

NOTICE TO THE MARKET

Estácio Participações S.A. ("Estácio" or "Company" - Bovespa: ESTC3) hereby informs the Market that, in order to mitigate the risks of non-installation, on first call, of the meeting called to be held on August 15, 2016, at 12 a.m. ("Meeting"), the Company will promote a Public Request for Proxy to vote the matters below:

- (i) To approve the waiver of the performance, by Kroton Educacional S.A ("Kroton"), of a public offering of the shares issued by Company, as required by Article 37 of the Company's Bylaws, within the scope of the merger of all the shares issued by the Company by Kroton in accordance with the terms of the Protocol and Justification of the Merger of Estacio's shares by Kroton ("Transaction" and "Protocol", respectively)
- (ii) To approve the Protocol;
- (iii) To approve the Transaction; and
- (iv) To authorize the subscription, by its managers, of the new shares to be issued by Kroton.

Powers of attorney will be requested for shareholders to guarantee their participation at the Meeting, who can cast favorable or unfavorable vote, or abstain from voting the matters of the agenda.

The Company will receive powers of attorney in physical format and electronically, through the Assembleias Online system (www.assembleiasonline.com.br). Other information and documents will be timely available to shareholders, pursuant to the applicable regulation. Such information will be available to shareholders at the Company's headquarters, on the Company's website (www.estacioparticipacoes.com.br), and on the websites of Assembleia Online (www.assembleiasonline.com.br) and the Brazilian Securities and Exchange Commission (www.cvm.gov.br).

Rio de Janeiro, July 14, 2016.

Pedro Thompson

Investor Relations Officer