4Q12 AND 2012 RESULTS

2012: Great Results, Great Responsibility

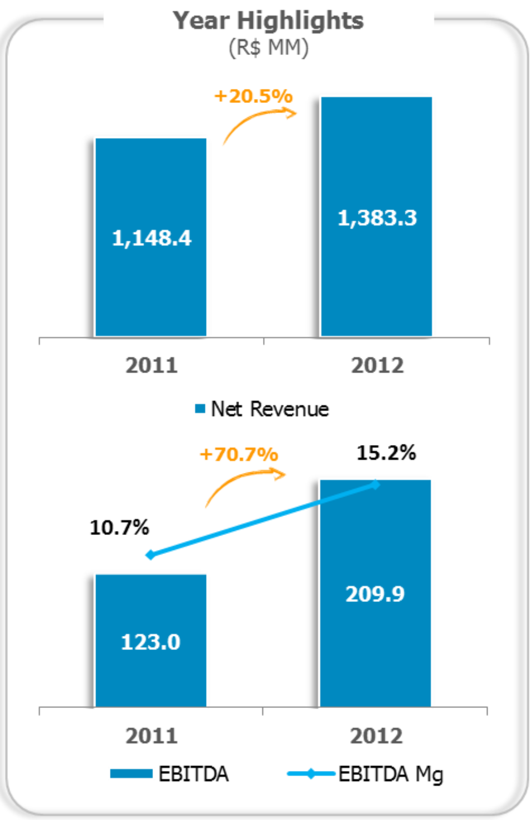
EBITDA increases by 70.7% up to R$210 million in 2012

Net Revenue of R$1.4 billion (up 20.5%) and Net Income of R$110 million (up 56.3%) in 2012

Rio de Janeiro, March 26, 2013 – **Estácio Participações S.A.** – "Estácio" or "Company" (BM&FBovespa: ESTC3; Bloomberg: ESTC3.BZ; Reuters: ESTC3.SA; OTC: ECPCY) announces its results for the fourth quarter (4Q12) and full year of 2012 in comparison with the fourth quarter (4Q11) and full year of 2011. The following accounting information is presented in accordance with International Financial Reporting Standards (IFRS) and on a consolidated basis.

Highlights

- Estácio ended 2012 with a total base of **271,500 students,** 13.1% more than in 2011, 222,600 of whom enrolled in on-campus programs (11.0% up on the previous year, including acquisitions) and 48,900 in distance learning programs (24.1% up on 2011).
- **Net operating revenue** came to R$1,383.3 million in 2012, 20.5% more than the year before, thanks to the substantial increase in the average ticket and to the expansion of the student base.
- **EBITDA** totaled R$209,9 million in 2012, 70.7% up on 2011, with a margin gain of 4.5 p.p. In 4Q12, EBITDA amounted to R$48.3 million, up by 114.7%, while the margin widened by 5.8 p.p.
- **Net income** came to R$109.7 million in 2012, 56.3% more than in 2011, while **earnings per share** totaled R$1.33, an increase of 55.9% over 2011.
- **Operating cash flow** was a positive R$65.2 million in 2012, a R$165.1 million improvement over the negative R$99.9 million recorded in 2011.
- **Cash and cash equivalents** closed 2012 at R$140.5 million.



ESTC3
(March 25, 2013)

Price: R$44.39/share
Number of shares: 97,192,451
Market Cap: R$4.2 billion
Free Float: 87%

IR Contacts:

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

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Key Indicators in the Quarter

As of this quarter, in accordance with CVM Rule 527, we have excluded the "Operating financial result" from the EBITDA calculation and included the "Result from non-continued activities".

	Consolidated			Excluding Acquisitions in 2012		
Financial Highlights	**4Q11**	**4Q12**	**Change**	**4Q11**	**4Q12**	**Change**
Net Revenue (R$ million)	**294.4**	**361.7**	**22.9%**	**294.4**	**348.2**	**18.3%**
Gross Profit (R$ milllion)	**100.2**	**122.1**	**21.9%**	**100.2**	**119.1**	**18.9%**
Gross Profit margin	*34.0%*	*33.8%*	*-0.2 p.p.*	*34.0%*	*34.2%*	*0.2 p.p.*
EBIT (R$ million)	**11.2**	**29.1**	**159.8%**	**11.2**	**26.9**	**140.2%**
EBIT Margin	*3.8%*	*8.0%*	*4.2 p.p.*	*3.8%*	*7.7%*	*3.9 p.p.*
EBITDA (R$ million)	**22.5**	**48.3**	**114.7%**	**22.5**	**45.6**	**102.7%**
EBITDA Margin	*7.6%*	*13.4%*	*5.8 p.p.*	*7.6%*	*13.1%*	*5.5 p.p.*
Net Income (R$ milllion)	**2.4**	**14.9**	**520.8%**	**2.4**	**12.9**	**437.5%**
Net Income Margin	*0.8%*	*4.1%*	*3.3 p.p.*	*0.8%*	*3.7%*	*2.9 p.p.*

The ex-acquisitions column excludes the results from the companies acquired in 2012; the 2011 acquisitions re already consolidated in the result.

Key Indicators in the Year

	Consolidated		
Financial Highlights	**2011**	**2012**	**Change**
Net Revenue (R$ million)	**1,148.4**	**1,383.3**	**20.5%**
Gross Profit (R$ milllion)	**382.9**	**505.9**	**32.1%**
Gross Profit margin	*33.3%*	*36.6%*	*3.3 p.p.*
EBIT (R$ million)	**84.3**	**148.7**	**76.4%**
EBIT Margin	*7.3%*	*10.7%*	*3.4 p.p.*
EBITDA (R$ million)	**123.0**	**209.9**	**70.7%**
EBITDA Margin	*10.7%*	*15.2%*	*4.5 p.p.*
Net Income (R$ milllion)	**70.2**	**109.7**	**56.3%**
Net Income Margin	*6.1%*	*7.9%*	*1.8 p.p.*

The ex-acquisitions column excludes the results from the companies acquired in 2012; the 2011 acquisitions re already consolidated in the result.

Message from Management

2012 will be remembered as an excellent year for Estácio in every single aspect. After years of planting seeds and promoting a culture based on the pursuit of sustainable results in the long term, we have begun to harvest the first fruits of our work. Student enrollment in both on-campus and distance learning programs reached records levels. The number of students financed through FIES increased substantially over the past year, reaching 41,000 students. The graduate segment also resumed its growth after going through a reorganization period. We closed new acquisitions in strategic areas throughout Brazil, increasing our national coverage. Our distance learning student base also kept its growth pace, up 24.1% over 2011. As a result, the student base increased by 13.1%, from 240,000 to 271,500. In purely organic terms, i.e. excluding the acquisitions, annual growth came to 9.5%, while on-campus undergraduate programs, our core business, grew by healthy 6.0% year-on-year.

Thanks to the better perception of the institution by both current and prospective students, which increases our capacity to pass on inflation-pegged costs, and the migration to higher value added courses, our average on-campus and distance learning ticket increased by 9.1% and 7.4%, respectively, over 2011. As a result, annual net revenue moved up by 20.5% to R$1.4 billion, while EBITDA stood at R$210 million (under the new concept proposed by the CVM Rule 527), with a margin of 15.2%, a 450 bps more than in 2011. Under the methodology prior to the new CVM ruling, EBITDA would have come to R$216.7 million, with a margin of 15.7%, 350 bps higher than the previous year's figure.

Net income totaled R$109.7 million, 56% more than in 2011, chiefly due to the more than 70% upturn in EBITDA, which was sufficient to absorb higher financial expenses related to our debt service. Operating cash flow, despite pressure from personnel expenses in the fourth quarter, was a positive R$65 million, versus the negative R$100 million reported in 2011, thanks to our efforts to improve the Company's cash management throughout the year. As a result, we closed 2012 with a cash position of R$140.5 million, only R$30 million less than at the beginning of the year, after five acquisitions and the payment of interest and dividends. Economic Value Added (EVA®) increased from R$6.8 million to R$18.4 million, once again posting a positive delta and adding more value for our shareholders.

We also recorded numerous victories besides these financial accomplishments. We remain committed to the implementation of our academic model, spreading this major competitive advantage to all our units in Brazil at an appropriate pace, without disrupting students and faculty, while improving content, creating new extra-class activities, increasing our "question bank" for national exams, and developing internal benchmarking on a daily basis. We maintained a healthy pace of innovation, another of our model's powerful success drivers, with the launch of the "Didátic@" social network and the delivery of 12,000 tablets in 2012. Once again we received highly satisfactory grades in the *in loco* visits to our units organized by the Ministry of Education (MEC) in order to give its seal of approval to our courses, and the results of the 2011 National Student Performance Exam (ENADE), published at the end of the year, showed a shift of our courses to the right side of the bell curve. Following with the consolidation of our management model and the development of our organizational culture, in 2012 we implemented the Management Excellence Program (PEG), another step towards ensuring excellence in all our activities. Finally, our degree of student satisfaction, measured by an independent firm through an acclaimed methodology, moved up yet again in 2012, showing that we are managing to reconcile student base growth with a good service level.

We know, however, that with great results comes great responsibility. As our student base continues to record strong growth, we need to focus more and more on the quality of our student services, investing in infrastructure, training our staff and aggressively eliminating service bottlenecks. At the same time, we have to make a strong effort to further improve our teaching standards, so that the value of our students to our country and the positive impact on the communities where we operate are recognized by the MEC and society alike. Finally, we cannot forget our responsibility to shareholders and financial partners who are also seeking a fair return on their investment, which in turn allows us to continue investing in Estácio.

Reflecting on this responsibility, and in line with our long-term view, in 2012 we organized a complete strategic planning in order to analyze the variables impacting our business in the years ahead and to come up with a strategy capable of not only overcoming threats, but also leveraging the opportunities that invariably emerge from challenging scenarios, such as the current one. As a result, in recent months we have implemented a series of changes and organizational projects so that topics such as Innovation, Applied Research, Job Market Relations, Technology, Sustainability and Social Responsibility, Institutional Representation, Corporate University and New Businesses Development can become an integral part of Estácio's day-to-day business. We have already implemented some initiatives with these new goals in mind, in the understanding that if we wish to continue generating excellent results in a responsible manner in the coming years, we need to plant the seeds now in order to reap the future benefits.

At the end of this process, when it became clear that we are exceptionally well organized for growth, we also decided to accelerate projects that may give us a greater presence in the on-campus and distance learning segments, as well as in in new segments of our business, thereby taking quality education to every corner of Brazil. In order to finance this growth potential, we successfully organized and concluded a Public Share Offering at the beginning of 2013, which provided us with the financial capacity to implement our plan and begin shaping Estácio for the future.

2012 really was an outstanding year for Estácio, and 2013 is shaping to be really promising. Although the enrollment and renewal processes are not yet fully concluded for the first semester, we estimate that our same-shops undergraduate student base will grow between 10% and 12%, while our distance learning student base should grow around 20% to 25%. Thus, our total undergraduate student base (not considering graduate students), under the same-shops concept, i.e. without any of the acquisitions made in 2012, should grow between 12% and 15%. Welcome, 2013!

Student Base

Estácio closed 2012 with a **student base** of 271,500 (13.1% more than in 2011), 222,600 of whom enrolled in on-campus programs and 48,900 in distance learning programs. Excluding the year's acquisitions, the same-shop student base grew by 9.5%. In 4Q12, we consolidated the 4,000 students from Faculdade São Luís, totaling 8,700 acquired in the year.

Table 1 - Total Student Base*

'000	4Q11	4Q12	Change
On-Campus	**200.6**	**213.9**	**6.6%**
Undergraduate	189.9	201.2	6.0%
Graduate	10.7	12.7	18.7%
Distance Learning	**39.4**	**48.9**	**24.1%**
Undergraduate	37.5	46.1	22.9%
Graduate	1.9	2.8	47.4%
Student Base - same shops	**240.0**	**262.8**	**9.5%**
Acquisitions in 2012	-	8.7	N.A.
Total Student Base	**240.0**	**271.5**	**13.1%**
# Campuses	68	75	10.3%
On-Campus Students per Campus	**2,950**	**2,852**	**-3.3%**
# Distance Learning Centers	52	52	0.0%
Distance Learning Students per Center	**758**	**940**	**24.0%**

Note: Those Acquisitions made in 2011 have already been incorporated into the total student base for on-campus undergraduate students.

At year-end, Estácio's **on-campus undergraduate student base** totaled 209,900 students, 10.5% more than at the close of 2011. Same-shop growth, excluding the institutions acquired in 2012, came to 6.0%.

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

'000	4Q11	4Q12	Change
Students - Starting balance	**196.9**	**218.6**	**11.0%**
(-) Acquisitions in the year	-	(4.7)	N.A.
Renewable Base	**196.9**	**213.9**	**8.7%**
(-) Dropouts	(7.0)	(12.7)	81.9%
Students - same shops	**189.9**	**201.2**	**6.0%**
(+) Acquisitions in the year	-	8.7	N.A.
Students - Ending Balance	**189.9**	**209.9**	**10.5%**

Note: Student base already consolidated with 2011 acquisitions

It is worth noting the cumulative dropout rate in 2012, which was higher than both the industry's average and our figure back in 2011. We believe that a significant part of this increase was due to our very strict negotiation policy with delinquent students, as it can be seen in our receivables portfolio, where agreements account for only 5% of gross accounts receivables. We believe this approach will bring some results already in 2013, when FIES will begin to affect a larger part of our student base. Besides this, we know the dropout rate tends to be much higher in the first semesters, which are now much more representative in our student base thanks to the last record high intake cycles, thus impacting directly our dropout figures.

Our **distance learning undergraduate student base** grew by 22.9% over 2011 to 46,100 students. As expected, the distance learning graduate segment resumed its growth, recording a 47.4% year-on-year upturn in the fourth quarter.

Table 3 - Evolution of Distance Learning Undergraduate Student Base*

'000	4Q11	4Q12	Change
Students - Starting Balance	**37.4**	**51.8**	**38.5%**
(-) Graduates	-	(0.5)	N.A.
(+) Enrollments	4.4	4.9	11.4%
(-) Dropouts	(4.3)	(10.1)	134.9%
Students - Ending Balance	**37.5**	**46.1**	**22.9%**

(*) Figures not reviewed by the auditors

The increase in the distance learning dropout rate follows the same rationale as the on-campus segment.

Operating Revenue

Net operating revenue came to R$1,383.3 million in 2012 and R$361.7 million in 4Q12, 20.5% and 22.9% up, respectively on 2011, due to the 13.1% expansion of the student base and the average ticket increase.

It is worth noting that, as of this quarter, we have changed our provisioning methodology for students contracting loans through the FIES Guarantee Fund (FGEDUC). It should be remembered that institutions adopting the FGEDUC are subject to contributions of a percentage of their financed tuition in order to constitute the Fund. As of 4Q12, this contribution, currently 5.63%, was recorded as a deduction from gross income (in the FGEDUC line) and no longer under selling expenses in the PDA (provision for doubtful accounts) line, as it was previously done.

In 4Q12, we were impacted by R$4 million from the retroactive deduction of students contracting loans through the FGEDUC, whose agreements had been entered into before April 1, 2012, and whose contribution was 7%, as well as students with the 5.63% contribution and for whom provisions had been recorded in 2012. Consequently, the change in the methodology had a positive impact in this quarter's PDA, with a counterpart reduction in net revenue.

Table 4 - Operating Revenue

R$ MM	4Q11	4Q12	Change	2011	2012	Change
Gross Operating Revenue	**411.0**	**503.7**	**22.6%**	**1,632.1**	**1,971.9**	**20.8%**
Monthly Tuition Fees	407.0	496.7	22.0%	1,608.7	1,946.6	21.0%
Others	4.0	6.9	72.5%	23.4	25.3	8.1%
Gross Revenue Deductions	**(116.6)**	**(142.0)**	**21.8%**	**(483.6)**	**(588.6)**	**21.7%**
Scholarships and Discounts	(103.5)	(122.5)	18.4%	(433.7)	(523.8)	20.8%
Taxes	(13.1)	(15.5)	18.3%	(49.9)	(60.8)	21.8%
FGEDUC	-	(4.0)	N.A.	-	(4.0)	N.A.
% Scholarships and Discounts/ Gross Operating Revenue	*25.2%*	*24.3%*	*-0.9 p.p.*	*26.6%*	*26.6%*	*0.0 p.p.*
Net Operating Revenue	**294.4**	**361.7**	**22.9%**	**1,148.4**	**1,383.3**	**20.5%**

In 2012, the **average on-campus and distance learning ticket** climbed by 9.1% and 7.4%, respectively, underlining our capacity to increase prices in a sustainable manner throughout the year, which is only possible when students have a good perception of our quality. In the 4Q12, the average on-campus ticket increased by 10.2% over 4Q11, while the average distance learning average ticket moved up by 7.2%, maintaining the upward trend of previous quarters.

Table 5 - Calculation of the Average Ticket in the quarter - On-Campus*

'000	4Q11	4Q12	Change
On-Campus Undergraduate Student Base	**189.9**	**209.9**	**10.5%**
(+) On-Campus Graduate Student Base	**10.7**	**12.7**	**18.7%**
(=) Revenue Generating On-Campus Student Base	**200.6**	**222.6**	**11.0%**
On-Campus Gross Revenue	**377.6**	**460.0**	**21.8%**
On-Campus Deductions	(106.6)	(128.5)	20.6%
On-Campus Net Revenue (R$ million)	**271.0**	**331.5**	**22.3%**
On-Campus Average Ticket (R$)	**450.4**	**496.5**	**10.2%**

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

(*) Figures not reviewed by the auditors.

Table 6 - Calculation of the Average Ticket in the year - On-Campus*

'000	2011	2012	Change
Revenue Generating On-Campus Undergraduate Student Base (average)	**191.1**	**207.8**	**8.7%**
(+) On-Campus Graduate Student Base	**11.0**	**12.2**	**10.2%**
(=) Revenue Generating On-Campus Student Base	**202.2**	**219.9**	**8.8%**
On-Campus Gross Revenue	**1,513.4**	**1,800.1**	**18.9%**
On-Campus Deductions	(446.3)	(532.9)	19.4%
On-Campus Net Revenue (R$ million)	**1,067.1**	**1,267.1**	**18.7%**
On-Campus Average Ticket (R$)	**439.9**	**480.1**	**9.1%**

Note: Calculation of the average ticket does not include revenue from the Academia do Concurso.
Annual student base calculated as the average between the final bases in the quarters.

Table 7 - Calculation of the Average Ticket in the quarter - Distance Learning*

'000	4Q11	4Q12	Change
Distance Learning Undergraduate Student Base	**37.5**	**46.1**	**22.9%**
(+) Distance Learning Graduate Student Base	**1.9**	**2.8**	**47.4%**
(=) Revenue Generating Distance Learning Student Base	**39.4**	**48.9**	**24.1%**
Distance Learning Gross Revenue	**30.8**	**41.9**	**36.0%**
Distance Learning Deductions	(9.6)	(13.7)	42.7%
Distance Learning Net Revenue (R$ million)	**21.2**	**28.2**	**33.1%**
Distance Learning Average Ticket (R$)	**179.3**	**192.2**	**7.2%**

Table 8 – Calculation of the Average Ticket in the year – Distance Learning*

'000	2011	2012	Change
Revenue Generating Distance Learning Undergraduate Student Base (average)	**33.3**	**45.8**	**37.8%**
(+) Distance Learning Graduate Student Base	**2.6**	**2.5**	**-2.9%**
(=) Revenue Generating Distance Learning Student Base	**35.9**	**48.4**	**34.8%**
Distance Learning Gross Revenue	**110.8**	**163.0**	**47.1%**
Distance Learning Deductions	(36.3)	(55.0)	51.4%
Distance Learning Net Revenue (R$ million)	**74.5**	**107.8**	**44.8%**
Distance Learning Average Ticket (R$)	**173.0**	**185.8**	**7.4%**

Note: Annual student base calculated as the average between the final bases in the quarters.

(*) Figures not reviewed by the auditors

Cost of Services

In 2012, the **ratio of cash cost to net revenue** recorded an efficiency gain of 4.0 p.p., with significant gains in four lines: (i) 2.7 p.p. in personnel, reflecting the more efficient faculty cost control that we achieved throughout the year, as well as the increasing penetration of the academic model in our student base; (ii) 0.8 p.p. in the INSS line, resulting from the end of the INSS step-up in 2011; (iii) 0.4 p.p. in rentals, due to our increasing rigor in negotiations over contractual increases and the more efficient occupation of our buildings with the growth of the student base; and (iv) 0.3 p.p. in third-party services, reflecting higher discipline in the control of third-party contracts and the use of techniques such as matrix-based control over costs and expenses.

In 4Q12, the **ratio of cash cost to net revenue** registered a margin gain of 1.0 p.p. over 4Q11, mainly due to gains of: (i) 0.5 p.p. in personnel, a smaller gain than in previous quarters chiefly due to a higher variable compensation provision for our professors in 2012, as well as part of the collective bargaining agreement from October onwards; (ii) 0.2 p.p. in the INSS line, accompanying the 2012 trend; and (iii) 0.2 p.p. in textbook materials.

Table 9 – Breakdown of Cost of Services

R$ MM	4Q11	4Q12	Change	2011	2012	Change
Cost of Services	**(186.1)**	**(225.0)**	**20.9%**	**(738.5)**	**(833.9)**	**12.9%**
Personnel	(136.3)	(164.8)	20.9%	(556.1)	(621.6)	11.8%
Salaries and Payroll Charges	(111.4)	(135.0)	21.2%	(455.4)	(510.8)	12.2%
Brazilian Social Security Institute (INSS)	(24.9)	(29.7)	19.3%	(100.6)	(110.8)	10.1%
Rentals / Real Estate Taxes Expenses	(24.9)	(30.5)	22.5%	(102.6)	(117.8)	14.8%
Textbooks Materials	(11.7)	(13.7)	17.1%	(29.4)	(37.9)	28.9%
Third-Party Services and Others	(13.2)	(16.0)	21.2%	(50.4)	(56.6)	12.3%

Table 10 – Vertical Analysis of Cost of Services

% of Net Operating Revenue	4Q11	4Q12	Change	2011	2012	Change
Cost of Services	**-63.2%**	**-62.2%**	***1.0 p.p.***	**-64.3%**	**-60.3%**	***4.0 p.p.***
Personnel	-46.3%	-45.6%	*0.7 p.p.*	-48.4%	-44.9%	*3.5 p.p.*
Salaries and Payroll Charges	-37.8%	-37.3%	*0.5 p.p.*	-39.6%	-36.9%	*2.7 p.p.*
Brazilian Social Security Institute (INSS)	-8.5%	-8.3%	*0.2 p.p.*	-8.8%	-8.0%	*0.8 p.p.*
Rentals / Real Estate Taxes Expenses	-8.4%	-8.4%	*0.0 p.p.*	-8.9%	-8.5%	*0.4 p.p.*
Textbooks Materials	-4.0%	-3.8%	*0.2 p.p.*	-2.6%	-2.8%	*-0.2 p.p.*
Third-Party Services and Others	-4.5%	-4.4%	*0.1 p.p.*	-4.4%	-4.1%	*0.3 p.p.*

Table 11 – Cost Reconciliation

R$ MM	4Q11	4Q12	Change	2011	2012	Change
Cash Cost of Services	**(186.1)**	**(225.0)**	**20.9%**	**(738.5)**	**(833.9)**	**12.9%**
(+) Depreciation	(8.2)	(14.6)	78.0%	(27.1)	(43.5)	60.5%
Cost of Services	**(194.3)**	**(239.6)**	**23.3%**	**(765.5)**	**(877.4)**	**14.6%**

Gross Income

Table 12 – Statement of Gross Income

R$ MM	4Q11	4Q12	Change	2011	2012	Change
Net Operating Revenue	294.4	361.7	22.9%	1,148.4	1,383.3	20.5%
Cost of Services	(194.3)	(239.6)	23.3%	(765.5)	(877.4)	14.6%
Gross Profit	**100.2**	**122.1**	**21.9%**	**382.9**	**505.9**	**32.1%**
(-) Depreciation	8.2	14.6	78.0%	27.1	43.5	60.5%
Cash Gross Profit	**108.4**	**136.7**	**26.1%**	**410.0**	**549.4**	**34.0%**
Cash Gross Margin	*36.8%*	*37.8%*	*1.0 p.p.*	*35.7%*	*39.7%*	*4.0 p.p.*

Selling, General and Administrative Expenses

In 2012, **general and administrative expenses** represented 13.1% of net revenue, with a margin gain of 1.7 p.p., mainly due to a 0.7 p.p. gain in the third-party services line, a 0.5 p.p. improvement in the provision for contingencies line and a 0.2 p.p. increase in other operating revenue.

In 4Q12, **general and administrative expenses** improved by 4.3 p.p. over 4Q11, chiefly thanks to a 1.4 p.p. gain in the personnel line, due to the provision for the variable compensation programs, which had a part constituted throughout the year, unlike in 2011, when the entire impact occurred in the fourth quarter. This gain in 4Q12 reverses part of the one-time negative impact we highlighted in 3Q12 related to social charges recovery in the personnel line in 2011, ending the year with a small 0.1 p.p. margin loss. It is also worth noting the one-time effect from the sale of properties, which impacted the other operating revenue line by R$4.0 million, benefiting EBITDA this quarter (+0.7 p.p.). Other gains came from: (i) third-party services (+1.1 p.p.), mainly due to the change in the accounting criteria in the fines and interest on tuitions line and, as a counter entry, the compensation of collection agents, reducing the level of third-party services related to collections as of 3Q12; and (ii) the provision for contingencies (+0.8 p.p.).

Selling expenses represented 11.4% of annual net revenue, with a margin loss of 1.5 p.p. over 2011, due to the 1.1 p.p. increase in the PDA/net revenue ratio, chiefly due to the deterioration in PDA in the first half of 2012 (when the margin loss was 2.5 p.p.).

In 4Q12, **selling expenses** represented 10.5% of net revenues, 0.1 p.p. up on 4Q11**,** as a result of the 2.4 p.p. gain in PDA, offsetting the 0.8 p.p. downturn in marketing and the impact of the Provision for FIES line (-1.5 p.p.), which was created this quarter in order to highlight 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 non-FIES student portfolio; the provision was constituted considering 15% of credit risk over 15% of delinquency);

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

(iii) FIES students who contracted FGEDUC until March, 2012, for the uncovered FGEDUC risk under the former rule, i.e. provisions for the 20% not covered by the FGEDUC. For this amount, we provision 15% of credit risk over an estimated delinquency of 15%, i.e. 0.45%;

(iv) FIES students who contracted FGEDUC until March, 2012, for the provision for loss constituted over the amount of restricted deposits related the 2% contribution to the FGEDUC under the former rule, recorded as Minimum Guarantee, over a 15% estimated delinquency, i.e. 0.30%.

It is worth noting that items (i), (ii) and (iii) have counter entries under noncurrent liabilities in a '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.

Regarding PDA, it is important to remember that the change in the method for constituting provisions for FIES FGEDUC students in the fourth quarter, which are now recorded as a deduction from net revenue, had no effect on EBITDA, but had a positive impact of R$4.0 million on PDA. However, it is worth noting the organic improvement in PDA in 4Q12, reflecting lower delinquency in the first half of 2012 versus 2011, mainly due to the change in our approach to cash flow over 2012.

Table 13 – Selling, General and Administrative Expenses

R$ MM	4Q11	4Q12	Change	2011	2012	Change
Selling, General and Administrative Cash Expenses	**(84.7)**	**(88.4)**	**4.4%**	**(283.5)**	**(339.5)**	**19.8%**
Selling Expenses	**(31.1)**	**(38.1)**	**22.5%**	**(113.8)**	**(157.8)**	**38.7%**
Provisions for Doubtful Debts	(23.4)	(19.9)	-15.0%	(54.4)	(80.0)	47.1%
Provision for FIES	-	(5.4)	N.A.	-	(5.4)	N.A.
Marketing	(7.6)	(12.8)	68.4%	(59.5)	(72.4)	21.7%
General and Administrative Expenses	**(53.6)**	**(50.3)**	**-6.2%**	**(169.7)**	**(181.7)**	**7.1%**
Personnel	(28.5)	(29.4)	3.2%	(79.0)	(96.9)	22.7%
Salaries and Payroll Charges	(26.0)	(26.6)	2.3%	(68.1)	(85.5)	25.6%
Brazilian Social Security Institute (INSS)	(2.4)	(2.8)	16.7%	(10.9)	(11.4)	4.6%
Others	(25.1)	(20.9)	-16.7%	(90.6)	(84.8)	-6.4%
Third-Party Services	(12.4)	(11.2)	-9.7%	(44.5)	(44.5)	0.0%
Machinery rentals and leasing	(0.5)	(0.5)	0.0%	(2.6)	(1.5)	-42.3%
Consumable Material	(0.4)	(0.5)	25.0%	(1.5)	(1.6)	6.7%
Provision for Contingencies	(3.5)	(1.3)	-62.9%	(4.7)	0.8	-117.0%
Other Operating Renevue (expenses)	4.7	8.3	76.6%	12.1	17.8	47.1%
Others	(12.9)	(15.8)	22.5%	(49.4)	(55.9)	13.2%
Depreciation	**(4.3)**	**(4.6)**	**7.0%**	**(15.1)**	**(17.7)**	**17.2%**

Table 14 – Vertical Analysis of Selling, General and Administrative Expenses

% of Net Operating Revenue	4Q11	4Q12	Change	2011	2012	Change
Selling, General and Administrative Cash Expenses	**-28.8%**	**-24.4%**	***4.4 p.p.***	**-24.7%**	**-24.5%**	***0.2 p.p.***
Selling Expenses	**-10.6%**	**-10.5%**	***0.1 p.p.***	**-9.9%**	**-11.4%**	***-1.5 p.p.***
Provisions for Doubtful Debts	-7.9%	-5.5%	*2.4 p.p.*	-4.7%	-5.8%	*-1.1 p.p.*
Provision for FIES	0.0%	-1.5%	*-1.5 p.p.*	0.0%	-0.4%	*-0.4 p.p.*
Marketing	-2.7%	-3.5%	*-0.8 p.p.*	-5.2%	-5.2%	*0.0 p.p.*
General and Administrative Expenses	**-18.2%**	**-13.9%**	***4.3 p.p.***	**-14.8%**	**-13.1%**	***1.7 p.p.***
Personnel	-9.7%	-8.2%	*1.5 p.p.*	-6.9%	-7.0%	*-0.1 p.p.*
Salaries and Payroll Charges	-8.8%	-7.4%	*1.4 p.p.*	-5.9%	-6.2%	*-0.3 p.p.*
Brazilian Social Security Institute (INSS)	-0.8%	-0.8%	*0.0 p.p.*	-1.0%	-0.8%	*0.2 p.p.*
Others	-8.5%	-5.7%	*2.8 p.p.*	-7.9%	-6.1%	*1.8 p.p.*
Third-Party Services	-4.2%	-3.1%	*1.1 p.p.*	-3.9%	-3.2%	*0.7 p.p.*
Machinery rentals and leasing	-0.2%	-0.1%	*0.1 p.p.*	-0.3%	-0.2%	*0.1 p.p.*
Consumable Material	-0.1%	-0.1%	*0.0 p.p.*	-0.1%	-0.1%	*0.0 p.p.*
Provision for Contingencies	-1.2%	-0.4%	*0.8 p.p.*	-0.4%	0.1%	*0.5 p.p.*
Other Operating Renevue (expenses)	1.6%	2.3%	*0.7 p.p.*	1.1%	1.3%	*0.2 p.p.*
Others	-4.4%	-4.3%	*0.1 p.p.*	-4.3%	-4.0%	*0.3 p.p.*
Depreciation	**-1.5%**	**-1.3%**	***0.2 p.p.***	**-1.3%**	**-1.3%**	***0.0 p.p.***

EBITDA

EBITDA totaled R$209.9 million in 2012, 70.7% up on 2011, with an **EBITDA margin** of 15.2%, up by 4.5 p.p., primarily due to improved cost and expense management and the 20.5% increase in net revenue, leveraging our highly scalable model.

It is worth noting that, in accordance with CVM Rule 527, we no longer consider the 'Operating financial result' (revenue from fines and interest on tuitions) when calculating EBITDA. Furthermore, also according to the CVM ruling, we began to include the 'Result from non-continued activities', adjusting the 2011 comparative base accordingly. Table 15 shows both the reconciliation of EBITDA, calculated in accordance with CVM Rule 527, excluding revenue from fines and interest on tuitions and including the result from non-continued activities, as well as the reconciliation with the previous methodology.

4Q12 **EBITDA** came to R$48.3million, 114.7% more than in 4Q11, with an **EBITDA margin** of 13.4%, a 5.8 p.p. improvement.

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

R$ MM	4Q11	4Q12	Change	2011	2012	Change
Net Revenue	**294.4**	**361.7**	**22.9%**	**1,148.4**	**1,383.3**	**20.5%**
(-) Cash Cost of Services	(186.1)	(225.0)	20.9%	(738.5)	(833.9)	12.9%
(-) Selling, General and Administrative Cash Expenses	(84.7)	(88.4)	4.4%	(283.5)	(339.5)	19.8%
(+) Results from non-continued activities	(1.2)	-	N.A.	(3.5)	-	N.A.
EBITDA	**22.5**	**48.3**	**114.7%**	**123.0**	**209.9**	**70.7%**
EBITDA Margin	*7.6%*	*13.4%*	*5.8 p.p.*	*10.7%*	*15.2%*	*4.5 p.p.*
(+) Operating Financial Result	3.1	0.2	-93.5%	14.0	6.8	-51.4%
(-) Results from non-continued activities	1.2	-	N.A.	3.5	-	N.A.
EBITDA (Under Previous Methodology)	**26.8**	**48.5**	**-16.2%**	**140.5**	**216.7**	**54.2%**
Margin	*9.1%*	*13.4%*	*4.3 p.p.*	*12.2%*	*15.7%*	*3.5 p.p.*

Under the same-shop concept, excluding the acquisitions made in 2012, 4Q12 EBITDA totaled R$45.6 million, 102.7% up year-on-year, with a margin gain of 5.5 p.p.

Table 16 – Statement of Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) – Same shops

R$ MM	4Q11	4Q12 ex-acquisitions	Change
Net Revenue	**294.4**	**348.2**	**18.3%**
(-) Cash Cost of Services	(186.1)	(215.0)	15.5%
(-) Selling, General and Administrative Cash Expenses	(84.7)	(87.6)	3.4%
(+) Results from non-continued activities	(1.2)	-	N.A.
EBITDA	**22.5**	**45.6**	**102.7%**
EBITDA Margin	*7.6%*	*13.1%*	*5.5 p.p.*

Companies Acquired

The following chart shows the 4Q12 results of the companies acquired in 2012 (SEAMA, iDez, Uniuol, FARGS and Faculdade São Luís). These details will be provided up to 12 months after the acquisition date to enable follow-up of the Company's performance under the same-shop concept. After this period, the results of the acquired companies will be included in the consolidated results as is already the case with the companies acquired in 2011 (Atual, FAL, FATERN and Academia do Concurso).

Table 17 – Key Indicators of Acquired Companies in 4Q12

R$ million	SEAMA	iDez	Uniuol	FARGS	São Luis
Net Revenue	**5.2**	**0.6**	**0.2**	**1.9**	**5.6**
Gross Profit	**2.0**	**0.0**	**0.0**	**-1.1**	**2.0**
Gross Margin	*38.5%*	*0.0%*	*0.0%*	*-57.9%*	*35.7%*
EBITDA	**1.3**	**0.4**	**0.1**	**-1.0**	**1.8**
EBITDA Margin	*25.0%*	*66.7%*	*50.0%*	*-52.6%*	*32.1%*
Net Income	**1.2**	**0.4**	**0.1**	**-1.1**	**1.4**
Income Margin	*23.1%*	*66.7%*	*50.0%*	*-57.9%*	*25.0%*

Financial Result

Table 18 - Breakdown of the Financial Result

R$ MM	4Q11	4Q12	Change	2011	2012	Change
Financial Revenue	**5.7**	**3.3**	**-42.1%**	**23.9**	**22.1**	**-7.5%**
Fines and interest charged	3.1	0.2	-93.5%	14.1	6.8	-51.8%
Income of financial applications	1.9	2.7	42.1%	8.0	13.2	65.0%
Other	0.7	0.4	-42.9%	1.8	2.1	16.7%
Financial Expenses	**(8.5)**	**(15.4)**	**81.0%**	**(29.5)**	**(55.9)**	**89.5%**
Bank charges	(1.3)	(1.7)	28.4%	(5.6)	(6.7)	19.6%
Interest and fianancial charges	(4.8)	(7.7)	59.6%	(9.7)	(30.4)	213.4%
Debt relief	-	-	N.A.	(3.3)	-	-100.0%
Financial Discounts	(0.9)	(4.8)	433.3%	(6.7)	(14.5)	116.4%
Other	(1.5)	(1.3)	-13.3%	(4.2)	(4.3)	2.4%
Financial Result	**(2.8)**	**(12.1)**	**333.1%**	**(5.6)**	**(33.8)**	**503.6%**

The 2012 **financial result** was negative by R$33.8 million, primarily due to the R$26.4 million increase in financial expenses, resulting mainly from the R$20.7 million upturn in interest and financial charges on debt contracted in 2011, especially the loans from the IFC and our first bond issue in 2011.

The 4Q12 **financial result** was negative by R$12.1 million, as a result of the R$2.4 million reduction in financial revenue and the R$6.9 million increase in financial expenses, for the same reasons mentioned above. During 4Q12, we recorded a downturn in financial revenues due to the reduction in **fines and interest charged.** As it had happened in 3Q12, this came as a result of the change in the accounting criteria for fees paid to collection agents, which previously had a direct counter entry in third-party services for subsequent payment to the agents, but are now recorded only as a net value. Consequently, these two lines suffered a further reduction, in similar proportion to the one registered in 3Q12.

Net Income

Table 19 - Reconciliation of EBITDA and Net Income

R$ MM	4Q11	4Q12	Change	2011	2012	Change
EBITDA	**22.5**	**48.3**	**114.7%**	**123.0**	**209.9**	**70.7%**
Financial Result	(2.8)	(12.0)	328.6%	(5.6)	(33.8)	503.6%
Depreciation	(12.5)	(19.2)	53.6%	(42.2)	(61.2)	45.0%
Social Contribution	(1.4)	(0.7)	-50.0%	(1.5)	(1.5)	0.0%
Income Tax	(3.4)	(1.5)	-55.9%	(3.6)	(3.8)	5.6%
Net Income	**2.4**	**14.9**	**520.8%**	**70.2**	**109.7**	**56.3%**

Estácio posted 2012 **net income** of R$109.7 million, 56.3% above 2011, due to the 20.5% increase in net revenue and the efficiency gains in the cost and expense lines, which led to annual EBITDA growth of 70.7%, more than offsetting the negative financial result from debt contracted since 2011.

Fourth-quarter **net income** totaled R$14.9 million, more than six times higher than in 4Q11, chiefly due to the substantial upturn in EBITDA, detailed in the previous section, which more than offset the deterioration in the financial result and the higher depreciation.

Earnings per share came to R$1.33 in 2012, a 55.9% increase over 2011.

FIES

The **FIES student base** grew substantially in 2012, closing the year at 41,300, a 173% increase over 2011, reaching 19.7% of our on-campus undergraduate base.

It is worth remembering that the FIES eligibility of our students has increased considerably, reaching 95% of the total student base, since we received clearance to offer FIES for the Business Management and Law programs in Rio de Janeiro in June 2012.

Table 20 - FIES Student Base*

('000)	4Q11	1Q12	2Q12	3Q12	4Q12	Change
On-campus undergraduate students	189.9	219.4	201.1	218.6	209.9	10.5%
FIES Student Base	**15.2**	**23.0**	**30.3**	**39.5**	**41.3**	**172.6%**
% of FIES Students	8.0%	10.5%	15.1%	18.1%	19.7%	*11.7 p.p.*

Accounts Receivable and Average Receivable Days

The number of **days receivables from students** (tuition and agreements) averaged 58 days in 4Q12, 2 days less than in 3Q12 and 7 less than in 4Q11. The 12-month reduction was the result of improved receivables management and the efforts to combat delinquency in our units. Excluding FIES revenues, our average days receivables stood at 73 days.

Table 21 – Accounts Receivable and Average Receivable Days

Accounts Receivable (R$ MM)	4Q11	1Q12	2Q12	3Q12	4Q12	4Q12 ex-acquisitions
Gross Accounts Receivable	**320.8**	**358.5**	**350.9**	**351.6**	**362.3**	**346.6**
FIES	36.5	55.4	36.5	45.0	55.7	55.2
Tuition monthly fees	241.4	246.6	261.7	251.5	267.7	255.1
Credit Cards receivable	12.2	21.9	20.0	25.3	19.0	18.7
Renegotiation receivables	26.4	33.7	32.8	29.8	19.9	17.7
Fees receivables	4.4	0.8	(0.0)	-	-	-
Credits to identify	(7.4)	(6.1)	(5.7)	(5.3)	(6.2)	(6.3)
Provision for bad debts	(69.3)	(73.9)	(77.2)	(81.9)	(76.4)	(70.3)
Net Accounts Receivable	**244.1**	**278.5**	**268.0**	**264.4**	**279.7**	**270.1**
(-) FIES	(36.5)	(55.4)	(36.5)	(45.0)	(55.7)	(55.2)
Net Accounts Receivable Ex. FIES	**207.6**	**223.0**	**231.5**	**219.4**	**223.9**	**214.9**
Net Revenue (last twelve months)	**1,148.4**	**1,203.2**	**1,254.7**	**1,316.1**	**1,383.3**	**1,342.4**
Days Receivables Ex. FIES	**65**	**67**	**66**	**60**	**58**	**58**
Net Revenue Ex. FIES (last twelve months)	**1,047.0**	**1,085.4**	**1,096.9**	**1,098.1**	**1,111.3**	
Days Receivables Ex. FIES and FIES Revenue	**71**	**74**	**76**	**72**	**73**	

Note: The calculation of ex-acquisitions excludes only the results from those acquired from 2012.

In line with our commitment to transparency, we are once again publishing the calculation of the average FIES days receivables and the average gross days receivables, which uses gross accounts receivable (including FIES and without discounting PDA), given that this indicator has a direct impact on the Company's working capital and operational cash flow.

Firstly, as for our average FIES days receivables, it is important to point out the increase in our participation in FIES certificates repurchase auctions and the use of these certificates for tax payment throughout 2012, which, together with improved management of FIES processes, substantially reduced the average days receivables over 4Q11 and 1Q12, as it can be seen in the table below.

(*) Figures not reviewed by the auditors.

Table 22 – Accounts Receivable and Average FIES Receivable Days

FIES Average Days Receivables	4Q11	1Q12	2Q12	3Q12	4Q12
FIES Receivables	36.5	55.4	36.5	45.0	55.7
FIES Carry-Forward Credits	13.7	8.1	2.3	10.9	1.1
FIES Net Revenue (last twelve months)	101.4	117.7	157.8	218.0	272.0
FIES Days Receivables	**178**	**194**	**88**	**92**	**75**

FIES accounts receivable increased by R$10.7 million over 3Q12, mainly due to the higher number of students financed by the program. We believe the level of our FIES accounts receivables, around R$56 million, or approximately twice the FIES average monthly net revenue, is appropriate for the sustainable expansion of the FIES base in our operation.

Table 23 – Evolution of FIES Accounts Receivable*

FIES Accounts Receivable (R$ MM)	1Q12	2Q12	3Q12	4Q12
Opening Balance	**36.5**	**55.4**	**36.5**	**45.0**
(+) FIES Net Revenue	42.4	60.7	78.7	90.2
(-) Transfer	21.1	75.6	70.1	81.0
(-) FIES PDA	2.3	4.1	1.0	1.8
(+) Acquisitions	-	-	0.8	-0.3
Ending Balance	**55.4**	**36.5**	**45.0**	**55.7**

FIES carry-forward credits fell by R$9.8 million, reversing the 3Q12 upturn caused by the delay in transfers from the FNDE in September, as mentioned at that time. Since these transfers were normalized in 4Q12, the FIES days receivables averaged 75 days.

Table 24 – Evolution of FIES Carry-Forward Credits*

FIES Carry-Forward Credits (R$ MM)	1Q12	2Q12	3Q12	4Q12
Opening Balance	**13.7**	**8.0**	**2.3**	**10.9**
(+) Transfer	21.1	75.6	70.1	81.0
(-) Tax payment	22.3	33.0	43.0	48.5
(-) Repurchase auctions	4.5	50.2	18.5	42.7
(+) Acquisitions	-	1.9	-	0.4
Ending Balance	**8.0**	**2.3**	**10.9**	**1.1**

The **gross accounts days receivables**, presented in the table below, includes both FIES accounts receivable and gross accounts receivable, without discounting PDA. As can be seen in the table below, this amount is higher than the days receivables normally presented (as in Table 21 - Accounts Receivable and Average Receivable Days), as the PDA balance is not discounted and FIES receivables are also included.

Table 25 – Gross Accounts Receivable and Average Receivable Days

Average Days Receivables	4Q11	1Q12	2Q12	3Q12	4Q12
Gross Accounts Receivable	320.8	358.5	350.9	351.6	362.3
Net Revenue (last twelve months)	1,148.4	1,203.2	1,254.7	1,316.1	1,383.3
Gross Days Receivables	**101**	**107**	**101**	**96**	**94**
Gross Days Receivables Ex. FIES	**89**	**91**	**90**	**84**	**80**

As observed throughout 2012, with the normalization of FIES contract amendments and the effects of the Company's increased focus on the control of non-FIES receivables, the gross accounts days receivable fell by 7 days over 4Q11 and 2 days over the previous quarter, reaching 94 days. It is worth emphasizing that we achieved this reduction at the same time as our student base increased by 13.1%, while new enrollments increased by 25%. This upturn came from delinquency reduction and improvement of FIES internal processes, directly improving our operating cash generation.

(*) Figures not reviewed by the auditors.

Table 26 – Aging of Gross Total Accounts Receivable

Breakdown of Accounts Receivable by Age (R$ million)	4Q11	%	4Q12	%
FIES	36.5	11%	55.7	15%
Not yet due	60.6	19%	76.3	21%
Overdue up to 30 days	40.0	12%	37.2	10%
Overdue from 31 to 60 days	30.6	10%	31.6	9%
Overdue from 61 to 90 days	31.5	10%	28.8	8%
Overdue from 91 to 179 days	52.4	16%	56.2	16%
Overdue more than 180 days	69.3	22%	76.4	21%
TOTAL	**320.8**	**100%**	**362.3**	**100%**

Table 27 – Aging of Agreements Receivable

Breakdown of Agreements by Age (R$ million)	4Q11	%	4Q12	%
Not yet due	9.1	34%	7.6	38%
Overdue up to 30 days	4.0	15%	2.3	12%
Overdue from 31 to 60 days	2.4	9%	0.9	5%
Overdue from 61 to 90 days	2.4	9%	1.1	6%
Overdue from 91 to 179 days	4.4	17%	3.2	16%
Overdue more than 180 days	4.2	16%	4.8	24%
TOTAL	**26.4**	**100%**	**19.9**	**100%**
% over Accounts Receivable	**8%**		**5%**	

Our receivables portfolio remains healthy. Thanks to rigorous policies on debt renegotiation, in 4Q12 only 5% of total receivables came from renegotiations with students, 3 p.p. lower than in 4Q11. In addition, the percentage of receivables from renegotiations overdue by more than 60 days accounted for 46% of all agreements, or 2.5% of total accounts receivable. If on the one hand we had more dropouts, as mentioned in the "Student Base" section, on the other, we remained firm in our commitment to cleaning our base by maintaining a strict credit policy.

Our criteria remain rigid, clear and objective, evidenced by the fact that we provision 100% of receivables overdue for more than 180 days, complemented by the FIES provisions. Tables 28 and 29 show how our PDA is constituted, and reconciles the balance sheet amounts with those in the income statement.

Table 28 – Constitution of Provision for Doubtful Accounts in the Income Statement

R$ MM	12/31/2011	Gross increase in the provision for deliquency	Deliquency recover	Net provision effect	Write off	12/31/2012
Tuitions and fees	56,8	137,1	(56,6)	80,6	(77,7)	59,7
Acquired Companies	12,5	24,4	(9,5)	14,9	(10,6)	16,7
TOTAL	**69,3**	**161,5**	**(66,1)**	**95,4**	**(88,3)**	**76,4**

Table 29 – Reconciliation of the Provision for Doubtful Account Balances in the Balance Sheet

	12/31/2012	12/31/2011
Additional Provision	95.4	66.2
Credit Risk - FIES	(0.1)	0.2
Write off of charges and unidentified deposits	0.4	(8.2)
Sale of 2010 portfolio	(5.2)	(3.9)
Acquired companies at the time of acquisition	(11.1)	-
Others	0.6	-
Total	**80.0**	**54.4**

Investments (CAPEX and Acquisitions)

Table 30 - Capex Breakdown

R$ million	4Q11	4Q12	Change	2011	2012	Change
Total CAPEX	**32.0**	**37.4**	**16.8%**	**178.7**	**172.0**	**-3.7%**
Maintenance	**14.6**	**23.5**	**61.0%**	**47.3**	**62.1**	**31.3%**
Discretionary, Expansion and Acquisitions	**17.4**	**13.9**	**-20.2%**	**131.4**	**109.9**	**-16.4%**
Academic Model	5.0	4.1	-18.0%	17.1	16.1	-5.7%
New IT Architecture	6.2	3.3	-46.8%	17.9	11.3	-36.6%
Integration Processes	1.3	-	-100.0%	3.8	-	-100.0%
Tablet Project	-	3.8	N.A	-	12.9	N.A.
Expansion	4.9	2.7	-44.9%	17.5	9.5	-45.7%
Acquisitions	-	-	N.A.	61.0	60.1	-1.5%

In 2012, **total CAPEX** fell by 3.7% over 2011 to R$172.0 million, while **CAPEX excluding acquisitions** came to R$111.9 million, down by 4.9%. In 4Q12, **total CAPEX** increased by 16.8% over 4Q11, due to the increase in maintenance CAPEX and the acquisition of tablets.

Maintenance CAPEX totaled R$62.1 million in 2012 and R$23.5 million in 4Q12, mostly allocated to upgrading software and hardware, as well as the modernization of equipment, libraries and laboratories in our units. In 2012, we also invested around R$16.1 million in the **Academic Model** (creation of content and distance learning development and production), R$12.9 million in the Tablet Project and R$11.3 million in the acquisition of hardware and licenses for our IT architecture revision project, which will replace our legacy academic systems and prepare our hardware for Estácio's envisaged growth.

Investments in expansion projects, as well as the revitalization and improvement of units, totaled R$9.5 million in 2012 and refer to investments in units to be launched in the future.

Capitalization and Cash

Table 31 - Capitalization and Cash

R$ MM	12/31/2011	09/30/2012	12/31/2012
Shareholders' Equity	**618.9**	**716.7**	**707.0**
Cash & Cash Equivalents	**169.4**	**183.8**	**140.5**
Total Gross Debt	**(264.4)**	**(321.7)**	**(312.5)**
Loans and Financing	(254.4)	(287.7)	(279.7)
Short Term	(6.5)	(17.8)	(13.9)
Long Term	(247.8)	(269.9)	(265.9)
Commitments to Pay	(5.4)	(24.3)	(24.2)
Taxes Paid in Installments	(4.6)	(9.7)	(8.6)
Cash / Net Debt	**(95.0)**	**(137.9)**	**(172.0)**

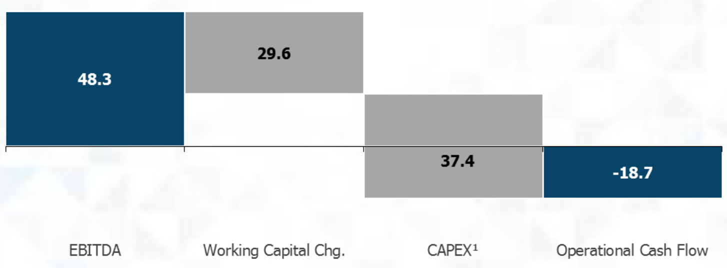
Cash and cash equivalents closed 2012 at R$140.5 million, which was conservatively invested in fixed-income instruments pegged to the CDI interbank rate, government bonds and certificates of deposit with top-tier Brazilian banks. Bank **debt** of R$279.7 million corresponded to the Company's first local bond issue totaling R$200 million, the loans 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$24.2 million, as well as taxes payable in installments, to determine our **gross debt**, which totaled R$312.5 million at the end of 2012. Thus, the Company's **net debt** closed the year at R$172.0 million.

Cash Flow

In 4Q12, the negative R$29.6 million working capital (due to the seasonal consumption of cash related to vacation payment and Christmas bonus in November and December), together with the R$37.4 million CAPEX, consumed more than the R$48.3 million EBITDA, generating **negative operational cash flow** of R$18.7 million.

Operational cash flow before CAPEX came to R$18.7 million in 4Q12.

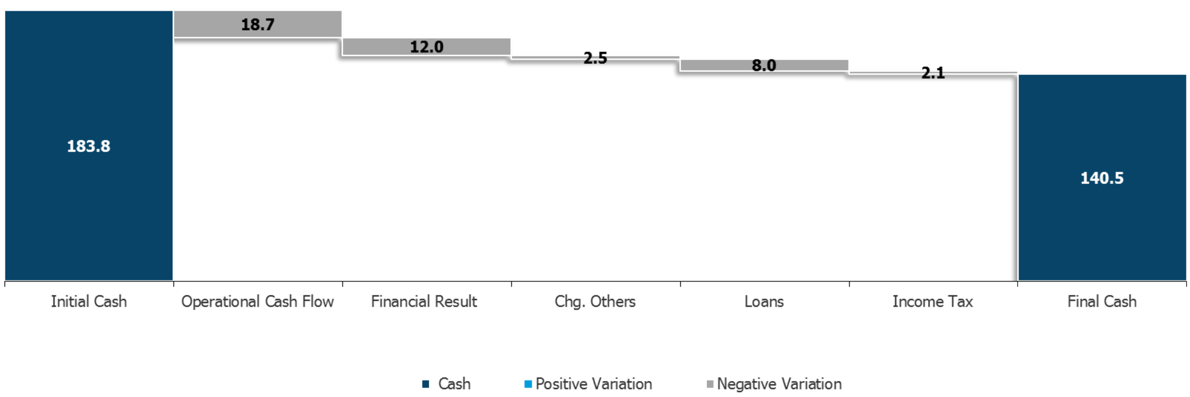
Graph 1 - Operational Cash Flow (R$ million) - Quarter



[1]CAPEX excluding Acquisitions.

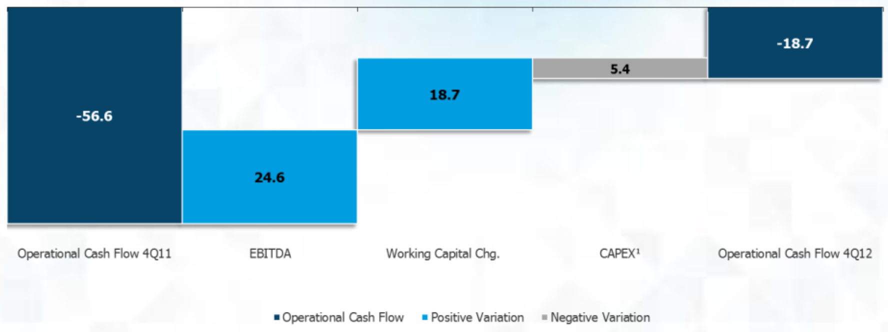
In 4Q12, negative operational cash flow, the negative R$12.0 million financial result and the variation in loans (-R$8.0 million) were the main reasons for cash consumption. At the end of the quarter, our cash position totaled R$140.5 million.

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



It is worth noting that operational cash flow increased by R$37.9 million over 4Q11, due to the R$24.6 million higher EBITDA and the R$7.1 million gain in the working capital variation, more than compensating the R$5.4 million CAPEX increase.

Graph 3 – Evolution of Quarterly Operational Cash Flow (R$ million) – Year on Year

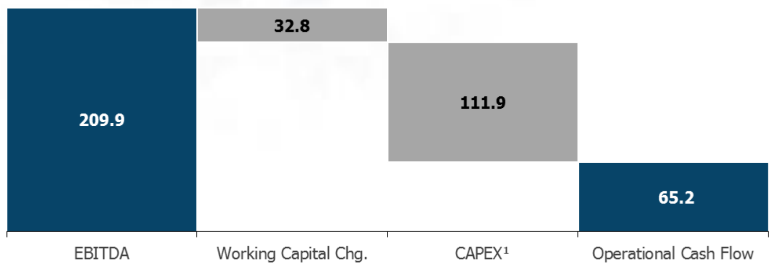


[1]CAPEX excluding acquisitions.

In 2012, EBITDA of R$209.9 million was only partially consumed by the R$111.9 million CAPEX (excluding acquisitions) and the R$32.8 million negative variation in working capital, generating **positive operational cash flow** of R$65.2 million.

Operational cash flow before CAPEX came to R$177.1 million in 2012.

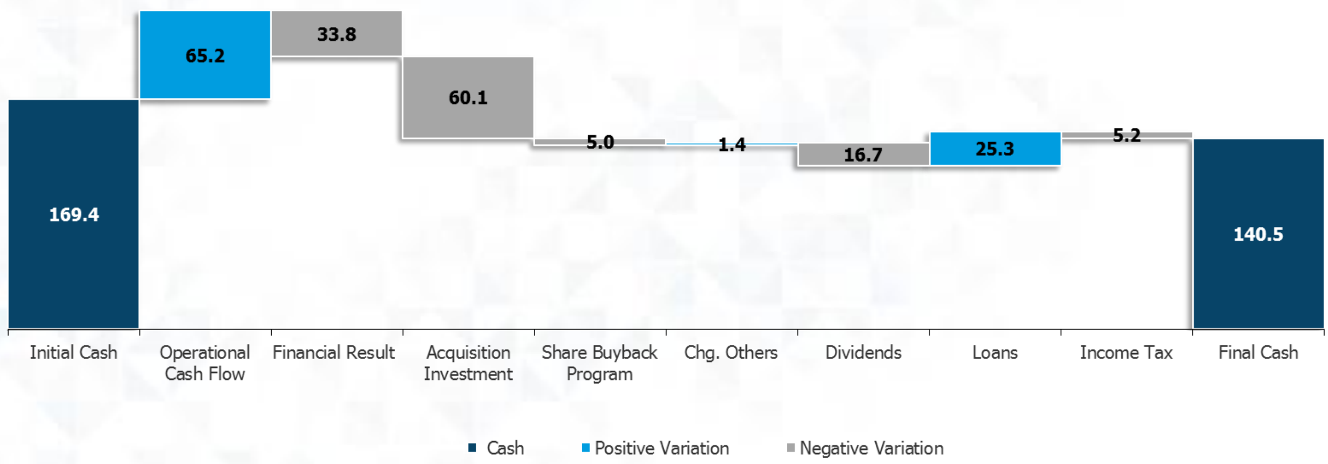
Graph 4 - Operational Cash Flow (R$ million) – 2012



[1]CAPEX excluding acquisitions.

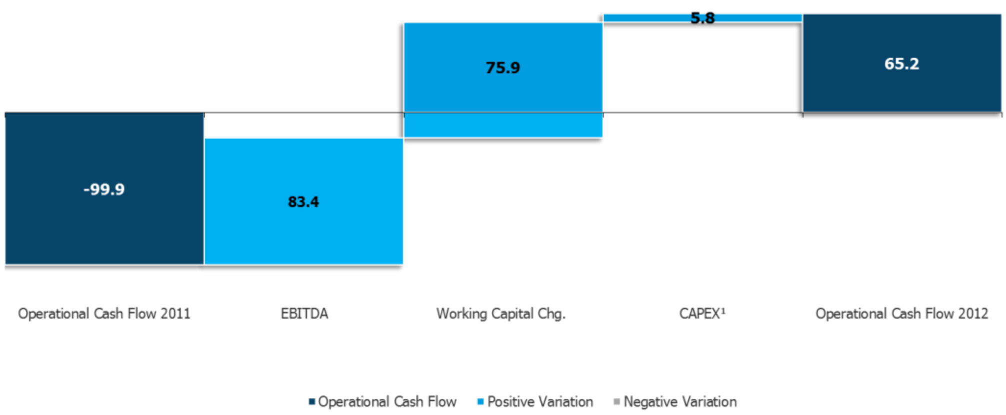
In 2012, positive operational cash flow was consumed by the negative financial result (R$33.8 million), investments in acquisitions (R$60.1 million) and dividends paid (R$16.7 million). Negative flows were partially offset by the positive variation in loans (R$25.3 million) and, as a result, our cash position fell by R$28.9 million, closing at R$140.5 million.

Graph 5 - Cash Flow (R$ million) – 2012



Positive operational cash flow was R$165.1 million higher than the negative R$99.9 million recorded in 2011, underlining our focus on generating cash in 2012, which rapidly moved up over 2011 thanks to the R$83.4 million increase in EBITDA, improved control over working capital, with a gain of more than R$76 million, and the R$5.8 million reduction in CAPEX (non-related to acquisitions).

Graph 6 – Evolution of Annual Operational Cash Flow (R$ million)



[1]CAPEX excluding Acquisitions.

Key Material Facts

Initial Public Offering

On February 5, 2013, Estácio Participações announced the conclusion of a primary and secondary offering of common shares, comprising 3,614,913 shares sold by Private Equity Partners C, LLC and GPCP4 - Fundo de Investimento em Participações, and 14,687,100 shares issued by the Company at R$42.00 per share, giving a total of R$768.7 million.

Corporate Restructuring

On November 8, 2012, Estácio disclosed changes to its Board of Executive Officers as a result of the new growth and expansion phase, which are fully in line with the strategic planning directives:

1) Creation of the **Distance Learning Operations Executive Department**, to increase the focus on this important segment of our business and prepare the Company for the expected growth in this learning modality. The new Department is under the responsibility of Marcos de Oliveira Lemos.
2) Creation of the **Continuing Education Executive Department**, to organize growth in Academia do Concurso operations, short-duration programs, and *lato sensu* graduate programs, in addition to developing and implementing new business opportunities. The new Department is headed by Marcos Noll Barboza.

Estácio Trainee Program attracts record numbers of applicants

Estácio's 2013 Trainee Program had around 20,000 applicants nationwide, a record for a program that will select the fourth group of Company trainees. The first edition attracted 8,000 applicants; the second, 9,000; and the third, 12,000. The continuous increase further underlines Estácio's growth and the better perception of the brand nationwide.

Regulation – Result of *in loco* visits

As an important indicator of the consolidation of our Academic Model in regulatory terms, we received grades of 3, 4 or 5 (on a scale of 1 to 5) in 100% of the evaluations by the Ministry of Education during *in loco* visits to our units in 2011 related to the 2010 National Student Performance Exam (ENADE). We also maintained good evaluations in our *stricto sensu* master's and doctoral programs, receiving the top grade for our Law course in both modalities. Our 4 grade in the Education course indicates the likely continuation of the course's excellence in the next evaluation. We also received a 4 for our master's and doctoral degree programs in Dentistry and Business Administration.

Market Maker Agreement

On December 5, 2012, Estácio published a Notice to the Market announcing the beginning of the Market Maker Service Agreement with Banco de Investimentos Credit Suisse (Brasil S.A.). The agreement, which may be extended, is valid for one year.

Results Conference Calls

Conference Call (in Portuguese)	Conference Call (in English)
Date: March 27, 2013 (Wednesday)	Date: March 27, 2013 (Wednesday)
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 US: +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 April 5, 2013	Replay: available until April 4, 2013
Access Dial-in Brazil: +55 (11) 3127-4999	Access Dial-in NY: +1 (412) 317-0088
Access Code: 45368279	Access Code: 10025726

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

Income Statement in IFRS

R$ MM	Consolidated 4Q11	Consolidated 4Q12	Consolidated Change	Excluding Acquisitions in 2012 4Q11	Excluding Acquisitions in 2012 4Q12	Excluding Acquisitions in 2012 Change
Gross Operating Revenue	**411.0**	**503.7**	**22.6%**	**411.0**	**486.2**	**18.3%**
Monthly Tuition Fees	407.0	496.7	22.0%	407.0	479.3	17.8%
Others	4.0	6.9	72.5%	4.0	6.9	72.5%
Gross Revenue Deductions	**(116.6)**	**(142.0)**	**21.8%**	**(116.6)**	**(138.0)**	**18.4%**
Scholarships and Discounts	(103.5)	(122.5)	18.4%	(103.5)	(119.2)	15.2%
Taxes	(13.1)	(15.5)	18.3%	(13.1)	(14.8)	13.0%
FGEDUC	-	(4.0)	N.A.	-	(4.0)	N.A.
Net Operating Revenue	**294.4**	**361.7**	**22.9%**	**294.4**	**348.2**	**18.3%**
Cost of Services	**(194.3)**	**(239.6)**	**23.3%**	**(194.3)**	**(229.1)**	**17.9%**
Personnel	(136.3)	(164.8)	20.9%	(136.3)	(156.8)	15.0%
Rentals / Real Estate Taxes Expenses	(24.9)	(30.5)	22.5%	(24.9)	(29.2)	17.3%
Textbooks Materials	(11.7)	(13.7)	17.1%	(11.7)	(13.6)	16.2%
Third-Party Services and Others	(13.2)	(16.0)	21.2%	(13.2)	(15.4)	16.5%
Depreciation	(8.2)	(14.6)	78.0%	(8.2)	(14.1)	72.0%
Gross Profit	**100.2**	**122.1**	**21.9%**	**100.2**	**119.1**	**18.9%**
Gross Margin	***34.0%***	***33.8%***	***-0.2 p.p.***	***34.0%***	***34.2%***	***0.2 p.p.***
Selling, General and Administrative Expenses	**(89.0)**	**(93.0)**	**4.5%**	**(89.0)**	**(92.2)**	**3.6%**
Selling Expenses	**(31.1)**	**(38.1)**	**22.5%**	**(31.1)**	**(38.3)**	**23.2%**
Provisions for Doubtful Debts	(23.4)	(19.9)	-15.0%	(23.4)	(20.3)	-13.2%
Provisions for FIES	-	(5.4)	N.A.	-	(5.3)	N.A.
Marketing	(7.6)	(12.8)	68.4%	(7.6)	(12.7)	67.1%
General and Administrative Expenses	**(53.6)**	**(50.3)**	**-6.2%**	**(53.6)**	**(49.3)**	**-8.0%**
Personnel	(28.5)	(29.4)	3.2%	(28.5)	(29.1)	2.0%
Others	(25.1)	(20.9)	-16.7%	(25.1)	(20.2)	-19.5%
Depreciation	**(4.3)**	**(4.6)**	**7.0%**	**(4.3)**	**(4.6)**	**7.0%**
EBIT	**11.2**	**29.1**	**159.8%**	**11.2**	**26.9**	**140.2%**
EBIT Margin	***3.8%***	***8.0%***	***4.2 p.p.***	***3.8%***	***7.7%***	***3.9 p.p.***
(+) Depreciation	12.6	19.2	52.4%	12.6	18.7	48.4%
(+) Results from non-contined activities	(1.2)	-	N.A.	(1.2)	-	N.A.
EBITDA	**22.5**	**48.3**	**114.7%**	**22.5**	**45.6**	**102.7%**
EBITDA Margin	***7.6%***	***13.4%***	***5.8 p.p.***	***7.6%***	***13.1%***	***5.5 p.p.***
Financial Result	(2.8)	(12.0)	328.6%	(2.8)	(12.0)	328.6%
Depreciation and Amortization	(12.6)	(19.2)	52.4%	(12.6)	(18.7)	48.4%
Social Contribution	(1.4)	(0.7)	-50.0%	(1.4)	(0.6)	-57.1%
Income Tax	(3.4)	(1.5)	-55.9%	(3.4)	(1.4)	-58.8%
Net Income	**2.4**	**14.9**	**520.8%**	**2.4**	**12.9**	**437.5%**
Net Income Margin	***0.8%***	***4.1%***	***3.3 p.p.***	***0.8%***	***3.7%***	***2.9 p.p.***

Income Statement in IFRS

R$ MM	Consolidated 2011	2012	Change
Gross Operating Revenue	**1,632.1**	**1,971.9**	**20.8%**
Monthly Tuition Fees	1,608.7	1,946.6	21.0%
Others	23.4	25.3	8.1%
Gross Revenue Deductions	**(483.6)**	**(588.6)**	**21.7%**
Scholarships and Discounts	(433.7)	(523.8)	20.8%
Taxes	(49.9)	(60.8)	21.8%
FGEDUC	-	(4.0)	N.A.
Net Operating Revenue	**1,148.4**	**1,383.3**	**20.5%**
Cost of Services	**(765.5)**	**(877.4)**	**14.6%**
Personnel	(556.1)	(621.6)	11.8%
Rentals / Real Estate Taxes Expenses	(102.6)	(117.8)	14.8%
Textbooks Materials	(29.5)	(38.0)	28.8%
Third-Party Services and Others	(50.4)	(56.6)	12.3%
Depreciation	(27.1)	(43.5)	60.5%
Gross Profit	**382.9**	**505.9**	**32.1%**
Gross Margin	***33.3%***	***36.6%***	***3.3 p.p.***
Selling, General and Administrative Expenses	**(298.6)**	**(357.2)**	**19.6%**
Selling Expenses	**(113.8)**	**(157.8)**	**38.7%**
Provisions for Doubtful Debts	(54.4)	(80.0)	47.1%
Provisions for FIES	-	(5.4)	N.A.
Marketing	(59.5)	(72.4)	21.7%
General and Administrative Expenses	**(169.7)**	**(181.7)**	**7.1%**
Personnel	(79.0)	(96.9)	22.7%
Others	(90.6)	(84.8)	-6.4%
Depreciation	**(15.1)**	**(17.7)**	**17.2%**
EBIT	**84.3**	**148.7**	**76.4%**
EBIT Margin	***7.3%***	***10.7%***	***3.4 p.p.***
(+) Depreciation	42.2	61.2	45.0%
(+) Results from non-continued activities	(3.5)	-	N.A.
EBITDA	**123.0**	**209.9**	**70.7%**
EBITDA Margin	***10.7%***	***15.2%***	***4.5 p.p.***
Financial Result	(5.6)	(33.8)	503.6%
Depreciation and Amortization	(42.2)	(61.2)	45.0%
Social Contribution	(1.5)	(1.5)	0.0%
Income Tax	(3.6)	(3.8)	5.6%
Net Income	**70.2**	**109.7**	**56.3%**
Net Income Margin	***6.1%***	***7.9%***	***1.8 p.p.***

Balance Sheet in IFRS

R$ MM	12/31/2011	09/30/2012	12/31/2012
Short-Term Assets	**492.2**	**542.7**	**511.2**
Cash & Cash Equivalents	21.9	11.8	18.1
Short-Term Investments	147.6	172.0	122.3
Accounts Receivable	244.1	264.5	279.7
Carry-Forwards Credits	16.7	15.0	5.4
Advance to Employees / Third-Parties	17.5	23.2	26.0
Related Parties	0.3	0.3	0.3
Prepaid Expenses	10.3	23.2	30.9
Taxes and contributions	-	15.5	10.6
Others	34.0	17.4	17.9
Long-Term Assets	**576.5**	**696.5**	**728.6**
Non-Current Assets	**84.6**	**111.9**	**125.8**
Prepaid Expenses	0.7	0.7	1.3
Judicial Deposits	63.6	80.4	83.2
Taxes and contributions	-	9.0	20.9
Deferred Taxes and others	20.4	21.7	20.4
Permanent Assets	**491.9**	**584.6**	**602.8**
Investments	0.2	0.2	0.2
Fixed Assets	263.8	279.8	294.7
Intangible	227.9	304.6	307.9
Total Assets	**1068.7**	**1239.2**	**1239.8**
Short-Term Liabilities	**134.7**	**178.2**	**193.3**
Loans and Financing	6.5	17.8	13.9
Suppliers	18.2	30.4	35.4
Salaries and Payroll Charges	57.5	91.2	65.7
Taxes Payable	15.6	15.1	22.2
Prepaid Monthly Tuition Fees	9.0	5.4	8.9
Advances under Partnership Agreement	-	2.9	2.9
Taxes Paid in Installments	0.2	1.0	2.2
Dividends Payable	16.7	0.0	26.1
Commitments Payable	5.4	12.0	13.0
Others	5.6	2.5	3.1
Long-Term Liabilities	**315.1**	**344.3**	**339.5**
Loans and Financing	247.8	269.9	265.9
Provisions for Contingencies	32.4	23.5	23.2
Advances under Partnership Agreement	14.9	12.7	12.0
Taxes Paid in Installments	4.4	8.7	6.4
Provision for asset retirement obligations	13.7	13.9	14.0
Deferred Taxes	1.8	3.2	1.6
Commitments Payable	-	12.4	11.2
Others	-	-	5.1
Shareholders' Equity	**618.9**	**716.7**	**707.0**
Capital	364.4	369.3	369.3
Share Issuance Expenses	(2.8)	(2.8)	(2.8)
Capital Reserves	109.8	112.8	114.3
Earnings Reserves	153.9	153.9	237.6
Retained Earnings	-	94.8	-
Treasury Stocks	(6.3)	(6.4)	(11.3)
Stock Buyback Calls	-	(4.9)	-
Total Liabilities and Shareholders' Equity	**1068.7**	**1239.2**	**1239.8**

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

Estácio closed 2012 with 271,500 undergraduate, graduate and distance learning students enrolled in its nationwide educational network, which now operates in 20 states following the year's acquisitions, as shown in the map below: