2Q15 RESULTS

Life Goes On

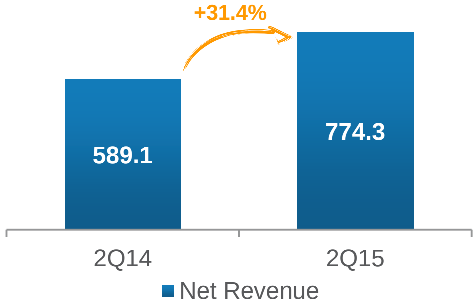
Student base growth of 31% in 12 months
EBITDA of R$166 million in 2Q15, 57% up on 2Q14
EBITDA Margin of 21.4% in 2Q15 (+3.4 p.p.)
Net income of RS132 million in 2Q15, up by 53%

Rio de Janeiro, August 6, 2015 – **Estácio Participações S.A.** – "Estácio or "Company" (BM&FBovespa: ESTC3; Bloomberg: ESTC3.BZ; Reuters: ESTC3.SA; OTC: ECPCY) – announces its results for the second quarter of 2015 (2Q15) in comparison with the second quarter of 2014 (2Q14). The following accounting information is presented in accordance with International Financial Reporting Standards ("IFRS") and on a consolidated basis.

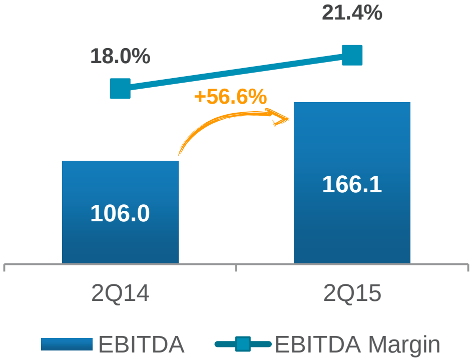
Quarter Highlights

(R$ million)

Net Revenue



EBITDA and EBITDA Margin



Highlights:

- Estácio closed 2Q15 with a **total base** of 501,500 students, 30.9% up on 2Q14, 349,300 of whom enrolled in on-campus programs (15.1% up year-on-year) and 96,000 in distance-learning programs (up by 20.9%), besides 56,200 from institutions acquired in the last 12 months.
- **Net operating revenue** came to R$774.3 million in 2Q15, 31.4% more than in 2Q14, thanks to yet another quarter of solid student base growth.
- **EBITDA** totaled R$166.1 million in 2Q15, a 56.6%, improvement, with an **EBITDA margin** of 21.4%, representing a margin gain of 3.4 percentage points.
- **Net income** came to R$131.9 million in 2Q15, 53.4% up on 2Q14, while **earnings per share** stood at R$0.42, 44.8% more than in the same period last year.
- **Operational cash flow** in 2Q15 was once again impacted by FIES, due both to the new calendar and to delays in the contract amendment process, and was negative by R$132.5 million.
- The Company closed 2Q15 with solid **cash and cash equivalents** of R$493.9 million.

ESTC3
(on August 5, 2015)

Price: R$13.05/share
Number of Shares: 316,646,672
Market Cap: R$4.1 billion
Free Float: 88%

IR Contacts:

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

ESTC3 NOVO MERCADO BM&FBOVESPA

Key Indicators

Financial Highlights	Consolidated			Excluding acquisitions in the last 12 months		
	2Q14	2Q15	Change	2Q14	2Q15	Change
Net Revenue (R$ million)	589.1	774.3	31.4%	589.1	709.1	20.4%
Gross Profit (R$ milllion)	240.4	324.3	34.9%	240.4	295.0	22.7%
Gross Profit margin	*40.8%*	*41.9%*	*1.1 p.p.*	*40.8%*	*41.6%*	*0.8 p.p.*
EBIT (R$ million)	84.4	128.0	51.7%	84.4	106.3	25.9%
EBIT Margin	*14.3%*	*16.5%*	*2.2 p.p.*	*14.3%*	*15.0%*	*0.7 p.p.*
EBITDA (R$ million)	106.0	166.1	56.6%	106.0	142.3	34.2%
EBITDA Margin	*18.0%*	*21.4%*	*3.4 p.p.*	*18.0%*	*20.1%*	*2.1 p.p.*
Net Income (R$ milllion)	86.0	131.9	53.4%	86.0	112.2	30.5%
Net Income Margin	*14.6%*	*17.0%*	*2.4 p.p.*	*14.6%*	*15.8%*	*1.2 p.p.*

Financial Highlights	Consolidated			Excluding acquisitions in the last 12 months		
	1H14	1H15	Change	1H14	1H15	Change
Net Revenue (R$ million)	1,127.3	1,496.7	32.8%	1,127.3	1,367.7	21.3%
Gross Profit (R$ milllion)	469.9	643.4	36.9%	469.9	581.4	23.7%
Gross Profit margin	*41.7%*	*43.0%*	*1.3 p.p.*	*41.7%*	*42.5%*	*0.8 p.p.*
EBIT (R$ million)	194.4	284.8	46.5%	194.4	233.5	20.1%
EBIT Margin	*17.2%*	*19.0%*	*1.8 p.p.*	*17.2%*	*17.1%*	*-0.1 p.p.*
EBITDA (R$ million)	235.5	362.0	53.7%	235.5	306.6	30.2%
EBITDA Margin	*20.9%*	*24.2%*	*3.3 p.p.*	*20.9%*	*22.4%*	*1.5 p.p.*
Net Income (R$ milllion)	211.7	262.5	24.0%	211.7	215.8	1.9%
Net Income Margin	*18.8%*	*17.5%*	*-1.3 p.p.*	*18.8%*	*15.8%*	*-3.0 p.p.*

Note: EBITDA calculated in accordance with CVM Instruction 527.

Message from Management

Our results for the second quarter of 2015 were once again strong and consistent, further underlining our capacity to maintain a healthy growth pace even in more challenging scenarios. As a result, we closed 1H15 with a total student base of 501,500 students, 30.9% up year-on-year.

Net Operating Revenue came to R$774.3 million, 31.4% more than in 2Q14, while EBITDA totaled R$166.1 million, for a margin of 21.4%, a 3.4 percentage point improvement. Net Income climbed to R$131.9 million, 53.4% more than in the same period last year, resulting in Earnings per Share of R$0.42, up by 44.8%. Operational Cash Flow was negative by R$132.5 million, a direct reflection of the changes in the cycle of issuance and transfer of FIES certificates and its buyback auctions, as well as of the delays in the contract amendment process. However, we expect a more favorable scenario for the issuance of certificates and the buyback auctions in the second semester, resulting in a positive cash generation and moving towards a regular cash flow in 2016.

Also, we moved ahead with the successful integration of UniSEB and are extremely satisfied with the growth rates the institution is beginning to generate. Less than a year after the conclusion of the acquisition, we recorded growth of 16% in UniSEB's student base over June 2014. Even more important is to notice that, after three strong intake cycles, the negative trend in UniSEB's student base has already been reverted, in a process similar to what happened with Estácio's own on-campus base back in 2011. We are therefore convinced that there are many benefits yet to be reaped from the gradual increase of the capillarity of our distance learning (number of centers), synergies coming from the integration process and the ramp-up of UniSEB's operation.

At the same time, we remain alert to any attractive market opportunities and announced a new acquisition, our first non-organic movement of the year, with the formalization of a commitment to acquire **Faculdade Nossa Cidade (FNC**) in Carapicuíba/SP. Founded in 2005, FNC has around 8,700 students and more than 16,000 authorized seats. Located in a strategic region of the São Paulo market, it has been recording high growth rates in recent years and is another excellent asset that from now on will generate value to our Company.

Also on the expansion front, we received excellent news with the publication of the preliminary result for new medical courses in the country (***Mais Médicos* Program**). The Ministry of Education (MEC) authorized Estácio to offer these courses in five new cities, namely Angra dos Reis/RJ (55 seats), Alagoinhas/BA (65 seats), Jaraguá do Sul/SC (50 seats), Juazeiro/BA (55 seats) and Ijuí/RS (50 seats). In fact, some of these locations had already been mapped as greenfield opportunities, making them even more attractive in the midterm. All in all, in this preliminary result, Estácio was granted 275 new seats per year, confirming its leadership in the offering of undergraduate medical programs in Brazil, and further strengthening our already perceived quality after our victory in the assisted transfer process to receive Gama Filho's medical students in 2014.

Another positive fact we shall comment is that the National Education Council (CNE) unanimously approved the accreditation of our Santa Catarina institution to offer undergraduate distance learning programs. After this process is finished, we will be able to offer distance learning courses in, initially, 16 centers in relevant cities to our business plan. It is worth highlighting that we are still waiting for the final ordinance from the Regulation Office and subsequent signature of Public Notice by the Ministry of Education to start the operations.

At the same time, we continue to implement the projects that will make Estácio stand out from its competitors and the first results of some of them are already beginning to show. We were elected one of the country's most innovative companies by the newspaper *Valor Econômico*, placing third in the General Services category. The reasons given by the appraisers included doubling project investments between 2013 and 2014, as well as being the first post-secondary institution to be included in the so-called "*Lei do Bem*" (Ministry of Science, Technology and Innovation), which grants tax incentives for companies investing in RD&I. We were also granted the seal of ANPEI - National Association for Research and Development of Innovative Companies. One of Estácio's ongoing innovative projects is **Telion (our first patent**), a connected and interactive Touch TV interface designed to improve the classroom experience of professors and students, which is already being tested in a few campuses and will be gradually rolled out to all units nationwide.

In the second half of 2015, we will be launching **the SAVA – Virtual Classroom** – a comprehensive portal through which students and professors will be able to access class content and additional materials, monitor performance throughout the course, find out more about events and plan and organize their studies. We will also be introducing four experimental programs with new content throughout the country (Physics for Engineering, Cellular Biology, Portuguese and Introduction to Law), which have been reformulated to incorporate new technologies, such as Telion. At the same time, we continue to develop even more innovations, such as **Nexxa**, a virtual laboratory simulator which includes virtual reality and augmented reality technologies. As a result, it will be possible to conduct laboratory experiments at a distance, with the manipulation of 3D objects, at a low cost. The simulator shall also be extended to the rest of the country in the future.

We are aware that the present moment is difficult for everyone in Brazil, but we remain confident in our capacity to continue growing with sustainability, generating value even in a more adverse scenario such as the one we are facing. We are also aware that it is equally important to continue planting seeds that will bear fruits in the future, when the scenario stabilizes. In this context, in addition to proceeding with our strategic projects and our plans for new businesses, this quarter we launched the **"*Compromisso Estácio*"** (Estácio's Commitment) campaign which, in addition to contributing decisively to our intake numbers and the maintenance of our student base, is designed to further strengthen the engagement of our people with our mission of **Educating to Transform**, thereby ensuring a more proactive attitude in this period marked by external crises and increased uncertainties. By doing this, we will also be inducing in our student base the idea that in times like these, it is best to take control of our own lives and, through education, of our destinies. After all, life goes on...

Intake and Renewal Processes in 2H15

Carrying on from the good result in the first six months and aware of Brazil's current macroeconomic scenario, we prepared ourselves with enormous discipline for the second-half intake process. In a short space of time, we managed to introduce three changes and improvements to the process which have proved fundamental for yet another highly successful enrollment cycle:

- **Launch of "*Compromisso Estácio*" (Estácio's Commitment):** We changed our campaigns to adopt this motto, to show our support to our students, seeking solutions for those who wish to study, without using FIES as an attraction tool;
- **Implementation of the Undergraduate Enrollment Center:** We implemented, albeit provisionally but in record time, a version of the Enrollment Center for the undergraduate segment, which aims to significantly increase our conversion rates (leads to applicants and applicants to enrollments). It is worth remembering that we have successfully tested this model in the graduate segment. Our initial plan was to introduce the model in 1H16 for the undergraduate segment but, given the external scenario of higher uncertainty, we decided to anticipate the implementation of the Enrollment Center;
- **Workforce Engagement:** Making full use of our Organizational Culture, we engaged an enormous number of employees in enrollment and renewal campaigns in order to motivate current students and prospects. We are also focused on providing an increasingly better service, which is absolutely essential in times of adversity.

As a result, we expect our on-campus undergraduate intake (excluding FNC and CEUT) in 2H15 to grow between 3% and 6% over the second semester of 2014. In the same period, we expect the distance learning undergraduate intake to grow between 8% and 12%, already including UniSEB's numbers (both in 3Q14 and 3Q15).

At the same time, we continue with our student base renewal process and believe we can conclude the re-enrollment cycle in 3Q15 with renewal rates similar to those presented in 3Q14, both in the on-campus and distance-learning segments, despite the changes in FIES that impacted students enrolled in the first semester of the year.

Also, we must highlight the growth in the graduate segment, which continues to post excellent results, following the same expansion pace presented in the last quarters, further contributing to our Estácio's growth and diversification of business lines.

Student Base

Estácio closed 2Q15 with a total base of 501,500 students (30.9% more than in 2Q14), 349,300 of whom enrolled in on-campus programs and 96,000 in distance-learning programs, as well as 56,200 students from acquisitions concluded in the last 12 months (UniSEB, IESAM, Literatus, and CEUT).

Table 1 – Total Student Base*

'000	2Q14	2Q15	Change
On-Campus	**303.6**	**349.3**	**15.1%**
Undergraduate	280.9	317.5	13.0%
Graduate	22.7	31.8	40.1%
Distance Learning	**79.4**	**96.0**	**20.9%**
Undergraduate	66.6	74.1	11.3%
Graduate	12.8	21.9	71.1%
Student Base - same shops	**383.0**	**445.3**	**16.3%**
Acquisitions in the last 12 months	-	13.0	N.A.
UniSEB	-	43.2	N.A.
Total Student Base	**383.0**	**501.5**	**30.9%**
# Campuses	80	89	11.3%
On-Campus Students per Campus	**3,795**	**4,071**	**7.3%**
# Distance Learning Centers	52	170	226.9%
Distance Learning Students per Center	**1,527**	**753**	**-50.7%**
Distance Learning Students per Center (ex-Uniseb)	**1,527**	**1,846**	**20.9%**

Note: Acquisitions in the last 12 months refer to students from IESAM (4,500), Literatus (4,800) and CEUT (3,700). Add to this 43,200 students from UniSEB (undergraduate and graduate), which are detailed in the UniSEB section.

Estácio's **on-campus undergraduate base** totaled 333,400 students at the end of June, 18.7% more than at the close of 2Q14. Under the same-shop concept, i.e. excluding on-campus undergraduate students from acquisitions concluded in the last 12 months, implies in an organic growth of 13.0%, once again underlining our capacity to generate growth on a continuous pace.

It is particularly worth drawing attention to the Company's good control of the **dropout rate** this quarter, which came to 7.5% of the base, just 0.3 p.p. worse than in 2Q14, despite the more adverse scenario faced throughout the first half of 2015 due to all the difficulties arising from the changes in FIES and from the insecurity regarding the country's overall economic situation. This result already reflects the initiatives developed to improve this indicator, especially the **Retention Project**, detailed in the 1Q15 earnings release. Estácio remains fully focused on efforts to minimize the dropout and non-renewal rates and expect these retention mechanisms to bring further results in the coming quarters, when, unlike in the first six months of 2015 when the Company was surprised by the FIES changes with the semester already underway, it will have more time to better develop these new tools.

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

'000	2Q14	2Q15	Change
Students - Starting balance	**302.8**	**359.3**	**18.6%**
(+/-) Acquisitions in the last 12 months (until 1Q)	-	(13.0)	N.A.
(-) UniSEB (on-campus undergraduate)	-	(2.9)	N.A.
Renewable Base	**302.8**	**343.4**	**13.4%**
(-) Dropouts	(21.9)	(25.9)	18.1%
Students - same shops	**280.9**	**317.5**	**13.0%**
(+) Acquisitions in the last 12 months (until 2Q)	-	13.0	N.A.
(+) UniSEB (on-campus undergraduate)	-	2.9	N.A.
Students - Ending Balance	**280.9**	**333.4**	**18.7%**

At the end of 2Q15, our **distance-learning undergraduate student base** grew by 13.8% over 2Q14 to 106,100 students, including the 32,000 distance-learning undergraduates from UniSEB. Excluding UniSEB from the 2Q14 numbers, the distance learning undergraduate base grew by 59.3% year-on-year.

(*) Figures not reviewed by the auditors

It is also worth highlighting the excellent control of the **distance learning dropout rate**, which improved by 2.2 p.p. over 2Q14, reaching 13.2%, thanks to good use of the online dropout management tools which have been generating results since the end of last year, as well as to the natural effect of the maturation of the student base.

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

'000	2Q14	2Q15	Change
Students - Starting Balance	**100.2**	**115.1**	**14.9%**
(-) Graduates	(0.8)	(0.7)	-12.5%
Renewable Base	**99.4**	**114.4**	**15.1%**
(+) Enrollments	9.2	6.8	-26.1%
(-) Dropouts	(15.3)	(15.1)	-1.4%
Students - Ending Balance	**93.3**	**106.1**	**13.8%**

Note: As done in 1Q15, 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 2Q14.

Pronatec

At the end of 2Q15, Estácio had 15,000 students enrolled in its vocational courses of the Pronatec program (Training Scholarship Modality), all of whom enrolled in 2014 (9,700 through the 1st Bid Notice and 5,200 through the 2nd Bid Notice), generating net revenue of R$15.6 million in 2Q15.

Pronatec offers an opportunity to improve the campus occupation in off-peak periods, when capacity use is lower, and to strengthen Estácio's brand with the high school public interested in pursuing a technical career. Also, Pronatec students can become regular students of undergraduate courses in the future.

Table 4 – Vocational Course Student Base - Pronatec*

'000	2Q14	3Q14	4Q14	1Q15	2Q15	Change
Pronatec Students	15.2	12.6	19.6	17.5	15.0	-1.6%

Operating Revenue

Net operating revenue came to R$774.3 million in 2Q15, 31.4% up on 2Q14, 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 the last 12 months, net operating revenue recorded growth of 20.4% in 2Q15, underlining our ability to grow both organically and through acquisitions.

Table 5 – Operating Revenue

R$ MM	2Q14	2Q15	Change	1H14	1H15	Change
Gross Operating Revenue	**822.2**	**1,073.8**	**30.6%**	**1,615.9**	**2,175.5**	**34.6%**
Monthly Tuition Fees	805.6	1,037.6	28.8%	1,591.8	2,103.3	32.1%
Pronatec	9.8	18.4	87.8%	9.8	37.7	284.7%
Others	6.8	17.8	161.8%	14.3	34.5	141.3%
Gross Revenue Deductions	**(233.1)**	**(299.5)**	**28.5%**	**(488.6)**	**(678.8)**	**38.9%**
Scholarships and Discounts	(194.0)	(248.9)	28.3%	(417.8)	(583.0)	39.5%
Taxes	(25.1)	(31.9)	27.1%	(46.5)	(60.9)	31.0%
FGEDUC	(14.0)	(18.6)	32.9%	(24.3)	(34.9)	43.6%
% Scholarships and Discounts/ Gross Operating Revenue	*23.6%*	*23.2%*	*-0.4 p.p.*	*25.9%*	*26.8%*	*0.9 p.p.*
Net Operating Revenue	**589.1**	**774.3**	**31.4%**	**1,127.3**	**1,496.7**	**32.8%**

(*) Figures not reviewed by the auditors

Including UniSEB, the **average on-campus ticket** grew by 5.3% in 2Q15, below year-to-date inflation, basically due to the higher level of scholarships and discounts used during intake, given the more adverse scenario faced by our students and applicants as a result of the FIES restrictions, which affected the entire semester.

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

'000	2Q14	2Q15	Change
On-Campus Undergraduate Student Base	280.9	333.4	18.7%
(+) On-Campus Graduate Student Base	19.4	25.3	30.3%
(=) Revenue Generating On-Campus Student Base	300.3	358.7	19.4%
On-Campus Gross Revenue	750.1	935.6	24.7%
On-Campus Deductions	(213.3)	(260.2)	22.0%
On-Campus Net Revenue (R$ million)	536.8	675.4	25.8%
On-Campus Average Ticket (R$)	595.9	627.7	5.3%

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

Excluding UniSEB (since the pricing policy is different due to the transfer to the partners) and graduate partnerships, the **average distance-learning ticket** declined by 0.4% in 2Q15. It is important to remember that the distance learning ticket is still impacted by the growth of "EAD Mais".

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

'000	2Q14	2Q15	Change
Distance Learning Undergraduate Student Base	66.6	74.1	11.3%
(+) Distance Learning Graduate Student Base	7.5	10.1	34.4%
(=) Revenue Generating Distance Learning Student Base	74.1	84.2	13.6%
Distance Learning Gross Revenue	60.1	74.3	23.6%
Distance Learning Deductions	(16.9)	(25.4)	50.5%
Distance Learning Net Revenue (R$ million)	43.2	48.9	13.2%
Distance Learning Average Ticket (R$)	194.4	193.6	-0.4%

Cost of Services

The **cash cost as a percentage of net revenues ratio** continued to improve due to our efforts on the management front and the scalability of our business, recording a 1.0 p.p. improvement over 2Q14, thanks to:

(i) 1.0 p.p. gain in **salaries and payroll charges**, reflecting the expected gains in faculty cost management and the gradual expansion of the distance-learning segment in the operation; and

(ii) 0.8 p.p. gain in **textbook materials.**

The other lines remained relatively stable in relation to 2Q14, with just slight deteriorations of 0.4 p.p. in:

(i) **rentals**, which has the comparison impacted by the one-time reversal of provisions in 2Q14. Also, we have seven additional units (expansion and acquisitions) in comparison to 2Q14, which are still maturing and had an impact of R$4.5 million in this account. In the first half as a whole, this line came to 7.5%, only 0.1 p.p. up year-on-year; and

(ii) **third-party services and others**, negatively affected mainly by the increase in electricity costs, which saw an increase of 40% in its factor cost.

Table 8 – Breakdown of Cost of Services

R$ MM	2Q14	2Q15	Change	1H14	1H15	Change
Cost of Services	**(333.6)**	**(430.8)**	**29.1%**	**(629.4)**	**(813.1)**	**29.2%**
Personnel	(254.9)	(327.8)	28.6%	(486.9)	(623.3)	28.0%
Salaries and Payroll Charges	(211.5)	(270.7)	28.0%	(402.9)	(515.0)	27.8%
Brazilian Social Security Institute (INSS)	(43.4)	(57.1)	31.6%	(84.1)	(108.4)	28.9%
Rentals / Real Estate Taxes Expenses	(39.9)	(55.5)	39.1%	(83.1)	(112.9)	35.9%
Textbooks Materials	(21.4)	(21.8)	1.9%	(28.0)	(30.9)	10.4%
Third-Party Services and Others	(17.4)	(25.7)	47.7%	(31.4)	(46.0)	46.5%

Table 9 – Vertical Analysis of Cost of Services

% of Net Operating Revenue	2Q14	2Q15	Change	1H14	1H15	Change
Cost of Services	**-56.7%**	**-55.7%**	***1.0 p.p.***	**-55.8%**	**-54.3%**	***1.5 p.p.***
Personnel	-43.3%	-42.3%	*1.0 p.p.*	-43.2%	-41.6%	*1.6 p.p.*
Salaries and Payroll Charges	-35.9%	-34.9%	*1.0 p.p.*	-35.7%	-34.4%	*1.3 p.p.*
Brazilian Social Security Institute (INSS)	-7.4%	-7.4%	*0.0 p.p.*	-7.5%	-7.2%	*0.3 p.p.*
Rentals / Real Estate Taxes Expenses	-6.8%	-7.2%	*-0.4 p.p.*	-7.4%	-7.5%	*-0.1 p.p.*
Textbooks Materials	-3.6%	-2.8%	*0.8 p.p.*	-2.5%	-2.1%	*0.4 p.p.*
Third-Party Services and Others	-3.0%	-3.4%	*-0.4 p.p.*	-2.8%	-3.1%	*-0.3 p.p.*

Table 10 – Cost Reconciliation

R$ MM	2Q14	2Q15	Change	1H14	1H15	Change
Cash Cost of Services	**(333.6)**	**(430.8)**	**29.1%**	**(629.4)**	**(813.1)**	**29.2%**
(+) Depreciation and amortization	(15.2)	(19.3)	27.0%	(28.1)	(40.2)	43.1%
Cost of Services	**(348.7)**	**(450.0)**	**29.1%**	**(657.5)**	**(853.3)**	**29.8%**

Gross Income

Table 11 – Statement of Gross Income

R$ MM	2Q14	2Q15	Change	1H14	1H15	Change
Net Operating Revenue	589.1	774.3	31.4%	1,127.3	1,496.7	32.8%
Cost of Services	(348.7)	(450.0)	29.1%	(657.5)	(853.3)	29.8%
Gross Profit	**240.4**	**324.3**	**34.9%**	**469.9**	**643.4**	**36.9%**
(-) Depreciation and amortization	15.2	19.3	27.0%	28.1	40.2	43.1%
Cash Gross Profit	**255.6**	**343.6**	**34.4%**	**498.0**	**683.6**	**37.3%**
Cash Gross Margin	*43.4%*	*44.3%*	*0.9 p.p.*	*44.2%*	*45.7%*	*1.5 p.p.*

Selling, General and Administrative Expenses

Selling expenses represented 12.2% of net operating revenue in 2Q15, an efficiency gain of 1.5 p.p. due to the 1.2 p.p. and 0.3 p.p. improvements in **PDA** and **marketing**, respectively. Despite the increase in organic delinquency, Estácio improved its collection of receivables that had already been written-off, which more than compensated the increase in new provisions for doubtful accounts and helped the Company to hold its cash position during this time.

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 type of financing are recognized can be found in Exhibit I at the end of this release.

General and administrative expenses corresponded to 10.7% of net revenue in 2Q15, a 1.0 p.p. improvement over 2Q14, mainly due to the 1.4 p.p. gain in **personnel**.

The **institutional events** line continued to be impacted by R$8.5 million related to Estácio's sponsorship of the 2016 Olympic Games in Rio, as mentioned in previous quarters. However, it is worth emphasizing that there is a corresponding counter-entry under revenue (in the **others** line) related to the training Estácio offers to the volunteers who will help at the event. The effect on the operating result (EBITDA) is nil, only impacting the margin in the period.

Excluding the accounting effect from the Olympic Games sponsorship, **general and administrative expenses** would have represented 9.7% of net revenue in 2Q15, with a gain of 2.0 p.p. over 2Q14.

The year-on-year increase in **depreciation and amortization** over 2Q14 was mainly due to the increase of R$8.2 million from the amortization of the goodwill from the price paid for the acquisitions concluded in 2014, following the same pace of the previous two quarters.

Table 12 – Selling, General and Administrative Expenses

R$ MM	2Q14	2Q15	Change	1H14	1H15	Change
Selling, General and Administrative Cash Expenses	**(149.4)**	**(177.6)**	**18.9%**	**(262.4)**	**(321.5)**	**22.5%**
Selling Expenses	**(80.7)**	**(94.7)**	**17.3%**	**(129.3)**	**(148.4)**	**14.8%**
Provisions for Doubtful Accounts	(36.0)	(38.1)	5.8%	(52.4)	(53.6)	2.3%
Marketing	(44.7)	(56.6)	26.6%	(76.9)	(94.8)	23.3%
General and Administrative Expenses	**(68.7)**	**(82.9)**	**20.7%**	**(133.1)**	**(173.1)**	**30.1%**
Personnel	(34.0)	(32.0)	-5.9%	(65.3)	(71.8)	10.0%
Salaries and Payroll Charges	(29.6)	(27.6)	-6.8%	(57.0)	(62.5)	9.6%
Brazilian Social Security Institute (INSS)	(4.4)	(4.4)	0.0%	(8.3)	(9.3)	12.0%
Others	(34.8)	(50.8)	46.0%	(67.8)	(101.3)	49.4%
Third-Party Services	(14.2)	(21.9)	54.2%	(29.4)	(40.6)	38.1%
Machinery rentals and leasing	(0.6)	0.4	-166.7%	(1.0)	0.9	-190.0%
Consumable Material	(0.6)	(0.9)	50.0%	(1.0)	(1.5)	50.0%
Maintenance and Repair	(6.6)	(8.6)	30.3%	(12.8)	(17.6)	37.5%
Provision for Contingencies	2.2	0.5	-77.3%	2.3	-	N.A.
Educational Agreements	(2.2)	(2.1)	-4.5%	(4.1)	(3.6)	-12.2%
Travel and Lodging	(2.4)	(2.8)	16.7%	(4.6)	(4.5)	-2.2%
Convictions	(5.4)	(3.4)	-37.0%	(9.1)	(6.8)	-25.3%
Institutional Events	(0.8)	(8.7)	987.5%	(1.3)	(17.7)	1261.5%
Copies and Bookbinding	(0.7)	(1.3)	85.7%	(1.4)	(2.5)	78.6%
Insurance	(1.5)	(0.3)	-80.0%	(2.2)	(1.8)	-18.2%
Cleaning Supplies	(0.7)	(0.9)	28.6%	(1.1)	(1.4)	27.3%
Transportation	(0.8)	(0.6)	-25.0%	(1.3)	(1.3)	0.0%
Car Rental	(0.6)	(0.6)	0.0%	(1.2)	(1.2)	0.0%
Other Operating Renevue (expenses)	4.9	5.0	2.0%	8.1	6.7	-17.3%
Others	(4.8)	(4.6)	-4.2%	(7.8)	(8.5)	9.0%
Depreciation and amortization	**(6.4)**	**(18.8)**	**193.8%**	**(13.0)**	**(37.0)**	**184.6%**

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

% of Net Operating Revenue	2Q14	2Q15	Change	1H14	1H15	Change
Selling, General and Administrative Cash Expenses	**-25.4%**	**-22.9%**	***2.5 p.p.***	**-23.3%**	**-21.5%**	***1.8 p.p.***
Selling Expenses	**-13.7%**	**-12.2%**	***1.5 p.p.***	**-11.5%**	**-9.9%**	***1.6 p.p.***
Provisions for Doubtful Accounts	-6.1%	-4.9%	*1.2 p.p.*	-4.7%	-3.6%	*1.1 p.p.*
Marketing	-7.6%	-7.3%	*0.3 p.p.*	-6.8%	-6.3%	*0.5 p.p.*
General and Administrative Expenses	**-11.7%**	**-10.7%**	***1.0 p.p.***	**-11.8%**	**-11.6%**	***0.2 p.p.***
Personnel	-5.8%	-4.2%	*1.6 p.p.*	-5.8%	-4.8%	*1.0 p.p.*
Salaries and Payroll Charges	-5.0%	-3.6%	*1.4 p.p.*	-5.1%	-4.2%	*0.9 p.p.*
Brazilian Social Security Institute (INSS)	-0.8%	-0.6%	*0.2 p.p.*	-0.7%	-0.6%	*0.1 p.p.*
Others	-5.9%	-6.6%	*-0.7 p.p.*	-6.0%	-6.8%	*-0.8 p.p.*
Third-Party Services	-2.4%	-2.8%	*-0.4 p.p.*	-2.6%	-2.7%	*-0.1 p.p.*
Machinery rentals and leasing	-0.1%	0.1%	*0.2 p.p.*	-0.1%	0.1%	*0.2 p.p.*
Consumable Material	-0.1%	-0.1%	*0.0 p.p.*	-0.1%	-0.1%	*0.0 p.p.*
Provision for Contingencies	0.4%	0.1%	*-0.3 p.p.*	0.2%	0.0%	*-0.2 p.p.*
Educational Agreements	-0.4%	-0.3%	*0.1 p.p.*	-0.4%	-0.2%	*0.2 p.p.*
Travel and Lodging	-0.4%	-0.4%	*0.0 p.p.*	-0.4%	-0.3%	*0.1 p.p.*
Convictions	-0.9%	-0.4%	*0.5 p.p.*	-0.8%	-0.5%	*0.3 p.p.*
Institutional Events	-0.1%	-1.1%	*-1.0 p.p.*	-0.1%	-1.2%	*-1.1 p.p.*
Copies and Bookbinding	-0.1%	-0.2%	*-0.1 p.p.*	-0.1%	-0.2%	*-0.1 p.p.*
Insurance	-0.3%	0.0%	*0.3 p.p.*	-0.2%	-0.1%	*0.1 p.p.*
Cleaning Supplies	-0.1%	-0.1%	*0.0 p.p.*	-0.1%	-0.1%	*0.0 p.p.*
Transportation	-0.1%	-0.1%	*0.0 p.p.*	-0.1%	-0.1%	*0.0 p.p.*
Car Rental	-0.1%	-0.1%	*0.0 p.p.*	-0.1%	-0.1%	*0.0 p.p.*
Other Operating Renevue (expenses)	0.8%	0.6%	*-0.2 p.p.*	0.7%	0.4%	*-0.3 p.p.*
Others	-0.8%	-0.6%	*0.2 p.p.*	-0.7%	-0.6%	*0.1 p.p.*
Depreciation and amortization	**-1.1%**	**-2.4%**	***-1.3 p.p.***	**-1.2%**	**-2.5%**	***-1.3 p.p.***

EBITDA

EBITDA totaled R$166.1 million in 2Q15, 56.6% up on 2Q14, with an **EBITDA margin** of 21.4%, up by 3.4 p.p., mainly due to efficiency gains from **personnel** (both in terms of costs and general and administrative expenses) and **selling expenses** (**PDA** and **marketing**). It is worth to highlight that this set of results showing substantial growth and margin expansion once again, despite the adverse macroeconomic scenario, is a result of our discipline in controlling costs and expenses and of the continuous and regular improvement in operational efficiency.

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

R$ MM	2Q14	2Q15	Change	1H14	1H15	Change
Net Revenue	**589.1**	**774.3**	**31.4%**	**1,127.3**	**1,496.7**	**32.8%**
(-) Cash Cost of Services	(333.6)	(430.8)	29.1%	(629.4)	(813.1)	29.2%
(-) Selling, General and Administrative Cash Expenses	(149.4)	(177.6)	18.9%	(262.4)	(321.5)	22.5%
EBITDA	**106.0**	**166.1**	**56.6%**	**235.5**	**362.0**	**53.7%**
EBITDA Margin	*18.0%*	*21.4%*	*3.4 p.p.*	*20.9%*	*24.2%*	*3.3 p.p.*

Under the same-shop concept, excluding acquisitions in the last 12 months (UniSEB, IESAM, Literatus and CEUT), 2Q15 EBITDA came to R$142.3 million, resulting in an organic growth of 34.2%, with a margin of 20.1%, 2.1 p.p. more than in 2Q14.

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

R$ MM	2Q14	2Q15 ex-acquisitions	Change	1H14	1H15 ex-acquisitions	Change
Net Revenue	**589.1**	**709.1**	**20.4%**	**1,127.3**	**1,367.7**	**21.3%**
(-) Cash Cost of Services	(333.6)	(396.9)	19.0%	(629.4)	(750.2)	**19.2%**
(-) Selling, General and Administrative Cash Expenses	(149.4)	(169.9)	13.7%	(262.4)	(310.9)	**18.5%**
EBITDA	**106.0**	**142.3**	**34.2%**	**235.5**	**306.6**	**30.2%**
EBITDA Margin	*18.0%*	*20.1%*	*2.1 p.p.*	*20.9%*	*22.4%*	*1.5 p.p.*

Financial Result

Table 16 – Breakdown of the Financial Result

R$ MM	2Q14	2Q15	Change	1H14	2H15	Change
Financial Revenue	**22.3**	**56.7**	**154.3%**	**62.8**	**82.5**	**31.4%**
Fines and interest charged	2.2	3.8	73.7%	7.0	8.9	26.9%
Investments income	19.8	19.4	-2.2%	38.6	36.1	-6.6%
Active monetary variation	-	4.9	N.A.	-	5.1	N.A.
Active exchange variation	-	18.7	N.A.	-	22.5	N.A.
Derivative financial instruments gain - SWAP	-	9.9	N.A.	-	9.9	N.A.
Other	0.3	0.0	N.A.	17.2	0.0	N.A.
Financial Expenses	**(17.4)**	**(64.4)**	**270.1%**	**(32.6)**	**(102.8)**	**215.3%**
Bank charges	(3.5)	(2.5)	-27.6%	(5.3)	(5.4)	2.2%
Interest and financial charges	(8.5)	(23.1)	171.9%	(17.0)	(43.0)	153.1%
Financial Discounts	(3.4)	(3.0)	-12.2%	(5.9)	(8.3)	40.3%
Passive monetary variation	-	(3.1)	N.A.	-	(7.0)	N.A.
Derivative financial instruments losses - SWAP	-	(25.6)	N.A.	-	(25.6)	N.A.
Passive exchange variation	-	(6.3)	N.A.	-	(12.3)	N.A.
Other	(2.0)	(0.8)	-60.8%	(2.5)	(1.2)	-53.2%
Financial Result	**4.9**	**(7.7)**	**N.A.**	**30.2**	**(20.3)**	**N.A.**

In 2Q15, our **financial result** was negative by R$7.7 million, R$12.6 million down on 2Q14. This was basically due to the R$14.6 million increase in the **interest and financial charges line** due to our higher debt level in relation to the same period last year.

Net Income

Table 17 – Reconciliation of EBITDA and Net Income

R$ MM	2Q14	2Q15	Change	1H14	1H15	Change
EBITDA	**106.0**	**166.1**	**56.6%**	**235.5**	**362.0**	**53.7%**
Financial Result	4.8	(7.7)	N.A.	30.2	(20.3)	N.A.
Depreciation and amortization	(21.6)	(38.1)	76.4%	(41.1)	(77.2)	87.8%
Social Contribution	(0.9)	2.3	N.A.	(3.4)	(1.4)	-58.8%
Income Tax	(2.5)	9.4	N.A.	(9.5)	(0.6)	-93.7%
Net Income	**86.0**	**131.9**	**53.4%**	**211.7**	**262.5**	**24.0%**
Number of shares	297.4	316.4	6.4%	297.4	316.4	6.4%
Earnings per share (R$)	**0.29**	**0.42**	**44.8%**	**0.71**	**0.83**	**16.9%**

Estácio posted **net income** of R$131.9 million in 2Q15, 53.4% up on 2Q14. This quarter, Estácio registered a positive effect of R$7 million in the **income tax and social contribution** lines due to deferred taxes, which offset the negative financial result and the increase in the amortization line, as previously mentioned.

Earnings per share came to R$0.42 in 2Q15, 44.8% up year-on-year.

Companies Acquired

The following chart shows the 2Q15 results of the institutions acquired in the last 12 months (UniSEB, IESAM, Literatus and CEUT). The acquisitions prior to 12 months ago were already consolidated.

Table 18 – Key Indicators of Acquired Companies in 2Q15

R$ million	IESAM	Literatus	CEUT	UniSEB	Total
Net Revenue	**10.5**	**9.6**	**9.0**	**36.0**	**65.1**
Gross Profit	**3.8**	**3.0**	**2.3**	**20.2**	**29.3**
Gross Margin	*36.2%*	*31.3%*	*25.6%*	*56.1%*	*45.0%*
EBITDA	**3.0**	**2.4**	**2.0**	**16.4**	**23.8**
EBITDA Margin	*28.6%*	*25.0%*	*22.2%*	*45.5%*	*36.5%*
Net Income	**2.3**	**1.6**	**1.8**	**13.9**	**19.6**
Income Margin	*21.9%*	*16.7%*	*20.0%*	*38.7%*	*30.2%*

UniSEB

The table below shows **UniSEB's total student base**, which came to 43,600 students, 15.7% up on 2Q14. The **distance-learning undergraduate base** totaled 32,000 students, a substantial 20.0% increase on the same period last year, fueled by the healthy intake numbers in 1Q15 and by more effective control over the dropout rate in 2Q15. The **on-campus undergraduate base** totaled 2,900 students, 41.5% more than in 2Q14. The significant growth in the student base over 1Q14 already shows the results of the three successful intake cycles after the conclusion of the acquisition, reversing the stability trend of the student base in 2014.

Table 19 – UniSEB Student Base*

'000	2Q14	2Q15	Change
On-Campus Undergraduate	2.0	2.9	41.5%
Distance Learning Undergraduate	26.7	32.0	20.0%
Graduate	6.8	6.5	-4.7%
FGV Graduate	1.9	1.8	-2.2%
Pronatec	0.3	0.4	23.8%
Total UniSEB Student Base	**37.7**	**43.6**	**15.7%**

In 2Q15, UniSEB standalone **net operating revenue** came to R$36.0 million, with **EBITDA** of R$16.4 million, and an **EBITDA margin** of 45.5%, helping to leverage the operating margin through the increased share of the distance learning segment in the operational mix. Following the consolidation of UniSEB, the 12-month EBITDA reached R$53.4 million, with a margin of 45.0%. In this context, we firmly believe in our ability to reap many benefits from UniSEB through operational leverage, efficiency gains and synergies with Estácio's operation, as well as the gradual increase in the students per center ratio and the maturation of management model.

Table 20 – UniSEB Income Statement

R$ million	3Q14	4Q14	1Q15	2Q15	LTM
Gross Operating Revenue	**30.7**	**35.3**	**41.4**	**49.3**	**156.7**
Gross Revenue Deductions	**(5.8)**	**(7.0)**	**(11.9)**	**(13.2)**	**(38.0)**
Net Operating Revenue	**24.9**	**28.3**	**29.5**	**36.0**	**118.7**
Cash Cost of Services	**(8.5)**	**(12.1)**	**(11.7)**	**(14.7)**	**(46.9)**
Personnel	(6.7)	(9.8)	(9.9)	(12.4)	(38.8)
Rentals / Real Estate Taxes Expenses	(1.0)	(1.0)	(1.1)	(1.0)	(4.1)
Textbooks Materials	(0.4)	(0.7)	(0.3)	(0.4)	(1.9)
Third-Party Services and Others	(0.3)	(0.6)	(0.5)	(0.8)	(2.1)
Cash Gross Income	**16.4**	**16.2**	**17.8**	**21.4**	**71.8**
Gross Margin	***65.9%***	***57.2%***	***60.4%***	***59.3%***	***60.4%***
Selling Expenses	**(2.5)**	**1.4**	**(1.5)**	**(1.7)**	**(4.4)**
Provisions for Doubtful Accounts	(1.9)	1.6	(0.9)	(1.4)	(2.6)
Marketing	(0.7)	(0.2)	(0.6)	(0.3)	(1.8)
General and Administrative Expenses	**(5.6)**	**(1.4)**	**(3.5)**	**(3.3)**	**(13.9)**
Personnel	(2.6)	(0.0)	(0.5)	0.0	(3.1)
Others	(3.0)	(1.4)	(3.1)	(3.3)	(10.8)
EBITDA	**8.2**	**16.1**	**12.7**	**16.4**	**53.4**
EBITDA Margin	***33.1%***	***56.9%***	***43.2%***	***45.5%***	***45.0%***
Financial result	(1.2)	(1.0)	(0.9)	(0.4)	(3.5)
Depreciation and amortization	(1.4)	(1.4)	(1.1)	(1.2)	(5.1)
Social Contribution	(0.3)	(0.6)	(0.3)	(0.2)	(1.5)
Income Tax	(1.0)	(1.8)	(0.8)	(0.6)	(4.2)
Net Income	**4.4**	**11.2**	**9.6**	**13.9**	**39.2**
Net Income Margin	***17.5%***	***39.6%***	***32.7%***	***38.7%***	***33.0%***

In the **distance-learning undergraduate** segment, it is worth noting the on-schedule progress of the migration of around 20,000 distance learning students from 77 distance learning centers to Estácio's systems by the beginning of 2016. This will be a significant milestone for the integration project, marking the conclusion of this migration cycle that began in the second semester of 2014. This migration will also bring more synergies to the operation and enable the deactivation of UniSEB's distance-learning undergraduate legacy systems.

It is worth mentioning some of the initiatives implemented in the partner centers, in order to bring them to Estácio's systems and at the same time increase the profitability of our operations in partnership. Therefore, Estácio implemented initiatives such as:

(*) Figures not reviewed by the auditors

- Adoption of Estácio's management model by the partner centers, indicating center coordinators who are linked to Estácio;
- Definition of additional strategies to increase learning center profitability, such as the cross-selling of Estácio's products, helping to improve the long-term partnership and ensuring a close relationship with the partners whose centers are still waiting for accreditation.

The tables below show the number of accredited and registered centers (awaiting MEC accreditation), respectively.

Table 21 – UniSEB accredited centers*

UniSEB's centers	# of centers
Authorized and active	118
Authorized (without partner)	19
Total authorized	**137**

Table 22 – Expansion of UniSEB centers*

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

The integration initiatives in this period focused on developing closer ties with employees, training them on Estácio's tools and processes, as a means of improving the organizational climate. As a result, the workforce is now more embedded in our culture and processes. We are also restructuring UniSEB's administrative areas in order to bring more synergies to the operation through a better arrangement of the teams.

Our next initiatives in the **on-campus undergraduate** segment will include the first effective intake for the second semester, including the offer of four additional technological undergraduate courses (Logistics, Human Resources Management, Interior Design and Computer Networks). Estácio is also adjusting the visual identity of the Ribeirão Preto campus, now more geared to the internal public, aiming to further strengthen Estácio's presence in the unit.

FIES

We closed June with a **FIES student base** of 146,100 students, representing 43.8% of the on-campus undergraduate base, after the FIES adhesion process that ended on April 30. It is worth noting, however, that some students who had begun the process were able to contract the SisFIES after this date, which increased the number of contracts over the number previously disclosed for April.

Once again we emphasize that the excellent result of our intake cycle, despite the lower number of new FIES contracts in the first semester of 2015 and the various limits imposed on SisFIES, demonstrate the effectiveness of our strategy of not using FIES as an intake tool. We therefore believe we are fully prepared to face this new FIES scenario with a similar strategy to the one we have adopted since the beginning of the program, which requires little or no adaptation at all.

(*) Figures not reviewed by the auditors

Nevertheless, we are striving to offer other financial alternatives to our students in order to meet their needs. One of these tools that has been successful up to now is PraValer, offered in in association with Ideal Invest, which has proven to be an attractive alternative for our students. By the end of June, **around 5,000 students had contracted PraValer financing**, and we will continue to offer this alternative in the second semester. We are also studying other financing alternatives for 2016, about which we will keep the market informed.

Table 23 – FIES Student Base*

('000)	2Q14	3Q14	4Q14	1Q15	2Q15	Change
On-campus undergraduate students	280.9	315.7	290.2	359.3	333.4	18.7%
FIES Student Base	**110.4**	**121.2**	**122.7**	**132.6**	**146.1**	**32.3%**
% of FIES Students	39.3%	38.4%	42.3%	36.9%	43.8%	*4.5 p.p.*

The table 24 shows the number of students who contracted FIES in the latest intake cycles, whether immediately, i.e. by the end of the enrolment period, or by the end of the allowed period for contracting the financing in each semester, which lasted until April 30th this year. In the last two years, only 25%-30% of Estácio's on-campus undergraduate intake came already using FIES, underlining our control over the program's share of total new enrollment volume even before the restrictions imposed in 2015. This year, 24,000 students managed to adhere to FIES by the end of June, 22,100 of whom freshmen (19.9% of intake) and 1,900 seniors.

Table 24 – New FIES Contracts (freshmen and seniors)*

('000)	1H13	2H13	1H14	2H14	1H15
Total Intake	85.3	63.8	105.7	67.5	110.9
Freshmen with FIES (until the end of the intake process)	10.3	12.1	26.1	14.9	12.1
% via FIES	**12.1%**	**19.0%**	**24.7%**	**22.1%**	**10.9%**
Freshmen with FIES (until the end of the semester)	20.4	15.4	34.9	18.9	22.1
% via FIES	**23.9%**	**24.1%**	**33.0%**	**28.0%**	**19.9%**
Senior students with FIES (new contracts)	5.5	6.2	5.3	3.9	1.9
New FIES contracts in the semester	**25.9**	**21.6**	**40.2**	**22.8**	**24.0**

It is public knowledge that the MEC has established new processes, new conditions and a new limit on FIES contract volumes. A total of 61,500 seats was authorized nationwide for the second semester, out of which Estácio received around 6,000. We see these announcements as positive given that the government is facing major budget restrictions due to its ongoing fiscal adjustment. In this context, the opening of 61,500 places and the continuing support for FIES are a clear indication that post-secondary education will continue to receive support in the coming years, particularly in regard to meeting the goals established by the National Education Plan (PNE) which became law in 2014. We believe that the FIES changes in the second semester of 2015 are also a step in the right direction as they seek to ensure the program's long-term sustainability and to allocate the resources currently available to the most financially challenged portion of the population, an idea that Estácio has always defended before the MEC, the financial market and society in general.

Accounts Receivable and Average Receivable Days

The number of **net student receivables days** (tuition and agreements), including FIES receivables and FIES net revenue, reached 127 days in 2Q15, 51 more than in 2Q14, mainly due to the new FIES certificates transfer and buyback schedules for 2015. Excluding FIES net revenue and FIES receivables, the average days receivables came to 98 days.

(*) Figures not reviewed by the auditors

The 11-day increase in non-FIES days receivables is partially explained by the lower FIES penetration in the freshmen base. Also, there was an impact of around 10,000 students who lost FIES after 4Q14, when FNDE began to restrict retroactive contract amendments. Therefore, after the renegoatiation of their debts referring to the second semester of 2014, these students moved to the non-FIES student base, contributing to a R$26 million increase in the Accounts Receivable, i.e. 6 days.

Table 25 – Accounts Receivable and Average Receivable Days

Accounts Receivable (R$ MM)	2Q14	3Q14	4Q14	1Q15	2Q15
Gross Accounts Receivable	**520.9**	**641.5**	**573.2**	**833.9**	**1,087.6**
FIES	128.6	222.2	149.7	325.9	552.5
Tuition monthly fees	329.0	333.5	354.0	412.5	448.2
Credit Cards receivable	28.3	38.5	30.8	43.9	38.9
Renegotiation receivables	35.0	47.4	38.7	51.6	48.1
Credits to identify	(4.1)	(6.8)	(6.8)	1.5	(5.4)
Provision for bad debts	(93.1)	(101.7)	(115.0)	(111.7)	(99.4)
Net Accounts Receivable	**423.7**	**533.0**	**451.4**	**723.6**	**982.8**
Annualized Net Revenue (last twelve months)	**2,001.5**	**2,315.5**	**2,518.5**	**2,724.8**	**2,789.5**
Days Receivables	**76**	**83**	**65**	**96**	**127**
Net Revenue Ex. FIES (last twelve months)	**1,216.4**	**1,410.5**	**1,472.7**	**1,601.0**	**1,585.5**
Days Receivables Ex. FIES and FIES Revenue	**87**	**79**	**74**	**89**	**98**

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

Table 26 – Accounts Receivable and Average FIES Receivable Days

FIES Average Days Receivables	2Q14	3Q14	4Q14	4Q15	2Q15
FIES Receivables	128.6	222.2	149.7	325.9	552.5
FIES Carry-Forward Credits	82.4	50.0	81.7	87.2	74.4
FIES Revenue (last twelve months)	853.9	983.0	1,133.4	1,219.4	1,306.5
FGEDUC Deduction (last twelve months)	(44.1)	(49.2)	(54.0)	(60.0)	(64.6)
Taxes (last twelve months)	(24.7)	(28.8)	(33.6)	(35.6)	(37.9)
FIES Net Revenue (last twelve months)	785.1	905.0	1,045.8	1,123.8	1,204.0
FIES Days Receivables	**97**	**108**	**80**	**132**	**187**

In 2Q15, **FIES accounts receivable** increased by R$226.6 million over the previous quarter to R$552.5 million, reflecting the new FIES transfer and buyback schedule disclosed in December. In addition, the significant delays in the contract amendment process in the first semester of 2015 made a substantial contribution to the build-up of FIES receivables, due to the lower number of certificates transferred. On the other hand, this indicator should improve with the transfer of the April and May certificates in 3Q15, within the schedule proposed by the MEC, and also with the regularization of the amendment process which was delayed this semester.

As a result, of R$688 million in FIES revenue in the first semester of 2015, only R$130 million was related to transfers in January, February and March, due to the delay in the amendment process, which effectively began only after the FNDE reopened the SisFIES in March. The majority of the amendments and new contracts therefore occurred after the dates for the transfers of the first three months of the year.

It is worth noting that this difference of around R$558 million, as well as the R$74.4 million in carry-forward credits (related to certificates already issued) will improve our cash generation throughout 2H15, in accordance with the schedule disclosed by the MEC in December 2014 following the publication of Ordinance #23.

The **average FIES days receivables** was 187 days in 2Q15, 91 days more than in 2Q14, due to the reasons mentioned above.

Table 27 – Evolution of FIES Accounts Receivable*

FIES Accounts Receivable (R$ MM)	2Q14	3Q14	4Q14	1Q15	2Q15
Opening Balance	**147.2**	**128.6**	**222.2**	**149.7**	**325.9**
(+) FIES Revenue	289.6	296.3	321.8	311.7	376.7
(-) Transfer	293.8	190.6	378.3	121.1	128.9
(-) FIES Deduction/Provision	14.5	14.8	16.0	16.6	19.0
(+) Acquisitions	0.0	2.6	0.0	2.2	-2.2
Ending Balance	**128.6**	**222.2**	**149.7**	**325.9**	**552.5**

Table 28 – Evolution of FIES Carry-Forward Credits *

FIES Carry-Forward Credits (R$ MM)	2Q14	3Q14	4Q14	1Q15	2Q15
Opening Balance	**63.6**	**82.4**	**50.0**	**81.7**	**87.2**
(+) Transfer	293.8	190.6	378.3	121.1	128.9
(-) Tax payment	70.8	70.2	78.9	24.3	79.2
(-) Repurchase auctions	204.3	152.8	265.9	91.3	63.5
(+) Acquisitions	-	-	-1.8	-	-
(+) Monetary restatement	-	-	-	-	0.9
Ending Balance	**82.4**	**50.0**	**81.7**	**87.2**	**74.4**

Table 29 – Aging of Total Gross Accounts Receivable

Breakdown of Accounts Receivable by Age (R$ million)	2Q14	%	2Q15	%
FIES	128.6	25%	552.5	39%
Not yet due	101.2	19%	126.8	16%
Overdue up to 30 days	47.1	9%	72.0	15%
Overdue from 31 to 60 days	42.6	8%	65.7	5%
Overdue from 61 to 90 days	46.1	9%	64.0	3%
Overdue from 91 to 179 days	62.2	12%	107.3	9%
Overdue more than 180 days	93.1	18%	99.4	13%
TOTAL	**520.9**	**100%**	**1,087.6**	**100%**

Table 30 – Aging of Agreements Receivable

Breakdown of Agreements by Age (R$ million)	2Q14	%	2Q15	%
Not yet due	15.7	45%	23.1	48%
Overdue up to 30 days	3.5	10%	3.1	7%
Overdue from 31 to 60 days	2.9	8%	2.4	5%
Overdue from 61 to 90 days	2.9	8%	2.5	5%
Overdue from 91 to 179 days	5.3	15%	7.3	15%
Overdue more than 180 days	4.8	14%	9.7	20%
TOTAL	**35.0**	**100%**	**48.1**	**100%**
% over Accounts Receivable	**7%**		**4%**	

*Excludes credit card agreements

Even in this more challenging scenario, we are maintaining our receivables policy and our portfolio remains healthy, with a low percentage of agreements – only 4% of total receivables come from renegotiations with students, 3.0 p.p. down on 2Q14.

While we focused on the retention process during this first semester, the recovery of already written-off receivables was improved, which resulted in the good performance of the PDA line in 1H15 and compensated organic collection of active students. In addition, this quarter we decided to sell the receivable portfolio of students who already graduated in previous years, which benefited our PDA line in R$2.6 million.

It is worth emphasizing once again that we provision 100% of receivables overdue by more than 180 days, complemented by FIES provisions. Tables 31 and 32 show how our PDA is constituted and reconciles the balance sheet amounts with those in the income statement.

(*) Figures not reviewed by the auditors

Table 31 – 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	6/30/2015
TOTAL	115.0	113.6	(59.8)	53.8	(69.4)	99.4

Table 32 – Reconciliation of the Provision for Doubtful Account Balances in the Balance Sheet

	6/30/2015	6/30/2014
Additional Provision	53.8	50.5
Portfolio sale (graduates)	(2.6)	-
Others	0.9	-
Total	**52.1**	**50.5**

Note: The R$1.5 million PDA variation in 1H15 shown in table 12 refers to the provision for FIES Risk, which is included in that line.

Investments (CAPEX and Acquisitions)

Table 33 – CAPEX Breakdown

R$ million	2Q14	2Q15	Change	1H14	1H15	Change
Total CAPEX[1]	**31.6**	**51.1**	**61.7%**	**68.0**	**111.9**	**64.6%**
Maintenance	**21.8**	**24.0**	**10.1%**	**44.1**	**56.9**	**29.0%**
Discretionary and Expansion	**9.8**	**27.1**	**176.5%**	**23.9**	**55.0**	**130.1%**
Academic Model	1.5	2.5	66.7%	3.3	5.0	51.5%
New IT Architecture	3.1	2.6	-16.1%	5.0	5.2	4.0%
Integration Processes	0.3	3.5	N.A.	0.4	6.4	N.A.
Tablet Project	1.6	1.6	0.0%	7.0	2.0	-71.4%
Expansion	3.3	16.9	412.1%	8.2	36.4	343.9%
Acquisitions	**-**	**-**	**N.A.**	**0.8**	**-**	**N.A.**

[1]Excluding goodwill and investments in acquisitions.

Total CAPEX (excluding acquisitions) came to R$51.1 million in 2Q15, 61.7% more than in 2Q14, mainly due to the increase in investments related to the improvement of the infrastructure of acquired companies and expansion projects.

Maintenance CAPEX totaled R$24.0 million, 10.1% up on 2Q14, 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$1.6 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$3.5 million in **integration projects**, whose increase was directly related to the improvement to the infrastructure of the four acquisitions in 2014, following the same pace as in 1Q14.

Investments in expansion projects, as well as the renovation and improvement of units, totaled R$16.9 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. The main investments included the expansions in São Paulo (new Conceição campus) and Fortaleza (new Marista campus).

It is worth mentioning that several of the above-mentioned projects and investments were already under way when the changes to the FIES began to be implemented, which strongly affected our cash position. As a result, we revised our CAPEX plan for the year, and our investments are now adjusted to the new reality, which takes the impact of the FIES changes on our cash position into consideration, while not neglecting the investments needed for the execution of our long-term vision. That said, total CAPEX represented 7.5% of 1H15 net revenue, in line with the previous cycles.

Capitalization and Cash

Table 34 – Capitalization and Cash

R$ MM	06/30/2014	3/31/2015	6/30/2015
Shareholders' Equity	1,752.0	2,425.0	2,574.0
Cash & Cash Equivalents	787.4	721.1	493.9
Total Gross Debt	(312.8)	(884.6)	(853.3)
Loans and Financing	(269.0)	(805.5)	(779.8)
Short Term	(16.2)	(243.4)	(223.6)
Long Term	(252.8)	(562.2)	(556.2)
Commitments Payable	(36.0)	(60.9)	(56.6)
Taxes Paid in Installments	(7.9)	(18.2)	(16.9)
Cash / Net Debt	474.6	(163.5)	(359.4)

Cash and cash equivalents closed June at R$493.9 million, conservatively invested in fixed-income instruments pegged to the CDI interbank rate, government bonds, and certificates of deposit with top-tier Brazilian banks. Bank **debt** of R$779.8 million corresponded mainly to the Company's bond issues (1st series of R$200 million and 2nd series of R$300 million), the loan from the IFC (first installment 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. Including commitments for future payments related to acquisitions made (which totaled R$56.6 million), as well as taxes payable in installments, our **gross debt** came to R$853.3 million at the end of the quarter. As a result, the Company closed 2Q15 with **net debt** of R$359.4 million.

Cash Flow

Table 35 – Cash Flow

Cash Flow Statement (R$ million)	2Q14	2Q15	1H14	1H15
Profit before income taxes and social contribution	89.3	120.3	224.6	264.5
Adjustments to reconcile profit to net cash generated:	61.5	71.1	107.9	156.5
Result after reconciliation to net cash generated	150.8	191.4	332.4	421.1
Changes in assets and liabilities:	(45.0)	(272.7)	(168.6)	(534.7)
Net cash provided by (used in) operating activities:	105.8	(81.4)	163.8	(113.6)
CAPEX (Ex-Acquisitions)	(31.6)	(51.1)	(68.0)	(111.9)
Operational Cash Flow:	74.2	(132.5)	95.8	(225.5)
Other investing activities:	0.6	0.6	(0.5)	1.6
Net cash provided by (used in) investing activities	74.7	(131.8)	95.2	(223.9)
Cash flows from financing activities:	(45.4)	(95.4)	(47.0)	2.7
Net cash provided by (used in) financing activities	29.3	(227.2)	48.2	(221.2)
Cash and cash equivalents at the beginning of the period	758.1	721.1	739.2	715.1
Increase in cash and cash equivalents	29.3	(227.2)	48.2	(221.2)
Cash and cash equivalents at the end of the period	787.4	493.9	787.4	493.9

We recorded negative **operating cash flow (OCF)** of R$132.5 million in 2Q15 and R$225.5 million in the first half, mainly reflecting the negative variation in working capital due to the new tuition payment cycle for FIES students as defined by MEC Ordinance 23 of December 2014.

It is worth remembering that besides the new FIES receivables schedule, which already affects our cash generation in 2015, the closure of the SisFIES during an important period in the semester delayed the student contract amendment process, jeopardizing transfers at the beginning of the year (since many students were only able to amend their contracts later on and therefore were not included in the transfers in the first months of the year). Of the R$688 million in FIES net revenue in 2015, Estácio effectively received only R$130 million in transfers, a gap of R$558 million that substantially impacted the cash generation in the semester. On the other hand, this amount should be transferred in the second semester, so the cash flow during the rest of the year should be positive.

Key Material Facts

- Acquisition of Faculdade Nossa Cidade

On July 7th, Estácio formalized a commitment to purchase Faculdade Nossa Cidade – FNC in Carapicuíba, São Paulo, for R$90 million, to be paid as follows: (i) 52% on the agreement signature date, partially in cash and partially through the assumption of debt and other obligations; and (ii) the remainder in up to 42 months after the signature date.

Founded in 2005, FNC has around 8,700 students and 16,580 total authorized seats, in addition to offering 24 undergraduate programs in the maturation stage and 11 graduate programs, as well as vocational courses. In 2013, it was assessed by the Ministry of Education (MEC) and received a General Course Index (IGC) grade of 3 on a scale of 1 to 5. Located in Carapicuíba, its influence area also includes Osasco, Barueri, Itapevi, Santana de Parnaíba, Jandira and Cajamar, with a joint population of around 2 million.

The goal of the acquisition is to increase Estácio's penetration of the post-secondary education sector in the state of São Paulo, adding a course portfolio that comprises all the main segments with high job market demand, including Law, Engineering, Architecture, Health, Teaching, Management and Technology.

In addition, FNC is in the final stage of obtaining authorization to begin its distance learning operations, which will soon be offered in 20 centers in 17 cities throughout São Paulo state.

The conclusion of the transaction is subject to certain conditions and approval by CADE, Brazil's antitrust authority. Estácio will keep the market informed of any further developments related to the acquisition.

- Estácio is elected one of the most innovative companies in Brazil

Estácio was listed among the 50 most innovative companies in the country, by *Valor Econômico* newspaper's Brazilian Innovation Yearbook. We are the only educational company in the ranking and we were also placed third in the General Services category.

The reasons given by the appraisers included doubling project investments between 2013 and 2014, as well as being the first post-secondary institution to be included in the so-called *Lei do Bem* (Ministry of Science, Technology and Innovation), which grants tax incentives for companies investing in RD&I. It was also granted the innovative company seal by ANPEI - National Association for Research and Development of Innovative Companies.

One of Estácio's ongoing innovative projects is Telion (our first patent), a connected and interactive interface designed to improve the classroom experience of professors and students. According to Lindália Reis, Estácio's Innovation Officer, "We began industrial production in 2015 and we will be implementing it in all of Estácio's 5,000 classrooms in the coming years".

The university is also developing a virtual laboratory simulator called Nexxa, which includes virtual reality and augmented reality technologies. As a result, it will be possible to conduct laboratory experiments at a distance, with the manipulation of 3D objects. We are currently in the process of acquiring a patent for the simulator and we plan to make it available to our entire student base in the future.

- II Innovation Workshop

For the second consecutive year, we held Estácio's Innovation & Education Workshop at the headquarters of Educare, our Corporate University, in Rio de Janeiro. Targeting the media, the event was attended by professionals from media outlets in several states, who were able to gain a deeper understanding of what Estácio has accomplished and what is being developed for the future of education in Brazil, including Estácio's "2020 Education" project.

The journalists were also able to learn about some of the most successful startups to go through the Innovation Board. *Plataforma Saúde*, *Acordo Fechado* and *Baile Black Bom* presented their success cases to the audience and explained how crucial Estácio was for their maturing process.

The workshop agenda also included two guest speakers: Gerson Pinto, Natura's Vice-President of Innovation and the Head of the Brazilian Association for Research and Development of Innovative Companies (ANPEIi), and Robert Cowen, one of the world's leading experts on comparative education.

- Estácio has two new University Centers: Juiz de Fora/MG and Boa Vista/RR.

On July 1st, 2015, the MEC accredited two more University Centers, in Juiz de Fora/MG and Boa Vista/RR, through Ordinances 664 and 668, published in the *Diário Oficial da União*. As a result, *Faculdade Estácio de Sá de Juiz de Fora* will now be called *Centro Universitário Estácio de Sá* and *Faculdade Estácio Atual* will be accredited as *Centro Universitário Estácio da Amazônia*.

Estácio thus achieved University Center autonomy for these institutions, which will allow it to increase the number of seats and courses in the cities of Juiz de Fora and Boa Vista.

- Preliminary result of the Notice for the *Mais Médicos* (More Doctors) program

On July 10th, the MEC disclosed the preliminary result of Notice 6/2014/SERES/MEC related to the selection process of proposals submitted by institutions to authorize the beginning of medical courses.

The preliminary result provided Estácio and its controlling institutions with the five proposals listed below:

SESES Controlling Institution:
Angra dos Reis/RJ: 55 seats
Alagoinhas/BA: 65 seats
Jaraguá do Sul/SC: 50 seats

IREP Controlling Institution:
Juazeiro/BA: 55 seats

UNISEB Controlling Institution:
Ijuí/RS: 50 seats

The period to file appeals will be between July 24th and August 5th and the final result will be disclosed on September 22nd, 2015, but the positive preliminary result already indicates the quality of Estácio's proposals and confirms the growth potential of our medical courses.

- Another successful "E Day"

Estácio's faculty, administrative staff, students and corporate managers took part in another national mobilization day to provide services to the community. "E Day – People teaching People" – took place on May 27, with the participation of around 7,500 employees with the sole purpose of creating a better Estácio. More than 50,000 people benefited from the initiative and more than a thousand prospective students registered for our entrance exams. Low-income communities in Brazil were able to take advantage of health services, vocational guidance and advice on legal and human resources issues.

- The Nobel Peace Prize winner Muhammad Yunus visits Estácio and signs Memorandum of Understading for future projects

In May, Estácio hosted a meeting with Professor Muhammad Yunus, winner of the Nobel Peace Prize (2006) and a pioneer of the microcredit concept, in the Espaço NAVE in Rio de Janeiro, which hosted more than 120 people. The event was also broadcast live for more than 480 people, with simultaneous translation.

For over an hour, Mr. Yunus shared his life story and defended social entrepreneurship as a way to erradicate poverty of the world. After the lecture, he answered audience questions.

At the event, Mr. Rogério Melzi, Estácio's CEO, signed a Memorandum of Understading with *Yunus Social Business Brazil*, to develop projects related to social entrepreneurship and educational microcredit.

- Opening of new Volunteer Training Centers for the 2016 Rio Olympic Games

In the second quarter, the Rio 2016 Organizing Committee launched, together with Estácio, official supporter of the Games, five new Volunteer Training Centers for the 2016 Rio Olympic Games, in the cities of Vila Velha, São Paulo, Brasília, Curitiba and Salvador.

"The goal of the centers is to train volunteers so they can perform well during the event. We want candidates to learn new things while participating in a unique moment and sharing the experience of having worked in the greatest sports event in the world", says Flavia Fontes, General Volunteer Manager for the Rio 2016 Committee.

Besides these cities, Rio de Janeiro, Florianópolis and Recife already have their own Volunteer Centers, all inside our units.

Results Conference Call

Conference Call (in Portuguese)	Conference Call (in English)
Date: August 7, 2015 (Friday)	Date: August 7, 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) 3127 4971 / 3728 5971	Connection Dial-in NY: +1 (412) 317 6776
Access Code: Estácio	Access Code: Estácio
Webcast: www.Estácioparticipacoes.com.br/ri	Webcast: www.Estácioparticipacoes.com.br/ir
Replay: available until August 13	Replay: available until August 13
Phone: +55 (11) 3127 4999	Phone: +1 (412) 317 0088
Access Code: 91519397	Access Code: 10067743

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

	Consolidated			Excluding acquisitions in the last 12 months		
R$ MM	2Q14	2Q15	Change	2Q14	2Q15	Change
Gross Operating Revenue	**822.2**	**1,073.8**	**30.6%**	**822.2**	**980.6**	**19.3%**
Monthly Tuition Fees	805.6	1,037.6	28.8%	805.6	945.4	17.4%
Pronatec	9.8	18.4	87.8%	9.8	17.8	81.6%
Others	6.8	17.8	161.8%	6.8	17.4	155.9%
Gross Revenue Deductions	**(233.1)**	**(299.5)**	**28.5%**	**(233.1)**	**(271.5)**	**16.5%**
Scholarships and Discounts	(194.0)	(248.9)	28.3%	(194.0)	(222.9)	14.9%
Taxes	(25.1)	(31.9)	27.1%	(25.1)	(30.0)	19.5%
FGEDUC	(14.0)	(18.6)	32.9%	(14.0)	(18.6)	32.9%
Net Operating Revenue	**589.1**	**774.3**	**31.4%**	**589.1**	**709.1**	**20.4%**
Cost of Services	**(348.7)**	**(450.0)**	**29.1%**	**(348.7)**	**(414.1)**	**18.8%**
Personnel	(254.9)	(327.8)	28.6%	(254.9)	(298.6)	17.1%
Rentals / Real Estate Taxes Expenses	(39.9)	(55.5)	39.1%	(39.9)	(53.1)	33.1%
Textbooks Materials	(21.4)	(21.8)	1.9%	(21.4)	(21.4)	0.0%
Third-Party Services and Others	(17.4)	(25.7)	47.7%	(17.4)	(23.8)	36.8%
Depreciation	(15.2)	(19.3)	27.0%	(15.2)	(17.2)	13.2%
Gross Profit	**240.4**	**324.3**	**34.9%**	**240.4**	**295.0**	**22.7%**
Gross Margin	***40.8%***	***41.9%***	***1.1 p.p.***	***40.8%***	***41.6%***	***0.8 p.p.***
Selling, General and Administrative Expenses	**(155.9)**	**(196.3)**	**25.9%**	**(155.9)**	**(188.7)**	**21.0%**
Selling Expenses	**(80.7)**	**(94.7)**	**17.3%**	**(80.7)**	**(91.0)**	**12.8%**
Provisions for Doubtful Accounts	(36.0)	(38.1)	5.8%	(36.0)	(35.3)	-1.9%
Marketing	(44.7)	(56.6)	26.6%	(44.7)	(55.7)	24.6%
General and Administrative Expenses	**(68.7)**	**(82.9)**	**20.7%**	**(68.7)**	**(78.9)**	**14.8%**
Personnel	(34.0)	(32.0)	-5.9%	(34.0)	(32.0)	-5.9%
Others	(34.8)	(50.8)	46.0%	(34.8)	(46.9)	34.8%
Depreciation	**(6.4)**	**(18.8)**	**193.8%**	**(6.4)**	**(18.8)**	**193.8%**
EBIT	**84.4**	**128.0**	**51.7%**	**84.4**	**106.3**	**25.9%**
EBIT Margin	***14.3%***	***16.5%***	***2.2 p.p.***	***14.3%***	***15.0%***	***0.7 p.p.***
(+) Depreciation	21.6	38.1	76.4%	21.6	36.0	66.7%
EBITDA	**106.0**	**166.1**	**56.6%**	**106.0**	**142.3**	**34.2%**
EBITDA Margin	***18.0%***	***21.4%***	***3.4 p.p.***	***18.0%***	***20.1%***	***2.1 p.p.***
Financial Result	4.8	(7.7)	N.A.	4.8	(6.9)	N.A.
Depreciation and Amortization	(21.6)	(38.1)	76.4%	(21.6)	(36.0)	66.7%
Social Contribution	(0.9)	2.3	N.A.	(0.9)	2.6	N.A.
Income Tax	(2.5)	9.4	N.A.	(2.5)	10.2	N.A.
Net Income	**86.0**	**131.9**	**53.4%**	**86.0**	**112.2**	**30.5%**
Net Income Margin	***14.6%***	***17.0%***	***2.4 p.p.***	***14.6%***	***15.8%***	***1.2 p.p.***

Income Statement in IFRS

R$ MM	Consolidated 1H14	Consolidated 1H15	Consolidated Change	Excluding acquisitions in the last 12 months 1H14	Excluding acquisitions in the last 12 months 1H15	Excluding acquisitions in the last 12 months Change
Gross Operating Revenue	**1,615.9**	**2,175.5**	**34.6%**	**1,615.9**	**1,994.8**	**23.4%**
Monthly Tuition Fees	1,591.8	2,103.3	32.1%	1,591.8	1,925.6	21.0%
Pronatec	9.8	37.7	284.7%	9.8	35.7	264.3%
Others	14.3	34.5	141.3%	14.3	33.6	135.0%
Gross Revenue Deductions	**(488.6)**	**(678.8)**	**38.9%**	**(488.6)**	**(627.2)**	**28.4%**
Scholarships and Discounts	(417.8)	(583.0)	39.5%	(417.8)	(535.1)	28.1%
Taxes	(46.5)	(60.9)	31.0%	(46.5)	(57.2)	23.0%
FGEDUC	(24.3)	(34.9)	N.A.	(24.3)	(57.2)	135.4%
Net Operating Revenue	**1,127.3**	**1,496.7**	**32.8%**	**1,127.3**	**1,367.7**	**21.3%**
Cost of Services	**(657.5)**	**(853.3)**	**29.8%**	**(657.5)**	**(786.3)**	**19.6%**
Personnel	(486.9)	(623.3)	28.0%	(486.9)	(569.8)	17.0%
Rentals / Real Estate Taxes Expenses	(83.1)	(112.9)	35.9%	(83.1)	(107.6)	29.5%
Textbooks Materials	(28.0)	(30.9)	10.4%	(28.0)	(30.0)	7.1%
Third-Party Services and Others	(31.4)	(46.0)	46.5%	(31.4)	(42.8)	36.3%
Depreciation	(28.1)	(40.2)	43.1%	(28.1)	(36.1)	28.5%
Gross Profit	**469.9**	**643.4**	**36.9%**	**469.9**	**581.4**	**23.7%**
Gross Margin	***41.7%***	***43.0%***	***1.3 p.p.***	***41.7%***	***42.5%***	***0.8 p.p.***
Selling, General and Administrative Expenses	**(275.5)**	**(358.6)**	**30.2%**	**(275.5)**	**(347.9)**	**26.3%**
Selling Expenses	**(129.3)**	**(148.4)**	**14.8%**	**(129.3)**	**(145.5)**	**12.5%**
Provisions for Doubtful Accounts	(52.4)	(53.6)	2.3%	(52.4)	(52.3)	-0.2%
Marketing	(76.9)	(94.8)	23.3%	(76.9)	(93.1)	21.1%
General and Administrative Expenses	**(133.1)**	**(173.1)**	**30.1%**	**(133.1)**	**(165.4)**	**24.3%**
Personnel	(65.3)	(71.8)	10.0%	(65.3)	(71.2)	9.0%
Others	(67.8)	(101.3)	49.4%	(67.8)	(94.2)	38.9%
Depreciation	**(13.0)**	**(37.0)**	**184.6%**	**(13.0)**	**(37.0)**	**184.6%**
EBIT	**194.4**	**284.8**	**46.5%**	**194.4**	**233.5**	**20.1%**
EBIT Margin	***17.2%***	***19.0%***	***1.8 p.p.***	***17.2%***	***17.1%***	***-0.1 p.p.***
(+) Depreciation	41.1	77.2	87.8%	41.1	73.1	77.9%
EBITDA	**235.5**	**362.0**	**53.7%**	**235.5**	**306.6**	**30.2%**
EBITDA Margin	***20.9%***	***24.2%***	***3.3 p.p.***	***20.9%***	***22.4%***	***1.5 p.p.***
Financial Result	30.2	(20.3)	N.A.	30.2	(18.1)	N.A.
Depreciation and Amortization	(41.1)	(77.2)	87.8%	(41.1)	(73.1)	77.9%
Social Contribution	(3.4)	(1.4)	-58.8%	(3.4)	(0.7)	-79.4%
Income Tax	(9.5)	(0.6)	-93.7%	(9.5)	1.2	N.A.
Net Income	**211.7**	**262.5**	**24.0%**	**211.7**	**215.8**	**1.9%**
Net Income Margin	***18.8%***	***17.5%***	***-1.3 p.p.***	***18.8%***	***15.8%***	***-3.0 p.p.***

Balance Sheet in IFRS

R$ MM	06/30/2014	03/31/2015	06/30/2015
Short-Term Assets	**1,459.3**	**1,767.2**	**1,789.5**
Cash & Cash Equivalents	19.4	21.4	16.2
Short-Term Investments	768.0	699.6	477.8
Accounts Receivable	423.7	723.6	982.8
Carry-Forwards Credits	86.1	90.6	77.3
Advance to Employees / Third-Parties	37.8	58.8	53.6
Related Parties	0.3	-	-
Prepaid Expenses	29.2	63.2	47.1
Taxes and contributions	63.9	72.5	96.0
Others	30.8	37.4	38.7
Long-Term Assets	**904.7**	**2,050.8**	**2,077.0**
Non-Current Assets	**171.8**	**187.8**	**201.0**
Prepaid Expenses	2.9	7.8	9.2
Judicial Deposits	115.3	122.8	117.9
Taxes and contributions	24.3	21.5	25.2
Deferred Taxes and others	29.4	35.8	48.7
Permanent Assets	**732.9**	**1,863.0**	**1,876.0**
Investments	0.2	0.2	0.2
Fixed Assets	351.2	487.0	502.2
Intangible	381.5	1,375.8	1,373.6
Total Assets	**2,364.0**	**3,818.1**	**3,866.5**
Short-Term Liabilities	**271.4**	**675.9**	**584.9**
Loans and Financing	16.2	243.4	223.6
Swap difference to be paid	-	6.0	15.6
Suppliers	36.8	55.4	70.5
Salaries and Payroll Charges	142.6	165.1	182.6
Taxes Payable	40.1	46.7	41.1
Prepaid Monthly Tuition Fees	6.5	20.8	14.0
Advances under Partnership Agreement	2.9	2.9	2.9
Taxes Paid in Installments	1.4	3.8	4.2
Dividends Payable	0.1	101.1	0.0
Acquisition price to be paid	21.6	19.9	17.6
Others	3.3	10.9	12.7
Long-Term Liabilities	**340.6**	**717.2**	**707.7**
Loans and Financing	252.8	562.2	556.2
Contingencies	26.1	27.3	26.8
Advances under Partnership Agreement	7.7	5.5	4.8
Taxes Paid in Installments	6.5	14.4	12.7
Provision for asset retirement obligations	14.7	15.7	16.2
Deferred Taxes	8.0	37.9	38.0
Acquisition price to be paid	14.4	41.0	39.0
Others	10.4	13.1	13.9
Shareholders' Equity	**1,752.0**	**2,425.0**	**2,574.0**
Capital	1,028.1	1,053.1	1,064.5
Share Issuance Costs	(26.9)	(26.9)	(26.9)
Capital Reserves	126.2	649.1	650.9
Earnings Reserves	424.2	748.7	748.7
Income for the period	211.7	130.6	262.5
Treasury Stocks	(11.3)	(129.7)	(125.9)
Total Liabilities and Shareholders' Equity	**2,364.0**	**3,818.1**	**3,866.5**

Cash Flow Statement

Cash Flow Statement (R$ million)	2Q14	2Q15	1H14	1H15
Profit before income taxes and social contribution	**89.3**	**120.3**	**224.6**	**264.5**
Adjustments to reconcile profit to net cash generated:	**61.5**	**71.1**	**107.9**	**156.5**
Depreciation and amortization	21.6	37.8	40.8	76.8
Amortization of funding costs	(0.0)	0.2	0.3	0.5
(Gain) loss in net book amount of property and equipment written-off	(0.6)	(0.4)	0.0	(1.1)
Provision for impairment of trade receivables	35.0	37.3	50.5	52.1
Exchange rate variation on foreign currency financing	-	(6.5)	-	(10.1)
Loss with swap operation		9.7	-	15.6
Granted options - stock options	0.3	4.7	4.0	10.1
Provision for Long Term Incentive Plan ("ILP")	1.2	0.9	1.2	1.9
Earnings on financial investments	(7.5)	(34.3)	(11.8)	(35.6)
Provision for contingencies	3.2	2.9	6.8	6.8
Appropriation of agreements	(0.7)	(0.7)	(1.4)	(1.4)
Interest on commitments payable	0.8	1.5	1.7	3.3
Tax credits	-	(3.1)	(0.3)	(1.9)
Interest on borrowings	7.8	20.5	15.3	38.5
Increase in provision for decommissioning of assets	0.5	0.5	0.7	1.1
Result after reconciliation to net cash generated	**150.8**	**191.4**	**332.4**	**421.1**
Changes in assets and liabilities:	**(45.0)**	**(272.7)**	**(168.6)**	**(534.7)**
Marketable securities held for trading	7.5	34.3	11.8	35.6
(Increase) in accounts receivable	(23.6)	(296.4)	(139.6)	(583.5)
Decrease (increase) in other assets	(23.0)	12.1	(41.9)	6.1
Increase) decrease in advances to employees / third parties	(4.1)	5.2	(4.4)	(3.2)
(Increase) decrease in prepaid expenses	19.0	16.1	28.3	19.0
(Increase) decrease in taxes and contributions	(3.9)	(24.3)	(32.3)	(23.4)
Increase (decrease) in suppliers	(3.5)	15.1	(3.6)	20.1
Increase (decrease) in taxes payable	(7.7)	(0.4)	(6.8)	(6.9)
Increase (decrease) in payroll and related charges	17.9	17.6	62.9	61.0
(Decrease) in prepaid monthly tuition fees	2.5	(6.8)	(4.6)	(6.1)
Civil/Labor claims	(5.4)	(3.4)	(9.1)	(6.8)
(Decrease) in acquisition price to be paid	(4.8)	(5.8)	(5.2)	(6.4)
Increase (decrease) in other liabilities	(2.1)	2.6	1.8	4.6
Decrease (increase) in taxes paid in installments	(0.2)	(1.3)	(0.6)	(2.5)
(Decrease) in non-current assets	2.3	(3.8)	1.4	(2.7)
Increase in judicial deposits	(1.8)	4.9	(11.2)	3.0
Interest paid on borrowings	(14.0)	(34.4)	(15.1)	(35.6)
IRPJ and CSLL paid	(0.3)	(3.9)	(0.3)	(7.2)
Net cash provided by (used in) operating activities:	**105.8**	**(81.4)**	**163.8**	**(113.6)**
CAPEX (ex-acquisitions)	**(31.6)**	**(51.1)**	**(68.0)**	**(111.9)**
Operational Cash Flow:	**74.2**	**(132.5)**	**95.8**	**(225.5)**
Other investing activities:	**0.6**	**0.6**	**(0.5)**	**1.6**
Acquisitions	-	-	(0.8)	-
Amortization of funding costs	(0.0)	0.2	0.3	0.5
(Gain) loss in net book amount of property and equipment written-off	0.6	0.4	(0.0)	1.1
Net cash provided by (used in) investing activities	**74.7**	**(131.8)**	**95.2**	**(223.9)**
Cash flows from financing activities:	**(45.4)**	**(95.4)**	**(47.0)**	**2.7**
Capital increase related to stock options exercise	17.4	11.4	17.4	11.4
Acquisition of shares in treasury	-	-	-	(104.8)
Dividends paid	(58.0)	(101.1)	(58.0)	(101.1)
Loans and financing	-	(0.7)	-	206.5
Net increase in borrowings	(4.8)	(5.0)	(6.4)	(9.2)
Net cash provided by (used in) financing activities	**29.3**	**(227.2)**	**48.2**	**(221.2)**
Cash and cash equivalents at the beginning of the period	**758.1**	**721.1**	**739.2**	**715.1**
Increase in cash and cash equivalents	29.3	(227.2)	48.2	(221.2)
Cash and cash equivalents at the end of the period	**787.4**	**493.9**	**787.4**	**493.9**

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

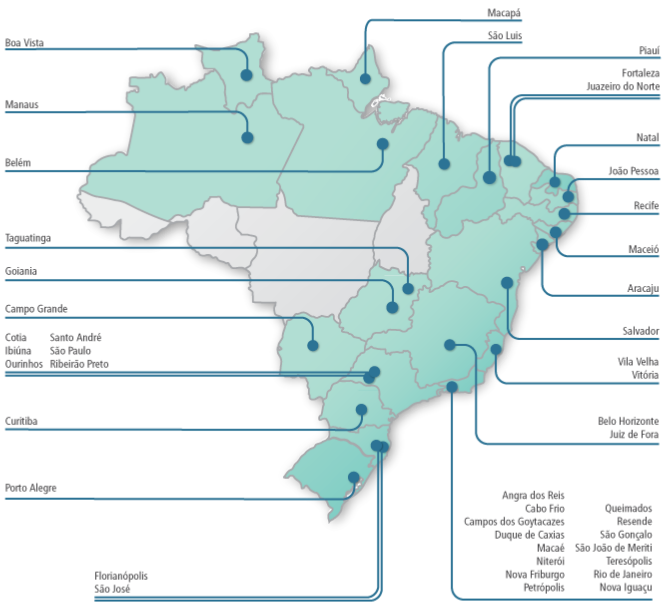
- Growth with profitability
- Organic expansion and through acquisitions

Financial Solidity

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

Estácio closed 2Q15 with 502,000 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:

On-Campus Operation
Locations Served



Distance Learning Operation