1Q15 RESULTS

20 Miles at a Time

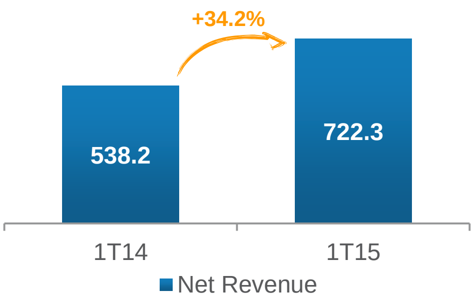
Yet anorther intake record, with 153,000 new students
34% year-on-year student base growth
EBITDA of R$196 million in 1Q15, 51% up on 1Q14
EBITDA Margin of 27.1%, a gain of 3.1 p.p.
Net Income totals R$131 million

Rio de Janeiro, May 7, 2015 – **Estácio Participações S.A.** – "Estácio or "Company" (BM&FBovespa: ESTC3; Bloomberg: ESTC3.BZ; Reuters: ESTC3.SA; OTC: ECPCY) – announces its results for the first quarter of 2015 (1Q15) in comparison with the first quarter of 2014 (1Q14). The following accounting information is presented in accordance with International Financial Reporting Standards ("IFRS") and on a consolidated basis.

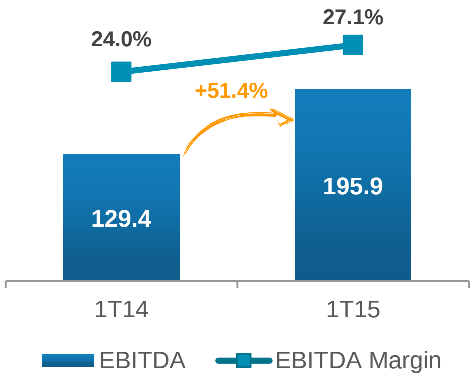
Quarter Highlights

(R$ million)

Net Revenue



EBITDA and EBITDA Margin



Highlights

- Estácio closed 1Q15 with a **total base** of 527,900 students, 33.8% up on 1Q14, 369,300 of whom enrolled in on-campus programs (16.8% up year-on-year,), 101,900 in distance learning programs (up by 30.0%) and 56,700 from institITions acquired in the last 12 months (on-campus and distance learning segments).
- **Net operating revenue** came to R$722.3 million in 1Q15, 34.2% more than in 1Q14, thanks to yet another record intake cycle and the excellent performance of the acquired institutions, leading to solid student base growth.
- **EBITDA** totaled R$195.9 million in 1Q15, a 51.4% improvement over 1Q14,with an **EBITDA margin** de 27.1%. representing a margin gain of 3.1 percentage points.
- **Net income** came to R$130.6 million in 1Q15, 3.8% up on 1Q14. The increase was not higher due to the higher level of depreciation and amortization, including the effect of the goodwill from the acquisition of UniSEB, and the higher financial expenses in the period.
- **Operational cash flow** was a negative R$92.5 million in 1Q15, affected by the delays in the FIES certificates transfers and buyback auctions.
- The Company closed 1Q15 with a solid **cash and cash equivalents** position of R$721.1 million.

ESTC3
(on May 6, 2015)

Price: R$18.30/share
Number of Shares: 316,646,672
Market Cap: R$5.6 billion
Free Float: 88%

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ESTC3 NOVO MERCADO BM&FBOVESPA

Key Indicators

	Consolidated			Excluding acquisitions in the last 12 months		
Financial Highlights	**1Q14**	**1Q15**	**Change**	**1Q14**	**1Q15**	**Change**
Net Revenue (R$ million)	538.2	722.3	34.2%	538.2	658.6	22.4%
Gross Profit (R$ milllion)	229.5	319.1	39.0%	229.5	286.4	24.8%
Gross Profit margin	*42.6%*	*44.2%*	*1.6 p.p.*	*42.6%*	*43.5%*	*0.9 p.p.*
EBIT (R$ million)	109.9	156.8	42.7%	109.9	127.2	15.7%
EBIT Margin	*20.4%*	*21.7%*	*1.3 p.p.*	*20.4%*	*19.3%*	*-1.1 p.p.*
EBITDA (R$ million)	129.4	195.9	51.4%	129.4	164.3	27.0%
EBITDA Margin	*24.0%*	*27.1%*	*3.1 p.p.*	*24.0%*	*25.0%*	*1.0 p.p.*
Net Income (R$ milllion)	125.8	130.6	3.8%	125.8	103.6	-17.6%
Net Income Margin	*23.4%*	*18.1%*	*-5.3 p.p.*	*23.4%*	*15.7%*	*-7.7 p.p.*

Note: EBITDA calculated in accordance with CVM Instruction 527.

Message from Management

For many, the beginning of 2015 brought a “perfect storm” to Brazil’s education sector. As if the difficulties confronted by Brazilian companies, all of which are public knowledge at this time, were not enough, the education sector was severely impacted by a series of measures introduced by Brazil’s Ministry of Education (MEC), aiming to reduce investments in the FIES program, all of which took us by surprise. There was virtually no prior warning, and therefore no time to adapt, and very little room for negotiation.

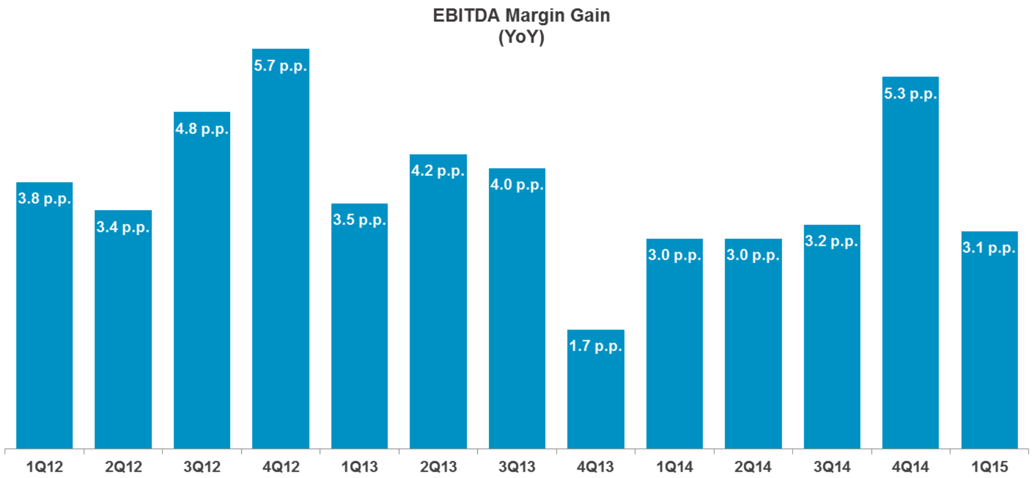
For us, however, these difficulties are far from meaning the end of Estácio’s recent winning cycle. On the contrary, we believe that all the stories of building major companies that are highly successful and widely recognized in the long term have their “black swan” moments, to paraphrase author Nassim Taleb. Throughout history, such moments are inevitable – the problem being we do not know what they are or when they will occur. Consequently, it is imperative that the Company is fully prepared to confront these hard times when they come, and it is much easier and more effective to get this ready during the good times rather than seeking to execute sudden changes in a more turbulent scenario, under the pressure of several stakeholders.

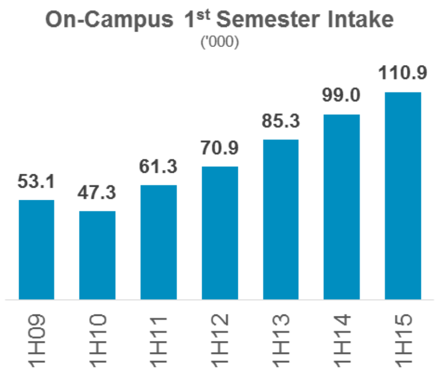
Therefore, whenever questioned about whether we intend to change our strategy due to the “perfect storm”, our reply is always: “no, we do not”. In fact, if we thought it was necessary to change our entire strategy due to changes in the external scenario, it would be because we did not have a strategy at all. After all, strategies should not be created to anticipate or guess the future, but to put the Company in a position to pursue their goals in the long run, regardless of changes in the scenario.

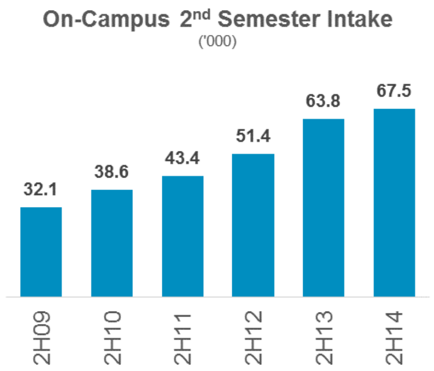
In order to better understand this approach, it is worth looking back once again to some of our recent history, starting by 2008 when, under pressure to grow, we made the difficult decision not to expand until we had a solid institution capable of growing both in good times and in times of greater uncertainty. **During the first three years, when growth was virtually nil, we decided to create the pillars on which our Company is now firmly based: a robust product, organized processes, aligned and motivated people, a modern management system penetrating the entire Company, and an organizational culture that has become increasingly spread over the years.**

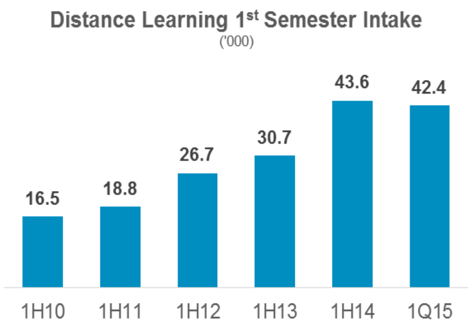
In the three subsequent years, more precisely between 2011 and 2014, we were able to resume growth knowing that, unlike in previous movements, we had **solid pillars to support us**. **We experienced three years of intense growth of virtually all the indicators that a Company can present, both financial and non-financial**, as we stated in our 4Q14 earnings release. When it came to improving the financial aspects, we had the courage and the vision to do so at a speed that did not require us to sacrifice any of the excellence we all strive for at Estácio. Therefore, at the same time as we were growing as in the graph below (thirteen quarters of margin expansion), we launched a series of projects that created **an innovative, organized and standardized**

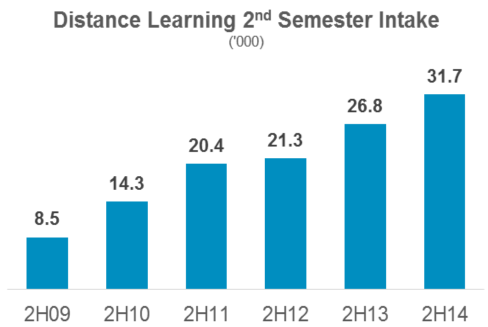
service-driven Company focused on its students, fully aware of its roles and responsibilities, which owns a unique and respected brand across the entire country.



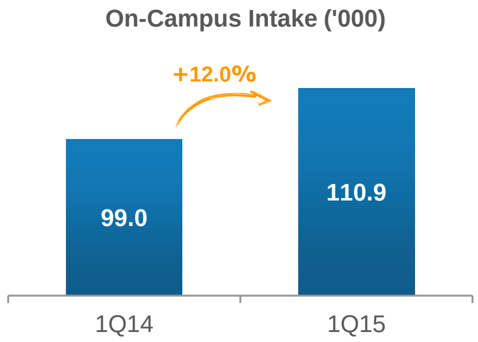


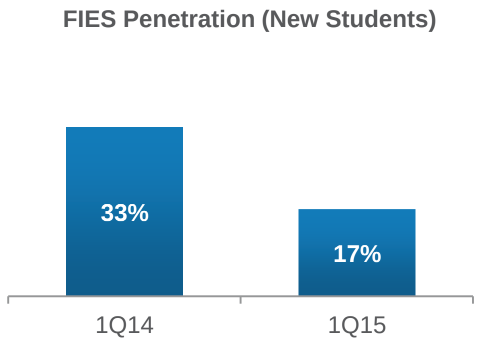




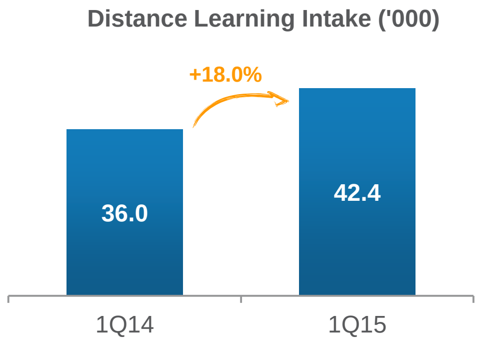


All this explain why our 1Q15 results, even in the middle of the "perfect storm", were so impressive, comparable to those in previous quarters when everything appeared to be in our favor. Even in the more turbulent scenario triggered by the huge uncertainties arising from the sudden changes in FIES, **we once again reported a record high intake cycle, our tenth in a row**. We enrolled **110,900 new students** in the **on-campus undergraduate** segment, **12% up** on the previous year (excluding the students who arrived via the Assisted Transfer Program in 2014), ensuring yet another cycle of robust growth despite the severe reduction in the number of FIES loans. Such a result **confirms our power to attract students with the product we offer and through our Brand's recognition and our People's commitment,** not through government-backed loans**.** In this context, it is worth noting that our FIES penetration rate for new students came to 17% (until April), versus 33% in the first semester of last year.





We also recorded solid growth in the **distance learning** segment, considering UniSEB in 1Q14 as well as in 1Q15, enrolling **42,400 new students, which represents a growth of 18%**.



This excellent intake result, together with our re-enrollment process, led to a **growth of 13.4% in our same shops on-campus undergraduate base. Considering acquisitions, total on-campus undergraduate student base grew by 18.6%.** In the distance learning segment, our undergraduate student base grew by 14.9%, already considering UniSEB in 1Q15 (and also pro-forma figures for UniSEB in 1Q14). As explained in the previous quarter, we decided to present the consolidated distance learning numbers because Estácio and UniSEB both operate in several common cities, which makes it more difficult to calculate individual performance due to cannibalization. The total graduate student base (excluding acquisitions) grew by a hefty 140.6%, totaling 45,000 students by the end of March. Thus, our total student base, considering all acquisitions, increased 33.8% over 1Q14.

As a result, 1Q15 **Net Operating Revenue came to R$722.3 million, 34.2% up on the same period last year**. Once again, based on our strategy of continuous improvement, efficiency gains and scalability, **EBITDA totaled R$195.9 million, a hefty 51.4% improvement**, with a margin of 27.1%, a year-on-year gain of 3.1 percentage points. It is important to notice the growing contribution of the acquired institutions to our results, as can be seen in the section dedicated to these companies, rewarding our diligence and patience when selecting M&A targets so that they add value, as well as our capacity to integrate assets more rapidly and efficiently. It is worth emphasizing that in recent years we have prioritized a series of small and mid-sized acquisitions until we acquired UniSEB, in order, among other things, to develop the Company's ability to integrate the acquired units before engaging in larger moves, which is now seemingly bearing its first fruits.

Net Income came to R$130.6 million, 3.8% up over 1Q14. It is important to note that the Net Income did not follow the same growth pace as our EBITDA due to the higher financial expenses from the new loans, besides the amortization of the goodwill resulting from the acquisitons concluded in the recent cycles, as well as the non-repetition of the one-off fiscal credit effect in 2014. **Operational Cash Flow came to a negative R$92.5 million,** as a direct result of the delays in the issuance of FIES certificates and the buyback auctions in relation to the already challenging schedule announced in December by the FNDE. It is worth noting that the transfers were normalized in April (following the new schedule of eight transfers in 2015), and we expect the schedule to be effective from now on.

We continued our expansion drive in 1Q15, **opening new campuses in Fortaleza, Salvador, Recife, and São Paulo, besides the Venda Nova unit, in Belo Horizonte, which opened at the end of 2014**. We also continued to feed our pipeline of new courses and greenfield protocols with the MEC and played an active part in the "Mais Médicos" (More Doctors) program bids. At the same time, **we recorded two excellent achievements on the academic front, obtaining a score of 5 (on a scale of 1 to 5) for our Law course in Rio de Janeiro and a 4 (reinforced by official approval from the Brazilian Bar Association) for our Law course in Fortaleza**, both of which are still awaiting publication. These courses are our two biggest Law programs in Brazil in terms of numbers of students, reinforcing our firm belief that **our management system, applied to the Academic front, is fully capable of reconciling quality and quantity in Brazilian post-secondary education segment**.

In addition to our concern with operational issues in the last few years, which has allowed us to continue generating exceptional results even in times of adversity, our strategic discipline has always ensured that we are prepared for the worst, even when there are no visible signs of change in the scenario. We believe that all successful companies have this characteristic – in fact, they are almost obsessive about what could go wrong and about unknown risks – and, therefore, prepare themselves accordingly, reserving more funds, i.e. more oxygen to continue their march, even in a stormy weather.

Thus, **not creating over-dependence on FIES, especially in regard to our capacity to attract students, has proved to be the correct strategy**. At the same time, not imposing an organic or inorganic growth pace higher than we could assume without sacrificing the excellence of our services or adding too much complexity or financial and operacional risks to our business, has also helped us to ensure the ability to face a more troubled scenario with serenity. Finally, our solid cash position, reinforced by the bond issue at the end of 2014 and the low leverage of our balance sheet, shows that Estácio knew how to prepare in a proactive way for a year like 2015, even without clear indications that the education sector would be subjected to such turbulence.

To sum up, **our Company focuses on the long term, seeking to generate consistent returns while planting the seeds for future harvests, without pressuring for short-term results and resisting to the temptations to take shortcuts to accelerate our growth pace. We are therefore following the same strategy, preserving our achievements while at the same time building more elements that will constitute powerful advantages in the years ahead.** In 2015, we complete 45 years of a beautiful history that began in 1970 in a small house in Rio de Janeiro. We have decided to call this year the **"Year of the Brand", because from now on we intend to adopt a more proactive attitude to consolidating our brand throughout the entire country, together with all our stakeholders, in the firm belief that we already have much to show to our society.** Once again, we are not in a hurry and will do things in our own way and at our own pace. We have our eyes on 2020, our strategic horizon and also Estácio's 50th anniversary, and we know that 2015 will be just another stretch on the way to our final objective. Perhaps a steeper, more difficult stretch, but even so just another 20-mile march for our people, who wisely knew to get ready and to save some oxygen for this tougher part of the journey, allowing us to keep going at the same pace as before.

2015 Strategy

If on one hand, as indicated above, we do not intend to change our overall strategy due to the changes in the external scenario of Brazil's education sector, on the other hand it would be naive not to make certain necessary adjustments to confront, and even to eventually take advantage of, the new situation. We would therefore like to share our main 2015 guidelines with our investors:

(1) **Maintenance of our 2015 EBITDA target**: by deciding, together with our Board of Directors, to maintain the same EBITDA target set before the FIES changes, we demonstrate our enormous confidence in our management model. So, during the first few weeks of the year, when one Company front was focusing on the external issues, another was preparing a detailed plan for improving our costs and expenses control, using all the tools developed over the last seven years. At the end of this cycle, the entire Company had been informed and each area was aware of its new targets to reflect the new situation. In this context, we believe that, even though we may suffer some revenue loss because of the adverse climate, we have all the necessary conditions to offset these impact in the other lines of the result. If, on the other hand, there are no such losses in the top line, we may be able to deliver an even better result;

(2) **Change of culture in relation to the dropout rate**: in recent years the Company has focused on attracting new students and renewing their enrollment at the end of their academic semesters. In the second semester of 2014, however, driven by our distance learning area (which advanced first in this indicator), **we began to increasingly concentrate on the opportunity we had in our hands to improve the in-semester dropout rate**. This indicator became much more important with the changes in FIES, given that students who cannot raise financing and find themselves in financial or non-financial difficulties are much more likely to abandon their course. We have several initiatives planned to improve this situation, some of which are detailed in this release, but the general idea is to adopt the same tool kit developed developed to maximize our financial indicators to increase our chances of reducing the dropout rate;

(3) **Cash is King**: more than ever, we are concentrating on Estácio's cash flow and cash position. Although in recent years we have been paying more attention to the issue through the adoption of EVA® and the introduction of various delinquency and cash flow targets for the whole Company, a crisis such as this generated by the FIES changes has a positive effect: it calls our attention and reminds us that, at the end of the day, what counts is our ability to generate cash. In this context, we have created several initiatives to take care of the Company's cash and we intend to provide more information on them throughout the year. For now, we would like to share the challenge posed by our Board of Directors, which is to end the year with the same cash balance we envisaged prior to the FIES crisis (not considering new acquisitions during 2015). We know that we will not be able to offset the entire loss within the scope of the operational cash flow, so our plan involves several financial variables, but we do believe that the more we focus on cash-related issues and the more use we make of our management mechanisms to increase our cash, the more successful we will be with this mission. The chart below shows, without detailing numbers, some of the tools we intend to use to close the breach opened up by "the perfect storm";

(4) **20-Mile March:** We believe that marching 20 miles in 2015 does not mean "only" maintaining the same growth pace as in previous years; it implies, rather, in following the same strategy used up to 2014 in regard to: (a) building differentials; (b) fostering innovation; (c) growing through organic expansion; (d) making small and medium-sized acquisitions; and (e) developing new businesses. We know that it is by maintaining these growth and differentiation initiatives, while clearly respecting the Company's cash conditions, that we will sustain our capacity to continue generating excellent results for several years ahead, especially when external scenario becomes more favorable again;

(5) Risk Management: Although it appears that the "perfect storm" is already fully-formed and nothing could get worse, when we think about the long run we cannot ever let our guard down. We therefore have to be prepared for even more adverse situations, even when there are absolutely no indications of bad times to come, and the best way to do this is to ensure a secure cash position, which is why we decided to strengthen our cash through a R$200 million loan taken with Itaú back in March. Thus, in addition to taking care of our cash as never before, we will be alert to all funding possibilities in the belief that any extra breathing space could make all the difference in more difficult periods;

(6) **Eyes Open for Opportunities:** Finally, even though we have a structured Company capable of maintaining a strong growth pace, with healthy financial conditions and a full "reserve tank" for the march ahead, there is always the possibility that these adversities, especially if the negative scenario lasts for much longer than desired, may generate good business opportunities by putting other institutions under pressure. We therefore intend to pay very close attention and to adopt a more receptive attitude to any opportunity that may appear over the horizon, with the belief that a more adverse scenario may generate better chances of consolidation than those in good times.

It is important to highlight that we see the changes in FIES, notably the postponement of payments and the consequent impacts on our cash flow, as something cyclical. The messages from the Ministry of Education (MEC), confirmed by Normative Ordinance 2/2015, say that 2016 should have a normalized payment schedule, which will obviously reduce the pressure on our cash generation capacity. In this context, we have decided to maintain our operational pace as normal as possible, while we develop a series of actions that seek to mitigate the impacts on our cash position, which were brought by Normative Ordinance 23/2014 back in December.

Student Base

Estácio closed 1Q15 with a total student base of 527,900 students (33.8% more than in 1Q14), 369,300 of whom enrolled in on-campus programs and 101,900 in distance learning programs (excluding UniSEB), as well as 56,700 students from acquisitions concluded in the last 12 months. The detailed figues for the UniSEB student base are detailed in its specific section.

It is also worth noting the opening of four new greenfield units in 1Q15, in line with our consistent organic expansion process, in the cities listed below:

(i) Fortaleza: we opened the Marista campus, our fourth in this city;
(ii) Recife: we opened our second unit in this city, in the Boa Viagem neighborhood;
(iii) São Paulo: we opened one more unit, the Conceição campus; and
(iv) Salvador: we opened one new campus in the Costa Azul neighborhood, in addition to expanding our Fratelli Vita unit.

Table 1 – Total Student Base

'000	1Q14	1Q15	Change
On-Campus	**316.1**	**369.3**	**16.8%**
Undergraduate	302.8	343.4	13.4%
Graduate	13.3	25.9	94.7%
Distance Learning	**78.4**	**101.9**	**30.0%**
Undergraduate	73.0	82.8	13.4%
Graduate	5.4	19.1	253.7%
Student Base - same shops	**394.5**	**471.2**	**19.4%**
Acquisitions in the last 12 months	-	13.0	N.A.
UniSEB	-	43.7	N.A.
Total Student Base	**394.5**	**527.9**	**33.8%**
# Campuses	80	89	11.3%
On-Campus Students per Campus	**3,951**	**4,149**	**5.0%**
# Distance Learning Centers	52	168	223.1%
Distance Learning Students per Center	**1,508**	**799**	**-47.0%**
Distance Learning Students per Center (ex-Uniseb)	**1,508**	**1,960**	**30.0%**

Note: Acquisitions in the last 12 months refer to students from IESAM (4,500), Literatus (4,800) and CEUT (3,700). Add to this 43,700 students from UniSEB, recognized in a separate line.

Estácio's **on-campus undergraduate base** totaled 359,300 students at the end of March, 18.6% more than in 1Q14. Under the same-shops concept, i.e. excluding on-campus undergraduate students from acquisitions concluded in 2014, we recorded organic growth of 13.4%, underlining our capacity to grow organically in a sustainable manner.

On-campus undergraduate intake totaled 110,900 students, 12.0% up on the 99,000 recorded in 1Q14, excluding the 6,700 students who transferred from Gama Filho and UniverCidade in 1Q14.

The renewal ratio reached 88.8% in 1Q15, a 1.9 p.p. improvement over the same period last year, already reflecting the various initiatives we have been developing to improve this indicator, which is a major opportunity for Estácio.

Table 2 – Evolution of On-Campus Undergraduate Student Base

'000	1Q14	1Q15	Change
Students - Starting balance	**239.4**	**290.2**	**21.2%**
(+/-) Acquisitions in the last 12 months (until 4Q)	-	(13.0)	N.A.
(-) UniSEB (on-campus undergraduate)	-	(2.2)	N.A.
(-) Graduates	(12.5)	(15.4)	23.2%
Renewable Base	**226.9**	**261.8**	**15.4%**
(+) Enrollments	99.0	110.9	12.0%
(+) PTA	6.7	-	N.A.
(-) Not Renewed	(29.8)	(29.3)	-1.7%
Students - same shops	**302.8**	**343.4**	**13.4%**
(+) Acquisitions in the last 12 months (until 1Q)	-	13.0	N.A.
(+) UniSEB (on-campus undergraduate)	-	2.9	N.A.
Students - Ending Balance	**302.8**	**359.3**	**18.6%**

From this quarter onwards, for a better comparion of the distance learning student base, since Estácio and UniSEB both operate in several common cities, we present the year-on-year comparison considering pro-forma figures for UniSEB in 1Q14. That said, our **distance learning undergraduate student** base grew by 14.9% over 1Q14 to 115,100 students, including the 32,400 distance learning undergraduates from UniSEB in 1Q15.

The **distance learning undergraduate intake** added 42,400 students, 18.0% up on the same period last year, already considering UniSEB's pro-forma numbers for 1Q14.

Table 3 – Evolution of Distance Learning Undergraduate Student Base (Estácio + UniSEB)

'000	1Q14	1Q15	Change
Students - Starting Balance	**81.7**	**93.2**	**14.1%**
(-) Graduates	(4.4)	(4.8)	9.1%
Renewable Base	**77.3**	**88.4**	**14.4%**
(+) Enrollments	36.0	42.4	18.0%
(-) Dropouts	(13.1)	(15.7)	20.3%
Students - Ending Balance	**100.2**	**115.1**	**14.9%**

Note: The distance learning ending balance considers 1,000 students who enrolled in April.

If we do not consider the UniSEB student base in 1Q14, the distance learning undergraduate student base grew by 57.7% year-over-year. This is the "revenue generating" student base, which, in the end, represents our total growth considering both the organic and inorganic fronts.

Dropouts

In times of radical and unpredictable changes in FIES, we shall highlight the Dropout KPI, which became, without a doubt, a major focus for us. In fact, we had already begun to work on this opportunity during 2014, so, when the FIES scenario changed, we already had some retention mechanisms developed. Our biggest focus goes to students of 1st and 2nd periods, which are more likely to dropout and also more impacted by changes in FIES.

To deal with dropouts, we have created several work fronts, divided in two groups (preventive and corrective). The preventive front is focused on three pillars: Academic, Financial and Qualitative.

The Academic pillar has the following initiatives:

- Tutoring classes for the disciplines with higher failure rates, aiming to level the performance of the students in their first period in a higher education institution;
- "Professor-Sponsoring" Project;
- Analysis of student performance indicators, centrally monitoring absenteeism rates and student academic performance, allowing course coordinators to act immediately in order to prevent these students from dropping out.

The Financial pillar has the following main initiatives:

- Monitoring students who are trying to contract FIES, with the parallel offer of alternatives such as PraValer;
- Contact with delinquent students.

Finally, the Qualitative front aims to look at the satisfaction level of our students by monitoring the complaints and requirements, which are centralized through our Academic System, and then contacting these students to deal with issues that might lead to dropout.

For the corrective front, we created a specific retention cell in every Estácio campus, with fully dedicated personnel. All of the campus managers must now participate in the enrollment suspension interviews and that has been leveraring our reversal rates in these cases. We are fostering the culture that every student who drops out means we are failing to deliver our mission as a Higher Education institution. At the same time, we have included several indicators in our managers' targets, so the retention indicator is gradually gaining importance in our operation and becoming part of our culture.

Table 4 – Dropouts for the On-Campus Undergraduate Student Base

'000	1Q14	1Q15	Change
Students - Ending Balance (On-Campus Undergraduate)	**302.8**	**359.3**	**18.6%**
(-) Dropouts until March	(11.0)	(10.6)	-3.6%
Dropouts/Students - Ending Balance (On-Campus Undergraduate)	***-3.6%***	***-2.9%***	***0.7 p.p.***

The results of our efforts are starting to show, as it can be seen on table 4. By the end of March, our on-campus dropout rate was of 2.9%, a 0.7 p.p. improvement over 1Q14, despite all the uncertainty that surrounded FIES and the insecurity related to the macroeconomic scenario of the country.

Continuing Education

Estácio's long term strategy has as one of its main pillars the diversification of our businesses in order to reduce dependence on the on-campus undergraduate segment. In this context, the Continuing Education area continues to play an important part and has already generated significant results in 1Q15, increasing its revenues and profitability levels.

The net revenue stemming from the Continuing Education Office totaled R$53.4 million, a significant increase from the R$13.9 million recorded in 1Q14. This first quarter results show that the foundations for revenue growth are solid and post excellent perspectives for the coming cycles. It is also important to highlight that these businesses have essentially high profitability margins.

<u>Graduate Segment</u>

The graduate segment continues to advance its expansion process, which began in 2013, by increasing the offer of its courses in a new methodology, expanding the distribution channels and consolidating the new intake process through the "Prospect Enrollment Department"

The new course portfolio continues to be expanded. We launched four new distance learning courses in partnership with Harvard Business Publishing and eight other are in the final development stages and should be launched in October. The partnership strategy gained strength with the signature of an agreement with *Complexo Educacional Renato Saraiva*, specialized in Law courses, for the offer of online law-focused programs.

The "Grad Learning Centers Network" model, based on a new partnership model, designed to expand the offer of courses throughout the country, has significantly increased our student base in 2014, as we grew the number of partners and cities where we are present. This expansion is gaining pace as we can now use UniSEB's learning centers network, whose partners will be able to offer Estácio's graduate programs.

The Prospect Enrollment Department adopts an innovative technology to attract students (with CRM Talisma) by using a unique consulting and service system and a virtually instantaneous approach to candidates via telephone, chat and website, with the first contact happening in a few seconds. It had a direct impact in the graduate segment intake growth (around 50% of the new students came through this model). As a result, Estácio's graduate segment reached the historical mark of 51,800 students by the end of 1Q15, a growth of 177% in relation to 1Q14's numbers.

Academia do Concurso

Academia do Concurso continues its growth process through the expansion of the on-campus operation and the launch of its distance learning courses. The process of opening new branches inside our campuses began in 2014 and is gaining strength as we prepare to expand to other states, besides the new branches opened in the state of Rio de Janeiro. Academia do Concurso also began to offer its distance learning courses, using an innovative methodology and offering high quality content. This move opens new sources of revenue and improves our brand perception in the preparatory courses segment.

Short Term Programs

Our short term programs platform, focused on professional training, aims to improve employability through the "You Learn More" (*Você Aprende Mais*) brand. The Company offers a wide range of on-campus and distance learning programs in subjects such as Law, Languages, Finance, Career Management, Business Management, and Technology, among others. One of the highlights is the PROAB (a preparatory course for the Brazilian Bar Association Exam), which has its own portal and conveys every information related to the exam.

We also operate through white labels (mirrors) in the "You Learn More" website. One example of this kind of operation is our partnership with iG, one of the largest portals of the Brazilian internet, through which we reach iG's users with the "iG Education" (*iG Educação*) brand, certified by Estácio. Other important partnerships were signed in the past few months, like the agreement we reached with loyalty program Multiplus, a pioneering effort in this segment.

Corporate Solutions

The goal of this business unit is to develop customized education solutions to large private and public companies operating nationwide, contributing to improve the skills of their workforce and the sustainability of their businesses. Over the past months, we signed new important clients, such as Natura, Deloitte and SEBRAE, thus increasing our client portfolio which already included Contax and Grupo Pão de Açúcar, among other large Brazilian companies.

Another important project of this segment is the partnership with the Rio 2016 Olympic Games Organizing Committee, through which we will train both the hired staff and the volunteers who will work during the Games, totaling more than 120,000 people. In March, we opened the first Volunteer Formation Center in the Tom Jobim campus, in Barra da Tijuca, in the city of Rio de Janeiro. In the short term, a total of ten centers will be opened throughout Brazil.

Pronatec

Our Pronatec operation has quickly reached significant size and profitability. We closed 1Q15 with around 17,500 students enrolled in the vocational courses of the Pronatec Program (Training Scholarship Modality), generating a net revenue of R$18.3 million in 1Q15, already considering UniSEB's Pronatec operation.

Pronatec offers us an opportunity to both improve our campus occupation in shifts with greater spare capacity and to strengthen our brand with the high school public interested in pursuing a technical career. Besides, we believe Pronatec students could become, in the near future, regular students in our undergraduate courses.

New Businesses

The New Businesses front, led by the Continuing Education Offfice since the end of 2012, continues to explore new opportunities in adult education, in accordance to our long term strategy of business diversification.

Operating Revenue

Net operating revenue came to R$722.3 million in 1Q15, 34.2% up on 1Q14, mainly due to the expansion of the student base and the integration of the acquired institutions. Under the same-shop concept, excluding acquisitions concluded in 2014, net operating revenue recorded organic growth of 22.4% in 1Q15.

Table 5 – Operating Revenue

R$ MM	1Q14	1Q15	Change
Gross Operating Revenue	**793.7**	**1,101.7**	**38.8%**
Monthly Tuition Fees	786.2	1,065.7	35.6%
Pronatec	-	19.3	N.A.
Others	7.5	16.7	122.7%
Gross Revenue Deductions	**(255.5)**	**(379.3)**	**48.5%**
Scholarships and Discounts	(223.8)	(334.0)	49.2%
Taxes	(21.4)	(29.0)	35.5%
FGEDUC	(10.3)	(16.3)	58.3%
% Scholarships and Discounts/ Gross Operating Revenue	*28.2%*	*30.3%*	*2.1 p.p.*
Net Operating Revenue	**538.2**	**722.3**	**34.2%**

In 1Q15, considering UniSEB, the **average on-campus ticket** grew by 5.0%, slightly below inflation, basically due to the higher level of discounts used during the intake process, given the more adverse scenario resulting from the FIES restrictions faced by our students and candidates. We expect to see an increase in 2Q15, reflecting our inflation pass-through policy and the strategy we have been adopting for the last cycles.

Table 6 – Calculation of the Average Ticket – On-Campus (Excl. Graduate Partnerships)

'000	1Q14	1Q15	Change
On-Campus Undergraduate Student Base	**302.8**	**359.3**	**18.6%**
(-) Dropouts	(11.0)	(10.6)	-3.6%
(=) Revenue Generating On-Campus Undergraduate Student Base	**291.8**	**348.7**	**19.5%**
(+) On-Campus Graduate Student Base	**13.3**	**21.3**	**60.2%**
(=) Revenue Generating On-Campus Student Base	**305.1**	**370.0**	**21.3%**
On-Campus Gross Revenue	**730.0**	**966.2**	**32.4%**
On-Campus Deductions	(236.7)	(338.5)	43.0%
On-Campus Net Revenue (R$ million)	**493.3**	**627.7**	**27.3%**
On-Campus Average Ticket (R$)	**538.9**	**565.6**	**5.0%**

Note: Calculation of on-campus average ticket does not include revenue from Academia do Concurso, Pronatec and Projeto Rio 2016.

On the other hand, the **average distance learning ticket**, without considering UniSEB (since the pricing policy is different because of the transfer to the partners) and the graduate partnerships, showed a decrease of 3.7% in the average ticket in 1Q15, explained by the higher level of discounts adopted for the 2015.1 intake process, as well the growth of "EAD Mais", which has a lower ticket than the traditional distance learning program.

Table 7 – Calculation of the Average Ticket – Distance Learning (Excl. UniSEB and Graduate Partnerships)

'000	1Q14	1Q15	Change
Distance Learning Undergraduate Student Base	**73.0**	**81.8**	**12.0%**
(-) Dropouts	(3.6)	(4.2)	16.7%
(=) Revenue Generating Distance Learning Undergraduate Student Base	**69.4**	**77.6**	**11.7%**
(+) Distance Learning Graduate Student Base	**5.4**	**8.7**	**60.3%**
(=) Revenue Generating Distance Learning Student Base	**74.8**	**86.2**	**15.3%**
Distance Learning Gross Revenue	**61.9**	**76.6**	**23.7%**
Distance Learning Deductions	(18.6)	(28.5)	53.5%
Distance Learning Net Revenue (R$ million)	**43.3**	**48.0**	**10.9%**
Distance Learning Average Ticket (R$)	**192.9**	**185.7**	**-3.7%**

Note: Calculation of the distance learning average ticket considers the student base at the end of March, i.e. does not consider the 1,000 students who enrolled in April.

Cost of Services

In 1Q15, the **cash cost as a percentage of net revenue ratio** recorded a 2.0 p.p. improvement over 1Q14, mainly as a result of the 1.8 p.p. gain in salaries and payroll charges, which reflects our ability to use the management system, the internal and external benchmarks and the constant improvement in processes such as class planning, in order to keep gaining efficiency in faculty costs. Also, the gradual increase in the distance learning segment's share of our product mix continued to contribute to the margin expansion process.

Table 8 – Breakdown of Cost of Services

R$ MM	1Q14	1Q15	Change
Cost of Services	**(295.9)**	**(382.4)**	**29.2%**
Personnel	(232.1)	(295.6)	27.4%
Salaries and Payroll Charges	(191.4)	(244.3)	27.6%
Brazilian Social Security Institute (INSS)	(40.7)	(51.3)	26.0%
Rentals / Real Estate Taxes Expenses	(43.3)	(57.4)	32.6%
Textbooks Materials	(6.5)	(9.1)	40.0%
Third-Party Services and Others	(14.0)	(20.3)	45.0%

Table 9 – Vertical Analysis of Cost of Services

% of Net Operating Revenue	1Q14	1Q15	Change
Cost of Services	**-55.0%**	**-53.0%**	***2.0 p.p.***
Personnel	-43.1%	-40.9%	*2.2 p.p.*
Salaries and Payroll Charges	-35.6%	-33.8%	*1.8 p.p.*
Brazilian Social Security Institute (INSS)	-7.6%	-7.1%	*0.5 p.p.*
Rentals / Real Estate Taxes Expenses	-8.0%	-7.9%	*0.1 p.p.*
Textbooks Materials	-1.2%	-1.3%	*-0.1 p.p.*
Third-Party Services and Others	-2.6%	-2.8%	*-0.2 p.p.*

It is worth mentioning the increase in **depreciation and amortization**, impacted by a one-time increase in decommissioning expenses related to real estate, in the amount of R$2.5 million, besides the increase in the amortization of software and IT projects hired in 2014.

Table 10 – Cost Reconciliation

R$ MM	1Q14	1Q15	Change
Cash Cost of Services	**(295.9)**	**(382.4)**	**29.2%**
(+) Depreciation and amortization	(12.9)	(20.9)	62.0%
Cost of Services	**(308.7)**	**(403.3)**	**30.6%**

Gross Income

Table 11 – Statement of Gross Income

R$ MM	1Q14	1Q15	Change
Net Operating Revenue	538.2	722.3	34.2%
Cost of Services	(308.7)	(403.3)	30.6%
Gross Profit	**229.5**	**319.1**	**39.0%**
(-) Depreciation and amortization	12.9	20.9	62.0%
Cash Gross Profit	**242.4**	**340.0**	**40.3%**
Cash Gross Margin	*45.0%*	*47.0%*	*2.0 p.p.*

Selling, General and Administrative Expenses

Selling expenses represented 7.5% of net operating revenue in 1Q15, increasing by 1.5 p.p., as a result of the 0.8 p.p. improvement in PDA, reflecting the growing efficiency of our collection efforts since last year and the 0.7 p.p improvement in marketing.

Provisions for the future default of FIES students are already consolidated in the PDA line. At the close of 2014, FIES students were divided into 91% with FGEDUC and 9% with a guarantor. Further details on the way these provisions for students using this financing are recognized can be found in Exhibit I at the end of this release.

General and administrative expenses corresponded to 12.5% of net revenue in 1Q15, 0.5 p.p. higher than 1Q14, mainly due to the R$8.3 million increase in the institutional events line, related to our sponsorship of the Olympic Games in Rio. However, it is worth emphasizing that there was a corresponding counter-entry under revenue (in the “Others” line) related to the training we offered to the volunteers who will help at the event, so that the effect on the operating result (EBITDA) was nil, impacting the period margin only. **Excluding the accounting effect from the Olympic Games sponsorship, G&A expenses would have represented 11.5% of net revenue, a 0.5 p.p. gain over 1Q14.**

The year-on-year increase in **depreciation and amortization** over 1Q14 was mainly due to the addition of around R$8.0 million from the amortization of the goodwill from the price paid for the acquisitions concluded in 2014, following the same pattern presented in 4Q14.

Table 12 – Selling, General and Administrative Expenses

R$ MM	1Q14	1Q15	Change
Selling, General and Administrative Cash Expenses	**(113.0)**	**(144.1)**	**27.5%**
Selling Expenses	**(48.6)**	**(53.8)**	**10.7%**
Provisions for Doubtful Accounts	(16.4)	(15.6)	-4.9%
Marketing	(32.2)	(38.2)	18.6%
General and Administrative Expenses	**(64.4)**	**(90.3)**	**40.2%**
Personnel	(31.4)	(39.8)	26.8%
Salaries and Payroll Charges	(27.4)	(34.9)	27.4%
Brazilian Social Security Institute (INSS)	(3.9)	(5.0)	28.2%
Others	(33.0)	(50.5)	53.0%
Third-Party Services	(15.2)	(18.7)	23.0%
Machinery rentals and leasing	(0.4)	0.5	-225.0%
Consumable Material	(0.4)	(0.6)	50.0%
Maintenance and Repair	(6.2)	(8.9)	43.5%
Provision for Contingencies	0.1	(0.4)	N.A.
Educational Agreements	(1.8)	(1.5)	-16.7%
Travel and Lodging	(2.1)	(1.7)	-19.0%
Convictions	(3.7)	(3.4)	-8.1%
Institutional Events	(0.6)	(9.0)	1400.0%
Copies and Bookbinding	(0.7)	(1.2)	71.4%
Insurance	(0.7)	(1.5)	114.3%
Cleaning Supplies	(0.4)	(0.5)	25.0%
Transportation	(0.5)	(0.7)	40.0%
Car Rental	(0.6)	(0.6)	0.0%
Other Operating Renevue (expenses)	3.2	1.7	-46.9%
Others	(3.1)	(3.9)	25.8%
Depreciation and amortization	**(6.6)**	**(18.2)**	**175.8%**

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

% of Net Operating Revenue	1Q14	1Q15	Change
Selling, General and Administrative Cash Expenses	**-21.0%**	**-20.0%**	***1.0 p.p.***
Selling Expenses	**-9.0%**	**-7.5%**	***1.5 p.p.***
Provisions for Doubtful Accounts	-3.0%	-2.2%	*0.8 p.p.*
Marketing	-6.0%	-5.3%	*0.7 p.p.*
General and Administrative Expenses	**-12.0%**	**-12.5%**	***-0.5 p.p.***
Personnel	-5.8%	-5.5%	*0.3 p.p.*
Salaries and Payroll Charges	-5.1%	-4.8%	*0.3 p.p.*
Brazilian Social Security Institute (INSS)	-0.7%	-0.7%	*0.0 p.p.*
Others	-6.2%	-7.0%	*-0.8 p.p.*
Third-Party Services	-2.8%	-2.6%	*0.2 p.p.*
Machinery rentals and leasing	-0.1%	0.1%	*0.2 p.p.*
Consumable Material	-0.1%	-0.1%	*0.0 p.p.*
Provision for Contingencies	0.0%	-0.1%	*-0.1 p.p.*
Educational Agreements	-0.3%	-0.2%	*0.1 p.p.*
Travel and Lodging	-0.4%	-0.2%	*0.2 p.p.*
Convictions	-0.7%	-0.5%	*0.2 p.p.*
Institutional Events	-0.1%	-1.2%	*-1.1 p.p.*
Copies and Bookbinding	-0.1%	-0.2%	*-0.1 p.p.*
Insurance	-0.1%	-0.2%	*-0.1 p.p.*
Cleaning Supplies	-0.1%	-0.1%	*0.0 p.p.*
Transportation	-0.1%	-0.1%	*0.0 p.p.*
Car Rental	-0.1%	-0.1%	*0.0 p.p.*
Other Operating Renevue (expenses)	0.6%	0.2%	*-0.4 p.p.*
Others	-0.6%	-0.5%	*0.1 p.p.*
Depreciation and amortization	**-1.2%**	**-2.5%**	***-1.3 p.p.***

EBITDA

EBITDA totaled R$195.9 million in 1Q15, 51.4% up on 1Q14, with an **EBITDA margin** of 27.1%, up by 3.1 p.p., mainly due to efficiency gains from the cost of services (especially faculty costs) and selling expenses (PDA and marketing).

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

R$ MM	1Q14	1Q15	Change
Net Revenue	**538.2**	**722.3**	**34.2%**
(-) Cash Cost of Services	(295.9)	(382.4)	29.2%
(-) Selling, General and Administrative Cash Expenses	(113.0)	(144.1)	27.5%
EBITDA	**129.4**	**195.9**	**51.4%**
EBITDA Margin	*24.0%*	*27.1%*	*3.1 p.p.*

Under the same-shops concept, excluding acquisitions in the last 12 months (UniSEB, IESAM, Literatus and CEUT), 1Q15 EBITDA came to R$164.3 million, giving organic growth of 27.0%, with a margin of 25.0%, 1.0 p.p. more than in 1Q14.

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

R$ MM	1Q14	1Q15 ex-acquisitions	Change
Net Revenue	**538.2**	**658.6**	**22.4%**
(-) Cash Cost of Services	(295.9)	(353.3)	19.4%
(-) Selling, General and Administrative Cash Expenses	(113.0)	(141.0)	24.7%
EBITDA	**129.4**	**164.3**	**27.0%**
EBITDA Margin	*24.0%*	*25.0%*	*1.0 p.p.*

Financial Result

Table 16 – Breakdown of the Financial Result

R$ MM	1Q14	1Q15	Change
Financial Revenue	**40.5**	**25.8**	**-36.3%**
Fines and interest charged	4.8	5.1	5.4%
Investments income	18.8	16.7	-11.2%
Active monetary variation	0.0	0.3	N.A.
Active exchange variation	0.0	3.8	N.A.
Other	16.9	0.0	N.A.
Financial Expenses	**(15.2)**	**(38.4)**	**152.6%**
Bank charges	(1.8)	(2.9)	60.2%
Interest and financial charges	(8.5)	(19.9)	134.2%
Financial Discounts	(2.5)	(5.3)	111.8%
Passive monetary variation	(1.8)	(3.9)	121.0%
Passive exchange variation	(0.1)	(6.0)	7017.9%
Other	(0.5)	(0.4)	-25.1%
Financial Result	**25.3**	**(12.6)**	**N.A.**

In 1Q15, our **financial result** was negative by R$12.6 million, R$37.9 million down on 1Q14, mainly as a result of:

(i) the reduction in income from financial investments, explained by the lower cash balance throughout 1Q15 in comparison with 1Q14;
(ii) the R$11.4 million increase in the interest and financial charges line, given our higher debt level in 1Q15 in comparison to the same period last year and the increase in the interbank deposit rate;
(iii) the negative R$2.5 million impact related to the loan in foreign currency contracted in March (this amount already considers the impacts of the exchange rate variation of the debt and the swap mark-to-market). It is worth noting that the exchange rate variation is fully hedged by the swap contract;
(iv) the increase of R$2.8 million in financial discounts, explained by our decision not to sell our old receivables portfolio but to work on it internally as of 2014, which proved to be highly successful.

In addition, it is worth remembering that in 1Q14 we recognized a one-off tax credit in the amount of R$16.6 million related to recoverable PIS credits, which added noise to the year-on-year comparison.

Net Income

Table 17 – Reconciliation of EBITDA and Net Income

R$ MM	1Q14	1Q15	Change
EBITDA	**129.4**	**195.9**	**51.4%**
Financial Result	25.4	(12.6)	N.A.
Depreciation and amortization	(19.5)	(39.1)	100.5%
Social Contribution	(2.5)	(3.6)	44.0%
Income Tax	(7.0)	(10.0)	42.9%
Net Income	**125.8**	**130.6**	**3.8%**
Number of shares	295.2	316.4	7.2%
Earnings per share (R$)	**0.4**	**0.41**	**-4.7%**

Estácio posted **net income** of R$130.6 million in 1Q15, 3.8% up on 1Q14. The net income was negatively affected this quarter by the following reasons:

(i) A worse **financial result**, given: (i) the lower income from financial investments, explained by the lower cash position throughout 1Q15; (ii) the increase in the interest and financial charges line, given our higher debt level, and the higher interbank deposit rate; and (iii) the impact of the loan in foreign currency, as explained above. It is also worth remembering that in 1Q14 we recognized a one-off tax credit in the amount of R$16.6 million related to recoverable PIS credits, which jeopardized the year-on-year comparison;

(ii) The increase in **depreciation and amortization**, mainly as result of: (i) the R$8.0 million increase related to the amortization of the goodwill from the acquisitions concluded in 2014 (being UniSEB's the most relevant); (ii) the one-time impact related to real estate decommissioning expenses; and (iii) the increase in the amortization of IT projects, as previously explained.

Earnings per share came to R$0.41 in 1Q15, 4.7% down year-on-year, as a result not only of the higher number of shares issued by the Company, but also of the effects on our net income listed above.

Acquired Companies

The following chart shows the 1Q15 results of the institutions acquired in the last 12 months (UniSEB, IESAM, Literatus and CEUT). 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 prior to 12 months ago are already consolidated in our result.

Table 18 – Key Indicators of Acquired Companies in 1Q15

R$ million	IESAM	Literatus	CEUT	UniSEB	Total
Net Revenue	18.2	7.4	8.6	29.5	63.7
Gross Profit	12.6	1.0	2.9	16.7	33.2
Gross Margin	*69.2%*	*13.5%*	*33.7%*	*56.6%*	*52.1%*
EBITDA	14.3	1.0	2.6	12.7	30.6
EBITDA Margin	*78.6%*	*13.5%*	*30.2%*	*43.2%*	*48.1%*
Net Income	13.8	0.1	2.5	9.6	26.0
Income Margin	*75.8%*	*1.4%*	*29.1%*	*32.7%*	*40.9%*

UniSEB

In this section, we present the standalone operating result of UniSEB and provide details on the current status of the operation.

The table below shows **UniSEB's total student base**, which totaled 44,600 students, 13.5% up on 1Q14, while the **distance learning undergraduate base** came to 32,400 students, a substantial 19.0% up on 1Q14, fueled by the healthy intake numbers, which more than offset the higher volume of dropouts and graduations. The **on-campus undergraduate base** came to 2,900 students, 38.1% up on 1Q14. The significant growth in the total base over the previous quarter months is already a result of the three successful intakes processes after UniSEB was incorporated, changing for good the stability trend of the student base observed in the previous semesters, caused by the maturity of the base and the higher number of UniSEB graduates.

The substantial increase in distance learning intakes in the first semester of 2015 was due to a combination of the following factors:

- The inclusion of all the accredited UniSEB learning centers in Estácio's enrollment portal (as well as via UniSEB's own portal);
- The offer of a wider range of courses;
- The offer of an online modality (sought after by more than 70%);
- Campaigns associating the Estácio brand with UniSEB;
- The positive impact of TV media and our business model on centers close to Estácio units.

Table 19 – UniSEB Student Base

Uniseb	1Q14	4Q14	1Q15	Change
On-Campus Undergraduate	2.1	2.2	2.9	38.1%
Distance Learning Undergraduate	27.2	27.3	32.4	19.0%
Graduate	7.1	6.8	6.8	-4.2%
FGV Graduate	1.8	1.9	1.6	-9.6%
Extension	1.1	0.8	0.2	-81.8%
Pronatec	-	0.7	0.7	N.A.
Total UniSEB Student Base	**39.3**	**39.7**	**44.6**	**13.5%**

In 1Q15, UniSEB continued to leverage Estácio's operating result, recording **net operating revenue** of R$29.5 million. Standalone **EBITDA** totaled R$12.7 million, with an **EBITDA margin** of 43.2%, contributing to leverage our operational margin. Following the consolidation of UniSEB, we achieved accumulated 9-month EBITDA of R$37.1 million, with a margin of 44.8%. With less than a year of integration with Estácio, we are certain that there is still a lot to leverage in UniSEB's operation, especially through student base growth in highly strategic locations for Estácio.

Table 20 – UniSEB Income Statement

R$ million	3Q14	4Q14	1Q15	LTM
Gross Operating Revenue	**30.7**	**35.3**	**41.4**	**107.4**
Gross Revenue Deductions	**(5.8)**	**(7.0)**	**(11.9)**	**(24.8)**
Net Operating Revenue	**24.9**	**28.3**	**29.5**	**82.7**
Cash Cost of Services	**(8.5)**	**(12.1)**	**(11.7)**	**(32.3)**
Personnel	(6.7)	(9.8)	(9.9)	(26.4)
Rentals / Real Estate Taxes Expenses	(1.0)	(1.0)	(1.1)	(3.1)
Textbooks Materials	(0.4)	(0.7)	(0.3)	(1.5)
Third-Party Services and Others	(0.3)	(0.6)	(0.5)	(1.3)
Cash Gross Income	**16.4**	**16.2**	**17.8**	**50.4**
Gross Margin	***65.9%***	***57.2%***	***60.4%***	***60.9%***
Selling Expenses	**(2.5)**	**1.4**	**(1.5)**	**(2.7)**
Provisions for Doubtful Accounts	(1.9)	1.6	(0.9)	(1.2)
Marketing	(0.7)	(0.2)	(0.6)	(1.5)
General and Administrative Expenses	**(5.6)**	**(1.4)**	**(3.5)**	**(10.6)**
Personnel	(2.6)	(0.0)	(0.5)	(3.1)
Others	(3.0)	(1.4)	(3.1)	(7.5)
EBITDA	**8.2**	**16.1**	**12.7**	**37.1**
EBITDA Margin	***33.1%***	***56.9%***	***43.2%***	***44.8%***
Financial result	(1.2)	(1.0)	(0.9)	(3.1)
Depreciation and amortization	(1.4)	(1.4)	(1.1)	(3.9)
Social Contribution	(0.3)	(0.6)	(0.3)	(1.3)
Income Tax	(1.0)	(1.8)	(0.8)	(3.6)
Net Income	**4.4**	**11.2**	**9.6**	**25.2**
Net Income Margin	***17.5%***	***39.6%***	***32.7%***	***30.5%***

It is worth noting that, in addition to our initiaves to leverage the intake processes, we maintained our student retention (reduction of the dropout rate) and renewal incentives, especially in relation to inactive students in the satellite model, by strengthening the offer of online courses.

We successfully concluded the second migration wave of students to Estácio's academic system, involving a total of 5,200 active students in 40 DL centers, which means we currently have 52 centers operating in our systems, considering the 12 centers of the first migration wave. The decision to do the migration in waves is designed to reduce the complexity of the operation of each center. The first two migration waves improved our understanding of UniSEB's distance learning processes, streamlining the procedures for migrating information from the legacy systems to Estácio's ones, and giving us additional confidence in regards to the third and last migration wave, which begins in May 2015 and involves around 18,000 students.

In relation to the **expansion of the number of centers**, at the time of the acquisition, we had two groups of protocols for new centers (for a total of 171), whose current status are as follows:

Group 1: 19 centers, registered in March 2013 and accredited at the end of December. 11 of them are already operational and were included in UniSEB's intake for the first semester of 2015 via Estácio's systems. The remaining eight centers should start operating in the second semester.

Group 2: 152 centers, registered in August 2013, none of which accredited to date. 40 of these centers were suspended due to partners' documentation problem, so this group remains with 112 learning centers still awaiting accreditation.

In April 2014, after the acquisition, we filed a request for another 25 centers through UniSEB (Group 3). Seven of those were suspended also because of documentation problems, so we now have 18 awaiting accreditation processes.

The tables below show the number of centers authorized and requested (awaiting accreditation by the MEC), respectively.

Table 21 – Authorized UniSEB centers

UniSEB's centers	
Authorized and active	116
Authorized (without partner)	21
Total authorized	**137**

Table 22 – New protocols for DL centers through UniSEB

Group	Initial Request	Suspended	Current
Group 2 (Aug/2013)	152	40	112
Group 3 (Apr/2014)	25	7	18
Total	**177**	**47**	**130**

Intakes also substantially moved up over previous years in the **on-campus undergraduate segment**, as shown in the table below, mainly as a result of the following factors:

- It was the first intake handled by Estácio with the full use of our enrollment-related corporate structure and intelligence framework (relationship tools and candidate contact procedures);
- Investments in relationship with local companies and schools
- TV campaigns;
- Comprehensive sensitivity analysis using the 2H14 intake data (still in the legacy systems) in comparison to local competitors, in order to prepare ourselves for the 2015.1 intake process.

Table 23 – UniSEB – On-Campus Undergraduate Intake

Period	Medicine	Other courses	Total
2015.1	40	1,173	1,213
2014.2	76	103	179
2014.1	-	530	530

In addition to the numbers achieved, we managed to confirm new classes for courses such as Journalism, Teaching and Advertising, after years of unsuccessful attempts. In the next semester, as well as offering 36 additional seats for the Medicine program, we will be stepping up our enrollment efforts in mid-year, in line with our strategy in the rest of our operation.

Finally, we had some cost reduction in personnel costs due to outsourcing of cleaning and security services, as well as due to the transfer of other back office administrative and academic processes to our Shared Service Center (SSC), helping us to achieve a gradual and sustainable increase in operating margin.

FIES

The **FIES student base** totaled 132,600 students in March, versus 122,700 in December, representing 36.9% of our on-campus undergraduate base at the end of 1Q15. Despite the difficulties and restrictions related to SisFIES, the process of contracting FIES continued throughout April, and **by April 30th, we had a total of 141,400 FIES students with their respective contracts signed**.

It is worth noting that our new student intake recorded an excellent result despite the lower number of new FIES contracts in the first semester of 2015 and the several limits imposed by SisFIES, demonstrating the effectiveness of our strategy of always using FIES in a responsible manner. This strategy implies in doing everything possible to offer the financing to students with genuine financial difficulties and focusing the program to improve dropout rates, which certainly helps ensuring the program's long term sustainability – instead of using it just as an intake tool.

At the moment, we are concentrating our efforts and attention on retaining these students who opted to enroll in our institutions, especially those who showed an interest in FIES, but were unable to complete the process. One of the tools we are using with a lot of success is PraValer loan, in association with Ideal Invest, which has proven to be an attractive financing alternative for our students. **Until now, around 3,000 students had contracted the PraValer financing.**

Table 24 – FIES Student Base

('000)	1Q14	2Q14	3Q14	4Q14	1Q15	Change
On-campus undergraduate students	302.8	281.8	315.7	290.2	359.3	18.6%
FIES Student Base	**102.1**	**110.4**	**121.2**	**122.7**	**132.6**	**29.9%**
% of FIES Students	33.7%	39.2%	38.4%	42.3%	36.9%	*3.2 p.p.*

The table below shows the number of students who adhered to FIES in our latest intake cycles, whether immediately, i.e. by the end of the enrollment period, or by the end of the permitted period for contracting the financing in the semester in question. As we can see, in the last two years between 25% and 30% of our on-campus undergraduate intake was through FIES (considering the semester's entire contracting period), already underlining the program's limited impact on our total volume of new enrollments. In 1Q15, until the end of April, 20,300 students had managed to conclude their FIES contracts, out of which 18,400 were freshmen (only 16.6% of total intakes) and 1,900 were senior students.

Table 25 – New FIES Contracts (freshmen and seniors)

('000)	1H13	2H13	1H14	2H14
Total Intake	85.3	63.8	105.7	67.5
Freshmen with FIES (until the end of the intake process)	10.3	12.1	26.1	14.9
% via FIES	**12.1%**	**19.0%**	**24.7%**	**22.1%**
Freshmen with FIES (until the end of the semester)	20.4	15.4	34.9	18.9
% via FIES	**23.9%**	**24.1%**	**33.0%**	**28.0%**
Senior students with FIES (new contracts)	5.5	6.2	5.3	3.9
New FIES contracts in the semester	**25.9**	**21.6**	**40.2**	**22.8**

Tabela 26 – New FIES Contracts (freshmen and seniors) until April, 2015

('000)	1H15
Total Intake	110.9
Freshmen with FIES (until the end of the intake process)	12.1
% via FIES	**10.9%**
Freshmen with FIES (until April)	18.4
% via FIES	**16.6%**
Senior students with FIES (new contracts until April)	1.9
New FIES contracts in the semester	**20.3**

Accounts Receivable and Average Receivable Days

The number of **net receivables days** (tuition and agreements), including FIES receivables and FIES net revenue, averaged 96 days on 4Q14, 12 days above 1Q14. Excluding FIES net revenue and FIES receivables, the net average receivables days came to 89 days, an increase of 2 days over 1Q14.

We remain firm with our collection and delinquency-oriented initiatives, which already showed results in 2014. We centralized our collection cells and fully revamped the management of our collection partners. Besides, we began to collect the old receivables portfolio internally with a lot of success, instead of selling it to a collection firm, while, at the same time, we have been tracking the evolution of our receivables and collection indicator on a weekly basis, with specific targets for each campus. Finally, we have a number of specific campaigns, focusing especially on payment in cash or credit card, in addition to the specific communication for freshmen, given their greater propensity to default and subsequently drop out. In fact, we have good signs for this indicator and even in a more adverse scenario, our collection/receivables ratio is in the same level as it was in 1Q14.

Table 27 – Accounts Receivable and Average Receivable Days

Accounts Receivable (R$ MM)	1Q14	2Q14	3Q14	4Q14	1Q15
Gross Accounts Receivable	**528.4**	**520.9**	**641.5**	**573.2**	**833.9**
FIES	147.2	128.6	222.2	149.7	325.9
Tuition monthly fees	305.3	329.0	333.5	354.0	412.5
Credit Cards receivable	32.9	28.3	38.5	30.8	43.9
Renegotiation receivables	43.0	35.0	47.4	38.7	51.6
Credits to identify	(1.3)	(4.1)	(6.8)	(6.8)	1.5
Provision for bad debts	(92.0)	(93.1)	(101.7)	(115.0)	(111.7)
Net Accounts Receivable	**435.2**	**423.7**	**533.0**	**451.4**	**723.6**
Annualized Net Revenue (last twelve months)	**1,856.0**	**2,001.5**	**2,315.5**	**2,518.5**	**2,724.8**
Days Receivables	**84**	**76**	**83**	**65**	**96**
Net Revenue Ex. FIES (last twelve months)	**1,193.4**	**1,216.4**	**1,410.5**	**1,472.7**	**1,601.0**
Days Receivables Ex. FIES and FIES Revenue	**87**	**87**	**79**	**74**	**89**

Note: Net revenue in the last 12 months is annualized for the acquisitions since 3Q14.

Table 28 – Accounts Receivable and Average FIES Receivable Days

FIES Average Days Receivables	1Q14	2Q14	3Q14	4Q14	4Q15
FIES Receivables	147.2	128.6	222.2	149.7	325.9
FIES Carry-Forward Credits	63.6	82.4	50.0	81.7	87.2
FIES Revenue (last twelve months)	716.5	853.9	983.0	1,133.4	1,219.4
FGEDUC Deduction (last twelve months)	(33.7)	(44.1)	(49.2)	(54.0)	(60.0)
Taxes (last twelve months)	(20.2)	(24.7)	(28.8)	(33.6)	(35.6)
FIES Net Revenue (last twelve months)	662.6	785.1	905.0	1,045.8	1,123.8
FIES Days Receivables	**115**	**97**	**108**	**80**	**132**
Adjusted FIES Days Receivables	**80**	**59**	**88**	**80**	**104**

Note: We have reported two calculations for the FIES average receivables period throughout 2014: adjusted and not adjusted for the change in schedule for the transfer of the certificate repurchase auction amounts, which was altered as of 4Q13 (reception of the repurchase amounts in the opening days of the month following the auctions). In 4Q14, we completed one year of the new reception schedule. Also, in 1Q15, we adjusted for the delay in the transfer of certificates, which could only be bought back in April.

In 1Q15, **FIES accounts receivables** totaled R$325.9 million, an increase of R$176.2 million in relation to 4Q14, as a result of the new schedule for the transfers and buyback auctions of FIES certificates as announced in December and, mostly, due to the delay in the transfer of certificates which should have happened in February but only actually happened in March, which meant that the balance of certificates could only be sold back to the FNDE in the buyback auction held in April. Furthermore, we have the natural concentration of the amendment process of old contracts, which this semester was jeopardized by the problems and imposed restrictions in SisFIES.

The **average FIES days receivables** came to 132 days in 1Q15, 17 days more than in 1Q14. Adjusting for the delays in the transfer and buyback mentioned above, the **adjusted average FIES days receivables** would have been 104 days.

Table 29 – Evolution of FIES Accounts Receivable

FIES Accounts Receivable (R$ MM)	1Q14	2Q14	3Q14	4Q14	1Q15
Opening Balance	78.9	147.2	128.6	222.2	149.7
(+) FIES Revenue	225.7	289.6	296.3	321.8	311.7
(-) Transfer	146.5	293.8	190.6	378.3	121.1
(-) FIES Deduction/Provision	10.8	14.5	14.8	16.0	16.6
(+) Acquisitions	0.0	0.0	2.6	0.0	2.2
Ending Balance	147.2	128.6	222.2	149.7	325.9

Table 30 – Evolution of FIES Carry-Forward Credits

FIES Carry-Forward Credits (R$ MM)	1Q14	2Q14	3Q14	4Q14	1Q15
Opening Balance	44.4	63.6	82.4	50.0	81.7
(+) Transfer	146.5	293.8	190.6	378.3	121.1
(-) Tax payment	40.5	70.8	70.2	78.9	24.3
(-) Repurchase auctions	86.8	204.3	152.8	265.9	91.3
(+) Acquisitions	0.0	0.0	0.0	-1.8	0.0
Ending Balance	63.6	82.4	50.0	81.7	87.2

Table 31 – Aging of Total Gross Accounts Receivable

Breakdown of Accounts Receivable by Age (R$ million)	1Q14	%	1Q15	%
FIES	147.2	28%	325.9	39%
Not yet due	130.7	25%	131.9	16%
Overdue up to 30 days	69.6	13%	121.3	15%
Overdue from 31 to 60 days	22.6	4%	44.2	5%
Overdue from 61 to 90 days	8.3	2%	21.4	3%
Overdue from 91 to 179 days	58.0	11%	77.4	9%
Overdue more than 180 days	92.0	17%	111.7	13%
TOTAL	528.4	100%	833.9	100%

Table 32 – Aging of Agreements Receivable

Breakdown of Agreements by Age (R$ million)	1Q14	%	1Q15	%
Not yet due	28.7	67%	26.9	52%
Overdue up to 30 days	3.7	9%	4.9	9%
Overdue from 31 to 60 days	2.1	5%	2.6	5%
Overdue from 61 to 90 days	1.3	3%	2.4	5%
Overdue from 91 to 179 days	3.5	8%	6.0	12%
Overdue more than 180 days	3.7	9%	8.8	17%
TOTAL	43.0	100%	51.6	100%
% over Accounts Receivable	8%		6%	

*Excludes credit card agreements

Our receivables portfolio remains healthy, with a low percentage of agreements – only 6% of total receivables come from renegotiations with students, a reduction of 2.0 p.p. over 1Q14. In addition, the percentage of receivables from renegotiations overdue by more than 60 days accounted for 34% of total agreements, or just 2.1% 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 33 and 34 show how our PDA is constituted, and reconciles the balance sheet amounts with those in the income statement.

Table 33 – Constitution of the Provision for Doubtful Accounts in the Income Statement

R$ MM	12/31/2014	Gross increase in the provision for deliquency	Deliquency recover	Net provision effect	Write off	3/31/2015
TOTAL	115.0	49.0	(35.5)	13.5	(16.8)	111.7

Table 34 – Reconciliation of the Provision for Doubtful Account Balances in the Balance Sheet

	3/31/2015	12/31/2014
Additional Provision	13.5	112.5
PDA of acquired companies	0.6	(13.6)
Others	0.7	0.5
Total	**14.8**	**99.4**

Note: The R$0.8 million PDA difference in 1Q15 shown in table 12 refers to the provision for FIES Risk, which is included in that line.

Investments (CAPEX and Acquisitions)

Table 35 – CAPEX Breakdown

R$ million	1Q14	1Q15	Change
Total CAPEX[1]	36.4	60.8	67.0%
Maintenance	22.3	32.9	47.5%
Discretionary and Expansion	14.1	27.9	97.9%
Academic Model	1.8	2.5	38.9%
New IT Architecture	1.9	2.6	36.8%
Integration Processes	0.1	2.9	2800.0%
Tablet Project	5.4	0.4	-92.6%
Expansion	4.9	19.5	298.0%
Acquisitions	0.8	-	-100.0%

[1] Excluding goodwill and investments in acquisitions.

Total CAPEX (excluding acquisitions) came to R$60.8 million in 1Q15, 67.0% more than in 1Q14, mainly due to the increase in investments related to the integration of acquired companies and expansion projects aimed at sustaining the growth of our student base, both in 1Q15 and the coming cycles.

Maintenance CAPEX totaled R$32.9 million, 47.5% up on 1Q14, mostly allocated to the upgrading of systems, equipment, libraries and laboratories in our units. We also invested around R$2.5 million in the **Academic Model** (creation of content and distance learning development and production); R$0.4 million in the Tablet Project; R$2.6 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 the Company's growth; and R$2.9 million in **Integration Projects**, which had the increase directly related to the improvement of the infrastructure of the four acquisitions in 2014, especially UniSEB.

Investments in expansion projects, as well as the renovation and improvement of units, totaled R$19.5 million and refer to investments in new units, expansions of existing units and new rooms in order to accommodate the constant growth of our student base.

It is worth mentioning that several projects and investments were already underway when the changes in FIES were announced, with a significant impact in our cash generation capacity. Our CAPEX plan for the year was revised and, at the moment, our investments are already being adjusted to the new reality, which takes into account the impacts in our cash flow, but at the same time does not cease to address the necessary investments for the execution of our long term view.

Capitalization and Cash

Table 36 – Capitalization and Cash

R$ MM	3/31/2014	12/31/2014	3/31/2015
Shareholders' Equity	**1,647.1**	**2,392.9**	**2,419.0**
Cash & Cash Equivalents	**758.1**	**715.1**	**721.1**
Total Gross Debt	**(328.1)**	**(668.2)**	**(884.6)**
Loans and Financing	(280.0)	(589.2)	(805.5)
Short Term	(43.7)	(28.5)	(243.4)
Long Term	(236.4)	(560.7)	(562.2)
Commitments to Pay	(40.0)	(59.7)	(60.9)
Taxes Paid in Installments	(8.0)	(19.4)	(18.2)
Cash / Net Debt	**430.0**	**46.9**	**(163.5)**

Cash and cash equivalents closed March at R$721.1 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$805.5 million corresponded mainly to the Company's bond issues (1st series of R$200 million and 2nd series of R$300 million), the loans from the IFC (first loan of R$48.5 million and second of around R$20 million), the R$200 million foreign-currency loan from Itaú in March, 2015, and the capitalization of equipment leasing expenses in compliance with Federal Law 11,638. We have also included commitments for future payments related to acquisitions made, totaling R$60.9 million, as well as taxes payable in installments, to determine our **gross debt**, which came to R$884.6 million at the end of the quarter. As a result, the Company closed 1Q15 with **net debt** of R$163.5 million.

Cash Flow

The main cash flow lines for 1Q15 are presented below.

Table 37 – Cash Flow

Cash Flow Statement (R$ million)	1Q14	1Q15
Profit before income taxes and social contribution	**135.3**	**144.2**
Adjustments to reconcile profit to net cash generated:	**26.1**	**82.0**
Result after reconciliation to net cash generated	**161.3**	**226.3**
Changes in assets and liabilities:	**(102.9)**	**(257.9)**
Net cash provided by (used in) operating activities:	**58.4**	**(31.7)**
CAPEX (Ex-Acquisitions)	**(36.4)**	**(60.8)**
Operational Cash Flow:	**22.0**	**(92.5)**
Other investing activities:	**(1.5)**	**0.3**
Net cash provided by (used in) investing activities	**20.5**	**(92.2)**
Cash flows from financing activities:	**(1.6)**	**98.1**
Net cash provided by (used in) financing activities	**18.9**	**6.0**
Cash and cash equivalents at the beginning of the period	**739.2**	**715.1**
Increase in cash and cash equivalents	18.9	6.0
Cash and cash equivalents at the end of the period	**758.1**	**721.1**

In 1Q15, we recorded a negative **operational cash flow** of R$92.5 million, which was impacted by the new FIES certificates schedule for transfers and buyback auctions valid for 2015. However, our cash generation suffered even further this quarter with the delay in the transfer of certificates, which was scheduled for February, but only actually happened in March, meaning we could only participate in the buyback auction held in April, thus further jeopardizing our cash generation in 1Q15. If we adjust for this delay, our **adjusted operational cash flow** would have been a negative R$5.3 million.

Operational cash flow before CAPEX came to a negative R$31.7 million in 1Q15, mainly due to new FIES payment schedule and its delays mentioned above.

Key Material Facts

2015 Corporative Event: Year of the Brand

2015: Year of the Brand. This was the main theme of Estácio's Annual Corporate Event held on March 31st and April 1st in Rio de Janeiro, which united 450 Company leaders from around Brazil to discuss the Company's 2014 results, plans for 2015 and future expectations.

Rogério Melzi, Estácio's CEO, explained that in 2015 we would work on consolidating our brand value towards Estácio's desirable attributes. In his words, "2015 is the year of the brand. We are aware that this is a long process that requires the involvement of all our employees. Our goal is to reach 2020, our fiftieth anniversary, with a consolidated national brand that is recognized and admired by our various stakeholders".

In addition to the presentations by our Board of Executive Officers and Regional Heads of Operations, we welcomed several outside speakers who talked about important issues for our country and the current stage of our Institution. On the first day, Fábio Barbosa, Abril S.A.'s former CEO, gave a lecture entitled "Building brands, building Brazil". On the second day, journalist Miriam Leitão talked about Brazil's current economic scenario and future outlook.

New campuses: Fortaleza, Salvador, São Paulo, and Recife

In 1Q15, we maintained our organic expansion pace, opening two more units in the Northeast region. In Fortaleza, we opened our fourth unit, Marista, whose facilities are those of the former Colégio Cearense. The building, one of the city's landmarks, will be restored to its former structure and appearance.

This site was chosen based on market research and a study of where the students lived. In addition to recovering an important building for the city, we also contributed to the renovation of Fortaleza's important Centro neighborhood.

We also expanded our operation in Salvador by opening a new unit in the Costa Azul neighborhood, in addition to expanding one of our existing campuses, Fratelli Vita.

In São Paulo, we opened the new Conceição campus, which will meet the demand identified in the region.

Finally, we opened our second unit in Recife, located next to Colégio Santa Maria, in the Boa Viagem neighborhood, an area chosen for its high flow of people and demand for post-secondary education.

Excellent ratings for our Law courses

We recorded two important victories that underlined the quality of our Law courses. Following an evaluation by MEC auditors, our Law course at the Menezes Cortes campus, in Rio de Janeiro, received a general concept rating of 5.

In addition, our Law course in Fortaleza received a general concept rating of 4 from the inspectors, reinforced by official approval by the Brazilian Bar Association (OAB), which is highly unusual.

Both results are awaiting official publication, but are unquestionable victories and unequivocal demonstrations of the quality of our courses following the *in loco* visit of the inspectors.

45 years of Estácio

Estácio officially opened the celebrations of its 45th anniversary at an event in the Centro Cultural Banco do Brasil, in Rio de Janeiro, together with the Se Liga! exhibition, sponsored by Estácio through the tax incentive law. This was the first stage of the celebrations, which will continue until the end of this year.

Estácio CEO Rogério Melzi and Dean of Estácio de Sá University, Ronaldo Mota, welcomed the guests and talked about the history of these 45 years and the institution's involvement in cultural projects. Melzi also spoke about the present, recounting more about the projects Estácio has been supporting as part of its important mission of educating to transform. In regard to the future, he explained that Estácio intends to become consolidated as the most innovative company in the education sector and that its social, cultural and sporting projects would grow along with the Company.

Isabel Seixas, curator of the exhibition, thanked Estácio for its support for cultural projects and underlined their importance within Brazil's current social context. The Se Liga! exhibition is one of more than 40 projects sponsored by the institution through the incentive law.

Estácio in Sports

- Support for the 2016 Olympic Games in Rio: opening of our first Volunteer Training Center

At the end of March, with national and international press coverage, we inaugurated the first Volunteer Training Center for the 2016 Rio Olympic Games, in the Tom Jobim unit in Rio de Janeiro. At the opening, Rogério Melzi, Estácio's CEO, presented an exclusive video produced by our students on the partnership between Estácio and the Brazilian Olympic Committee (COB). The video highlights Estácio's various initiatives to support sports and specific athletes, the infrastructure to welcome the 120,000 candidate volunteers and the investments in the partnership. Also present were Chief Continuing Education Officer, Marcos Noll; Human Resources Officer for the Rio 2016 Organizing Committee, Henrique Gonzales, and the General Volunteer Manager for the Rio 2016 Committee, Flávia Fontes.

"Estácio already has experience with this kind of training. We participated in the 2007 Pan American Games, we have always handled the training programs for Rock in Rio and we were responsible for the JMJ volunteers in 2013," declared Melzi.

- Gustavo Kuerten is Estácio's new Ambassador

Three-times Roland Garros champion Gustavo Kuerten became Estácio's Ambassador in March, endorsing it as the educational institution that most supports national sport Estácio sponsors more than 200 athletes, in addition to institutes, clubs, confederations and federations. Kuerten will take part in several activities on behalf of the Company, focusing on communication campaigns through social and printed media, television, and billboards.

"It's a challenge and a great opportunity to be able to talk directly to young people. I want to pass on to them my experience and values, which are not only essential in sports, but also for success in any career, regardless of the profession," explained Kuerten, who first picked up a tennis racquet when he was five. "Twenty years passed between my first contact with the game and the most important victory in my career, my first Roland Garros title, in 1997. In other words, it was a long-term plan, interrupted by several sacrifices and much suffering. I want to show Estácio's more than 430,000 students from all over Brazil that victories do not fall from the sky or appear by chance. This partnership is also particularly special to me because Estácio, like me, believes in the transformative and inclusive power of sports," he added.

In regard to the decision to elect Kuerten as Estácio's new ambassador, Rogério Melzi had this to say: "As an athlete, he surprised Brazil and the world, taking our country and tennis to an unprecedented level. And as a citizen, after he left the courts in 2008, he continued to make a difference through sports, citizenship and social inclusion projects. He personifies the very best values and is fully aligned with Estácio's goal of ´Educating to Transform," Melzi concluded.

- 2015 Rio Open: Estácio was the official sponsor for the event

Estácio was the official educational Institution for the 2015 Rio Open. In addition to sponsoring student athletes who participated in the tournament, the Company implemented several initiatives throughout the event. At Estácio's stand, which simulated a tennis court, visitors could test their abilities and win scholarships for graduate courses, as well as interact with athletes sponsored by the Institution.

The material used in the activities, such as tennis balls and racquets, will be donated to the Tennis Route Institute, aiming to help young people who turn to sports in order to change their lives. Estácio believes sports and education work together as agents for social change.

Results Conference Call

Conference Call (in Portuguese)	Conference Call (in English)
Date: May 8, 2015 (Friday)	Date: May 8, 2015 (Friday)
Time: 10:00 a.m. (Brasília) / 09:00 a.m. (US ET)	Time: 11:30 a.m. (Brasília) / 10:30 a.m. (US ET)
Connection Dial-in Brazil: +55 (11) 2188-0155	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 May 14	Replay: available until May 15
Phone: +55 (11) 2188-0400	Phone: +1 (412) 317-0088
Access Code: Estácio	Access Code: 10064093

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 1Q14	Consolidated 1Q15	Consolidated Change	Excluding acquisitions in the last 12 months 1Q14	Excluding acquisitions in the last 12 months 1Q15	Excluding acquisitions in the last 12 months Change
Gross Operating Revenue	**793.7**	**1,101.7**	**38.8%**	**793.7**	**1,014.3**	**27.8%**
Monthly Tuition Fees	786.2	1,065.7	35.6%	786.2	980.2	24.7%
Pronatec	-	19.3	N.A.	-	17.9	N.A.
Others	7.5	16.7	122.7%	7.5	16.2	116.0%
Gross Revenue Deductions	**(255.5)**	**(379.3)**	**48.5%**	**(255.5)**	**(355.7)**	**39.2%**
Scholarships and Discounts	(223.8)	(334.0)	49.2%	(223.8)	(312.2)	39.5%
Taxes	(21.4)	(29.0)	35.5%	(21.4)	(27.2)	27.1%
FGEDUC	(10.3)	(16.3)	58.3%	(10.3)	(16.3)	58.3%
Net Operating Revenue	**538.2**	**722.3**	**34.2%**	**538.2**	**658.6**	**22.4%**
Cost of Services	**(308.7)**	**(403.3)**	**30.6%**	**(308.7)**	**(372.2)**	**20.6%**
Personnel	(232.1)	(295.6)	27.4%	(232.1)	(271.2)	16.8%
Rentals / Real Estate Taxes Expenses	(43.3)	(57.4)	32.6%	(43.3)	(54.5)	25.9%
Textbooks Materials	(6.5)	(9.1)	40.0%	(6.5)	(8.6)	32.3%
Third-Party Services and Others	(14.0)	(20.3)	45.0%	(14.0)	(19.0)	35.5%
Depreciation	(12.9)	(20.9)	62.0%	(12.9)	(18.9)	46.5%
Gross Profit	**229.5**	**319.1**	**39.0%**	**229.5**	**286.4**	**24.8%**
Gross Margin	***42.6%***	***44.2%***	***1.6 p.p.***	***42.6%***	***43.5%***	***0.9 p.p.***
Selling, General and Administrative Expenses	**(119.6)**	**(162.3)**	**35.7%**	**(119.6)**	**(159.2)**	**33.1%**
Selling Expenses	**(48.6)**	**(53.8)**	**10.7%**	**(48.6)**	**(54.4)**	**11.9%**
Provisions for Doubtful Accounts	(16.4)	(15.6)	-4.9%	(16.4)	(17.0)	3.7%
Marketing	(32.2)	(38.2)	18.6%	(32.2)	(37.4)	16.1%
General and Administrative Expenses	**(64.4)**	**(90.3)**	**40.2%**	**(64.4)**	**(86.5)**	**34.3%**
Personnel	(31.4)	(39.8)	26.8%	(31.4)	(39.2)	25.0%
Others	(33.0)	(50.5)	53.0%	(33.0)	(47.3)	43.3%
Depreciation	**(6.6)**	**(18.2)**	**175.8%**	**(6.6)**	**(18.2)**	**175.8%**
EBIT	**109.9**	**156.8**	**42.7%**	**109.9**	**127.2**	**15.7%**
EBIT Margin	***20.4%***	***21.7%***	***1.3 p.p.***	***20.4%***	***19.3%***	***-1.1 p.p.***
(+) Depreciation	19.5	39.1	100.5%	19.5	37.1	90.3%
EBITDA	**129.4**	**195.9**	**51.4%**	**129.4**	**164.3**	**27.0%**
EBITDA Margin	***24.0%***	***27.1%***	***3.1 p.p.***	***24.0%***	***25.0%***	***1.0 p.p.***
Financial Result	25.4	(12.6)	N.A.	25.4	(11.3)	N.A.
Depreciation and Amortization	(19.5)	(39.1)	100.5%	(19.5)	(37.1)	90.3%
Social Contribution	(2.5)	(3.6)	44.0%	(2.5)	(3.3)	32.0%
Income Tax	(7.0)	(10.0)	42.9%	(7.0)	(9.1)	30.0%
Net Income	**125.8**	**130.6**	**3.8%**	**125.8**	**103.6**	**-17.6%**
Net Income Margin	***23.4%***	***18.1%***	***-5.3 p.p.***	***23.4%***	***15.7%***	***-7.7 p.p.***

Balance Sheet in IFRS

R$ MM	03/31/2014	12/31/2014	3/31/2015
Short-Term Assets	**1,427.2**	**1,475.8**	**1,767.2**
Cash & Cash Equivalents	10.4	48.0	21.4
Short-Term Investments	747.7	667.1	699.6
Accounts Receivable	435.2	451.4	723.6
Carry-Forwards Credits	67.6	85.1	90.6
Advance to Employees / Third-Parties	33.8	50.4	58.8
Related Parties	0.3	-	-
Prepaid Expenses	48.2	66.2	63.2
Taxes and contributions	57.8	70.6	72.5
Others	26.2	37.0	37.4
Long-Term Assets	**897.4**	**2,038.4**	**2,050.8**
Non-Current Assets	**174.6**	**197.1**	**187.8**
Prepaid Expenses	3.0	8.8	7.8
Judicial Deposits	113.5	120.9	122.8
Taxes and contributions	25.7	25.3	21.5
Deferred Taxes and others	32.3	42.0	35.8
Permanent Assets	**722.9**	**1,841.4**	**1,863.0**
Investments	0.2	0.2	0.2
Fixed Assets	347.1	465.7	487.0
Intangible	375.5	1,375.4	1,375.8
Total Assets	**2,324.6**	**3,514.2**	**3,818.1**
Short-Term Liabilities	**344.8**	**398.8**	**675.9**
Loans and Financing	43.7	28.5	243.4
Suppliers	40.3	50.3	55.4
Salaries and Payroll Charges	124.7	121.6	165.1
Taxes Payable	44.7	40.5	46.7
Prepaid Monthly Tuition Fees	3.9	20.1	20.8
Advances under Partnership Agreement	2.9	2.9	2.9
Taxes Paid in Installments	1.4	3.6	3.8
Dividends Payable	58.1	101.2	101.1
Commitments Payable	22.3	20.5	19.9
Swap difference to be paid	-	-	6.0
Others	2.9	9.6	10.9
Long-Term Liabilities	**332.7**	**722.6**	**717.2**
Loans and Financing	236.4	560.7	562.2
Provisions for Contingencies	28.3	26.9	27.3
Advances under Partnership Agreement	8.4	6.3	5.5
Taxes Paid in Installments	6.7	15.8	14.4
Provision for asset retirement obligations	14.3	15.0	15.7
Deferred Taxes	11.4	46.3	37.9
Commitments Payable	17.8	39.2	41.0
Others	9.5	12.4	13.1
Shareholders' Equity	**1,647.1**	**2,392.9**	**2,425.0**
Capital	1,010.7	1,053.1	1,053.1
Share Issuance Expenses	(26.9)	(26.9)	(26.9)
Capital Reserves	124.7	642.7	649.1
Earnings Reserves	424.2	748.7	748.7
Retained Earnings	125.8	-	130.6
Treasury Stocks	(11.3)	(24.9)	(129.7)
Total Liabilities and Shareholders' Equity	**2,324.6**	**3,514.2**	**3,818.1**

Cash Flow Statement

Cash Flow Statement (R$ million)	1Q14	1Q15
Profit before income taxes and social contribution	**135.3**	**144.2**
Adjustments to reconcile profit to net cash generated:	**26.1**	**82.0**
Depreciation and amortization	19.2	38.9
Amortization of funding costs (IFC and bonds)	0.3	0.2
Net book amount of property and equipment written-off	0.6	(0.7)
Provision for impairment of trade receivables	15.5	14.8
Exchange rate variation on foreign currency financing	-	(3.6)
Loss with swap operation		6.0
Options granted	3.7	5.4
Long Term Incentive Plan ("ILP")	-	0.9
Earnings on financial investments	(4.3)	(1.2)
Provision for contingencies	(0.1)	0.4
Appropriation of agreements	(0.7)	(0.7)
Interest on commitments payable	0.9	1.8
Tax credits	(16.9)	1.2
Interest on borrowings	7.5	18.0
Increase in provision for decommissioning of assets	0.2	0.7
Result after reconciliation to net cash generated	**161.3**	**226.3**
Changes in assets and liabilities:	**(102.9)**	**(257.9)**
Marketable securities held for trading	4.3	1.2
(Increase) in accounts receivable	(116.0)	(287.0)
Decrease (increase) in other assets	(18.9)	(6.0)
Increase) decrease in advances to employees / third parties	(0.3)	(8.3)
(Increase) decrease in prepaid expenses	9.3	2.9
(Increase) decrease in taxes and contributions	(11.6)	7.0
Increase (decrease) in suppliers	(0.1)	5.1
Increase (decrease) in taxes payable	1.2	(10.7)
Increase (decrease) in payroll and related charges	45.0	43.4
(Decrease) in prepaid monthly tuition fees	(7.2)	0.8
Increase (decrease) in other liabilities	3.4	(6.4)
Decrease (increase) in taxes paid in installments	(0.4)	(1.1)
(Decrease) in non-current assets	(0.9)	1.1
Increase in judicial deposits	(9.4)	(1.9)
Interest paid on borrowings	(1.1)	(1.2)
IRPJ and CSLL paid	-	3.3
Net cash provided by (used in) operating activities:	**58.4**	**(31.7)**
CAPEX (Ex-Acquisitions)	**(36.4)**	**(60.8)**
Operational Cash Flow:	**22.0**	**(92.5)**
Other investing activities:	**(1.5)**	**0.3**
Acquisitions	(0.8)	-
Amortization of funding costs	0.3	0.2
Net book amount of property and equipment written-off	(0.6)	0.7
Commitments payable	(0.4)	(0.6)
Net cash provided by (used in) investing activities	**20.5**	**(92.2)**
Cash flows from financing activities:	**(1.6)**	**98.1**
Acquisition of shares in treasury	-	(104.8)
Dividends	-	(0.1)
Loans and financing	-	207.1
Net increase in borrowings	(1.6)	(4.1)
Net cash provided by (used in) financing activities	**18.9**	**6.0**
Cash and cash equivalents at the beginning of the period	**739.2**	**715.1**
Increase in cash and cash equivalents	18.9	6.0
Cash and cash equivalents at the end of the period	**758.1**	**721.1**

Exhibit I – Provision for FIES

Below is a summary of 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.

It is also worth noting that we have been consolidating the "Provisions for FIES" line under Provision for Doubtful Accounts in our income statements since 4Q13, due to its decreasing importance with the organic growth of the FGEDUC base throughout 2013, and, especially, to the changes in the rules governing the contribution to the FGEDUC announced by the FNDE at the beginning of this year. As of February, the FIES default risk has been covered by the FGEDUC, even for contracts with a guarantor (in the already familiar proportions between government and institutions). In exchange, we will be making a 5.63% contribution to all new students, with or without a guarantor, which has led to an increase in revenue deductions related to the FGEDUC.

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 our courses
- 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

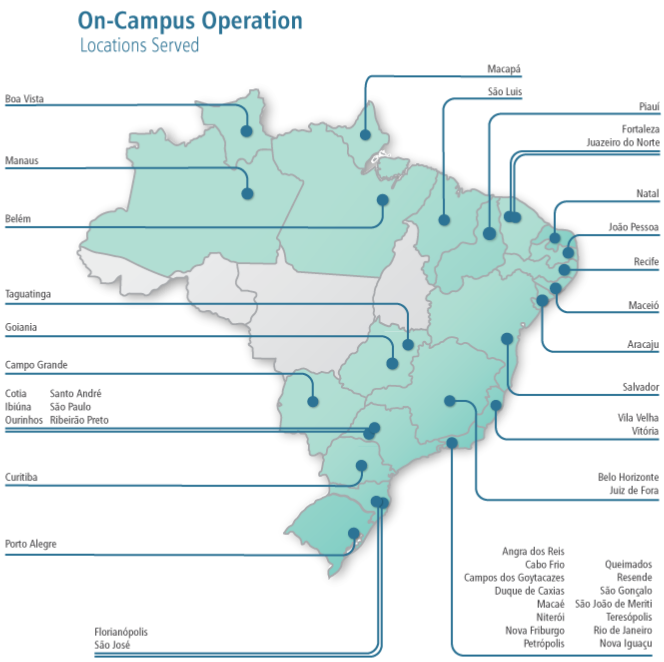
Scalable Business Model

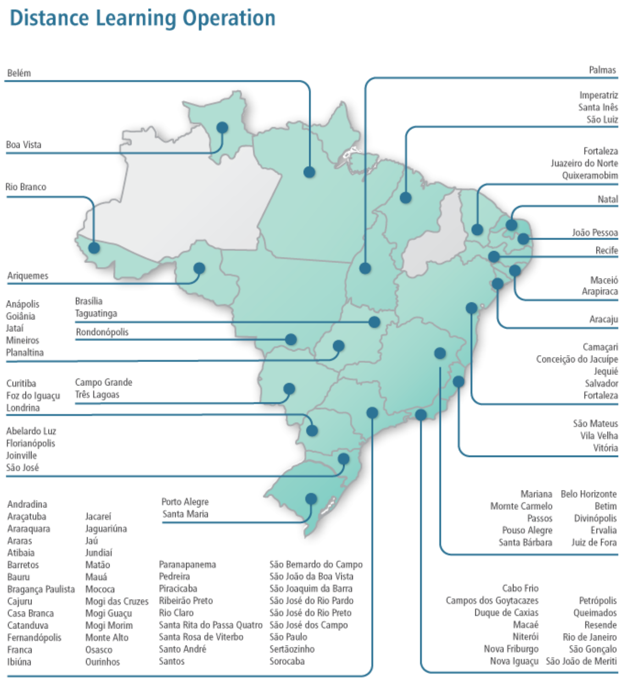
- Growth with profitability
- Organic expansion and through acquisitions

Financial Solidity

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

Estácio closed 1Q15 with 531,900 undergraduate, graduate and distance learning students enrolled in its nationwide education network, which, following the acquisitions in recent years, now operates in every state of Brazil, as shown in the maps below:





(A free translation of the original in Portuguese)

Estácio Participações S.A.

Quarterly information (ITR) at
March 31, 2015
and report on review of
quarterly information

(A free translation of the original in Portuguese)

Report on review of quarterly information

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

We have reviewed the accompanying parent company and consolidated interim accounting information of Estácio Participações S.A., included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2015, comprising the balance sheet as at March 31, 2015 and the statements of income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the interim accounting information in accordance with the accounting standard CPC 21 (R1), Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) 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 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 quarter ended March 31, 2015. These statements are the responsibility of the Company's management, 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 - International Financial Reporting Standards, 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, May 7, 2015

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

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

Estácio Participações S.A.

Balance sheet

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

	Parent company		Consolidated	
Assets	**March 31, 2015**	**December 31, 2014**	**March 31, 2015**	**December 31, 2014**
Current assets				
Cash and cash equivalents (Note 3)	153	249	21,436	48,011
Marketable securities (Note 3)	466,907	440,995	699,646	667,070
Trade receivables (Note 4)			723,649	451,414
Accounts to be offset - FIES system			90,634	85,081
Advances to employees/third parties	20	361	58,759	50,427
Related parties (Note 5)	1,656	1,555		
Prepaid expenses (Note 6)	66	351	63,222	66,158
Dividends receivable (Note 8)	101,091	101,091		
Interest on capital receivable	1,275	1,275		
Taxes and contributions (Note 7)	13,985	12,463	72,461	70,624
Other	1,126	1,400	37,431	36,965
	586,279	559,740	1,767,238	1,475,750
Non-current assets				
Long-term receivables				
Prepaid expenses (Note 6)			7,811	8,805
Judicial deposits (Note 16)	2,339	2,339	122,828	120,941
Deferred taxes (Note 27)			25,048	31,168
Taxes and contributions (Note 7)	3,660	3,660	21,450	25,337
Other			10,709	10,818
	5,999	5,999	187,846	197,069
Investments				
In subsidiaries (Note 8)	1,906,698	1,679,111		
Other			228	228
	1,906,698	1,679,111	228	228
Intangible assets (Note 9)	848,698	853,505	1,375,767	1,375,428
Property and equipment (Note 10)	206	262	486,988	465,711
	2,755,602	2,532,878	1,862,983	1,841,367
	2,761,601	2,538,877	2,050,829	2,038,436
Total assets	3,347,880	3,098,617	3,818,067	3,514,186

	Parent company		Consolidated	
Liabilities and equity	**March 31, 2015**	**December 31, 2014**	**March 31, 2015**	**December 31, 2014**
Current liabilities				
Trade payables	73	112	55,394	50,344
Borrowings (Note 11)	232,938	19,833	243,362	28,464
Swap differential payable (Note 19)	5,979		5,979	
Salaries and social charges (Note 12)	266	199	165,063	121,614
Taxes payable (Note 13)	2,083	2,111	46,736	40,506
Monthly tuitions received in advance	1,800		20,829	20,067
Advances under agreements (Note 17)		1,800	2,887	2,887
Taxes payable in installments (Note 14)			3,758	3,590
Related parties (Note 5)	4,216	4,209	-	
Dividends payable	101,093	101,169	101,093	101,169
Price of acquisition payable (Note 15)			19,881	20,486
Other	3	4	10,909	9,638
	348,451	129,437	675,891	398,765
Non-current liabilities				
Long-term payables				
Borrowings (Note 11)	545,069	544,827	562,181	560,709
Contingencies (Note 16)			27,310	26,883
Advances under agreements (Note 17)	3,450	3,900	5,532	6,254
Taxes payable in installments (Note 14)			14,447	15,763
Deferred taxes (Note 27)	25,915	27,593	37,912	46,348
Provision for asset decommissioning			15,687	15,031
Price of acquisition payable (Note 15)			40,989	39,213
Other			13,123	12,360
	574,434	576,320	717,181	722,561
Equity (Note 18)				
Share capital	1,053,098	1,053,098	1,053,098	1,053,098
Share issue costs	(26,852)	(26,852)	(26,852)	(26,852)
Capital reserves	649,112	642,736	649,112	642,736
Treasury shares	(129,673)	(24,851)	(129,673)	(24,851)
Revenue reserves	748,729	748,729	748,729	748,729
Retained earnings	130,581		130,581	
	2,424,995	2,392,860	2,424,995	2,392,860
Total liabilities and equity	3,347,880	3,098,617	3,818,067	3,514,186

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

Estácio Participações S.A.

Statement of income
Periods ended March 31

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

	Parent company		Consolidated	
	2015	**2014**	**2015**	**2014**
Continuing operations				
Net operating revenue (Note 22)			722,319	538,205
Cost of services rendered (Note 23)			(403,256)	(308,718)
Gross profit			319,063	229,487
Operating income (expenses)				
Selling expenses (Note 24)			(53,756)	(48,602)
General and administrative expenses (Note 24)	(8,678)	(2,212)	(110,169)	(74,180)
Equity in the results of subsidiaries (Note 8)	147,410	121,095		
Other operating income (Note 25)	409	449	1,653	3,218
Operating profit	139,141	119,332	156,791	109,923
Finance income (Note 26)	13,951	15,749	25,830	40,535
Finance costs (Note 26)	(24,188)	(7,672)	(38,381)	(15,174)
Finance result, net	(10,237)	8,077	(12,551)	25,361
Profit before income tax and social contribution	128,904	127,409	144,240	135,284
Income tax (Note 27)	444	(1,210)	(10,033)	(7,000)
Social contribution (Note 27)	1,233	(438)	(3,626)	(2,523)
Earnings for the period attributable to the stockholders	130,581	125,761	130,581	125,761
Basic earnings per share (Note 21)	0.00041	0.00043	0.00041	0.00043
Diluted earnings per share (Note 21)	0.00041	0.00043	0.00041	0.00043

There was no comprehensive income for the periods ended March 31, 2015 and 2014.

The accompanying notes are an integral part 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	**Share issue expenditures**	**Long-term incentives**	**Share premium**	**Options granted**	**Legal**	**Profit retention**	**Treasury shares**	**Retained earnings**	**Total**
At January 1, 2014	1,010,687	(26,852)		96,565	24,416	31,498	392,676	(11,348)		1,517,642
Options granted					3,719					3,719
Profit for the period									125,761	125,761
At March 31, 2014	1,010,687	(26,852)		96,565	28,135	31,498	392,676	(11,348)	125,761	1,647,122
Stock option exercised (Note 20)	19,106									19,106
Issue of common shares related to business combinations (Note 18(d))	23,305									23,305
Options granted			-		16,659					16,659
Long-term incentives			2,478							2,478
Profit for the year									299,884	299,884
Allocation of profit										
Transfer to reserves						21,282	303,273		(324,555)	
Proposed dividends									(101,090)	(101,090)
Treasury shares acquired								(13,503)		(13,503)
Share premium (Note 18(d))				498,899						498,899
At December 31, 2014	1,053,098	(26,852)	2,478	595,464	44,794	52,780	695,949	(24,851)		2,392,860
Options granted					5,446					5,446
Long-term incentives			930							930
Treasury shares acquired								(104,822)		(104,822)
Profit for the period									130,581	130,581
At March 31, 2015	1,053,098	(26,852)	3,408	595,464	50,240	52,780	695,949	(129,673)	130,581	2,424,995

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

Estácio Participações S.A.

Statement of cash flows
Periods ended March 31
All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2015	**2014**	**2015**	**2014**
Cash flows from operating activities				
Profit before income tax and social contribution	128,904	127,409	144,240	135,284
Adjustments to reconcile profit with cash from operations				
Depreciation and amortization	4,864	632	38,912	19,184
Amortization of funding costs	227	334	227	334
Results on disposal of property plant and equipment and intangible assets		1,012	(697)	629
Provision for impairment of trade receivables			14,790	15,485
Foreign exchange variation on borrowings in foreign currency	(3,612)		(3,612)	
Losses on derivative instruments - SWAP	5,979		5,979	
Options granted	5,446		5,446	3,719
Long-term incentives	930		930	
Income on financial investments	(10,152)	(1,993)	(1,247)	(4,300)
Provision for contingencies			427	(53)
Appropriation of agreements	(450)	(450)	(722)	(722)
Adjusted payable commitments			1,774	933
Adjusted tax credits			1,188	(16,879)
Interest on borrowings	17,973	7,528	17,973	7,528
Adjusted provision for decommissioning			670	192
Equity in the results of subsidiaries	(147,410)	(121,095)		
	2,699	13,377	226,278	161,334
Changes in assets and liabilities				
Marketable securities held for trading	(15,759)	41,791	(31,328)	(11,303)
Increase in trade receivables			(287,025)	(116,026)
Decrease (increase) in other assets	272	22	(6,019)	(18,920)
Decrease (increase) in advances to employees/third-parties	341		(8,332)	(325)
Decrease (increase) in prepaid expenses	285	45	2,936	9,307
Increase in taxes and contributions	(1,522)	(255)	6,982	(11,578)
Increase (decrease) in trade payables	(39)	(441)	5,050	(134)
Increase (decrease) in taxes payable	1,650	13	(10,714)	1,156
Increase (decrease) in salaries and social charges	67		43,449	44,999
(Decrease) in monthly tuitions received in advance			762	(7,173)
Intercompany loans	(94)	(379)	0	
Provision for decommissioning of assets			(14)	(13)
Increase (decrease) in other liabilities	(1,681)	(1)	(6,404)	3,419
(Decrease) in taxes paid in installments			(1,147)	(392)
(Increase) decrease in non-current assets		20	1,104	(945)
(Increase) decrease in judicial deposits		(407)	(1,887)	(9,441)
	(13,781)	53,785	(66,309)	43,965
Interest paid on borrowings	(1,225)	(1,139)	(1,225)	(1,139)
Corporate Income Tax (IRPJ) and Social Contribution on Net income (CSLL) paid			3,285	
Net cash provided by (used in) operating activities	(15,006)	52,646	(64,249)	42,826
Cash flows from investing activities:				
Property and equipment			(42,449)	(24,589)
Intangible assets			(5,392)	
Goodwill on investment in subsidiaries		(15,000)	(11,990)	(12,957)
Investments in subsidiaries	(6,576)			
Commitments payable			(603)	(389)
Advance for future capital increase	(73,600)	(36,475)		
Net cash used in investing activities	(80,176)	(51,475)	(60,434)	(37,935)
Cash flows from financing activities				
Treasury shares acquired	(104,822)		(104,822)	
Dividends distributed	(76)		(76)	
New borrowings	201,339		207,132	
Repayment of borrowings	(1,355)	(1,197)	(4,126)	(1,580)
Net cash provided by (used in) financing activities	95,086	(1,197)	98,108	(1,580)
Increase (decrease) in cash and cash equivalents	(96)	(26)	(26,575)	3,311
Cash and cash equivalents at the beginning of the year	249	160	48,011	7,132
Cash and cash equivalents at the end of the year	153	134	21,436	10,443
(Decrease) increase in cash and cash equivalents	(96)	(26)	(26,575)	3,311

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

Estácio Participações S.A.

Statement of value added
Periods ended March 31
All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2015	2014	2015	2014
Revenue				
Educational services			746,460	555,564
Other revenue			4,852	4,073
Provision for impairment of trade receivables			(14,790)	(15,485)
Other selling expenses			(763)	(953)
			735,759	543,199
Inputs acquired from third parties				
Materials, energy and outsourced services	(2,866)	(846)	(119,194)	(88,097)
Impairment/recovery of assets			5	
Contingencies			(427)	53
	(2,866)	(846)	(119,616)	(88,044)
Gross value added	(2,866)	(846)	616,143	455,155
Depreciation and amortization	(4,864)	(966)	(38,912)	(19,517)
Net value added generated by the entity	(7,730)	(1,812)	577,231	435,638
Value added received through transfer				
Equity in results of investees	147,410	121,095		
Interest income	13,951	15,749	25,830	40,435
Other	182	448	1,419	3,218
	161,543	137,292	27,249	43,753
Total value added to distribute	153,813	135,480	604,480	479,391
Distribution of value added				
Work remuneration				
Direct remuneration	601	296	253,625	210,213
Benefits			7,767	5,923
Government Severance Indemnity Fund for Employees (FGTS)			17,603	13,908
	601	296	278,995	230,044
Taxes, charges and contributions				
Federal	(1,557)	1,751	72,658	44,223
State			7	1
Municipal			33,399	22,922
	(1,557)	1,751	106,064	67,146
Third-party capital remuneration				
Interest	24,188	7,672	38,381	15,174
Rentals			50,459	41,266
	24,188	7,672	88,840	56,440
Own capital remuneration				
Dividends				
Retained earnings	130,581	125,761	130,581	125,761
	130,581	125,761	130,581	125,761
Value added distributed	153,813	135,480	604,480	479,391

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 their 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 is a corporation headquartered at Avenida Embaixador Abelardo Bueno, 199, 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 nineteen companies, including Estácio Participações, sixteen of which are sponsors of college institutions, incorporated as limited-liability companies, and has one University, seven University Centers and thirty-six colleges, distributed in twenty-two States of the country and in the Federal District.

The Company's Board of Directors, in a meeting held on May 6, 2015, authorized the disclosure of this quarterly information.

2 Summary of significant accounting policies

2.1 Interim accounting information

The parent company and consolidated quarterly information are being presented in conformity with the standards issued by the Brazilian Securities Commission (CVM), the Technical Pronouncement CPC 21 (R1), "Interim Financial Reporting" issued by the Brazilian Accounting Pronouncements Committee (CPC) and the International Accounting Standard (IAS) 34 issued by the International Accounting Standards Board (IASB).

2.2 Accounting policies

In the quarterly information, the accounting policies are presented in a manner consistent with the accounting practices adopted in the parent company and consolidated financial statements for the year ended December 31, 2014. Accordingly, the quarterly information should be read together with the financial statements for the year ended December 31, 2014.

2.3 Explanatory notes not presented in this quarterly information

The quarterly information is presented in conformity with CPC 21 (R1), IAS 34 and the standards issued by the CVM. Based on these facts, and according to the assessment of the Company's management about the significant impacts in the information to be disclosed, the explanatory notes described below were not presented in this quarterly information. The other notes are presented so as to allow the perfect understanding of this quarterly information if they are read together with the notes disclosed in the financial statements for the year ended December 31, 2014.

All amounts in thousands of reais unless otherwise stated

Explanatory notes not presented in this quarterly information:

- Summary of significant accounting policies;
- Critical accounting estimates and judgments;
- Assumptions for the calculation of the fair value of the stock options plans and the impairment of non-financial assets already disclosed in the notes to the financial statements at December 31, 2014;
- Insurance; and
- Other information

3 Cash and cash equivalents and marketable securities

	Parent company		Consolidated	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
Cash and banks	153	249	21,436	48,011
Cash and cash equivalents	153	249	21,436	48,011
Bank Deposit Certificates (CDB)	108,769	21,786	182,733	52,997
Investment funds	206,781	210,776	231,033	232,930
Repurchase agreements	151,357	208,433	285,880	381,143
Marketable securities	466,907	440,995	699,646	667,070

The Bank Deposit Certificates (CDBs) are remunerated at the average Interbank Deposit Certificate (CDI) rate of 101.1% at March 31, 2015 (100.9% at December 31, 2014).

Repurchase agreements backed by first-tier debentures are recorded at the fair value, bearing interest at 101.6% of CDI at March 31, 2015 (102.1% of the CDI at December 31, 2014).

The fair values of listed securities are based on cash flows discounted using a rate based on the market interest rate and the risk premium specific to the unlisted securities (2015 - 12.60% p.a.; 2014 - 11.57% p.a.). None of these financial assets is either past due or impaired.

The investment fund is backed by financial allocations in private credit fund quotas, CDBs, and repurchase agreements with first-tier banks and issuers.

At March 31, 2015 and December 31, 2014, all of the Company's marketable securities were classified as "held for trading".

4 Trade receivables

	Consolidated	
	March 31, 2015	December 31, 2014
Monthly tuition	384,157	326,965
Student Financing Fund (FIES) (a)	325,923	149,730
Agreements and exchanges	28,300	26,985
Receivables on credit cards (b)	43,918	30,824
Agreements receivable	51,587	38,715
	833,885	573,219
Amounts to be identified	1,456	(6,807)
Provision for impairment of trade receivables (c)	(111,692)	(114,998)
	723,649	451,414

All amounts in thousands of reais unless otherwise stated

The composition of receivables by age is as follows:

				Consolidated
	March 31, 2015	%	December 31, 2014	%
FIES	325,923	39	149,730	26
Not yet due	131,868	16	79,697	14
Overdue for up to 30 days	121,343	15	51,587	9
Overdue from 31 to 60 days	44,248	5	55,780	10
Overdue from 61 to 90 days	21,380	3	45,704	8
Overdue from 91 to 179 days	77,431	9	75,723	13
Overdue for more than 180 days	111,692	13	114,998	20
	833,885	100	573,219	100

The composition of receivables from agreements by age is as follows:

				Consolidated
	March 31, 2015	%	December 31, 2014	%
Not yet due	26,949	52	15,030	39
Overdue for up to 30 days	4,866	9	4,231	11
Overdue from 31 to 60 days	2,559	5	2,759	7
Overdue from 61 to 90 days	2,407	5	2,280	6
Overdue from 91 to 179 days	5,989	12	5,877	15
Overdue for more than 180 days	8,817	17	8,538	22
	51,587	100	38,715	100

(a) Accounts receivable from the 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 four times in a year 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. These receivables increased by 118% at March 31, 2015 when compared to December 31, 2014, which is explained by the increase in the FIES student base and by the postponement of transfers by the federal government as from the end of 2014.

At March 31, 2015, the provision for credit risk of "Student Financing Fund" (FIES) amounted to R$ 13,123 (R$ 12,360 at December 31, 2014) and it is recorded in "Others" within the long-term liabilities. The provision is established as follows:

(i) For FIES students 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, with enrollment since April 2012, 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, with enrollment up to March 2012, 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%.

(b) A substantial part of the receivables on credit cards arises from the negotiation of default monthly tuitions.

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

Description	December 31, 2014	Gross increase in the provision for impairment	Recovered amounts	Net effect of the provision	Disposals	March 31, 2015
Monthly tuition and fees	114,998	49,006	(35,491)	13,515	(16,821)	111,692
	114,998	49,006	(35,491)	13,515	(16,821)	111,692

All amounts in thousands of reais unless otherwise stated

For the period ended March 31, 2015 and 2014, expenses with the provision for impairment of trade receivables (Note 24), recognized in the statement of income as selling expenses, consisted of the following (consolidated):

	March 31, 2015	March 31, 2014
Supplementary provision (i)	13,515	15,485
Other	1,275	
	14,790	15,485

(i) In order to facilitate understanding and to allow a direct reconciliation of the provision for impairment of trade receivables between the balance sheet and statement of income for the period, 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.

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 company		Consolidated	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
Current assets				
Current account				
SESES	1,465	1,367		
Nova Academia do Concurso	1	1		
FAL	2	2		
FATERN	3	3		
IREP	163	160		
Atual	4	4		
SEAMA	4	4		
Editora	6	6		
FARGS	2	2		
São Luís	3	3		
FACITEC	3	3		
Subsidiaries	1,656	1,555		
Related parties				
	1,656	1,555		
Investment fund (i)			6,834	10,542
			6,834	10,542

	Parent company		Consolidated	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
Current liabilities				
Current account				
SESES	4,138	4,131		
IREP	65	65		
Atual	3	3		
Nova Academia	3	3		
FAL	1	1		
Fatern	2	2		
Seama	4	4		
	4,216	4,209		

All amounts in thousands of reais unless otherwise stated

Composition of results

	Parent company	
	2015	2014
Result of loan operations		
Interest paid		1
Net result on March 31		1

(i) At March 31, 2015, the Company had R$ 6,834 invested in the BRZ Renda Fixa Fundo de Investimento CP fund, whose quotas were acquired by Fundo Exclusivo de Investimento Estapart fund of BTG Pactual. GP Investimentos, stockholder of the Company up to September 20, 2013, has a 83% interest in the share capital of BRZ Investimentos, manager of BRZ Fund. Mr. Eduardo Alcalay, a member of the Board of Directors, has a Partner-Director and/or Associate relationship with GP Investimentos.

6 Prepaid expenses

	Parent company		Consolidated	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
Insurance	66	98	1,135	1,305
Municipal Real Estate Tax (IPTU) to be appropriated			5,935	39
Teaching materials (i)			26,149	17,605
Anticipation of vacation pay and charges			24,880	41,424
Registration fee - Ministry of Education (MEC)			3,622	3,896
Professional services		253		253
Sponsorship (2016 Olympic Games)			3,610	4,286
Technical-pedagogical cooperation - Santa Casa			4,000	4,000
Other prepaid expenses			1,702	2,155
Total	66	351	71,033	74,963
Current assets	66	351	63,222	66,158
Non-current assets			7,811	8,805
	66	351	71,033	74,963

(i) It refers to the costs incurred for copyright, printing and postage for the production of education material to be used in the subsequent period. They are recorded as prepaid expenses and allocated during the period they are used, after being effectively delivered.

7 Taxes and contributions

	Parent company		Consolidated	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
Corporate Income Tax (IRPJ) / Withholding Income Tax (IRRF)	15,973	14,451	32,194	29,769
Social Contribution on Net Income (CSLL)	1,458	1,458	4,940	4,778
Social Integration Program (PIS)	6	6	29,470	29,143
Social Contribution on Revenues (COFINS)	25	25	1,487	1,425
Services Tax (ISS)	77	77	19,481	22,471
National Institute of Social Security (INSS)			5,770	7,658
Government Severance Indemnity Fund for Employees (FGTS)			454	454
Tax on Financial Transactions (IOF)	106	106	115	115
Other				148
	17,645	16,123	93,911	95,961
Current assets	13,985	12,463	72,461	70,624
Non-current assets	3,660	3,660	21,450	25,337
	17,645	16,123	93,911	95,961

(i) It refers primarily to the recognition in the first semester of 2014 of PIS credit related to the Declaratory Action and Undue Payments issued by the Federal Government to its subsidiary SESES, regarding the years 1995 to 2005, representing the total amount of R$ 29,183, adjusted by the Special System for Settlement and Custody (SELIC) rate.

All amounts in thousands of reais unless otherwise stated

8 Investments in subsidiaries

	Parent company	
	March 31, 2015	December 31, 2014
Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES")	997,850	878,511
Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP")	845,629	748,571
Nova Academia do Concurso - Cursos Preparatórios Ltda. ("NACP")	17,360	17,317
Estácio Editora ("EDITORA")	(30)	(30)
União dos Cursos Superiores SEB Ltda. ("UNISEB")	45,889	34,742
	1,906,698	1,679,111

The subsidiaries' information is as follows:

									March 31, 2015
	Interest	Number of quotas	Total assets	Total liabilities	Equity	Advance for future capital increase	Goodwill	Deferred income tax on goodwill from downstream merger	Equity in the results of subsidiaries
Seses	100%	391,077	1,236,642	308,792	927,850	70,000			42,962
Irep	100%	319559	1,155,750	420,628	735,122	48,065	62,442		94,958
Nova Academia de Concurso	100%	9,855	6,422	3,130	3,292	50	14,018		(156)
Estácio Editora e Distribuidora Ltda.	100%	250	42	77	(35)		5		
Uniseb Operacional	100%	22,337	64,275	17,656	46,619	1,500		(2230)	9,646
Total - March 31, 2015			2,463.131	750,283	1,712,848	119,615	76,465	(2,230)	147,410

									December 31, 2014
	Interest	Number of quotas	Total assets	Total liabilities	Equity	Advance for future capital increase	Goodwill	Deferred income tax on goodwill from downstream merger	Equity in the results of subsidiaries
Seses	100%	391,077	1,068,197	189,686	878,511				178,720
Irep	100%	319,559	1,051,308	411,144	640,164	45,965	62,442		238,652
Nova Academia de Concurso	100%	8,155	5,862	4,113	1,749	1,550	14,018		(513)
Estácio Editora e Distribuidora	100%	250	42	77	(35)				(7)
Uniseb Operacional	100%	22,337	52,014	15,042	36,972		5	(2,230)	(15,570)
Total - December 31, 2014			2,177,423	620,062	1,557,361	47,515	76,465	(2,230)	432,422

The global changes in the investments in subsidiaries in the periods ended Tuesday, March 31, 2015 and December 31, 2014 are as follows:

Investments in subsidiaries at December 31, 2013	1,127,596
Equity in the results of subsidiaries	432,422
Capital increase	130,640
Advance for future capital increase	47,515
Proposed dividends (i)	(101,090)
Options granted	22,856
Acquisition of subsidiary	19,172
Investments in subsidiaries at December 31, 2014	1,679,111
Equity in the results of subsidiaries	147,410
Capital increase (ii)	201
Advance for future capital increase	73,600
Options granted and long-term incentives	6,376
Investments in subsidiaries at March 31, 2015	1,906,698

(i) During the year ended December 31, 2014, the subsidiary IREP proposed the distribution of dividends of R$ 101,090 (2013 - R$ 58,118).

(ii) Capital increase in the subsidiaries SESES and IREP in the period ended March 31, 2015.

The accounting information of the subsidiaries used in the application of the equity accounting method were related to the base date March 31, 2015.

All amounts in thousands of reais unless otherwise stated

9 Intangible assets

Intangible assets - Parent company

		December 31, 2013		March 31, 2014
		Cost	**Additions**	**Cost**
Cost				
Right of use of software		28		28
Goodwill		818		818
		846		846
	Amortization rates	**Amortization**	**Additions**	**Amortization**
Amortization				
Right of use of software	20% p.a.	(8)	(1)	(9)
Goodwill	20% p.a.	(437)	(41)	(478)
		(445)	(42)	(487)
Net book value		401	(42)	359

		December 31, 2014		March 31, 2015
		Cost	**Additions**	**Cost**
Cost				
Goodwill on the acquisition of investments		772,054		772,054
Right of use of software		99		99
Goodwill		91,841		91,841
		863,994		863,994
	Amortization rates	**Amortization**	**Additions**	**Amortization**
Amortization				
Goodwill on the acquisition of investments				
Right of use of software	20% p.a.	(20)	(5)	(25)
Goodwill	20% p.a.	(10,469)	(4,802)	(15,271)
		(10,489)	(4,807)	(15,296)
Net book value		853,505	(4,807)	848,698

All amounts in thousands of reais unless otherwise stated

Intangible assets - Consolidated

		December 31, 2013				March 31, 2014
		Cost	**Additions**	**Disposals**	**Transf.**	**Cost**
Cost						
Goodwill on the acquisition of investments		236,959		(524)		236,435
Right of use of software		90,353	7,635		59	98,047
Integration and distance learning project		15,303	71			15,374
CSC		1,940				1,940
Learning Center		54,154	1,833			55,987
Relationship Center		2,348				2,348
Hemispheres		1,346				1,346
IT architecture		12,197				12,197
Online class material		5,770				5,770
Knowledge Factory - EAD		10,813				10,813
Students portfolio		26,429	795			27,224
Other		5,378	2,623			8,001
		462,990	**12,957**	**(524)**	**59**	**475,482**
	Amortization rates	**Amortization**	**Additions**	**Disposals**	**Transf.**	**Amortization**
Amortization						
Goodwill on the acquisition of investments	Indefinite	(6,924)				(6,924)
Right of use of software	20% p.a.	(50,162)	(4,440)		(59)	(54,661)
Integration and distance learning project	20% p.a.	(11,851)	(359)			(12,210)
CSC	20% p.a.	(1,791)	(97)			(1,888)
Learning Center	5% p.a.	(8,420)	(577)			(8,997)
Relationship Center	20% p.a.	(1,409)	(117)			(1,526)
Hemispheres	20% p.a.	(803)	(67)			(870)
Online class material	20% p.a.	(1,010)	(288)			(1,298)
Knowledge Factory - EAD	20% p.a.	(317)	(135)			(452)
Students portfolio	20% p.a.	(10,797)	(84)			(10,881)
Other	20% p.a.	(205)	(35)			(240)
		(93,689)	**(6,199)**		**(59)**	**(99,947)**
Net book value		**369,301**	**6,758**	**(524)**	**-**	**375,535**

		December 31, 2014				March 31, 2015
		Cost	**Additions**	**Disposals**	**Transf.**	**Cost**
Cost						
Goodwill on the acquisition of investments		1,088,374				1,088,374
Right of use of software		138,435	11,990		1,348	151,773
Integration and distance learning project		16,769	43			16,812
CSC		1,940				1,940
Learning Center		61,103	1,190			62,293
Relationship Center		2,348				2,348
Hemispheres		1,346				1,346
IT architecture		15,851	921			16,772
Online class material		6,384	1,326			7,710
Knowledge Factory - EAD		16,931	1,257			18,188
Students portfolio		153,092				153,092
Other		11,824	655	(3)		12,476
		1,514,397	**17,382**	**(3)**	**1,348**	**1,533,124**
	Amortization rates	**Amortization**	**Additions**	**Disposals**	**Transf.**	**Amortization**
Amortization						
Goodwill on the acquisition of investments	Indefinite	(6,924)				(6,924)
Right of use of software	20% p.a.	(71,744)	(8,170)		(652)	(80,566)
Integration and distance learning project	20% p.a.	(13,084)	(219)			(13,303)
CSC	20% p.a.	(1,940)				(1,940)
Learning Center	5% p.a.	(10,818)	(622)			(11,440)
Relationship Center	20% p.a.	(1,878)	(117)			(1,995)
Hemispheres	20% p.a.	(1,072)	(67)			(1,139)
Online class material	20% p.a.	(2,168)	(291)			(2,459)
Knowledge Factory - EAD	20% p.a.	(942)	(177)			(1,119)
Students portfolio	20% p.a.	(27,991)	(8,005)			(35,996)
Other	20% p.a.	(408)	(68)			(476)
		(138,969)	**(17,736)**	**-**	**(652)**	**(157,357)**
Net book value		**1,375,428**	**(354)**	**(3)**	**696**	**1,375,767**

All amounts in thousands of reais unless otherwise stated

At March 31, 2015 and December 31, 2014, goodwill on acquisition of investments was comprised as follows:

	Consolidated	
	March 31, 2015	December 31, 2014
Goodwill on acquisition of investments net of accumulated amortization		
IREP	89,090	89,090
ATUAL	15,503	15,503
Seama	18,035	18,035
Idez	2,047	2,047
Uniuol	956	956
Fargs	8,055	8,055
São Luis	27,369	27,369
Facitec	26,654	26,654
Assesc	4,723	4,723
Iesam	26,797	26,797
Literatus	25,521	25,521
Ceut	27,568	27,568
FAL	8,076	8,076
FATERN	14,979	14,979
Nova Academia	14,018	14,018
Estácio Editora	5	5
Uniseb	9,371	9,371
Uniseb Holding	762,683	762,683
	1,081,450	1,081,450

The Company carries out annual analyses for impairment purposes, the last being for the year ended December 31, 2014, relative to goodwill on investment acquisitions and mergers, based on expected future profitability, considering projections of future results for the next 10 years. Asset impairment testing did not result in the need to recognize losses. The assumptions used are disclosed in the notes to the financial statements for the year ended December 31, 2014.

10 Property and equipment

Property and equipment - Parent company

		December 31, 2013			March 31, 2014
		Cost	Additions	Disposals	Cost
Cost					
Computers and peripherals		10,090		(1,013)	9,077
		10,090		(1,013)	9,077
	Depreciation rate	Depreciation	Additions	Disposals	Depreciation
Depreciation					
Computers and peripherals	25% p.a.	(7,734)	(590)	1	(8,323)
		(7,734)	(590)	1	(8,323)
Net book value		2,356	(590)	(1,012)	754

		December 31, 2014			March 31, 2015
		Cost	Additions	Disposals	Cost
Cost					
Computers and peripherals		9,075			9,075
Facilities		33			33
		9,108			9,108
	Depreciation rate	Depreciation	Additions	Disposals	Depreciation
Depreciation					
Computers and peripherals	25% p.a.	(8,846)	(55)		(8,901)
Facilities	8.3% p.a.		(1)		(1)
		(8,846)	(56)		(8,902)
Net book value		262	(56)		206

All amounts in thousands of reais unless otherwise stated

Property and equipment - Consolidated

		December 31, 2013				March 31, 2014
		Cost	**Additions**	**Disposals**	**Transf.**	**Cost**
Cost						
Land		19,480				19,480
Buildings		89,993	358	(450)	498	90,399
Leasehold improvements		131,673	4,420		2,829	138,922
Furniture and fittings		62,766	1,919	(70)		64,615
Computers and peripherals		93,131	1,734	(255)		94,610
Machinery and equipment		73,535	782	(98)		74,219
Physical activities / hospital equipment		32,147	1,292	(30)		33,409
Library		96,448	1,744			98,192
Facilities		17,516	1,583			19,099
Tablets		32,126	5,248	(2)		37,372
Other		10,020	86	(26)		10,080
Construction in progress		11,131	5,423		(3,327)	13,227
Decommissioning		11,650		(12)		11,638
		681,616	**24,589**	**(943)**		**705,262**
	Depreciation rates	**Depreciation**	**Additions**	**Disposals**	**Transf.**	**Depreciation**
Depreciation						
Land						
Buildings	1.67 % p.a.	(39,204)	(309)	67		(39,446)
Leasehold improvements	11.11% p.a.	(79,860)	(2,844)			(82,704)
Furniture and fittings	8.33% p.a.	(33,498)	(1,002)	58		(34,442)
Computers and peripherals	25% p.a.	(69,383)	(3,548)	285		(72,646)
Machinery and equipment	8.33% p.a.	(46,694)	(2,028)	278		(48,444)
Physical activities / hospital equipment	6.67% p.a.	(12,772)	(393)	28		(13,137)
Library	5% p.a.	(39,679)	(901)			(40,580)
Facilities	8.33% p.a.	(6,098)	(363)			(6,461)
Tablets	20% p.a.	(3,918)	(1,217)			(5,135)
Other	14.44% p.a.	(4,906)	(185)	8		(5,083)
Decommissioning		(9,990)	(195)	114		(10,071)
		(346,002)	**(12,985)**	**838**		**(358,149)**
Net book value		**335,614**	**11,604**	**(105)**	**-**	**347,113**

		December 31, 2014				March 31, 2015
		Cost	**Additions**	**Disposals**	**Transf.**	**Cost**
Cost						
Land		19,373				19,373
Buildings		112,249	146		20,907	133,302
Leasehold improvements		210,895	3,262		(15,995)	198,162
Furniture and fittings		78,870	10,825	(100)		89,595
Computers and peripherals		120,413	2,096	(135)		122,374
Machinery and equipment		96,357	1,492	(74)		97,775
Physical activities / hospital equipment		41,425	1,763	(54)		43,134
Library		126,883	3,364			130,247
Facilities		27,135	2,952			30,087
Tablets		45,459	301			45,760
Other		12,371	1,220	(10)	(1,348)	12,233
Construction in progress		7,771	15,028		(4,911)	17,888
Decommissioning		11,638		(11)		11,627
		910,839	**42,449**	**(384)**	**(1,347)**	**951,557**
	Depreciation rates	**Depreciation**	**Additions**	**Disposals**	**Transf.**	**Depreciation**
Depreciation						
Land						
Buildings	1.67 % p.a.	(47,277)	(799)		(217)	(48,293)
Leasehold improvements	11.11% p.a.	(97,480)	(6,244)		217	(103507)
Furniture and fittings	8.33% p.a.	(41,802)	(2,168)	121		(43,849)
Computers and peripherals	25% p.a.	(94,866)	(3,822)	198		(98,490)
Machinery and equipment	8.33% p.a.	(60,594)	(3,112)	719		(62,987)
Physical activities / hospital equipment	6.67% p.a.	(16,133)	(538)	38		(16,633)
Library	5% p.a.	(50,762)	(1,563)			(52,325)
Facilities	8.33% p.a.	(9,440)	(530)			(9,970)
Tablets	20% p.a.	(10,357)	(2,116)			(12,473)
Other	14.44% p.a.	(6,126)	(227)	9	652	(5,692)
Decommissioning		(10,291)	(59)			(10,350)
		(445,128)	**(21,178)**	**1,085**	**652**	**(464,569)**
Net book value		**465,711**	**21,271**	**701**	**(695)**	**486,988**

All amounts in thousands of reais unless otherwise stated

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

Machinery and It equipment include the following amounts where the Group is a lessee under a finance lease:

		December 31, 2014			March 31, 2015
		Cost	**Additions**	**Disposals**	**Cost**
Cost					
Finance leases					
Capitalized		58,626	6,501		65,127
		58,626	6,501		65,127
	Depreciation rate	**Depreciation**	**Additions**	**Disposals**	**Depreciation**
Depreciation					
Finance leases					
Capitalized	25% p.a.	(44,288)	(2,811)		(47,099)
		(44,288)	(2,811)		(47,099)
Net book value		14,338	3,690		18,028

The Group leases various machinery and equipment under non-cancelable finance lease agreements. The lease terms are between 3 and 4 years, after which the ownership of the assets is transferred to the Group.

At December 31, 2014, management carried out the annual analysis of the operating and financial performance of its assets and identified no need to record a provision for losses on its property and equipment.

11 Borrowings

		Parent company		Consolidated	
Type	**Financial charges**	**March 31, 2015**	**December 31, 2014**	**March 31, 2015**	**December 31, 2014**
In local currency					
Working capital	1.70% p.m. and/or CDI + 0.25% p.m.				
Lease agreements	General Market Price Index (IGPM) + 12.3% p.a.				
Lease agreements - Colortel	National Consumer Price Index (INPC) + 0.32% p.a.			7,229	8,751
Lease agreements - Assist				238	191
Lease agreements - CIT				566	647
Lease agreements - Total Service				4	11
Lease agreements - Springer	IGPM + 1% p.a.			42	72
Lease agreements - Santander	15.2% p.a.			5	11
Lease agreements - Santander	12.23% p.a.			4	8
Lease agreements - Bayde				5,464	
Borrowing - IFC	CDI +1.53% p.a.	58,476	59,179	58,476	59,179
IFIC expenditures		(2,107)	(2,189)	(2,107)	(2,189)
First issue of debentures	CDI +1.50% p.a.	208,892	202,460	208,892	202,460
Second issue of debentures	CDI 1.18% p.a.	317,208	307,675	317,208	307,675
Expenditures with issue of debentures		(2,354)	(2,499)	(2,354)	(2,499)
Share repurchase option					
Banco Itaú			34		34
Borrowing - FEE BNB	3% p.a.			2,017	2,241
Borrowing - Banco da Amazônia	9.5% p.a.			11,967	12,634
Borrowing - Banco CEF	14.39%				(77)
Borrowing - Banco Itaú	29.44%				24
Borrowing - Banco Itaú line 4131	USD + 1,46% p.a.	196,516		196,516	
Borrowing - FINEP	6% p.a.	1,376		1,376	
		778,007	564,660	805,543	589,173
Current liabilities		232,938	19,833	243,362	28,464
Non-current liability		545,069	544,827	562,181	560,709
		778,007	564,660	805,543	589,173

All amounts in thousands of reais unless otherwise stated

The costs of funding to be settled amounted to R$ 4,461 at March 31, 2015, being R$ 2,107 related to the borrowings from IFC (R$ 457 of the 1st borrowing and R$ 1,650 of the 2nd borrowing) and R$ 2,354 to the debentures.

The maturity of amounts recorded in non-current liabilities at March 31, 2015 and December 31, 2014 is as follows:

	Parent company		Consolidated	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
2016	7,078	8,385	11,201	12,956
2017	68,433	68,385	73,268	71,751
2018	228,627	228,385	230,258	229,974
2019	228,627	228,385	230,258	229,974
2020	9,074	8,866	10,705	10,455
2021	2,629	2,421	4,260	4,010
2022	195		1,825	1,589
2023	195		195	
2024	195		195	
2025	16		16	
Non-current liability	545,069	544,827	562,181	560,709

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.

Promissory notes endorsed by stockholders and leased assets, which amounted to R$ 65,127, were given to guarantee the lease agreements.

During the first quarter of 2015, the Company obtained a borrowing in U.S. dollars with Itaú Unibanco S.A. Nassau Branch amounting to USD 61,200 (equivalent to R$ 200,000 at the time), bearing fixed rate of 1.46% p.a. and having total period of one year. In addition, in order to mitigate the impact of the foreign exchange variation on its results, the Company obtained a cash flow swap with Banco Itaú S.A., with an asset position foreign exchange variation plus 1.95% p.a. and a liability position at the CDI + 0.12% p.a.

The borrowing with Itaú Unibanco S.A. Nassau Branch at March 31, 2015 amounted to R$ 196,516.

The transaction was backed by a promissory note without endorsement and amounting to 130% of the borrowing, in addition to the assignment of the swap credit rights.

The funds obtained will be used to reinforce the Company's cash and also in the maintenance of the Company's expansion plan.

The contractual conditions of other effective borrowings remain unchanged compared to those presented in the financial statements at December 31, 2014.

All amounts in thousands of reais unless otherwise stated

12 Salaries and social charges

	Parent company		Consolidated	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
Salaries and social charges payable	266	199	116,472	94,736
Provision for vacation pay			34,529	26,878
Provision for 13th month salary			14,062	
	266	199	165,063	121,614

13 Taxes payable

	Parent company		Consolidated	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
Services Tax (ISS)	5	4	14,049	15,908
Withholding Income Tax (ISS)	46	56	9,004	13,466
Social Integration Program and Social Contribution on Revenues (COFINS) payable	21	40	1,663	1,598
Tax on Financial Transactions (IOF)			384	384
National Institute of Social Security (INSS)				290
	72	100	25,100	31,646
Corporate Income Tax (IRPJ)	1,465	1,465	15,896	6,401
Social Contribution on Net Income (CSLL)	546	546	5,740	2,459
	2,011	2,011	21,636	8,860
	2,083	2,111	46,736	40,506

14 Taxes payable in installments

	Consolidated	
	March 31, 2015	December 31, 2014
IRPJ	4,759	6,461
CSLL	621	1,543
Government Severance Indemnity Fund for Employees (FGTS)	1,461	1,307
ISS	753	1,341
PIS	189	493
COFINS	763	1,553
INSS	9,326	6,596
IPTU	333	59
	18,205	19,353
Current liabilities	3,758	3,590
Non-current liability	14,447	15,763
	18,205	19,353

The amount of installments is adjusted based on the Special System for Settlement and Custody (SELIC) rate on a monthly basis.

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

	Consolidated	
	March 31, 2015	December 31, 2014
2015		1,217
2016	1,338	1,331
2017	1,338	1,331
2018 to 2027	11,771	11,884
	14,447	15,763

All amounts in thousands of reais unless otherwise stated

15 Price of acquisition payable

		Consolidated
	March 31, 2015	December 31, 2014
FAL	290	557
FATERN	1,115	1,082
SEAMA	-	-
IDEZ	-	-
FARGS	-	-
UNIUOL	340	327
FACITEC	11,451	10,912
SÃO LUIS	14,657	14,252
ASSESC	665	644
IESAM	17,374	17,190
LITERATUS	6,747	6,424
CEUT	8,231	8,311
	60,870	59,699
Current liabilities	19,881	20,486
Non-current liability	40,989	39,213
	60,870	59,699

These basically refer to the amount payable to the former owners for the acquisition of related companies, subjected monthly to one the following rates: Special System for Settlement and Custody (SELIC), Amplified Consumer Price Index (IPCA) or the Interbank Deposit Certificate (CDI).

The table below analyzes the Group's acquisition price payable into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

			Consolidated
	Less than one year	Between 1 and 2 years	Between 2 and 5 years
At March 31, 2015			
IESAM	2,127	2,597	12,650
LITERATUS	874	1,266	4,607
CEUT	2,463	1,343	4,425

16 Contingencies

The Company's subsidiaries are parties 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 March 31, 2015 and December 31, 2014, the provision for contingencies was comprised as follows:

				Consolidated
	March 31, 2015		December 31, 2014	
	Contingencies	Judicial deposits	Contingencies	Judicial deposits
Civil	1,671	24,696	1,762	24,311
Labor	25,639	80,658	25,121	79,572
Tax		17,474		17,058
	27,310	122,828	26,883	120,941

The changes in the provision for contingencies are as follows:

				Consolidated
	Tax	Labor	Civil	Total
At December 31, 2014		25,121	1,762	26,883
Additions		6,428	379	6,807
Reversals/derecognition		(5,910)	(470)	(6,380)
At March 31, 2015		25,639	1,671	27,310

For the periods ended March 31, 2015 and 2014, the expense for the provision for contingencies, recognized in the statement of income as "general and administrative expenses", was as follows:

	2015	2014
Composition of results		
Additions	6,807	3,928
Reversals	(6,380)	(3,961)
General and administrative expenses (Note 25)	(427)	(53)

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

Matters	All amounts in thousands of reais
Indemnity for moral damages	1,175
Incorrect collection	284
Impossibility of enrollment/reenrollment	35
Discipline-related problems	24
Return of fees	23
Delay in issuance of diploma	18
Other*	112
	1,671

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

(b) Labor

The main labor claims refer to overtime, unused vacation time, recognition of employment relationship, salary parity and salary differences arising from the decrease in the working hours of certain professors.

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

Matters	Amounts
Salary differences + reduction of working time + CCT fine + FGTS + notice	5,536
Fines (article 467 CLT, article 477 CLT and CCT/ACT)	4,078
Overtime + suppression Inter + Intra	3,594
Moral/property damage/moral harassment	2,819
Correction CTPS + indirect repeal + recognition of employment relationship	1,553
Vacation pay	1,455
Allowances (health hazards/night shift pay/improvement/length of service/risk premium)	970
Deviation of function and parity	875
Other*	4,759
	25,639

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

All amounts in thousands of reais unless otherwise stated

(c) Tax

The Company's legal advisors reviewed, assessed and quantified the various tax proceedings and, considering that there are no proceedings assessed as probable losses, management considered as not necessary the recognition of a provision for such proceedings.

(d) Possible losses, not provided for in the balance sheet

The Company has the following tax, civil and labor litigation involving risks of loss classified by management as possible, based on the evaluation of the legal advisors. In accordance with this risk assessment and the provision-related criteria adopted by the Company, certain contingencies are not provided as for, as follows:

	Consolidated	
	2015	2014
Tax	409,565	384,539
Civil	93,019	101,765
Labor	26,110	33,597
	528,694	519,901

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

(i) In 2011, the Brazilian Federal Revenue Secretariat (SRF) issued two 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. The referred defenses were filed with the Special SRF 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. The Company filed appeals, which are waiting judgment by the Board of Tax Appeals. The total amount involved, disregarding the effects of the extinguishment of right, is R$ 563,354. According to the opinion of the external legal advisors, the risk of loss in these cases remains possible.

(ii) 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 Law"), 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 five-year period for application of the escalated rates as defined in Article 13 of the PROUNI Law should start to be counted as from the date of publication of such Law, 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 Stockholders' 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$ 13,539.

All amounts in thousands of reais unless otherwise stated

(iii) Given the divergence of understanding of Article 13 of Law 11,096/05 ("PROUNI Act"), as mentioned in item (ii) above, Tax Foreclosures were issued by the National Treasury aimed at the judicial recovery of debts related to the alleged differences in payments of social security contributions. Embargoes were imposed on these executions, which are still being tried. The total amount involved is R$ 80,892. According to the opinion of the external legal advisors, the risk of loss in these cases remains possible.

17 Advances under exclusivity agreements

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

In exchange for the exclusivity granted to Itaú, and for maintaining such a condition during the term of the agreement, that is, until July 31, 2011, Itaú 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 Itaú, and while the agreement remains effective, Itaú paid the Company an additional amount of R$ 18,000. At March 31, 2014, the balance related to amounts advanced in connection with the agreement amounted to R$ 8,419 (R$ 9,141 at December 31, 2014), being R$ 2,887 classified in consolidated 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 shares. At March 31, 2015, share capital is represented by 315,429,884 common shares.

The Company's shareholding structure at March 31, 2015 and December 31, 2014 is as follows:

	Common shares			
Stockholders	**March 31, 2015**	**%**	**December 31, 2014**	**%**
Officers and directors	33,257,504	10.5	24,755,424	7.8
Treasury	8,105,298	2.6	2,351,800	0.7
Other (*)	274,067,082	86.9	288,322,660	91.5
	315,429,884	100.0	315,429,884	100.0

(*) Free float.

The Annual General Meeting of Stockholders held on April 22, 2014 approved the private issue of 2,182,342 registered common shares, with no par value, which resulted in the consequent increase of the Company's capital by R$ 17,365, within the limit of the authorized capital in order to meet the exercise of the options granted to the beneficiaries of the stock option plan.

All amounts in thousands of reais unless otherwise stated

The Board of Directors' meeting held on August 7, 2014 approved the private issue of 182,269 registered common shares, with no par value, which resulted in the consequent increase of the Company's capital by R$ 1,726, within the limit of the authorized capital in order to meet the exercise of the options granted to the beneficiaries of the stock option plan.

(b) Changes in shares

There were no changes in shares during the quarter ended March 31, 2015. The Company's shares amounted to 315,429,884.

(c) Treasury shares

At the Board of Directors' Meeting on December 8, 2014, the Board approved the 3rd Program for Repurchase of the Company's shares on the stock exchange, up to 6,308,598 common shares, equivalent to 2.00% of the Company's capital. On February 3, 2015, the program was closed, and the Company repurchased all shares approved in the program.

	Number	Average cost	Balance
Treasury shares at March 31, 2015	8,105,298	16.00	129,673

(d) Capital reserves

(d.1) Share premium

The share premium reserve refers to the difference between the subscription price that the stockholders pay for the shares and their par value. 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.

The amount of the share premium in the quarterly information at March 31, 2015 and December 31, 2014 is as follows:

	Parent company	
	March 31, 2015	December 31, 2014
Tax reserve	3	3
Undistributed profits (i)	96,477	96,477
Special reserve for goodwill on merger	85	85
Share premium	498,899	498,899
	595,464	595,464

(i) Profits earned prior to the Company's conversion into a profit-oriented company.

The premium on issue of shares is represented as follows:

	March 31, 2015
Subscription of 17,853,127 shares	(23,305)
Amount paid for the 17,853,127 shares	522,204
Share premium	498,899

(d.2) Grant options

The Company recorded the Capital Reserve for Share Options granted in the amount of R$ 5,446 during the quarterly ended March 31, 2015 (R$ 20,378 during the year ended December 31, 2014), 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.

(d.3) Long-term incentive

The Company recorded a capital reserve for long-term incentives (Note 21 (c)) in the amount of R$ 930 for the year ended March 31, 2015.

(e) Revenue reserves

On December 31, 2014, from the results accumulated by the Company, R$ 303,273 was allocated to the profit retention reserve (2013 - R$ 174,354) to finance the investments expected in the Company's capital budget, prepared by management to be approved at the Annual General Meeting of Stockholders that will be held on April 28, 2015.

19 Financial instruments and sensitivity analysis of financial assets and liabilities

The Company's financial assets and liabilities at March 31, 2015 and December 31, 2014, are recorded in the balance sheet at amounts that are consistent with those prevailing in the market. Information about the criteria, assumptions and limitations used in the market value calculations did not change in relation to the information related to the financial statements for the year ended December 31, 2014. Information on the derivative financial instruments held by the Company at March 31, 2015 recorded at fair value with effect on profit (loss) is as follows:

							Market value (000)		
Swap contracts	Principal contracted (USD, 000)	Principal contracted (000)	Estácio receives	Estácio pays	Beginning date	Maturity date	Asset	Liability	Gross result
Banco Itaú S.A	61,218	200,000	USD + 1.95% p.a.	CDI + 0.12% p.a.	Mar 19-15	Mar-14-16	195,011	200,990	(5,979)

Financial risk factors

All operations of the Group are carried out with prime banks, which minimizes risks. Management records a provision for impairment of receivables at 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 accounted for. 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 its financial investments.

The credit risk relating to the 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 the 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 Interbank Deposit Certificate (CDI) rate, which is used to adjust the balance of its short-term investments and debts, as mentioned in Note 19 (e). 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.

(b) Foreign exchange rate 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 at March 31, 2015 compared to December 31, 2014.

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 one year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At March 31, 2015				
Trade payables	55,394			
Borrowings	313,276	89,460	685,997	16,665
Finance lease liabilities	2,829		1,066	
Price of acquisition payable	17,776	3,675	47,879	
At December 31, 2014				
Trade payables	50,344			
Borrowings	79,010	78,371	664,846	13,442
Finance lease liabilities	6,054		3,547	
Price of acquisition payable	20,318	3,387	42,129	
	50,344			

(e) Sensitivity analysis

CVM Resolution 550, of October 17, 2008, establishes that publicly-held companies must disclose, in a specific note, qualitative and quantitative information on all their financial instruments, recognized or not 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 and borrowings, and are recorded at cost plus interest earned or incurred, which, at March 31, 2015 and December 31, 2014 approximate their fair value.

The main risks to the Group's operations refer to changes in the CDI (Interbank Deposit Certificate) rate and the variation in the U.S. dollar foreign exchange rate.

CVM Instruction 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.

All amounts in thousands of reais unless otherwise stated

With respect to loans in Brazilian reais, these refer to transactions for which the carrying amount approximates their market value.

Investments at the Interbank Deposit Certificate (CDI) rate are recorded at market value, in accordance with quotations disclosed by the respective financial institutions. Most of the other investments refer to bank deposit certificates and repurchase agreements and, therefore, the carrying amount of these securities does not differ from the market value.

For purposes of verifying the sensitivity of the index in the financial investments to which the Company was exposed on March 31, 2015, three different scenarios were defined. Based on the CDI rate as officially disclosed by the Central System for Custody and Financial Settlement of Securities (CETIP), this rate was used as the probable scenario for the year. Rate variations 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 base date used for the portfolio was March 31, 2015, with projections for one year and verification of the sensitivity of the CDI for each scenario.

		CDI increase scenario		
	Risk	**Scenario (I)**	**Scenario (II)**	**Scenario (III)**
Transactions				
Financial investments	CDI	12.60%	15.75%	18.90%
699,646		88,155	110,194	132,233
Debentures I	CDI+1.50	14.29%	17.49%	20.68%
(208,892)		(29,849)	(36,527)	(43,206)
Debentures II	CDI+1.18	13.93%	17.12%	20.30%
(317,208)		(44,183)	(54,293)	(64,403)
IFC I	CDI+1.53	14.32%	17.52%	20.72%
(40,708)		(5,831)	(7,132)	(8,434)
IFC II	CDI+1.69	14.50%	17.71%	20.91%
(17,768)		(2,577)	(3,146)	(3,715)
Line 4131	CDI+0.12	12.74%	15.89%	19.04%
(200,990)		(25,596)	(31,935)	(38,274)
Net position		(19,881)	(22,839)	(25,799)

		CDI decrease scenario		
	Risk	**Scenario (I)**	**Scenario (II)**	**Scenario (III)**
Transactions				
Financial investments	CDI	12.60%	9.45%	6.30%
699,646		88,155	66,117	44,078
Debentures I	CDI+1.50	14.29%	11.09%	7.89%
(208,892)		(29,849)	(23,170)	(16,491)
Debentures II	CDI+1.18	13.93%	10.74%	7.55%
(317208)		(44,183)	(34,073)	(23,963)
IFC I	CDI+1.53	14.32%	11.12%	7.93%
(40,708)		(5,831)	(4,529)	(3,227)
IFC II	CDI+1.69	14.50%	11.30%	8.10%
(17,768)		(2,577)	(2,008)	(1,439)
Line 4131	CDI+0.12	12.74%	9.58%	6.43%
(200,990)		(25,596)	(19,258)	(12,919
Net position		(19,881)	(16,921)	(13,961)

The changes in the Company's assets and liabilities linked to the foreign exchange rate are presented below. The Company opted to separate the asset and liability swap positions in order to more clearly present the effect of the derivative.

The sensitivity analysis related to the foreign exchange risk refers to the position at March 31, 2015 and tries to simulate the hypothetical effect to the Company arising from the stress on the foreign exchange rate.

All amounts in thousands of reais unless otherwise stated

Three scenarios are defined (I, II and III) which represent, respectively, the probable scenario and the possible deterioration scenarios of 25% and 50% in the risk variable. To carry out the analysis, the Company uses as a probable scenario the foreign exchange rate at the end of 2015 disclosed in the last Focus Report - BACEN, before the closing of the period. This base scenario is stressed under the 25% and 50% deterioration scenarios of the risk variable.

The table below presents the sensitivity analysis involving the net effect that results from these stress scenarios involving the foreign exchange rate. The Company opted to separate the asset and liability swap positions in order to more clearly present the effect of the derivative.

		U.S dollar appreciation scenario		
Transactions	**Risk**	**Probable scenario (I)**	**Scenario (II)**	**Scenario (III)**
Swap - Asset position	Foreign exchange rate	3.20%	4.00%	4.80%
R$ 195,011		R$ 194.525	R$ 243,156	R$ 291,787
Debt in USD	Foreign exchange rate	3.20%	4.00%	4.80%
R$ 196,516		R$ 196,026	R$ 245,032	R$ 294,039
Net position		**-R$ 1,501**	**-R$ 1,876**	**-R$ 2,252**

(f) Capital management

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

	Consolidated	
	March 31, 2015	December 31, 2014
Total liabilities	1,393,072	1,121,326
(-) Cash and cash equivalents	(21,436))	(48,011)
Net debt	1,371,636	1,073,315
Equity	2,424,995	2,392,860
Net debt on equity	0.57	0.45

(g) Fair value of financial instruments

On March 31, 2015 and December 31, 2014, 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 equity investments of IBOVESPA 50 classified as trading or available-for-sale securities.

All amounts in thousands of reais unless otherwise stated

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 information required to fair value an instrument are adopted by the market, the instrument will be 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.

(h) Offsetting of financial instruments

There were no significant assets or liabilities subject to offset during the periods ended March 31, 2015 and the year ended December 31, 2014.

20 Management compensation

(a) Compensation

For the periods ended March 31, 2015 and March 31, 2014, total compensation (salaries and profit sharing) paid to the Company's directors, officers and main executives amounted to R$ 2,036 and R$ 1,536, respectively. These amounts are within the limits established at the corresponding General Meetings of Stockholders.

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 20(b).

(b) Stock option plan

The history and the details of the stock options plans did not change in relation to the information included in the financial statements for the year ended December 31, 2014.

At March 31, 2015, the number of options granted which were exercised totaled 7,660,975 (R$ 43,616), and the total shares granted amounted to 16,901,870 (R$ 38,068).

Total options granted which were exercised in the most recent quarters are as follows:

	Exercised options
December 31, 2013	5,709,056
March 31, 2014	5,709,056
June 30, 2014	7,680,511
September 30, 2014	7,660,975
December 31, 2014	7,660,975
March 31, 2015	7,660,975

As from 2013, the Company started to use for the calculation of the fair value of the options of each grant the Binomial model, but the old grants will not be changed, 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 grace period	Expiration date	Fair value	Price of the underlying asset	Expected annual volatility	Expected dividends	Risk-free interest rate	Estimated life (years)	Number of options granted	Number of lapsed options
Program 1P Jan/09	4/15/2010	4/15/2020	1.02	7.68	63.99%	1.72%	6.83%	11	90,915	72,723
Program 1P Jan/09	4/15/2011	4/15/2021	1.66	7.68	63.99%	1.72%	6.83%	12	90,909	72,729
Program 1P Jan/09	4/14/2012	4/15/2022	2.07	7.68	63.99%	1.72%	6.83%	13	90,909	72,729
Program 1P Jan/09	4/14/2013	4/15/2023	2.37	7.68	63.99%	1.72%	6.83%	14	90,909	72,729
Program 1P Jan/09	4/14/2014	4/15/2024	2.56	7.68	63.99%	1.72%	6.83%	15	90,909	72,729
Program 1P Jan/09 Cons.	4/15/2010	1/13/2019	1.02	7.68	63.99%	1.72%	6.83%	10	1,363,635	0
Program 1P Jan/09 Cons.	4/15/2011	1/13/2019	1.66	7.68	63.99%	1.72%	6.83%	10	1,363,635	0
Program 1P Jan/10	4/15/2011	4/15/2021	3.73	7.78	63.15%	0.93%	6.23%	11	89,112	10,914
Program 1P Jan/10	4/14/2012	4/14/2022	4.55	7.78	63.15%	0.93%	6.23%	12	89,088	38,181
Program 1P Jan/10	4/14/2013	4/14/2023	5.11	7.78	63.15%	0.93%	6.23%	13	89,088	38,181
Program 1P Jan/10	4/14/2014	4/14/2024	5.53	7.78	63.15%	0.93%	6.23%	14	89,088	52,728
Program 1P Jan/10	4/14/2015	4/14/2025	5.80	7.78	63.15%	0.93%	6.23%	15	89,088	52,728
Program 1P Jul/08	4/15/2009	4/15/2019	3.35	7.83	57.49%	0.97%	6.85%	11	703,668	552,750
Program 1P Jul/08	4/15/2010	4/15/2020	4.14	7.83	57.49%	0.97%	6.85%	12	703,626	552,720
Program 1P Jul/08	4/15/2011	4/15/2021	4.68	7.83	57.49%	0.97%	6.85%	13	703,626	552,720
Program 1P Jul/08	4/14/2012	4/14/2022	5.36	7.83	57.49%	0.97%	6.85%	14	703,626	552,720
Program 1P Jul/08	4/14/2013	4/14/2023	4.70	7.83	57.49%	0.97%	6.85%	15	703,626	552,720
Program 1P Jul/08 Cons.	4/15/2009	7/11/2018	3.35	7.83	57.49%	0.97%	6.85%	11	60,000	30,000
Program 1P Jul/08 Cons.	4/15/2010	7/11/2018	4.14	7.83	57.49%	0.97%	6.85%	11	60,000	30,000
Program 1P Mar/10	4/15/2011	4/15/2021	3.16	7.66	62.20%	1.01%	6.21%	11	90,909	0
Program 1P Mar/10	4/14/2012	4/14/2022	3.96	7.66	62.20%	1.01%	6.21%	12	90,909	0
Program 1P Mar/10	4/14/2013	4/14/2023	4.50	7.66	62.20%	1.01%	6.21%	13	90,909	0
Program 1P Mar/10	4/14/2014	4/14/2024	4.91	7.66	62.20%	1.01%	6.21%	14	90,909	0
Program 1P Mar/10	4/14/2015	4/14/2025	5.16	7.66	62.20%	1.01%	6.21%	15	90,909	0
Program 1P Sep/08	4/15/2009	4/15/2019	1.06	7.70	56.00%	1.62%	8.42%	11	663,645	400,002
Program 1P Sep/08	4/15/2010	2/15/2020	1.71	7.70	56.00%	1.62%	8.42%	12	663,633	399,999
Program 1P Sep/08	4/15/2011	4/15/2021	2.14	7.70	56.00%	1.62%	8.42%	13	663,633	399,999
Program 1P Sep/08	4/14/2012	4/14/2022	2.37	7.70	56.00%	1.62%	8.42%	14	663,633	399,999
Program 1P Sep/08	4/14/2013	4/14/2023	2.67	7.70	56.00%	1.62%	8.42%	15	663,633	399,999
Program 1P Sep/09	4/15/2010	4/15/2020	2.37	7.79	56.75%	1.13%	5.64%	11	174,582	32,730
Program 1P Sep/09	4/15/2011	2/15/2021	3.10	7.79	56.75%	1.13%	5.64%	12	174,537	32,727
Program 1P Sep/09	4/14/2012	4/14/2022	3.59	7.79	56.75%	1.13%	5.64%	13	174,537	47,271
Program 1P Sep/09	4/14/2013	4/14/2023	3.99	7.79	56.75%	1.13%	5.64%	14	174,537	47,271
Program 1P Sep/09	4/14/2014	4/14/2024	4.21	7.79	56.75%	1.13%	5.64%	15	174,537	101,814
Program 2P Jul/10	4/15/2011	4/15/2021	2.05	8.58	58.84%	1.52%	6.25%	11	129,702	39,063
Program 2P Jul/10	4/14/2012	4/14/2022	2.87	8.58	58.84%	1.52%	6.25%	12	129,684	48,438
Program 2P Jul/10	4/14/2013	4/14/2023	3.40	8.58	58.84%	1.52%	6.25%	13	129,684	48,438
Program 2P Jul/10	4/14/2014	4/14/2024	3.80	8.58	58.84%	1.52%	6.25%	14	129,684	48,438
Program 2P Jul/10	4/14/2015	4/14/2025	4.04	8.58	58.84%	1.52%	6.25%	15	129,684	60,936
Program 2P May/10	4/15/2011	4/15/2021	3.18	8.74	60.71%	1.62%	6.30%	11	140,625	140,625
Program 2P May/10	4/15/2012	4/15/2015	3.18	8.74	60.71%	1.62%	6.30%	12	140,625	140,625
Program 2P May/10	4/14/2013	4/14/2023	3.18	8.74	60.71%	1.62%	6.30%	13	140,625	140,625
Program 2P May/10	4/14/2014	4/14/2024	3.18	8.74	60.71%	1.62%	6.30%	14	140,625	140,625
Program 2P May/10	4/14/2015	4/14/2025	3.18	8.74	60.71%	1.62%	6.30%	15	140,625	140,625
Program 2P Jul/10 Cons.	4/15/2011	11/3/2020	3.36	8.32	57.60%	1.52%	5.88%	11	30,000	0
Program 2P Jul/10 Cons.	4/14/2012	11/3/2020	4.22	8.32	57.60%	1.52%	5.88%	11	30,000	0
Program 3P Apr/11	4/15/2012	4/15/2022	2.15	9.75	54.94%	1.32%	6.20%	11	165,324	45,783
Program 3P Apr/11	4/14/2013	4/14/2023	3.13	9.75	54.94%	1.32%	6.20%	12	165,240	53,385
Program 3P Apr/11	4/14/2014	4/14/2024	3.78	9.75	54.94%	1.32%	6.20%	13	165,240	61,011
Program 3P Apr/11	4/14/2015	4/14/2025	4.28	9.75	54.94%	1.32%	6.20%	14	165,240	61,011
Program 3P Apr/11	4/14/2016	4/14/2026	4.60	9.75	54.94%	1.32%	6.20%	15	165,240	61,011
Program 3P Jan/11	4/15/2012	4/15/2022	2.96	10.01	56.55%	1.14%	5.79%	11	183,861	43,236
Program 3P Jan/11	4/14/2013	4/14/2023	3.99	10.01	56.55%	1.14%	5.79%	12	183,807	51,072
Program 3P Jan/11	4/14/2014	4/14/2024	4.69	10.01	56.55%	1.14%	5.79%	13	183,807	51,072
Program 3P Jan/11	4/14/2015	4/14/2025	5.22	10.01	56.55%	1.14%	5.79%	14	183,807	51,072
Program 3P Jan/11	4/14/2016	4/14/2026	5.57	10.01	56.55%	1.14%	5.79%	15	183,807	51,072
Program 3P Jan/11 Cons.	4/15/2012	1/3/2021	2.96	10.02	56.55%	1.14%	5.79%	11	30,000	0
Program 3P Jan/11 Cons.	4/14/2013	1/3/2021	3.99	10.02	56.55%	1.14%	5.79%	11	30,000	0
Program 4P Apr/12	4/15/2013	4/15/2023	1.65	7.62	51.66%	1.65%	4.29%	11	234,000	36,000
Program 4P Apr/12	4/14/2014	4/14/2024	2.34	7.62	51.66%	1.65%	4.29%	12	234,000	42,000
Program 4P Apr/12	4/14/2015	4/14/2025	2.79	7.62	51.66%	1.65%	4.29%	13	234,000	42,000
Program 4P Apr/12	4/14/2016	4/14/2026	3.13	7.62	51.66%	1.65%	4.29%	14	234,000	42,000
Program 4P Apr/12	4/14/2017	4/14/2027	3.35	7.62	51.66%	1.65%	4.29%	15	234,000	42,000
Program 4P Apr/12 Cons.	4/15/2013	4/2/2022	1.65	7.62	51.66%	1.65%	4.29%	11	180,000	0
Program 4P Apr/12 Cons.	4/14/2014	4/2/2022	2.34	7.62	51.66%	1.65%	4.29%	11	180,000	0
Program 4P Aug/12	4/15/2013	4/15/2023	3.24	7.32	50.39%	1.15%	4.29%	11	18,000	18,000
Program 4P Aug/12	4/14/2014	4/14/2024	3.97	7.32	50.39%	1.15%	4.29%	12	18,000	18,000
Program 4P Aug/12	4/14/2015	4/14/2025	4.48	7.32	50.39%	1.15%	4.29%	13	18,000	18,000
Program 4P Aug/12	4/14/2016	4/14/2026	4.89	7.32	50.39%	1.15%	4.29%	14	18,000	18,000
Program 4P Aug/12	4/14/2017	4/14/2027	5.15	7.32	50.39%	1.15%	4.29%	15	18,000	18,000
Program 4P Jan/13	4/15/2014	4/15/2024	8.23	7.11	33.47%	0.00%	3.90%	11	160,200	7,200
Program 4P Jan/13	4/15/2015	4/15/2025	8.35	7.11	33.47%	0.00%	3.90%	12	160,200	7,200
Program 4P Jan/13	4/15/2016	4/15/2026	8.48	7.11	33.47%	0.00%	3.90%	13	160,200	7,200
Program 4P Jan/13	4/15/2017	4/15/2027	8.62	7.11	33.47%	0.00%	3.90%	14	160,200	7,200
Program 4P Jan/13	4/15/2018	4/15/2028	8.75	7.11	33.47%	0.00%	3.90%	15	160,200	7,200
Program 4P Jul/12	4/15/2013	4/15/2023	2.80	7.43	50.78%	1.23%	4.29%	11	48,000	9,000
Program 4P Jul/12	4/14/2014	4/14/2024	3.53	7.43	50.78%	1.23%	4.29%	12	48,000	9,000
Program 4P Jul/12	4/14/2015	4/14/2025	4.03	7.43	50.78%	1.23%	4.29%	13	48,000	9,000
Program 4P Jul/12	4/14/2016	4/14/2026	4.43	7.43	50.78%	1.23%	4.29%	14	48,000	0
Program 4P Jul/12	4/14/2017	4/14/2027	4.69	7.43	50.78%	1.23%	4.29%	15	48,000	0
Program 4P Nov/12	4/15/2014	4/15/2024	7.19	7.17	49.44%	0.76%	3.50%	11	15,000	0
Program 4P Nov/12	4/15/2015	4/15/2025	7.76	7.17	49.44%	0.76%	3.50%	12	15,000	0
Program 4P Nov/12	4/15/2016	4/15/2026	8.24	7.17	49.44%	0.76%	3.50%	13	15,000	0
Program 4P Nov/12	4/15/2017	4/15/2027	8.67	7.17	49.44%	0.76%	3.50%	14	15,000	0
Program 4P Nov/12	4/15/2018	4/15/2028	8.96	7.17	49.44%	0.76%	3.50%	15	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 grace period	Expiration date	Fair value	Price of the underlying asset	Expected annual volatility	Expected dividends	Risk-free interest rate	Estimated life (years)	Number of options granted	Number of lapsed options
Program 5P 3	4/15/2014	4/15/2024	6.37	14.89	39.85%	0.00%	11.02%	11	144,000	21,000
Program 5P 3	4/15/2015	4/15/2025	7.02	14.89	39.85%	0.00%	11.02%	12	144,000	21,000
Program 5P 3	4/15/2016	4/15/2026	7.60	14.89	39.85%	0.00%	11.02%	13	144,000	21,000
Program 5P 3	4/15/2017	4/15/2027	8.11	14.89	39.85%	0.00%	11.02%	14	144,000	21,000
Program 5P 3	4/15/2018	4/15/2028	8.58	14.89	39.85%	0.00%	11.02%	15	144,000	0
Program 6P Aug14	4/15/2015	4/15/2025	14.48	16.40	26.68%	0.00%	11.99%	11	60,000	0
Program 6P Aug14	4/15/2016	4/15/2026	15.10	16.40	26.68%	0.00%	11.99%	12	60,000	0
Program 6P Aug14	4/15/2017	4/15/2027	15.74	16.40	26.68%	0.00%	11.99%	13	60,000	0
Program 6P Aug14	4/15/2018	4/15/2028	16.38	16.40	26.68%	0.00%	11.99%	14	60,000	0
Program 6P Aug14	4/15/2019	4/15/2029	16.98	16.40	26.68%	0.00%	11.99%	15	60,000	0
Program 6P Aug14 Cons.	4/15/2015	8/1/2024	14.43	16.40	28.80%	0.00%	11.99%	11	50,000	0
Program 6P Aug14 Cons.	4/15/2016	8/1/2024	15.02	16.40	28.80%	0.00%	11.99%	11	50,000	0
Program 6P Jul14	4/15/2015	4/15/2025	15.13	16.31	26.43%	0.00%	11.99%	11	608,000	0
Program 6P Jul14	4/15/2016	4/15/2026	15.76	16.31	26.43%	0.00%	11.99%	12	608,000	0
Program 6P Jul14	4/15/2017	4/15/2027	16.41	16.31	26.43%	0.00%	11.99%	13	608,000	0
Program 6P Jul14	4/15/2018	4/15/2028	17.05	16.31	26.43%	0.00%	11.99%	14	608,000	0
Program 6P Jul14	4/15/2019	4/15/2029	17.65	16.31	26.43%	0.00%	11.99%	15	608,000	0
Program 6P Jul14 Cons.	4/15/2015	7/4/2024	15.09	16.31	28.80%	0.00%	11.99%	11	162,500	0
Program 6P Jul14 Cons.	4/15/2016	7/4/2024	15.69	16.31	28.80%	0.00%	11.99%	11	162,500	0
Program 6P Oct13	4/15/2014	4/15/2024	5.05	16.98	28.80%	0.00%	11.99%	11	265,000	5,000
Program 6P Oct13	4/15/2015	4/15/2025	5.79	16.98	28.80%	0.00%	11.99%	12	265,000	5,000
Program 6P Oct13	4/15/2016	4/15/2026	6.40	16.98	28.80%	0.00%	11.99%	13	265,000	5,000
Program 6P Oct13	4/15/2017	4/15/2027	6.94	16.98	28.80%	0.00%	11.99%	14	265,000	5,000
Program 6P Oct13	4/15/2018	4/15/2028	7.43	16.98	28.80%	0.00%	11.99%	15	265,000	0
Program 7P Oct14	4/15/2015	4/15/2025	8.58	24.68	28.80%	0.00%	11.99%	11	177,800	80,000
Program 7P Oct14	4/15/2016	4/15/2026	9.71	24.68	28.80%	0.00%	11.99%	12	177,800	0
Program 7P Oct14	4/15/2017	4/15/2027	10.64	24.68	28.80%	0.00%	11.99%	13	177,800	0
Program 7P Oct14	4/15/2018	4/15/2028	11.47	24.68	28.80%	0.00%	11.99%	14	177,800	0
Program 7P Oct14	4/15/2019	4/15/2029	12.24	24.68	28.80%	0.00%	11.99%	15	177,800	0

(*) Market price on the respective grant dates.

The Company recognizes on a monthly basis the share options, granted in a capital reserve account with a corresponding entry in the statement of income, of R$ 6,376 for the period ended March 31, 2015 (R$ 20,378 for the year ended December 31, 2014).

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

Statutory Board

	March 31, 2015		December 31, 2014	
	Average exercise price per share	Options - thousands	Average exercise price per share	Options - thousands
January 1	8.28	501,961	7.00	570,141
Transfer to the Board of Directors				
Granted	0.00	0.00	7.24	514,881
Exercised	0.00	0.00	7.06	583,061
	8.28	501,961	8.28	501,961

Board of Directors

	March 31, 2015		December 31, 2014	
	Average exercise price per share	Options - thousands	Average exercise price per share	Options - thousands
January 1	6.76	30,630	22.07	30,000
Board of Directors' transfer				
Granted	0.00	0.00	5.71	725,454
Exercised	0.00	0.00	6.57	724,824
	6.76	30,630	6.76	30,630

(c) Special Program for Long-term Incentive

The Special Program for Long-term Incentive for Statutory Officers (ILP), approved at the Board of Directors' Meeting on January 28, 2014 and ratified by the Annual/Extraordinary General Meeting of April 30, 2014, was granted in order to improve the corporate governance practices of the Company and strengthen incentives for the retention and long-term stability of the Statutory Directors, within the context of a listed company with spread stock control.

The Program has the Company's statutory officers as the beneficiaries, and was structured in the form of variable remuneration, whose value depends on the value of its shares, which may be settled in cash or shares, the entity ruling the form of settlement. Currently, the Company estimates to settle with shares held in treasury. On February 5, 2015, the Letter CVM/SEP/GEA-2/No. 034/2014, issued by the CVM, approved the Company's request (filed on August 25, 2014) to use the treasury shares in its Long-term compensation program (ILP).

The remuneration under this program will be paid in four annual installments, maturing on April 30, 2015, April 30, 2016, April 30, 2017 and April 30, 2018, calculated by multiplying the specific number of shares (being such a quantity called "Reference Shares") at market value on the last trading day of the BM&F BOVESPA immediately preceding the year in which each payment will occur. The sum of the quantity of the Reference Shares to be granted to all beneficiaries taken together will be 994,080.

It should be noted that the payment of each annual installment of compensation payable under the Program is conditional upon discussion and approval by the Company's stockholders, at the annual general meeting in the related year, as part of the overall remuneration fixed for the Company's management.

Additionally, at the sole discretion of the Board of Directors, one or more installments of compensation provided, may be paid by delivery of shares that the Company has held in treasury, provided it is in strict accordance with the Brazilian Corporation Law and the regulations of the Brazilian Securities Commission.

The provision of the program at March 31, 2015 is R$ 3,408.

21 Earnings per share

The Company sets out below the information on basic and diluted earnings per share.

(a) Basic earnings per share

	2015	2014
Numerator		
Profit for the year	130,581	125,761
Denominator (in thousands of shares)		
Weighted average number of shares outstanding	315,429,884	295,212,146
Basic earnings per share	0.00041	0.00043

(a) Diluted earnings per share

	2015	2014
Numerator		
Profit for the year	130,581	125,761
Denominator (in thousands of shares)		
Weighted average number of shares outstanding	315,429,884	295,212,146
Potential increase in the number of shares relating to the share option plan		78,109
Adjusted weighted average number of shares outstanding	315,429,884	295,290,255
Diluted earnings per share	0.00041	0.00043

22 Net revenue from services rendered

		Consolidated
	2015	2014
Gross operating revenue	1,101,657	793,732
Gross revenue deductions	(379,338)	(255,527)
Grants - scholarships	(326,550)	(218,540)
Return of monthly tuition and charges	(2,883)	(3,893)
Discounts granted	(4,630)	(1,379)
Taxes	(28,993)	(21,432)
FGEDUC	(16,282)	(10,283)
Net operating revenue	722,319	538,205

23 Costs of services rendered

		Consolidated
	2015	2014
Personnel and social charges	(295,576)	(232,087)
Electricity, water, gas and telephone	(8,690)	(6,315)
Rents, condominium fees and IPTU	(57,398)	(43,252)
Mailing and courier expenses	(871)	(499)
Depreciation and amortization	(20,908)	(12,910)
Teaching material	(8,199)	(6,010)
Outsourced security and cleaning services	(11,614)	(7,645)
Costs of services rendered	(403,256)	(308,718)

24 Expenses by nature

	Parent company		Consolidated	
	2015	2014	2015	2014
Impairment of trade receivables			(14,790)	(15,485)
Advertising			(29,391)	(23,707)
Sales and marketing			(8,811)	(8,457)
Other			(764)	(953)
Selling			(53,756)	(48,602)
Personnel and social charges	(722)	(355)	(39,819)	(31,375)
Outsourced services	(1,565)	(575)	(18,677)	(15,223)
Rentals of machinery and leases			508	(400)
Consumption material			(608)	(398)
Maintenance and repairs	(11)	(7)	(8,929)	(6,168)
Depreciation and amortization (i)	(5,091)	(966)	(18,232)	(6,607)
Electricity, water, gas and telephone			(435)	(381)
Rents, condominium fees and IPTU			(535)	(552)
Educational covenants	(72)	(68)	(1,493)	(1,836)
Travels and accommodation	(77)	(29)	(1,666)	(2,145)
Conviction paid		(9)	(3,439)	(3,689)
Institutional events			(9,022)	(554)
Provision for contingencies			(427)	53
Copies and bookbinding			(1,205)	(657)
Insurance	(1,015)		(1,520)	(686)
Cleaning supplies			(479)	(391)
Transportation	(9)		(730)	(490)
Car rental			(558)	(555)
Other	(116)	(203)	(2,903)	(2,126)
General and administrative expenses	(8,678)	(2,212)	(110,169)	(74,180)

(i) This balance includes the amortization of funding costs of R$ 227.

All amounts in thousands of reais unless otherwise stated

25 Other operating income

	Parent company		Consolidated	
	2015	2014	2015	2014
Income from agreements	450	450	736	752
Income from rentals	(41)		2,563	1,915
Business agency				
Reversal of administrative provisions				
Web class income			312	
Other operating income (expenses)		(1)	(1,958)	551
	409	449	1,653	3,218

26 Finance income and costs

	Parent company		Consolidated	
	2015	2014	2015	2014
Finance income			5,059	4,796
Late payment fine and interest				
Earnings from financial investments	10,167	15,707	16,716	18,816
Monetary variation gains			267	16,879
Exchange variation gain	3,750	42	3,753	42
Other	34		35	2
	13,951	15,749	25,830	40,535
Finance costs				
Banking expenses	(216)	(32)	(2,883)	(1,762)
Interest and financial charges	(17,973)	(7,528)	(19,910)	(8,508)
Financial discounts (i)			(5,294)	(2,509)
Monetary variation losses			(3,909)	(1,769)
Losses on derivative instruments - SWAP	(5,979)	(81)	(5,979)	(84)
Other	(20)	(31)	(406)	(542)
	(24,188)	(7,672)	(38,381)	(15,174)

(i) (This value corresponds to the discounts granted upon renegotiation of overdue monthly tuition.

27 Income tax and social contribution

Reconciliation of income tax and social contribution determined at statutory rates and taxes recognized in the statement of income for the periods ended March 31, 2015 and 2014 is as follows:

	Parent company		Consolidated	
	2015	2014	2015	2014
Profit before income tax and social contribution	128,904	127,409	144,240	135,284
Combined statutory rate of income tax and social contribution - %	34	34	34	34
Income tax and social contribution at the statutory rates	(43,827)	(43,319)	(49,042)	(45,997)
Adjustments of Law 11,638/2007			(1,500)	(52)
Equity in the results of subsidiaries	50,120	41,171		
Amortization of goodwill	(1,633)	(14)	(2,722)	2,362
Non-deductible expenses (a)		(201)	(710)	(2,367)
ILP provision - employees			(2,356)	
Tax losses		709		709
Decommissioning expenses			(21)	(30)
Provision for contingencies	(1,633)		(1,778)	29
Reversal of non-deductible provision for impairment of trade receivables and monthly tuitions to be canceled (b)			(3,029)	4,423
Reversals of administrative provisions			(483)	
Other	(3,027)	6	(2,645)	(115)
	(0)	(1,648)	(64,286)	(41,038)
Tax benefits				
Tax incentive - PROUNI			48,310	33,696
Tax incentive - Rouanet Law				
Current income tax and social contribution in the results for the period	(0)	(1,648)	(15,976)	(7,342)

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

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

All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	2015	2014	2015	2014
Current income tax and social contribution		(1,648)	(15,976)	(7,342)
Deferred income tax and social contribution	1,677		2,317	(2,181)
Income tax and social contribution from prior years				
	1,677	(1.6478)	(13,659)	(9,523)
Effective rate - %	0.01	0.01	9.47	7.04

At March 31, 2015, the Company recorded deferred tax assets on temporary differences of (R$ 18,882). The breakdown of the tax effects of temporary differences which originated the deferred tax assets is summarized below:

	Parent company		Consolidated	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
Provision for contingencies			10,831	10,976
Monthly tuitions to be canceled			1,369	4,398
Provision for decommissioning			3,506	3,526
Amortization of goodwill (Note 2.3)	(25,915)	(27,593)	(42,936)	(46,067)
Provision for risk - Fies			999	1,259
Options granted recognized			10,036	8,704
Decommissioning adjustment			100	323
Students portfolio			(903)	(745)
Tax losses			4,274	2,584
Other assets			(140)	(138)
	(25,915)	(27,593)	(12,864)	(15,180)
Assets			25,048	31,168
Liabilities	(25,915)	(27,593)	(37,912)	(46,348)
	(25,915)	(27,593)	(12,864)	(15,180)

The realization of the deferred tax effect on temporary differences recorded at March 31, 2015 is linked to the realization of the provision which gave rise to this credit. 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.

At March 31, 2015, the subsidiary IREP accounted for a deferred income tax and social contribution liability amounting to R$ 45,454 due to the tax depreciation of goodwill generated upon acquisition of the companies merged into it.

On March 31, 2015, the Company had tax credits arising from income tax and social contribution losses amounting to R$ 13,188 (R$ 13,188 at December 31, 2014) 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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