as follows:

	Parent		Consolidated		
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012	Interest
Current assets					
Intercompany loan					
Subsidiaries					
SESES	813	813			110% CDI
IREP	78	78			110% CDI
Editora	6	6			110% CDI
	897	897			
Related individuals			259	259	100% CDI
	897	897	259	259	
Prepaid expenses (i)			650	1,300	
Investment fund (ii)			3,124	1,027	
			3,124	2,327	
Non-current assets					
Advance for future capital increase - Investments (Note 8)					
IREP	20,429				
Nova Academia	1,035	705			
SESES	18,450	35,900			
	39,914	36,605			
Current liabilities					
Subsidiaries					
SESES	3,978	3,119			110% CDI
IREP	65	3			110% CDI
Atual	3				110% CDI
Nova Academia	3				110% CDI
FAL	1				110% CDI
Fatern	2				110% CDI
Seama	4				110% CDI
	4,056	3,122			

Income statement

	June 30, 2013	June 30, 2012
Result of loan operations		
Interest received		(380)
Interest paid		286
Net result at June 30		(94)

(i) On July 5, 2011, the Company entered into a Management Service Agreement with ARemor Consultoria e Treinamento Ltda. ("ARemor"), a company owned by a Company's officer, for the provision of management and administration services of those units located in the Regional Norte, comprising services relating to the Company's best practices and efforts to (i) obtain licenses, certificates and authorizations from the Education and Culture Ministry or any other governmental body, which may be required to perform or expand the activities of those units pertaining to the Company's Regional Norte, (ii) when so requested, represent the interests of the units located at the Company's Regional Norte before local, state or federal government departments, (iii) provide guidance and any support required for the Company's Regional Norte units to become a University Center, (iv) maintain orderly records and processes to ensure the successful outcome of internal and external audit processes, (v) prepare and comply with the budget of the Company's Regional Norte units, in accordance with instructions from the Company, (vi) develop local marketing strategies and campaigns (in line with the guidelines provided by the Company and its controlling shareholders) to acquire new students and foster the growth of the Company's Regional Norte units, (vii) develop strategies for the maintenance of the student body of the Company's Regional Norte units, (viii) ensure the students' satisfaction with the Company and a good environment for its employees, (ix) build a relationship network with the external public, (x) ensure the execution of the expansion plan for Estácio's Regional Norte units as per the CAPEX plan, (xi) ensure the implementation of large corporate projects in the Company's Regional Norte units, (xii) provide guidance on improvements in the activities of the local secretary, (xiii) implement and maintain the Company's and its controlling shareholders' culture, vision, mission and values, (xiv) ensure good operating conditions in the Company's Regional Norte units, and (xv) carry out other activities associated with the Company's Regional Norte units that may be reasonably required by the Company. In January and May 2012, advances of R$ 1,000 and R$ 300, respectively, were made to ARemor, which correspond to part of the contract amount. This price is associated with the accomplishment of student body targets to be made possible through the obtainment of licenses, certificates and authorizations required to turn the Regional Norte into a University Center. The prepaid amount will be considered to have been incurred as the targets are consistently attained.

All amounts in thousands of reais unless otherwise stated

(ii) On August 16, 2012, the Company invested R$ 1,000 in the Fundo Exclusivo de Investimento Estapart of BTG Pactual bank, whose portfolio comprises shares of the BRZ Renda Fixa Fundo de Investimento CP ("BRZ Fund"). GP Investimentos has a 91.6% interest in the share capital of BRZ Investimentos, manager of BRZ Fund. On June 30, 2013, the Company had R$ 3,124 invested in the respective fund.

6 Prepaid expenses

	Parent		Consolidated	
	June 30, 2013	**December 31, 2012**	**June 30, 2013**	**December 31, 2012**
Insurance	35	100	2,129	1,393
Property tax (IPTU)			3,571	
Educational material (*)			9,092	6,128
Advances - vacation and related charges			10,662	21,522
Registration fee - Ministry of Education			2,439	
Other prepaid expenses		442	1,012	3,225
Total	35	542	28,905	32,268
Current assets	35	542	26,103	30,931
Non-current assets			2,802	1,337
	35	542	28,905	32,268

(*) It refers to the costs incurred for copyright, printing and postage. They are recorded as prepaid expenses and allocated during the period to which they refer.

All amounts in thousands of reais unless otherwise stated

7 Taxes and contributions

	Parent		Consolidated	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
IRPJ	6,695	6,301	15,959	15,761
CSLL	249	249	2,025	2,112
PIS		(2)	435	171
COFINS	5	(5)	1,750	501
ISS	72	74	15,042	11,581
INSS			4,592	1,194
FGTS			46	43
IOF	105	105	112	111
	7,126	6,722	39,961	31,474
Current assets	407		15,960	10,588
Non-current assets	6,719	6,722	24,001	20,886

8 Investments in subsidiaries

	Parent	
	June 30, 2013	December 31, 2012
Sociedade de Ensino Superior Estácio Sá Ltda- Seses	558,983	453,115
IREP-Sociedade de Ensino Superior Médio e Fundamental Ltda.	471,405	350,141
Nova Academia de Concurso - Cursos Preparatórios Ltda.	15,657	14,814
Estácio Editora e Distribuidora Ltda.	(21)	(18)
	1,046,024	818,052

The subsidiaries' information is as follows:

	Interest	Number of quotas	Total assets	Total liabilities	Equity	Advance for future capital increase	Goodwill	Equity in results of subsidiaries
Seses	100%	322,127	698,439	157,907	540,532	18,450		41,842
Irep	100%	211,000	556,097	167,563	388,534	20,429	62,442	70,323
Nova Academia de Concurso	100%	5,755	5,091	4,487	604	1,035	14,018	(432)
Estácio Editora e Distribuidora Ltda.	100%	250	41	68	(26)		5	(3)
Total - June 30, 2013			1,259,668	330,025	929,644	39,914	76,465	111,730

	Interest	Number of quotas	Total assets	Total liabilities	Equity	Advance for future capital increase	Goodwill	Equity in results of subsidiaries
Seses	100%	267,227	609,571	192,357	417,214	35,900		50,884
Irep	100%	211,000	454,503	166,804	287,699		62,442	84,881
Nova Academia de Concurso	100%	4,475	3,995	3,903	92	705	14,018	(1,623)
Estácio Editora e Distribuidora Ltda.	100%	250	41	64	(23)		5	(8)
Total - December 31, 2012			1,068,110	363,128	704,982	36,605	76,465	134,134

All amounts in thousands of reais unless otherwise stated

The global changes in the investments in subsidiaries in the period and year ended June 30, 2013 and December 31, 2012, respectively, are as follows:

Investments in subsidiaries December 31, 2011	663,058
Equity in the results of subsidiaries	134,134
Capital increase	94,648
Advance for future capital increase	(8,492)
Dividends	(93,699)
Profit retention reserve (i)	23,865
Options granted	4,538
Investments in subsidiaries December 31, 2012	818,052
Equity in the results of subsidiaries	111,730
Capital increase	19,240
Advance for future capital increase	39,915
Profit retention reserve (ii)	53,699
Options granted	3,388
Investments in subsidiaries June 30, 2013	1,046,024

(i) During the year ended December 31, 2011, the subsidiary IREP proposed the distribution of dividends of R$ 36,866. The Annual and Extraordinary General Meeting held on May 3, 2012 approved the payment of dividends of R$ 13,000 from this proposed amount, while the remaining R$ 23,865 was allocated to the profit retention reserve.

(ii) During the year ended December 31, 2012, the subsidiaries IREP and SESES proposed the distribution of dividends of R$ 93,699. The Annual and Extraordinary General Meeting held on June 17, 2013 approved the payment of dividends of R$ 40,000 from this proposed amount, while the remaining R$ 53,699 was allocated to the profit retention reserve.

The accounting information of the subsidiaries used for application of the equity method of accounting was prepared as of June 30, 2013.

All amounts in thousands of reais unless otherwise stated

9 Intangible assets

	Parent			Consolidated									
	Software licenses	Students portfolio	Total	Goodwill on investment acquisitions	Software licenses	Integration and distance learning project	CSC	Learning center	Relationship center	Students portfolio	Trademarks and patents	Other	Total
At January 1, 2012	6	818	824	141,590	26,967	7,988	925	30,121	1,878	10,395		7,993	227,857
Acquired in business combinations											2		2
Additions				61,271	18,069	386		11,597		1,143		11,538	104,004
Transfers				(5,595)	(15	15				5,595			
Depreciation/amortization	(1)	(273)	(274)		(13,971)	(2,851)	(388)	(1,306)	(469)	(4,627)	(2)	(351)	(23,965)
At December 31, 2012	5	545	550	197,266	31,050	5,538	537	40,412	1,409	12,506		19,180	307,898
Additions	20		20	25,246	7,602	373		3,943		1,658		7,185	46,007
Write-offs					(55)								(55)
Depreciation/amortization	(3)	(82)	(85)		(8,716)	(1,426)	(194)	(934)	(235)	(1,796)		(771)	(14,072)
At June 30, 2013	22	463	485	222,512	29,881	4,485	343	43,421	1,174	12,368		25,594	339,778

	Parent			Consolidated									
	Software licenses	Students portfolio	Total	Goodwill on investment acquisitions	Software licenses	Integration and distance learning project	CSC	Learning center	Relationship center	Students portfolio	Trademarks and patents	Other	Total
At June 30, 2013													
Total cost	27	818	845	229,436	73,177	15,029	1,940	50,781	2,348	18,792		26,980	418,483
Accumulated amortization	(5)	(355)	(360)	(6,924)	(43,296)	(10,544)	(1,597)	(7,360)	(1,174)	(6,424)		(1,386)	(78,705)
Net book amount	22	463	485	222,512	29,881	4,485	343	43,421	1,174	12,368		25,594	339,778
At December 31, 2012													
Acquired in business combinations											2		2
Total cost	7	818	825	204,190	70,565	14,656	1,940	46,837	2,348	17,133		19,796	377,465
Accumulated amortization	(2)	(273)	(275)	(6,924)	(39,515)	(9,118)	(1,403)	(6,425)	(939)	(4,627)	(2)	(616)	(69,569)
Net book amount	5	545	550	197,266	31,050	5,538	537	40,412	1,409	12,506		19,180	307,898
Annual amortization rates	20% p.a.	20% p.a.		Indefinite	20% p.a.	20% p.a.	20% p.a.	5% p.a.	20% p.a.	20% p.a.		20% p.a.	

All amounts in thousands of reais unless otherwise stated

At June 30, 2013 and December 31, 2012, goodwill on acquisition of investments was comprised of the following:

	Consolidated	
	June 30, 2013	**December 31, 2012**
Goodwill on acquisition of investments		
IREP	89,090	89,090
ATUAL	15,503	15,503
Idez	2,047	2,047
Fargs	8,055	8,055
Seama	18,035	18,035
Uniuol	956	956
São Luis	27,368	26,502
Facitec (Note 2.3)	24,380	
FAL	8,076	8,076
FATERN	14,979	14,979
Nova Academia	14,018	14,018
Estacio Editora	5	5
	222,512	197,266

The Company carries out annual analyses for impairment purposes, the last being for the year ended December 31, 2012, relative to goodwill on investment acquisitions and mergers, based on expected future profitability, considering projections of future results for the next five years, at the nominal perpetuity growth rate of 5.0% p.a. (equivalent to the long-term inflation rate, not considering any incremental growth) and a single nominal discount rate of 14.6% to discount estimated future cash flows. Asset impairment testing did not result in the need to recognize losses.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and the impairment loss is recognized in the income statement.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

The key assumptions were based on the Company's historical performance and reasonable macroeconomic assumptions using financial market projections, duly documented and approved by Company management.

All amounts in thousands of reais unless otherwise stated

10 Property and equipment

Property and equipment - Parent

	Computers and peripherals	Closing balance
At December 31, 2011	6,068	6,068
Depreciation/amortization	(2,361)	(2,361)
At December 31, 2012	3,707	3,707
Depreciation/amortization	(1,181)	(1,181)
At June 30, 2013	2,526	2,526
At June 30, 2013		
Total cost	9,079	9,079
Accumulated depreciation	(6,553)	(6,553)
Net book amount	2,526	2,526
At December 31, 2012		
Total cost	9,080	9,080
Accumulated depreciation	(5,373)	(5,373)
Net book amount	3,707	3,707
Annual depreciation rate	25.0%	

All amounts in thousands of reais unless otherwise stated

Property and equipment - Consolidated

	Land	Buildings	Leasehold improvements	Furniture and fittings	Computers and peripherals	Machinery and equipment	Physical exercise/ hospital equipment	Library	Facilities	Other	Construction in progress	Decommissioning	Total
At December 31, 2011	19,830	45,514	29,409	22,957	33,320	21,940	10,206	40,362	6,872	9,002	21,660	2,729	263,801
Acquired in business combinations			847	951	450	682	237	1,251	28	642			5,088
Additions		961	2,569	3,762	6,834	9,651	4,566	6,818	1,608	12,165	14,809	512	64,255
Write-offs	(350)	(280)	(9)	(25)	(161	(38)		(2)		(12)		(1,047)	(1,924)
Transfers		1,374	10,767					(8)		8	(12,141)		
Depreciation/amortization		(1,118)	(7,719)	(2,957)	(11,679)	(5,960)	(876)	(2,706)	(893)	(1,618)		(1,034)	(36,560)
At December 31, 2012	19,480	46,451	35,864	24,688	28,764	26,275	14,133	45,715	7,615	20,187	24,328	1,160	294,660
Acquired in business combinations				197	248	336		1,103	40	77			2,001
Additions		114	456	2,473	1,719	1,788	1,051	4,251	856	6,272	3,493		22,473
Write-offs				(16)	(8)	(35)	(6)			(43)	(95)		(203)
Transfers			158								(158)		
Depreciation/amortization		(569)	(4,392)	(1,739)	(7,021)	(3,014)	(573)	(1,563)	(498)	(1,483)		(730)	(21,582)
At June 30, 2013	19,480	45,996	32,086	25,603	23,702	25,350	14,605	49,506	8,013	25,010	27,568	430	297,349
At December 31, 2012													
Acquired in business combinations													
Total cost	19,480	84,724	107,302	56,859	86,653	67,849	26,681	87,291	13,526	32,132	27,568	12,060	622,125
Accumulated depreciation		(38,728)	(75,216)	(31,256)	(62,951)	(42,499)	(12,077)	(37,784)	(5,513)	(7,122)		(11,630)	(324,776)
Net book amount	19,480	45,996	32,086	25,603	23,702	25,350	14,604	49,507	8,013	25,010	27,568	430	297,349
Annual depreciation rates		1.67%	11.11%	8.33%	25.00%	8.33%	6.67%	5.00%	8.33%	16.67%			

All amounts in thousands of reais unless otherwise stated

As mentioned in Note 11, certain assets acquired through financing were provided as financing guarantee. The Company has not pledged any other of its properties to secure obligations.

Vehicles and machinery include the following amounts where the Group is a lessee under a finance lease:

		Consolidated
	June 30, 2013	December 31, 2012
Cost - capitalized finance leases	44,096	43,258
Accumulated depreciation	(32,760)	(30,552)
Net book balance	11,336	12,706

The Group leases various machinery and equipment under non-cancelable finance lease agreements. The lease terms are between three and four years, and ownership of the assets is then transferred to the Group.

Impairment of assets

Under Technical Pronouncement CPC 01 (IAS 36), "Impairment of Assets", property and equipment items that present evidence their recorded costs exceed their recoverable value (market value) shall be reviewed to determine the need for setting up a provision for impairment. Management performed an annual analysis of operating and financial performance of its assets and did not identify changes in circumstances or indication of technological obsolescence. At June 30, 2013 and December 31, 2012, there was no need to record any provision for impairment of property and equipment.

11 Borrowings and financing

		Parent		Consolidated	
Type	Financial charges	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Local currency					
Working capital	1.70% p.m. and/or CDI + 0.25% p.m.			228	228
Lease agreements	IGPM + 12.3% p.a.				4
Lease agreements - Colortel	INPC + 0.32% p.a.			4,780	5,813
Lease agreements - Assist				992	1,325
Lease agreements - CIT				17	33
Lease agreements - Total Service				168	
Aymoré financing	1.78% p.m.				8
IFC borrowings	CDI +1.53%	67,269	67,315	67,269	67,315
Issue of debentures	CDI +1.60%	200,509	200,330	200,508	200,331
Share repurchase option Banco Itaú (Note 18(d))		34	4,660	34	4,660
Borrowing - Banco do Brasil				2	7
		267,812	272,305	273,998	279,724
Current liabilities		15,436	9,978	19,549	13,856
Non-current liabilities		252,376	262,327	254,449	265,868
		267,812	272,305	273,998	279,724

All amounts in thousands of reais unless otherwise stated

The funding costs amount to R$ 3,820 at June 30, 2013, being R$ 2,684 of the borrowings from IFC (R$ 596 of the 1st borrowing and R$ 2,088 of the 2nd borrowing) and R$ 1,136 of the debentures. The annual effective interest rate of the debentures (TIR) is 9.84%.

The Group has the following undrawn borrowing facilities:

	Consolidated	
	June 30, 2013	**December 31, 2012**
Floating rate		
Maturity within one year	132,900	122,574
	132,900	122,574

The maturity of amounts recorded in non-current liabilities at June 30, 2013 and December 31, 2012 is as follows:

	Parent		Consolidated	
	June 30, 2013	**December 31, 2012**	**June 30, 2013**	**December 31, 2012**
2014	17,351	27,336	18,052	28,509
2015	48,706	48,690	49,407	49,874
2016	68,706	68,690	69,378	69,874
2017	88,706	88,690	88,706	88,690
2018	8,706	8,691	8,706	8,691
2019	8,882	8,892	8,882	8,892
2020	8,882	8,892	8,882	8,892
2021	2,437	2,446	2,436	2,446
Non-current liabilities	252,376	262,327	254,449	265,868

The borrowed funds will be used to finance the expansion of the Company including, but not limited to, acquisition of other enterprises in the industry and/or organization of new campuses.

The share repurchase conditions are detailed in Note 21.

(a) Lease agreements

Promissory notes endorsed by shareholders and leased assets, in the amount of R$ 44,096, were given to guarantee the lease agreements.

(b) IFC Borrowings

Receivables of the IREP and UNESA units in an escrow account were given to guarantee the borrowings from IFC, and there was no pledge of assets, securities or investments; a minimum monthly flow in the escrow accounts was set at R$ 33,000.

All amounts in thousands of reais unless otherwise stated

These borrowings contain restrictive covenants that require the borrower to maintain certain financial ratios within preset limits. In the quarterly information as of June 30, 2013, the Company and its subsidiaries are compliant with all contractually required ratios.

(c) Debentures

Just as the borrowing agreements with IFC, the debentures also contain restrictive covenants that require maintenance of certain financial ratios within preset limits. In the quarterly information as of June 30, 2013, the Company and its subsidiaries are compliant with all contractually required ratios.

Debentures were issued as registered, book-entry and without certificates. They are subordinated, simple, non-convertible debentures. The current issue did not have a renegotiation clause. The debentures pay interest of 100% of CDI (Interbank Deposit Certificate rate) plus a spread of 1.60% per annum.

The issue date was November 25, 2011 and the maturity date (principal) will be November 25, 2017, except for any early redemption offers and accelerated maturity events as provided in the indenture. Interest is paid every six months (May and November).

The debentures payment flow is as follows:

	June 30, 2013
2013	11,388
2014	9,648
2015	39,825
2016	59,824
2017	79,824
Total	200,509

The fair value of the current portion of borrowings equals the carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 9.44% p.a. (2012 - 8.60%).

The carrying amounts of short-term borrowings approximate their fair value.

The Group's borrowings are denominated in Brazilian reais (R$).

12 Payroll and related charges

	Parent		Consolidated	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Salaries and related charges	140	136	60,971	50,367
Accrued vacation pay			26,114	15,360
Provision for 13th monthly salary			12,630	
	140	136	99,715	65,727

All amounts in thousands of reais unless otherwise stated

13 Taxes payable

	Parent		Consolidated	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
ISS payable		2	11,922	11,161
IRRF payable	56	16	6,775	5,583
PIS and COFINS payable	100	3	869	922
IOF			384	384
	156	21	19,950	18,050
IRPJ payable	619		1,631	3,031
CSLL payable	233	3	597	1,148
	852	3	2,228	4,179
	1,008	24	22,178	22,229

14 Taxes paid in installments

	Consolidated	
	June 30, 2013	December 31, 2012
IRPJ	66	72
CSLL	108	115
FGTS	145	12
ISS	958	167
PIS	97	66
COFINS	307	346
INSS	7,618	7,842
	9,299	8,620
Current liabilities	1,971	2,210
Non-current liabilities	7,328	6,410
	9,299	8,620

Monthly, the amount of installments is adjusted based on SELIC (benchmark interest rate).

All amounts in thousands of reais unless otherwise stated

These refer basically to taxes and social security contributions payable in installments to Municipalities, Brazilian IRS and Social Security and payment flow is as follows:

	Consolidated	
	June 30, 2013	**December 31, 2012**
2014	806	697
2015	806	697
2016	806	697
2017	806	697
2018 to 2027	4,104	3,622
	7,328	6,410

15 Commitments payable

	Consolidated	
	June 30, 2013	**December 31, 2012**
Atual		500
Fal	769	888
Fatern	1,498	1,730
Seama	2,068	5,145
Idez	250	445
Fargs	2,140	2,072
Uniuol	604	583
Facitec	12,208	
São Luis	12,429	12,802
	31,966	24,165
Current liabilities	8,957	12,985
Non-current liabilities	23,009	11,180
	31,966	24,165

These basically refer to the amount payable to the former owners for the acquisition of related companies, monthly subject to the following rates: SELIC or IPCA or CDI variation.

All amounts in thousands of reais unless otherwise stated

16 Provision for contingencies

The Company's subsidiaries are involved in various civil, labor and tax proceedings at different court levels. Management, based on the opinion of its external legal advisors, recorded a provision for an amount considered sufficient to cover expected losses arising from pending litigation.

At June 30, 2013 and December 31, 2012, the provision for contingencies was comprised of the following:

	Consolidated	
	Provision for Contingencies	**Judicial deposits**
At June 30, 2013		
Civil	3,721	14,443
Labor	21,714	69,818
Tax		8,248
	25,435	92,509
At December 31, 2012		
Civil	3,955	13,138
Labor	19,241	62,157
Tax	9	7,926
	23,205	83,221

Changes in the provision for contingencies are as follows:

	Consolidated			
	Tax	**Labor**	**Civil**	**Total**
At December 31, 2012	9	19,241	3,955	23,205
Additions		15,641	1,062	16,703
Reversals	(9)	(13,168)	(1,296)	(14,473)
At June 30, 2013		21,714	3,721	25,435

For the period ended June 30, 2013, the expense for the provision for contingencies, recognized in the income statement as 'general and administrative expenses', was as follows:

Income statement	
Additions	16,702
Reversals	(14,472)
Reversal of Liability of Former Quotaholders	(161)
Other	(70 0
General and administrative expenses (Note 26)	1,999

All amounts in thousands of reais unless otherwise stated

(a) Civil

Most proceedings mainly involve claims for indemnity for moral and property damages arising from incorrect collections, late issue of diplomas, failure to return summer course registration fees, among other matters of an operational and/or educational nature.
The Company's legal advisors reviewed, assessed and quantified the civil proceedings and, in order to cover probable losses on such claims, management recorded a provision of R$ 3,721 at June 30, 2013 (R$ 3,955 at December 31, 2012).

The provisions recognized for civil lawsuits are due to the following:

Objects	**R$ thousand**
Indemnity for moral damages	2,634
Incorrect collection	638
Prevention of enrollment/reenrollment	79
Discipline-related problems	54
Return of fees	52
Delay in issuance of diploma	40
Other*	224
	3,721

- These arise from other operating and/or academic problems, civil class actions, actions for review and other suits for damages.

The Company's legal advisors reviewed, assessed and quantified the various civil proceedings for which the likelihood of loss is possible, totaling R$ 67,947 at June 30, 2013 (R$ 73,148 at December 31, 2012).

The major suits for which no provision was set up are as follows:

(i) Collection suit arising from health insurance contract through which the insurance company that served our employees claims to have a credit with the Company due to an alleged excess of claim rate. The insurance company claims that the premium paid was not sufficient to pay all the claims made during the term of the Company's employees' health insurance. Currently, the case is at the fact-finding stage. The amount involved in this case is estimated at R$ 5,782.

(ii) Suit for Collection of Rent Payments under the Sublease Agreement for property, entered into on January 1, 1998 and terminated on September 15, 2008, when the signed on January 1, 1998 and terminated on September 15, 2008, at the time keys were handed over. In summary, with this suit, the plaintiff claims that the defendants be ordered to pay (i) unpaid rent differences of R$ 496; (ii) the amount necessary to repair the property, set at R$ 1,080, as duly supported by three quotations obtained and presented by the plaintiff; (iii) rent payments for the period in which the property has been/will be supposedly unavailable for use, in view of its allegedly poor state of repair, for the time required for completion of repairs; (iv) penalty equivalent to three months' rent, for alleged breach of the obligation to submit the property's documentation and to return the property in usable conditions. On September 15, 2011, a partially-valid decision was awarded whereby the Company was sentenced to pay losses and damages. Currently, the judgment of the appeal filed by the parties is being awaited. The amount involved in this case is estimated at R$ 1,500;

All amounts in thousands of reais unless otherwise stated

(iii) Civil class action together with a motion for interim relief filed by the Federal Department of Justice against several educational institutions, including the Company, seeking to restrain the defendants from collecting charges for issuing a first copy of the course conclusion certificate and to repay an amount equivalent to double the charges collected from students who have already graduated and obtained their certificates. The plea was held partially valid by the court and the Company was ordered to refrain from collecting any amounts for issuing and registering a first copy of the course conclusion certificate. Therefore, such decision does not have a financial impact. An appeal was lodged by the Department of Justice, which awaits judgment. The amount assigned to the case by the Public Prosecution Office is R$ 1,000.

(b) Labor

The main labor claims refer to overtime, unused vacation time, recognition of an employment relationship, salary parity and salary differences arising from the decrease in the working hours of certain professors. The Company's legal advisors reviewed, assessed and quantified the various labor proceedings and, in order to cover probable losses on such claims, the Company's management recorded a provision of R$ 21,714 at June 30, 2013 (R$ 19,241 at December 31, 2012).

The provisions recognized for labor lawsuits are due to the following:

Objects	**R$ thousand**
Salary differences + reduction of working time + cct fine + fgts + notice	4,683
Fines (article 467 clt, article 477 clt and cct/act)	3,452
Overtime + supression inter + intra	3,040
Moral/ property damage/ moral harassment	2,383
Correction ctps + indirect repeal + recognition of employment relationship	1,314
Vacations	1,232
Allowances (health hazards/night shift pay/ improvement / length of service / risk premium)	820
Deviation of function and parity	740
Other*	4,050
	21,714

(*) Pleadings complementary to the main ones described above (effects) and Union's fees.

The Company's legal advisors reviewed, assessed and quantified the various labor proceedings for which the likelihood of loss is possible, whose total value of claims on June 30, 2013 is R$ 71,567 (R$ 104,324 at December 31, 2012).

Among the main labor suits classified as possible losses are those filed by the Teachers' Union, such as:

(i) Lawsuit filed by the Teachers' Union of Rio de Janeiro City, whereby the entity claims the payment of salary adjustment to the Company's faculty (approximately 5,595 professors when the suit was filed), as defined in the Collective Bargaining Convention: from April 1, 2004, 3% on salary payable in October 2003 and, from October 1, 2004, 6.62% on salary payable in October 2003. It also claims a fine of 10% on base salary of each professor replaced due to noncompliance with collective labor rules. An unfavorable ruling was issued against the Company. The case is at the appeal stage, awaiting judgment of the appeal lodged by the Company. The amount assigned by the Union is R$ 1,500.

(ii) Lawsuit filed by the Federal Labor Prosecution Office, challenging the legality of the amendment made by the Company in employment agreements executed with hourly-paid professors, with the consequent change in the calculation of salary payments, and the legality of the labor procedure of having professors on its faculty with no classes, a situation where employment agreements may be tacitly and unilaterally interrupted. The case is pending a decision by the court of first instance. The amount assigned to the case by the Public Prosecution Office is R$ 500.

(iii) Enforcement action filed by the Teacher's Union of the State of Minas Gerais, claiming the payment of salary differences arising from the supposed noncompliance with salary parity standards that should apply to the Company's faculty, in addition to payment of a 10% fine as set forth in the Collective Bargaining Convention for failure to comply with related obligations. Currently, the case is at the expert examination stage. The amount randomly assigned to the case by the plaintiff is R$ 50.

(c) Tax

The Company's legal advisors reviewed, assessed and quantified the tax proceedings and concluded that there are no proceedings assessed as probable losses. Accordingly, management does not maintain any provision for such proceedings at June 30, 2013.

Similarly, the legal advisors reviewed, assessed and quantified the various tax proceedings assessed as possible losses, amounting to R$ 330,017 at June 30, 2013 (R$ 336,668 at December 31, 2012).

The Company also informs that the tax suits classified as remote risk, on the same date, amount to R$ 603,050.

Among the main tax proceedings not provided for in the financial statements, we highlight:

(i) In 2008, Brazilian IRS issued 24 tax delinquency notices against the Company, due to alleged debts of social security contributions for 2003, 2004 and 2005, and noncompliance with record-keeping and reporting obligations. A restriction on the Company's properties was recorded in the total amount of the notices. These notices mainly contest the subsidiary SESES's fulfillment of legal requirements to be recognized as a social welfare non-profit entity and its corresponding right to the exemption from paying social security contributions, a condition that it held up to February 9, 2007, when it was converted into a profit-oriented company. In 2011, the Company filed voluntary appeals. In April 2013, 5 of said tax delinquency notices were invalidated by a formal defect. The remaining notices are awaiting judgment by the Board of Tax Appeals. The total amount involved in these assessments is R$ 562,130, not considering the effects of the mentioned lapse. According to the opinion of our legal advisors, the possibility of loss in these cases remains remote.

(ii) In 2011, the Brazilian IRS issued four tax assessment notices, due to alleged debts of social security contributions for the period from January 2006 to January 2007 and noncompliance with record-keeping and reporting obligations. Currently, the referred defenses are pending judgment by the Special IRS Office for the Largest Taxpayers of the state of Rio de Janeiro (DEMAC/RJO). In August 2012, an administrative lower court sentence was rendered, which partially granted the Company's objections, to recognize the extinguishment of right and exclude the entries of the period from January to July 2006, the other inspection arguments were maintained. In 2012, the Company filed voluntary appeals, which are waiting judgment by the Board of Tax Appeals. The total amount involved is R$ 189,274. According to the opinion of the external legal advisors, the possibility of loss in these cases remains remote.

(iii) In 2008, a civil class action was filed in order to annul the Welfare Charitable Entity Certificate (CEBAS), related to the three-year period 2001 to 2003 and, consequently, for SESES to pay previously unpaid taxes due to its tax immunity. On September 22, 2009, a ruling was handed down stating that it would not be legitimate to consider the Company as a debtor. Against this decision, the plaintiff filed an appeal. On May 10, 2012, an upper court decision was published that reversed the decision handed down in the lower court to recognize the legitimacy of the liability of the Company. Due to this decision, the Company filed an Appeal to the Federal Superior Court and Extraordinary Review, which is awaiting judgment. The legal advisors assess an unfavorable outcome on the case as remote and its updated amount is R$ 208,320.

(iv) In 2009, a tax notice was served by the Rio de Janeiro City Tax Department, indicating the following alleged violations: (i) failure to pay ISS on college educational services, in the period January 2005 to January 2007, for having transferred all of its equity in February 2007 to a "new limited liability company"; (ii) unpaid ISS on college educational services, in the period February 2007 to July 2009, for failure to include the amount relating to scholarships awarded through PROUNI in the ISS tax base; and (iii) insufficient ISS amounts withheld and paid for services rendered by property security, surveillance, maintenance and cleaning firms from January 2005 to May 2009. On February 19, 2010, SESES filed a defense against the tax notice. The case is pending a decision by the court of first instance. The updated tax notice amount is R$ 167,396. The outside legal advisors assessed that the case involves a remote chance of an unfavorable outcome.

(v) In 2009, SESES filed a common civil action against the Federal Government/Federal Tax Authorities, through which it claims authorization to pay the social security contributions, according to the graduation provided by Article 13 of Law 11,096/05 ("PROUNI Act"), with the beginning of the graduation as from the 1st month that a general meeting took place that authorized the change of its legal nature to a company for profit, in February 2007, consequently resulting in the following gradation for the payment of the social security contributions by SESES: 20% in 2007; 40% in 2008; 60% in 2009; 80% in 2010; and 100% in 2011, notwithstanding the understanding of INSS inspectors, who claim that the 5 (five) year period for application of the escalated rates as defined in Article 13 of the PROUNI Act should start to be counted as from the date of publication of this Act, which occurred in 2005. On August 7, 2012, the Federal Regional Court (TRF) favorably judged the Company's appeal. According to the mentioned decision, the enjoyment begins as from the date of the Shareholders' Meeting that changed the legal nature of SESES and not the publication date of the Prouni Act. Currently, the suit is awaiting judgment of the appeal filed by Federal Tax Authorities. The outside legal advisors assessed this case as a possible loss and the estimated amount involved is R$ 12,019.

(vi) In 2005, a Declaratory Action and Claim for Tax Refund was filed by SESES against the Federal Government, challenging the legal requirement to pay Social Contribution Tax on Gross Revenue for Social Integration Program (PIS). This suit aims at declaring the non-existence of a legal-tax relationship for purposes of payment of PIS, since the Company held a Welfare Entity Certificate (CEBAS), in addition to recognition of the right to refund of amounts paid over the past ten years. The courts of first and second instances handed down favorable decisions to the Company, acknowledging its tax-immunity and tax credit for overpaid amounts. Currently, a special appeal filed by the Company in order to increase lawyers' fees and an extraordinary appeal lodged by the Federal Government seeking dismissal of the original plea are pending trial. On account of this suit, deposits were made of amounts which would be due for PIS (1% of payroll) while SESES had not changed from a civil non-profit entity to a profit-oriented company, on February 9, 2007. The total amount deposited is R$ 9,179. This case involves a risk of loss rated as remote by the outside legal advisors, and the total amount involved is R$ 36,018.

(vii) In 1997, a tax assessment notice issued by the Brazilian IRS against SESES, due to alleged COFINS debts for 1996, considering that SESES did not meet all the legal requirements to qualify as a social welfare entity and its right to tax immunity. This tax notice continues to be discussed at the administrative level, specifically at the Board of Tax Appeals. The outside legal advisors assessed this case as a possible loss and the adjusted amount involved is R$ 3,525;

(viii) In 2008, an Action for Annulment filed by SESES against the Federal Government, seeking to reverse the tax credit dealt with in Tax Payment Notice No. 86,202/2008, based on the collection of social security contributions supposedly due in the period between December 2005 and February 2008. The case is currently at the fact-finding stage, pending a lower level ruling. The outside legal advisors assessed this case as a possible loss and the adjusted amount involved is R$ 2,900;

(ix) In 2010, a tax assessment notice was issued by the Brazilian IRS claiming payment by SESES of Social Contribution on Gross Revenue for Social Security Financing (COFINS), for the period January 31, 2006 to January 31, 2007, supposedly levied on revenues not arising from the company's own activities. The Company presented an objection on October 13, 2010, which is currently pending analysis. The outside legal advisors assessed that the case involves a possible loss and its estimated amount is R$ 1,700;

(x) In 2012, an Action for Annulment of debt requesting an injunction to suspend the liability of the credit, related to ISS amounts supposedly owed in the period between January 2003 and January 2007. This case involves a risk of loss rated as possible by the outside legal advisors, and the amount involved is estimated at R$3,400;

(xi) In 2011, the Brazilian IRS issued 5 tax assessment notices against SESES, for the period February to December 2007, due to alleged debts of (a) social security contributions (employers' share) on the compensation of employees registered with the social security and individual taxpayers, and those allocated to RAT (Work-related Environmental Risks) on the compensation of employees registered with the social security; (b) alleged failure to report in GFIP (Tax Form of Social Security Information) social security contributions calculated and deducted from the compensation of employees registered with the social security and individual taxpayers; (c) social security contributions (INCRA, FNDE, SESC, and SEBRAE) on the compensation of employees registered with the social security; and (d) fine for noncompliance with a reporting obligation arising from alleged inaccuracies and/or omissions related to GFIP. The related defense was presented on January 30, 2012. Currently, the referred defenses are pending judgment by the Special IRS Office for the Largest Taxpayers of the state of Rio de Janeiro (DEMAC/RJO). The total amount of the case is R$ 22,600. According to the opinion of the outside legal advisors, the possibility of loss in these cases remains possible.

(xii) In 2012, there was a tax assessment notice filed by the Brazilian IRS against Estácio Participações for supposed IRPJ and CSLL debts. The notice questions the supposed impossibility of deduction of a series of expenses because they are not included in the operating concept (Article 299 of Decree 3,000/1999. On November 6, 2012, an objection was presented through which, in general terms, the inclusion in the operating concept was maintained. Currently, the referred defense is pending judgment by the Special IRS Office for the Largest Taxpayers of the state of Rio de Janeiro (DEMAC/RJO). The total amount of the case is R$ 3,870. According to the opinion of the outside legal advisors, the possibility of loss in this case remains possible.

(xiii) In 2012, the Federal Tax Authorities filed a tax foreclosure notices for the judicial collection of the debts embodied in tax assessment notices No. 39.808401-7, 39.838008-2 and 39.808402-5, regarding the corresponding claimed differences in payments of social security contributions in 2007. The respective embargos to this foreclosure were filed, which are awaiting judgment. The total amount of the cases is R$ 24,960. According to the opinion of the outside legal advisors, the possibility of loss in these cases remains possible.

(xiv) In 2012, the Federal Tax Authorities filed tax foreclosure notices for the judicial collection of the debts embodied in tax assessment notice No. 36.266.291-6, regarding the claimed differences in social security payment in 2007. The respective embargos to this foreclosure were filed, which are awaiting judgment. The total amount of the case is R$ 3,030. According to the opinion of the outside legal advisors, the possibility of loss in this case remains possible.

(xv) In 2005, SESES filed an Action for Annulment against the Federal Government, to question the legality of the collection of Tax for Social Security Financing (FINSOCIAL), considering the temporary suspension, by the Brazilian IRS, of its tax immunity through Declaratory Act No. 14/96. Decision published on November 4, 2009, denying SESES pleadings. SESES requested for amendments of judgment, which were denied on November 11, 2009. On November 26, 2009, an appeal was filed, which is awaiting judgment. The total amount deposited and involved is R$ 1,405. The possibility of loss was assessed by the outside legal advisors as possible.

17 Advances under exclusivity agreements

On August 3, 2006, an agreement was entered into between the Company's subsidiaries and Unibanco, effective until July 31, 2011. The purpose of such agreement was granting exclusivity/preference to Unibanco with respect to the offering and provision of products and services to students, employees and suppliers, as well as for Unibanco to be the main provider of financial services.

In exchange for the exclusivity granted to Unibanco, and for maintaining such a condition during the term of the agreement, i.e. until July 31, 2011, Unibanco paid to the subsidiaries a fixed amount of R$ 15,954, which has been recognized in income over the term of the agreement. On February 18, 2008, without significant changes in the main contractual clauses, the parties entered into a new agreement extending the partnership until February 18, 2018. In consideration for the exclusive rights granted to Unibanco while the agreement remains effective, Unibanco paid the Company an additional amount of R$ 18,000. At June 30, 2013, the balance related to amounts advanced in connection with the agreement amounted to R$ 13,471 (R$ 14,914 at December 31, 2012), being R$ 2,887 classified in non-current liabilities, which will be amortized over the life of the agreement.

18 Equity

(a) Share capital

Capital may be increased by the Board of Directors, regardless of any amendment to the bylaws, up to the limit of 1,000,000,000 (one billion) shares. At June 30, 2013, capital is represented by 293,698,314 common shares.

All amounts in thousands of reais unless otherwise stated

The Company's shareholding structure at June 30, 2013 and December 31, 2012 is as follows:

	Common shares			
Shareholders	**June 30, 2013**	**%**	**December 31, 2012**	**%**
Private Equity C, LLC	35,320,383	12.1	15,290,209	18.5
GPCP4 - Fundo de Investimento em Participações	985,917	0.3	426,804	0.5
Officers and directors	2,064,393	0.7	533,799	0.6
Held in treasury	1,796,700	0.6	384,600	0.5
Other	253,530,921	86.3	65,869,939	79.9
	293,698,314	100.0	82,505,351	100.0

In the Annual General Meetings of April 20 and September 12, 2012; January 24, January 30, April 15 and May 2, 2013, the shareholders approved the private issuance of 182,622, 70,792, 12,771,392, 1,915,708, 702,249 and 4,738 registered common shares, respectively, with no par value, with the consequent increase of the Company's capital in the amounts of R$ 3,406, R$ 1,521, R$ 536,398, R$ 80,458, R$ 14,308 and R$ 105, within the limit of the authorized capital in order to meet the exercise of the options granted to the beneficiaries of the share option plan.

In the Extraordinary General Meeting held on May 21, 2013, the shareholders approved a 3-for-1 stock split ("Stock Split"). This stock split resulted in a change in the number of shares which compose the Company's capital, which is now represented by 293,698,314 registered common shares.

(b) Changes in shares

At December 31, 2012	247,516,053
Issue of common shares due to the public offer of shares - Annual General Meeting on January 24, 2013	38,314,176
Issue of common shares due to the public offer of shares - Annual General Meeting on January 31, 2013	5,747,124
Issue of common shares due to the public offer of shares - Annual General Meeting on April 15, 2013	2,106,747
Issue of common shares due to the public offer of shares - Annual General Meeting on May 2, 2013	14,214
At June 30, 2013	293,698,314

The share capital is composed of shares with no par value.

(c) Treasury shares

In the Board of Directors' Meeting on May 12, 2010, the Board unanimously approved the 1st Program for Repurchase of our shares on stock exchange, up to 1,527,788 common shares equivalent to 7.21% of the share capital.

On May 11, 2011, the program was closed and 59,000 (fifty-nine thousand) common shares were acquired, equivalent to 3.86% of the total shares provided for the Program.

All amounts in thousands of reais unless otherwise stated

The Board of Directors approved the 2nd Share Repurchase Program, initiated on July 14, 2011, whose objective was to invest available funds, observing the limit of the balance of profits or reserves at December 31, 2010, in order to maximize the generation of value to the shareholder, within a stipulated limit of up to 3,323,796 common shares, equivalent to 5% of the Company's share capital.

Complementing the 2nd Repurchase Program, the Company's Board of Directors, in a meeting held on September 27, 2011, approved the repurchase of its own shares by entering into call and put options (collectively "options") on shares issued by the Company, for the purpose of cancelling, keeping in treasury and/or subsequently disposing of such shares, which may also be used to cover options exercised under the Company's share repurchase programs, pursuant to CVM Rule 390/03, according to the conditions below, and having Banco Itaú as agent in the transaction. This operation carries a floating-rate cost for the Company since the obligation represents the amount disbursed by the financial institution on the date of repurchase, plus a fixed rate equal to the DI rate plus spread.

After the 2nd share repurchase program was closed on July 13, 2012, the Company began to exercise the options of the repurchase program with derivatives, and the first call was exercised on September 17, 2012.

The program ended on April 15, 2013 after the exercise of the last call. The Company exercised a call option to acquire 335,900 (three hundred, thirty-five thousand, nine hundred) shares at an average cost of R$ 21.27.

Share repurchase options	**Operation**	**Average cost**	**Balance**
December 31, 2012	214,300	19.67	4,216
Exercise of the call option	(214,300)	19.67	(4,216)
June 30, 2013			

	Number	**Average cost**	**Balance**
Share repurchase options			
Treasury shares acquired	1,796,700	6.32	11,348
June 30, 2013			11,348

(d) Capital reserves

(d.1) Share premium

The share premium reserve refers to the difference between the subscription price that the shareholders paid for the shares and the par value of the shares. Since this is a capital reserve, it can only be used to increase capital, offset losses, redeem, reimburse or purchase shares or pay cumulative dividends on preferred shares.

All amounts in thousands of reais unless otherwise stated

The amount of the share premium in the quarterly information as at June 30, 2013 and December 31, 2012 is as follows:

	Parent	
	June 30, 2013	**December 31, 2012**
Tax reserve	3	3
Undistributed profits (*)	96,477	96,477
Special reserve for goodwill on merger	85	85
	96,565	96,565

(*) Profits earned in periods previous to the Company's conversion into a profit-oriented company

(d.2) Option grants

The Company recorded the Capital Reserve for Share Options granted in the amount of R$ 2,009 during the quarter ended June 30, 2013 (R$ 4,538 during the year ended December 31, 2012), as mentioned in Note 21 (b). As required by the applicable technical accounting pronouncement, the fair value of options was determined on the grant date and has been recognized over the vesting period up to the date of these parent company and consolidated quarterly information.

(e) Revenue reserves

(e.1) Legal reserve

The Brazilian legislation requires that 5% of the profit for the year must be allocated to the legal reserve until this reserve equals 20% of the paid-in capital, or 30% of capital plus capital reserves. After this limit is reached, further transfer to such reserve is not necessary. The capital reserve may only be used to increase capital or offset accumulated losses.

(e.2) Profit retention reserve

This reserve is intended to be used for scheduled investments as per the capital budget, in conformity with Article 196 of Brazilian corporation law.

On December 31, 2012, from the results accumulated by the Company, R$ 78,152 was earmarked for the profit retention reserve to finance the investments expected in the Company's capital budget, prepared by Management and approved in the Annual General Meeting of April 30, 2013.

19 Financial instruments and sensitivity analysis of financial assets and liabilities

The fair value of financial assets and liabilities was determined based on available market information and appropriate valuation methodologies for each situation. However, considerable judgment is required in interpreting market data to develop the most adequate estimates of realizable value. As a result, the estimates presented herein are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The Company's financial assets and liabilities at June 30, 2013 and December 31, 2012, are recorded in the balance sheet at amounts that are consistent with those prevailing in the market. The main financial instruments are described below, as well as the criteria and assumptions used in the calculation of fair values and their limitations:

(a) Cash and cash equivalents and marketable securities

The carrying amounts approximate fair values due to the short-term maturity of these instruments.

(b) Borrowings and financing

These are measured at amortized cost using the effective interest method.

(c) Accounts receivable

These are classified as loans and receivables and are recorded at the contractual amounts, which approximate fair value.

(d) Other financial assets and liabilities

The estimated realizable value of the Group's financial assets and liabilities was determined based on available market information and appropriate valuation methodologies.

Financial risk factors

All operations of the Group are carried out with first-tier banks, which minimizes risks. Management records a provision for impairment of trade receivables in an amount considered sufficient to cover possible losses on the collection of receivables; therefore the risk of incurring losses on billed amounts is duly measured and recorded. The main market risk factors that affect the Group's business are as follows:

(a) Credit risk

This risk relates to any difficulties experienced in collecting amounts for services rendered.

The Group is also subject to credit risk from their short-term investments.

The credit risk relating to rendering of services is minimized by a strict control of the student base and active management of default levels and dispersion of balances.

With respect to credit risk associated with financial institutions, the Company and its subsidiaries operate in accordance with the Financial Investments and Derivatives Policy approved by the Board of Directors. The balances of cash and cash equivalents, marketable securities and judicial deposits are held at financial institutions with AA to AAA credit rating according to the credit rating agencies Standard & Poor's, Fitch and Moody's.

All amounts in thousands of reais unless otherwise stated

(b) Interest rate risk

The Group is exposed to fluctuations in the CDI (Interbank Deposit Certificate) rate, which is used to adjust the balance of its short-term investments and debts. Additionally, any increase in interest rates could drive up the cost of student loans, including loans under the FIES program, and reduce the demand for the courses.

(c) Foreign exchange risk

The Group's income is not subject to changes due to exchange rate volatility, as it does not have significant operations denominated in foreign currency.

(d) Liquidity risk

Liquidity risk consists of the possibility that the Group may not have sufficient funds to meet its financial commitments due to the different settlement terms of its rights and obligations.

The Group's liquidity and cash flow control is monitored on a daily basis by the Group's financial management department, in order to ensure that cash flows from operations and funding, when necessary, are sufficient to meet its commitment schedule, not generating liquidity risks for the Group. There was no significant change in the financial liabilities of the Group as of June 30, 2013 compared to December 31, 2012.

The table below analyzes the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Consolidated			
	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
At June 30, 2013				
Trade accounts payable	27,549			
Borrowings	41,212	51,939	223,786	29,747
Finance lease obligations	3,883		2,074	
Commitments payable	8,957	9,550	5,288	8171
At December 31, 2012				
Trade accounts payable	35,435			
Borrowings	26,035	49,820	249,192	35,261
Finance lease obligations	3,631		3,533	
Commitments payable	12,985	3,457	1,592	6,131

(e) Sensitivity analysis

CVM Rule 550 of October 17, 2008 requires that publicly-traded companies disclose in a specific note, qualitative and quantitative information on all of their financial instruments, whether or not recognized as assets or liabilities in their balance sheet.

The Group's financial instruments are represented by cash and cash equivalents, accounts receivable, accounts payable, judicial deposits, borrowings and financing, and are recorded at cost plus interest earned or incurred, which at June 30, 2013 and December 31, 2012 approximate fair value.

All amounts in thousands of reais unless otherwise stated

The main risks to the Group's operations refer to changes in the CDI (Interbank Deposit Certificate) rate.

CVM Rule 475, of December 17, 2008, requires the presentation of information on financial instruments, in a specific note, as well as disclosure of the sensitivity analysis.

With respect to loans, these refer to transactions for which the carrying amount approximates their fair value.

Investments in CDI are recognized at fair value, as per quotations published by the financial institutions. Other investments relate essentially to Bank Deposit Certificates and repurchase operations. Accordingly, the carrying values are equal to the fair values.

To verify the sensitivity of the index of financial investments to which the Company was exposed as of June 30, 2013, three different scenarios were built. The most recent benchmark rate (SELIC) determined by the Brazilian Central Bank's Monetary Policy Committee at its May 29, 2013 meeting - 8.00% p.a. - was used as the probable scenario for the year. Rate changes of 25% and 50% were then calculated.

For each scenario, a "gross finance income" was calculated, disregarding the effect of taxes on the investment yields. The portfolio base date used was June 30, 2013, with projections for one year and determination of the CDI sensitivity in each scenario.

				CDI increase scenario
	Risk	**Probable scenario (I)**	**Scenario (II)**	**Scenario (III)**
Transactions				
Financial investments (*)	CDI	8.00%	10.0%	12.00%
735,072		58,806	73,507	88,209
	Risk	**Probable scenario (I)**	**Scenario (II)**	**Scenario (III)**
Transactions				
Debentures	CDI+1.60	8.00%	10.00%	12.00%
(201,645)		(19,616)	(23,713)	(27,811)
IFC I	CDI+1.53	8.00%	10.00%	12.00%
(49,076)		(4,737)	(5,734)	(6,730)
IFC II	CDI+1.69	8.00%	10.00%	12.00%
(20,877)		(2,051)	(2,476)	(2,900)
Net position		32,402	41,584	50,768

				CDI decrease scenario
	Risk	**Probable scenario (I)**	**Scenario (II)**	**Scenario (III)**
Transactions				
Financial investments	CDI	8.00%	10.0%	12.00%
735,072		58,806	73,507	88,209
	Risk	**Probable scenario (I)**	**Scenario (II)**	**Scenario (III)**
Transactions				
Debentures	CDI+1.60	8.00%	10.00%	12.00%
(201,645)		(19,616)	(23,713)	(27,811)
IFC I	CDI+1.53	8.00%	10.00%	12.00%
(49,076)		(4,737)	(5,734)	(6,730)
IFC II	CDI+1.69	8.00%	10.00%	12.00%
(20,877)		(2,051)	(2,476)	(2,900)
Net position		32,402	41,584	50,768

All amounts in thousands of reais unless otherwise stated

(f) Capital management

The Company's debt in relation to the share capital at the end of the period is presented by consolidated data as follows:

	Consolidated	
	June 30, 2013	**December 31, 2012**
Total liabilities	538,752	528,307
(-) Cash and cash equivalents	(6,838)	(18,132)
Net debt	531,914	510,175
Equity	1,431,188	707,035
Net debt on equity	0.37	0.72

(g) Fair value of financial instruments

On June 30, 2013 and December 31, 2012, the carrying values of the Company's financial instruments approximate their fair value.

The Group's financial instruments were classified as loans and receivables or other financial liabilities, except marketable securities (Note 3), classified as securities held for trading (Level 2).

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily IBOVESPA 50 equity investments classified as trading or available-for-sale securities.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on Group-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;

- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;

All amounts in thousands of reais unless otherwise stated

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value; and

- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

20 Insurance coverage (not reviewed)

The Company and its subsidiaries have a risk management program designed to limit their risks, seeking to contract insurance compatible with their size and operations. Insurance coverage is considered sufficient by management for possible losses, given the nature of the activity, the risks involved in operations and the guidance of its insurance brokers.

The Company and its subsidiaries had the following main insurance policies:

	Insured amounts	
	June 30, 2013	**December 31, 2012**
D&O insurance	80,000	80,000
Fire insurance for fixed assets	87,030	87,030
Civil liability	10,000	10,000
Fixed expense	5,000	5,000
Electronic equipment	200	200
Group life	345,900	333,790
Other lines	2,660	2,660

21 Compensation of key management personnel

(a) Remuneration

According to Brazilian Corporation Law and the Company's bylaws, shareholders are responsible for setting the aggregate amount of management's annual compensation at a General Meeting. The Board of Directors is responsible for the allocation of funds among officers. The Annual General Meeting held on April 3, 2012 fixed the monthly limit of total compensation of management (Board of Directors and Executive Officers) of the Company.

For the periods ended June 30, 2013 and June 30, 2012, total compensation (salaries and profit sharing) paid to the Company's directors, officers and main executives amounted to R$ 9,350 and R$ 7,470, respectively. These amounts are within the limits fixed at the corresponding General Meetings.

The Company and its subsidiaries do not grant post-employment benefits, employment termination benefits or other long-term benefits to its management and employees (except for the share option plan described in Note 21(b).

(b) Share option plan

The Extraordinary General Meeting held on September 12, 2008 approved the Company's Share Option Plan (the "Plan"), for the Company's management, employees and service providers (the "beneficiaries"). The Plan is managed by the Plan's Administration Committee, created by the Board of Directors specifically for that purpose in a meeting that took place on July 1, 2008. The Committee is responsible for periodically creating share option programs and grant to the Beneficiaries (often reviewed) the options and the specific applicable rules, always observing the Plan's ("Program") general rules.

The volume of stock options is limited to 5% of the total shares of the Company's share capital existing on the date each Program is approved.

The stock options are formally documented in an individual contract between the Company and each beneficiary. As a condition to acquire the right to purchase shares, the beneficiary will pay the price of the shares within 30 (thirty) days from the subscription or acquisition of shares related to the lot acquired and exercised. For the first share option program, as approved by the Committee on July 15, 2008, the exercise price of the options will be R$ 16.50 (sixteen reais and fifty cents) per share, adjusted by reference to the IGPM index since July 11, 2008, less the amount of dividends and interest on capital per share that may be paid by the Company from the date of execution of the individual contracts with the beneficiaries.

For the second share option program, as approved by the Committee on April 20, 2010, the exercise price of the options will be R$ 19.00 (nineteen reais), equivalent to the average price of the shares over the last thirty (30) trading days on the São Paulo Stock Exchange prior to date the beneficiary joins the 2nd program, adjusted by reference to the IGPM index from the date the beneficiary is included in the 2nd program, less the amount of dividends and interest on capital per share that may be paid by the Company from the date of execution of the individual contracts with the beneficiaries. The Committee may, upon inclusion of the beneficiary in the 2nd program, determine the granting of a discount of up to 10% (ten percent) in the exercise price.

On December 20, 2010, upon termination of the 2nd program, the creation of the 3rd program was approved, with an issue price of shares to be acquired of R$ 23.60 (twenty-three reais and sixty cents), to be increased based on the variation of the IGPM index from January 3, 2011 until the date of actual exercise of the option.

On April 2, 2012, upon termination of the 3rd program, the creation of the 4th program was approved, with an issue price of shares to be acquired of R$ 19.00 (nineteen reais), to be increased based on the variation of the IGPM index from April 2, 2012 until the date of actual exercise of the option.

At March 1, 2013 upon termination of the 4th program, the creation of the 5th program was approved, with an issue price of shares to be acquired of R$ 40.00 (forty reais), to be increased based on the variation of the IGPM index from March 1, 2013 until the date of actual exercise of the option.

As mentioned in Note 18, a 3-for-1 stock split was approved at the Extraordinary General Meeting on May 21, 2013, and capital is now represented by 293,698,314 registered common shares.

At June 30, 2013, 3,872,802 options granted had been exercised. The balance of shares represented by options is 11,294,916.

As from 2013, the Company will use for the calculation of the fair value of the options of each grant the Binomial model, but we will not change the old grants, according to the standards established by Technical Pronouncement CPC 10, which will continue being calculated by the Black and Scholes model.

All amounts in thousands of reais unless otherwise stated

The assumptions used to determine each grant, based on the Black-Scholes model, are described as follows:

Program	End of the grace period	Expiration date	Fair value	Price of the underlying asset (*)	Expected annual volatility expectation	Expected dividends	Risk-free interest rate	Estimated life (in years)	Number of options granted	Number of lapsed options
Program 1P Jul/08	4/15/2009	4/15/2019	R$ 3.35	R$ 7.83	57.49%	0.97%	6.85%	4.68	727,668	521,100
	4/15/2010	4/15/2020	R$ 4.14	R$ 7.83	57.49%	0.97%	6.85%	4.68	727,626	550,176
	4/15/2011	4/15/2021	R$ 4.68	R$ 7.83	57.49%	0.97%	6.85%	4.68	727,626	564,720
	4/14/2012	4/14/2022	R$ 5.36	R$ 7.83	57.49%	0.97%	6.85%	4.68	727,626	564,720
	4/14/2013	4/14/2023	R$ 4.70	R$ 7.83	57.49%	0.97%	6.85%	4.76	727,626	564,720
Program 1P Sep/08	4/15/2009	4/15/2019	R$ 1.06	R$ 4.68	56.00%	1.62%	8.42%	4.68	663,645	0
	4/15/2010	2/15/2020	R$ 1.71	R$ 4.68	56.00%	1.62%	8.42%	4.68	663,633	399,999
	4/15/2011	4/15/2021	R$ 2.14	R$ 4.68	56.00%	1.62%	8.42%	4.68	663,633	399,999
	4/14/2012	4/14/2022	R$ 2.37	R$ 4.68	56.00%	1.62%	8.42%	4.68	663,633	399,999
	4/14/2013	4/14/2023	R$ 2.67	R$ 4.68	56.00%	1.62%	8.42%	4.68	663,633	399,999
Program 1P Jan/09	4/15/2010	4/15/2020	R$ 1.02	R$ 4.40	63.99%	1.72%	6.83%	4.68	636,369	18,180
	4/15/2011	4/15/2021	R$ 1.66	R$ 4.40	63.99%	1.72%	6.83%	4.68	636,363	72,729
	4/14/2012	4/15/2022	R$ 2.07	R$ 4.40	63.99%	1.72%	6.83%	4.68	636,363	72,729
	4/14/2013	4/15/2023	R$ 2.37	R$ 4.40	63.99%	1.72%	6.83%	4.68	636,363	72,729
	4/14/2014	4/15/2024	R$ 2.56	R$ 4.40	63.99%	1.72%	6.83%	4.68	636,363	72,729
Program 1P Sep/09	4/15/2010	4/15/2020	R$ 2.37	R$ 6.70	56.75%	1.13%	5.64%	4.68	174,582	0
	4/15/2011	2/15/2021	R$ 3.10	R$ 6.70	56.75%	1.13%	5.64%	4.68	174,537	32,727
	4/14/2012	4/14/2022	R$ 3.59	R$ 6.70	56.75%	1.13%	5.64%	4.68	174,537	32,727
	4/14/2013	4/14/2023	R$ 3.99	R$ 6.70	56.75%	1.13%	5.64%	4.68	174,537	32,727
	4/14/2014	4/14/2024	R$ 4.21	R$ 6.70	56.75%	1.13%	5.64%	4.68	174,537	32,727
Program 1P Jan/10	4/15/2011	4/15/2021	R$ 3.73	R$ 8.17	63.15%	0.93%	6.23%	4.68	89,115	10,914
	4/14/2012	4/14/2022	R$ 4.55	R$ 8.17	63.15%	0.93%	6.23%	4.68	89,085	38,181
	4/14/2013	4/14/2023	R$ 5.11	R$ 8.17	63.15%	0.93%	6.23%	4.68	89,085	38,181
	4/14/2014	4/14/2024	R$ 5.53	R$ 8.17	63.15%	0.93%	6.23%	4.68	89,085	38,181
	4/14/2015	4/14/2025	R$ 5.80	R$ 8.17	63.15%	0.93%	6.23%	5.26	89,085	38,181
Program 1P Mar/10	4/15/2011	4/15/2021	R$ 3.16	R$ 7.50	62.20%	1.01%	6.21%	4.68	90,909	0
	4/14/2012	4/14/2022	R$ 3.96	R$ 7.50	62.20%	1.01%	6.21%	4.68	90,909	0
	4/14/2013	4/14/2023	R$ 4.50	R$ 7.50	62.20%	1.01%	6.21%	4.68	90,909	0
	4/14/2014	4/14/2024	R$ 4.91	R$ 7.50	62.20%	1.01%	6.21%	4.68	90,909	0
	4/14/2015	4/14/2025	R$ 5.16	R$ 7.50	62.20%	1.01%	6.21%	5.12	90,909	0
Program 2P Jul/10	4/15/2011	4/15/2021	R$ 2.05	R$ 6.73	58.84%	1.52%	6.25%	4.68	129,702	39,063
	4/14/2012	4/14/2022	R$ 2.87	R$ 6.73	58.84%	1.52%	6.25%	4.68	129,684	39,063
	4/14/2013	4/14/2023	R$ 3.40	R$ 6.73	58.84%	1.52%	6.25%	4.68	129,684	48,438
	4/14/2014	4/14/2024	R$ 3.80	R$ 6.73	58.84%	1.52%	6.25%	4.68	129,684	48,438
	4/14/2015	4/14/2025	R$ 4.04	R$ 6.73	58.84%	1.52%	6.25%	4.72	129,684	48,438
Program 2P Nov/10	4/15/2011	4/15/2021	R$ 3.36	R$ 8.40	57.60%	1.52%	5.88%	4.68	12,000	0
	4/14/2012	4/14/2022	R$ 4.22	R$ 8.40	57.60%	1.52%	5.88%	4.68	12,000	0
	4/14/2013	4/14/2023	R$ 4.80	R$ 8.40	57.60%	1.52%	5.88%	4.68	12,000	0
	4/14/2014	4/14/2024	R$ 5.24	R$ 8.40	57.60%	1.52%	5.88%	4.68	12,000	0
	4/14/2015	4/14/2025	R$ 5.52	R$ 8.40	57.60%	1.52%	5.88%	4.68	12,000	0
Program 3P Jan/11	4/15/2012	4/15/2022	R$ 2.96	R$ 9.00	56.55%	1.14%	5.79%	4.68	195,861	10,170
	4/14/2013	4/14/2023	R$ 3.99	R$ 9.00	56.55%	1.14%	5.79%	4.68	195,807	35,592
	4/14/2014	4/14/2024	R$ 4.69	R$ 9.00	56.55%	1.14%	5.79%	4.68	195,807	35,592
	4/14/2015	4/14/2025	R$ 5.22	R$ 9.00	56.55%	1.14%	5.79%	4.68	195,807	35,592
	4/14/2016	4/14/2026	R$ 5.57	R$ 9.00	56.55%	1.14%	5.79%	5.28	195,807	35,592
Program 3P Apr/11	4/15/2012	4/15/2022	R$ 2.15	R$ 7.80	54.94%	1.32%	6.20%	4.68	165,324	27,981
	4/14/2013	4/14/2023	R$ 3.13	R$ 7.80	54.94%	1.32%	6.20%	4.68	165,240	45,759
	4/14/2014	4/14/2024	R$ 3.78	R$ 7.80	54.94%	1.32%	6.20%	4.68	165,240	45,759
	4/14/2015	4/14/2025	R$ 4.28	R$ 7.80	54.94%	1.32%	6.20%	4.68	165,240	45,759
	4/14/2016	4/14/2026	R$ 4.60	R$ 7.80	54.94%	1.32%	6.20%	4.99	165,240	45,759
Program 4P Apr/12	4/15/2013	4/15/2023	R$ 1.65	R$ 6.50	51.66%	1.65%	4.29%	4.68	306,000	33,000
	4/14/2014	4/14/2024	R$ 2.34	R$ 6.50	51.66%	1.65%	4.29%	4.68	306,000	33,000
	4/14/2015	4/14/2025	R$ 2.79	R$ 6.50	51.66%	1.65%	4.29%	4.68	306,000	33,000
	4/14/2016	4/14/2026	R$ 3.13	R$ 6.50	51.66%	1.65%	4.29%	4.68	306,000	33,000
	4/14/2017	4/14/2027	R$ 3.35	R$ 6.50	51.66%	1.65%	4.29%	5.03	306,000	33,000
Program 4P Jul/12	4/15/2013	4/15/2023	R$ 2.80	R$ 8.10	50.78%	1.23%	4.29%	4.68	48,000	0
	4/14/2014	4/14/2024	R$ 3.53	R$ 8.10	50.78%	1.23%	4.29%	4.68	48,000	0
	4/14/2015	4/14/2025	R$ 4.03	R$ 8.10	50.78%	1.23%	4.29%	4.68	48,000	0
	4/14/2016	4/14/2026	R$ 4.43	R$ 8.10	50.78%	1.23%	4.29%	4.68	48,000	0
	4/14/2017	4/14/2027	R$ 4.69	R$ 8.10	50.78%	1.23%	4.29%	4.79	48,000	0
Program 4P Aug/12	4/15/2013	4/15/2023	R$ 3.24	R$ 8.66	50.39%	1.15%	4.29%	4.68	18,000	0
	4/14/2014	4/14/2024	R$ 3.97	R$ 8.66	50.39%	1.15%	4.29%	4.68	18,000	0
	4/14/2015	4/14/2025	R$ 4.48	R$ 8.66	50.39%	1.15%	4.29%	4.68	18,000	0
	4/14/2016	4/14/2026	R$ 4.89	R$ 8.66	50.39%	1.15%	4.29%	4.68	18,000	0
	4/14/2017	4/14/2027	R$ 5.15	R$ 8.66	50.39%	1.15%	4.29%	4.69	18,000	0
Program 4P Nov/12	4/15/2014	4/15/2024	R$ 7.19	R$ 13.13	49.44%	0.76%	3.50%	4.68	15,000	0
	4/15/2015	4/15/2025	R$ 7.76	R$ 13.13	49.44%	0.76%	3.50%	4.68	15,000	0
	4/15/2016	4/15/2026	R$ 8.24	R$ 13.13	49.44%	0.76%	3.50%	4.68	15,000	0
	4/15/2017	4/15/2027	R$ 8.67	R$ 13.13	49.44%	0.76%	3.50%	4.68	15,000	0
	4/15/2018	4/15/2028	R$ 8.96	R$ 13.13	49.44%	0.76%	3.50%	5.44	15,000	0

(*) Market price on the respective grant dates.

All amounts in thousands of reais unless otherwise stated

The assumptions used to determine each grant, based on the Binomial model, are described as follows:

Program	End of the grace period	Expiration date	Fair value	Price of the underlying asset (*)	Expected annual volatility	Expected dividends	Risk-free interest rate	Estimated life (in years)	Number of options granted	Number of lapsed options
Program 4P Jan/13	1/10/2014	1/10/2024	R$ 8.50	R$ 14.40	33.47%	0.00%	3.90%	11	160,200	0
	1/10/2015	1/10/2025	R$ 8.64	R$ 14.40	33.47%	0.00%	3.90%	12	160,200	0
	1/10/2016	1/10/2026	R$ 8.79	R$ 14.40	33.47%	0.00%	3.90%	13	160,200	0
	1/10/2017	1/10/2027	R$ 8.93	R$ 14.40	33.47%	0.00%	3.90%	14	160,200	0
	1/10/2018	1/10/2028	R$ 9.07	R$ 14.40	33.47%	0.00%	3.90%	15	160,200	0
Program 5P 3	3/1/2014	3/1/2024	R$ 8.01	R$ 16.16	39.85%	0.00%	11.02%	11	144,000	0
	3/1/2015	3/1/2025	R$ 8.70	R$ 16.16	39.85%	0.00%	11.02%	12	144,000	0
	3/1/2016	3/1/2026	R$ 9.30	R$ 16.16	39.85%	0.00%	11.02%	13	144,000	0
	3/1/2017	3/1/2027	R$ 9.84	R$ 16.16	39.85%	0.00%	11.02%	14	144,000	0
	3/1/2018	3/1/2028	R$ 10.32	R$ 16.16	39.85%	0.00%	11.02%	15	144,000	0

(*) Market price on the respective grant dates.

Pursuant to the requirements of Technical Pronouncement CPC 10, share-based payments that were outstanding as of June 30, 2013 were measured and recognized by the Company.

The Company recognizes on a monthly basis the share options granted in a capital reserve account with a corresponding entry in the income statement, of R$ 2,009 for the quarter ended June 30, 2013 (R$ 4,538 for the year ended December 31, 2012).

The Company did not offer any other benefits to its management at June 30, 2013 in addition to the Share Option Plan.

The change in the number of share options outstanding and their related weighted average exercise prices is as follows:

Statutory Board

	June 30, 2013		December 31, 2012	
	Average exercise price per share	Options (thousands)	Average exercise price per share	Options (thousands)
At January 1	22.07	418,867	22.07	418,867
Granted	6.63	734,214	19.76	490,550
Exercised	7.18	669,690	19.43	206,006
At December 31 / June 30	7.39	1,118,137	22.06	703,411

Board of Directors

	June 30, 2013		December 31, 2012	
	Average exercise price per share	Options (thousands)	Average exercise price per share	Options (thousands)
At January 1	22.07	54,000	22.07	18,000
Granted	6.32	725,454	19.76	12,000
Exercised	6.69	969,000	24.00	20,000
At December 31 / June 30	7.39		22.75	10,000

22 Earnings per share

In compliance with CPC 41 (IAS 33) (approved by CVM Rule 636 - Earnings per Share), the Company sets out below the information on earnings per share as at June 30, 2013.

Basic earnings per share are calculated by dividing the profit for the period attributable to common shareholders of the parent company by the weighted average number of common shares outstanding during the period.

Diluted earnings per share are calculated by dividing the profit attributable to common shareholders of the parent company by the weighted average number of common shares outstanding during the period plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations, considering that the information for the period ended 30 June 2012 have been restated due to the split of shares detailed in Note 18 (a)

(a) Basic earnings per share

	June 30, 2013	June 30, 2012
Numerator		
Profit for the period	113,305	54,981
Denominator (in thousands of shares)		
Weighted average number of shares outstanding	292,637,834	247,029,744
Basic earnings per share	0.00039	0.00022

(b) Diluted earnings per share

	June 30, 2013	June 30, 2012
Numerator		
Profit for the period	113,305	54,981
Denominator (in thousands of shares)		
Weighted average number of outstanding shares	292,637,834	247,029,744
Potential increment in the number of shares due to the options plan	2,866,307	3,039,057
Adjusted weighted average number of outstanding shares	295,504,141	250,068,801
Diluted earnings per share	0.00038	0.00022

All amounts in thousands of reais unless otherwise stated

23 Net operating revenue

	Consolidated	
	June 30, 2013	June 30, 2012
Gross operating revenue	1,228,785	965,956
Deductions	(371,970)	(293,982)
Grants - scholarships	(320,354)	(256,069)
Return of monthly tuition fees and charges	(7,127)	(4,163)
Discounts granted	(2,951)	(2,790)
Taxes	(36,383)	(30,960)
FGEDUC	(5,155)	
Net operating revenue	856,815	671,974

24 Cost of services

	Consolidated	
	June 30, 2013	June 30, 2012
Payroll and related charges	(370,816)	(303,911)
Electricity, water, gas and telephone	(14,733)	(14,074)
Rents, condominium fees and property taxes	(65,521)	(57,575)
Mailing and courier expenses	(1,879)	(3,088)
Depreciation and amortization	(23,456)	(19,212)
Education material	(21,001)	(14,876)
Outsourced services - security and cleaning	(15,705)	(13,343)
Cost of services	(513,111)	(426,079)

25 Other operating income

	Parent		Consolidated	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Income from agreements	900	900	1,479	1,532
Rental income			5,125	4,235
Business agency			84	
Reversal of administrative provisions				201
Other operating income (expenses)	(54)	446	317	638
	846	1,346	7,005	6,606

All amounts in thousands of reais unless otherwise stated

26 Expenses by nature

	Parent		Consolidated	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Provision for impairment of trade receivables			(41,641)	(44,045)
Advertising			(40,914)	(32,066)
Sales and marketing			(13,283)	(9,672)
Other			(3,192)	
Selling expenses			(99,030)	(85,783)
Payroll and related charges	(810)	(1,047)	(59,043)	(41,709)
Outsourced services	(1,050)	(2,303)	(24,349)	(22,632)
Machinery rent and leases			(614)	(562)
Consumables			(950)	(745)
Maintenance and repairs	(17)		(10,789)	(7,384)
Depreciation and amortization (*)	(1,595)	(1,761)	(12,528)	(8,709)
Educational covenants	(174)		(3,439)	(3,771)
Travels and accommodation	(55)		(2,465)	(1,703)
Civil conviction	(15)		(5,125)	(1,305)
Institutional events			(645)	(310)
Provision for contingencies			(1,999)	(586)
Other	(610)	(1,442)	(12,094)	(10,247)
General and administrative expenses	(4,326)	(6,553)	(134,040)	(99,663)

(*) Includes the amortization of funding costs of R$ 330.

27 Finance income (costs)

	Parent		Consolidated	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Finance income				
Late payment fines and interest received			3,245	5,486
Income on short-term investments	17,196	6,246	19,567	7,329
Other	200	1,398	262	1,258
	17,396	7,644	23,074	14,073
Finance costs				
Bank expenses	(46)	(419)	(3,365)	(3,397)
Interest and financial charges	(11,371)	(13,676)	(12,609)	(14,351)
Financial discounts			(4,685)	(5,098)
Other	(78)	(424)	(3,769)	(2,345)
	(11,495)	(14,519)	(24,428)	(25,191)

Financial discounts refer to the discounts granted upon renegotiation of overdue monthly tuition fees.

All amounts in thousands of reais unless otherwise stated

28 Income tax and social contribution

Under Law 11,096/2005, regulated by Decree 5,493/2005 and Revenue Service Procedure 456/2004, in the terms of Article 5 of Provisional Executive Act 213/2004, college educational entities while participating in the PROUNI program are exempt from IRPJ and CSLL, among other taxes, and the taxes will be computed based on profit from operations benefiting from incentives ("lucro da exploração").

Reconciliation of income tax and social contribution determined at statutory rates and taxes recognized in the income statement for the periods ended June 30, 2013 and 2012 is as follows:

	Parent		Consolidated	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Profit before income tax and social contribution	114,151	54,981	116,285	55,911
Combined income tax and social contribution statutory rate - %	34%	34%	34%	34%
Income tax and social contribution at statutory rates	(38,811)	(18,694)	(39,537)	(19,010)
Adjustments for calculation at effective rate				
Adjustments arising from Law 11,638/2007			(1,041)	181
Equity in the results of subsidiaries	37,988	22,801		
Non-deductible expenses (a)	(402)	(402)	(1,128)	(710)
Provision for grants (a)				3,060
Tax losses offset	368	(3,705)	(914)	(3,862)
Decommissioning expenses			(246)	(103)
Provision for contingencies			(679)	(204)
Reversal of non-deductible provision for impairment of trade receivables and cancellable monthly tuitions (b)			288	
Other	11		341	(709)
	(846)		(42,916)	(21,357)
Tax incentives - PROUNI			39,463	20,412
Income tax and social contribution on profit for the period	(846)		(3,453)	(945)
Effective rate - %	(0.74 %)	0.00%	(2.97 %)	(1.69 %)

(a) These primarily refer to expenses for sponsorships, donations and giveaways.

(b) Refers to non-deductible provision for impairment of trade receivables relating to students with payments overdue for less than 180 days, and the provision for cancellation of monthly tuition fees.

All amounts in thousands of reais unless otherwise stated

The breakdown of income tax and social contribution expenses in the consolidated income statements for the periods ended June 30, 2013 and 2012 is summarized below:

	Parent		Consolidated	
	June 30, 2013	**June 30, 2012**	**June 30, 2013**	**June 30, 2012**
Income tax and social contribution for the current period	(846)		(3,090)	(108)
Deferred income tax and social contribution for the current period			(363)	(837)
Income tax and social contribution for prior periods			473	15
	(846)		(2,980)	(930)

At June 30, 2013, subsidiaries SESES and IREP recorded deferred tax assets on temporary differences in the amount of R$ 9,694. The breakdown of the tax effects of temporary differences which originated said deferred tax assets is summarized below:

	June 30, 2013	**December 31, 2012**
Provision for contingencies	11,007	10,419
Monthly tuition fees to be cancelled	478	523
Provision for decommissioning of assets	2,739	2,739
Goodwill amortization	(4,530)	(3,624)
	9,694	10,057
Assets	12,086	11,695
Liabilities	(2,392)	(1,638)
	9,694	10,057

Deferred tax assets on temporary differences recorded at June 30, 2013 will be realized as the provisions that originated them are utilized. Consequently, it is not currently possible to present expected annual realization, since the Company's management is not yet able to forecast the timing of the realization of the provision for contingencies and the provision for decommissioning of assets.

At June 30, 2013, subsidiary IREP accounted for deferred tax liability in the amount of R$ 4,530 due to the tax depreciation of goodwill generated upon acquisition of the companies merged into it.

On June 30, 2013, the Company has tax credits arising from tax loss carryforwards in the amount of R$ 14,882 (R$ 15,249 on December 31, 2012) that are not yet accounted for, because it is not possible to state at this time that their realization is considered probable.

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