H I G H L I G H T S

2Q17 RESULTS

+9.3%	+74.9%	+10.7p.p	+16.1%
Net **Revenue**	**EBITDA**	**EBITDA** Margin	**OCF**
R$ **913.4** mn	R$ **261.3** mn	**28.6**%	R$ **172.1** mn

CASH AND CASH EQUIVALENTS

+542.3mn

AVERAGE TICKET

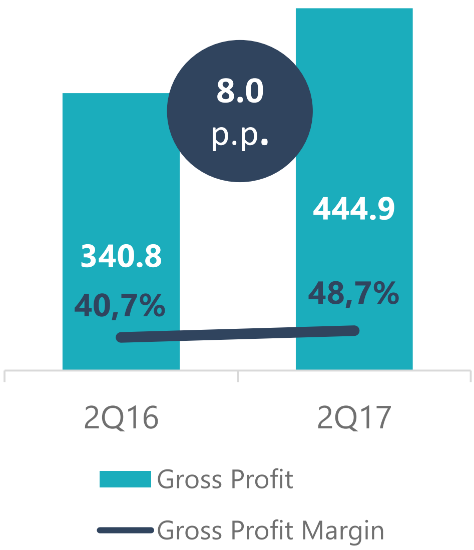
On-campus:

+ 11.7%

Distance-learning:

+ 27.8%

GROSS PROFIT (Million)



IR E-mail:
ri@estacioparticipacoes.com

PR E-mail:
imprensa@estacio.br

Rio de Janeiro, July 27, 2017 – **Estácio Participações S.A.** – "**Estácio**" or "**Company**" (BM&FBovespa: ESTC3; Bloomberg: ESTC3.BZ; Reuters: ESTC3.SA; OTCQX: ECPCY) – announces its results for the second quarter of 2017 (2Q17), in comparison with the same period in 2016 (2Q16). The accounting information herein is presented in accordance with International Financial Reporting Standards ("IFRS") and on a consolidated basis.

Highlights

Financial Highlights (R$ MM)	2Q16	2Q17	Change	6M16	6M17	Change
Operational Net Revenue	**835.3**	**913.4**	**9.3%**	**1.624.6**	**1.732.5**	**6.6%**
EBITDA	**43.6**	**254.0**	**482.5%**	**240.7**	**468.8**	**94.8%**
EBITDA Margin (%)	*5.2%*	*27.8%*	*22.6 p.p.*	*14.8%*	*27.1%*	*12.2 p.p.*
(+) FIES discount rate 2%	-	6.6	N.A.	-	13.4	N.A.
(+) M&As advisory services	-	0.7	N.A.	-	1.8	N.A.
(+) One-off items	105.7	-	N.A.	105.7	-	N.A.
Comparable EBITDA	**149.3**	**261.3**	**74.9%**	**346.4**	**484.0**	**39.7%**
Comparable EBITDA Margin (%)	*17.9%*	*28.6%*	*10.7 p.p.*	*21.3%*	*27.9%*	*6.6 p.p.*
Net Income	**(19.9)**	**166.3**	**N.A.**	**108.1**	**288.1**	*166.5%*
Net Income Margin (%)	*-2.3%*	*18.2%*	*20.5 p.p.*	*6.7%*	*16.6%*	*9.9 p.p.*

Message from Management

Estácio had important challenges in the last twelve months, such as:

- ✓ Maintaining operational performance and climate in a moment of transition;
- ✓ Preparing an integration process;
- ✓ Being transparent to its shareholders, with high Governance levels and the implementation of a culture of compliance.

Estácio achieved all these goals and went further. In the last 12 months, EBITDA increased by more than R$217 million year-on-year, which represents a margin gain of 5.2 percentage points. It is worth noting that there was no room for major strategic moves in 2017. Management was mainly focused on EXECUTION, which led to a gradual and consistent improvement in the results of the last few quarters.

Estácio's second quarter **net revenue** came to R$913.4 million, 9.3% up on 2016, generating a comparable **EBITDA** of R$261.3 million, 74.9% up on 2Q16. The comparable **EBITDA margin** reached 28.6%, 10.7 percentage points more than in the same period in 2016.

Estácio has been adopting measures to attract a more sustainable student base, taking the best advantage of the net present value per student, in order to increase our average ticket and ensure the students' continuity; In this context, the Company's **total student base** came to 539,900 students, 0.9% more than in the same period in 2016, essentially due to the 10.3% increase in distance-learning student base and the 7 percentage points improvement in retention rates. Second-quarter **on-campus average ticket** increased 11.7% to R$751.6, reflecting the Company's current pricing strategy. **Distance-learning average ticket** also increased and totaled R$239.2, 27.8% up on 2Q16.

This result was due to both revenue growth and measures to curb operating costs and expenses. **The cost of services** fell by R$35 million, a margin gain of 8.7 percentage points over the same period in 2016, chiefly due to the R$32 million reduction in personnel costs, from 45% to 37.5% of net revenue.

Selling expenses, which accounted for 12.7% of net revenue, recorded a margin gain of 4.3 percentage points when adjusted for comparison purposes, essentially due to the decline in advertising expenses, reflecting the strategic change in the Company's marketing campaigns. The allowance for doubtful accounts line also improved this quarter, as a result of a stricter collection process and initiatives focused on building student loyalty.

It is worth noting that the efforts to build student loyalty are presenting important results, as observed in the performance of the retention rate this quarter. **The retention rate** in the on-campus undergraduate segment rose by 6.9 percentage points, reaching 93.6% versus 86.7% in 2Q16. Meanwhile, the distance-learning undergraduate segment recorded a 7.2 percentage point, from 80.7% to 87.9% this quarter.

Net income reached R$166.3 million in 2Q17, an increase of R$186.2 million over 2Q16, essentially due to higher period EBITDA.

Operating cash generation totaled R$172.1 million, an upturn of R$23.9 million (16%) over 2Q16, evidencing the improvements implemented over the last twelve months.

After a year of consistent results, it is important to mention that Estácio's Management remains focused on seeking opportunities to improve its operational performance. In the coming quarters, the Company plans to implement over 100 initiatives, which have already been mapped, in order to continue obtaining efficiency gains. In addition to these initiatives, certain **growth drivers** should also be highlighted, including:

- ✓ **Launch of new distance-learning centers**

  In accordance with the new distance-learning regulations, accredited distance-learning institutions with an Institutional Concept (CI) of 3, 4 or 5 can open up to 50, 150 and 250 new distance-learning centers, respectively, every year. As Estácio currently has three institutions accredited to provide distance-learning education: Universidade Estácio de Sá (CI 3), Centro Universitário Estácio de Ribeirão Preto (CI 3) and Centro Universitário Estácio de Santa Catarina (CI 4), the new regulations therefore allow the immediate expansion of our activities in the segment through 250 new centers.

It is important to note that, of the 250 authorized new centers, Estácio will launch 76 new centers in the 3Q17 intake process and already has 55 prospective partners with whom it is in the process of formalizing the partnership and ensuring the necessary infrastructure is in place. As a result, at least 131 new centers will be added to Estácio's current network of 238 centers during the second half of 2017 and will be able to operate in the first intake cycle of 2018.

- ✓ ***Mais Médicos* program**

Estácio plans to launch another four Medicine campuses through the *Mais Médicos* (More Doctors) program at the beginning of 2018. It will offer another 225 annual places in Medicine distributed in four new campuses: Angra dos Reis (RJ), Jaraguá do Sul (SC), Alagoinhas (BA) and Juazeiro (BA) by March 2018.

Estácio already operates Medicine courses in four campuses, totaling 3,000 students. It is also worth noting the Company's expertise in the Health area, with 17 courses and over 100,000 students in this field.

- ✓ **Inorganic growth (M&A)**

With a robust cash position and a more efficient operational structure, Estácio is analyzing opportunities for consolidation of Brazil's Education sector. At a meeting held on June 29, 2017, the Board of Directors authorized the prospecting of financial advisors to assist in the identification of potential assets for acquisition.

- ✓ **Organic growth pipeline**

Estácio has ten applications for new campuses already approved by the Ministry of Education (MEC) in the following cities: Manaus, Goiânia, São Mateus, Cachoeiro de Itapemirim, Barbacena, Imperatriz, São José do Rio Preto, Bauru and Rio Preto. These new units will be launched in a phased manner over the next 18 months.

Estácio begins a new stage in its history based on **solid results**, achieved after an extremely challenging year totally focused on EXECUTION. Currently, Estácio has **a more efficient management structure,** and continues to evolve in its quality indicators in education. Estácio confirms its commitment to generate value to its stakeholders, focusing on a strategic vision to create long-term value and sustainability.

Operating Performance

Estácio closed 1H17 with a total of 539,900 students, 0.9% more than in 1H16, essentially due to the 10.3% increase in the distance-learning student base.

Table 1 – Total Student Base

'000	2Q16	2Q17	Change
On-Campus	**380.9**	**369.6**	**-3.0%**
Undergraduate	343.3	335.9	-2.1%
Graduate	37.6	33.7	-10.3%
Distance Learning	**154.4**	**170.3**	**10.3%**
Undergraduate	115.9	124.7	7.6%
Graduate	38.5	45.6	18.3%
Total Student Base	**535.3**	**539.9**	**0.9%**
# Campuses	93	95	2.2%
On-Campus Students per Campus	**4.095**	**3.891**	**-5.0%**
# Distance Learning Centers	197	238	20.8%
Distance Learning Students per Center	784	716	-8.7%

* Figures not reviewed by the auditors

On-Campus Undergraduate Segment

Estácio's on-campus undergraduate base totaled 355,900 students in 2Q17, 2.1% less than in 2Q16, due to the decrease in the number of enrollments in 1Q17, as a result of the change in the strategy to attract new students, aimed at creating a more sustainable student base, by reducing exemptions and ensuring the financial commitment of the student to effect the enrollment.

The more sustainable student base increased retention rate by 6.9 percentage points, which reached for 93.6% at the end of the period. Excluding the adjustment based on the policy change in 2Q16, the retention rate continued improving.

It is worth noting that the decrease in the number of on-campus students this semester is much lower than the decrease in the FIES student base, which fell by 15.6% over 2Q16. Net revenue growth and the adoption of an installment payment program to a more solid student base reaffirm Estácio's strategies and advantages in support of its consistent sustainable growth.

Table 2 – Evolution of on-campus undergraduate base

'000	2Q16	2Q17	Change
Students - Starting balance	**393.0**	**351.2**	**-10.6%**
(+) Enrollments	-	7.1	N.A
(+) Acquisitions	2.5	-	N.A
(-) Dropouts	(52.1)	(22.4)	-57.0%
Students - Ending Balance	**343.3**	**335.9**	**-2.1%**
Renewal Rate (%)	86.7%	93.6%	6.9 p.p.

* Figures not reviewed by the auditors.

FIES

Table 3 – FIES Student Base

'000	2Q16	2Q17	Change
On-campus undergraduate base	343.3	335.9	-2.1%
FIES Students	**125.6**	**106.1**	-15.6%
% FIES Students	36.6%	31.6%	-5.0 p.p.

* Figures not reviewed by the auditors.

We closed 2Q17 with a FIES base of 106,100 students, representing 31.6% of our on-campus undergraduate base and a decrease of 5.0 percentage points over the same quarter in 2016.

The smaller FIES student base chiefly reflects the 31.9% lower student intake through FIES, reducing by 1.6 p.p. the share of FIES students (only 6.6% in the semester versus 8.3% in the same period in 2016) in total intake.

Table 4 – New FIES Contracts

'000	1H16	1H17	Change
Total Intake	117.3	99.3	-15.3%
Freshmen with FIES (until the end of the intake process)	7.8	4.8	-39.1%
% via FIES	**6.7%**	**4.8%**	-1.9 p.p.
Freshmen with FIES (until the end of the semester)	9.7	6.6	-31.9%
% via FIES	**8.3%**	**6.6%**	-1.6 p.p.
Senior students with FIES (new contracts)	1.6	1.3	-16.4%
New FIES contracts in the semester	**11.3**	**7.9**	**-29.7%**

* Figures not reviewed by the auditors.

Installment Payment Program (PAR)

In the second quarter of 2017, 7,000 students used **Estácio's Installment Payment Program ("PAR")**. The payment in installments occurs gradually: students pay 30% of the tuition in the first two semesters, 40% in the third semester, 50% in the fourth semester and 60% as of the fifth semester.

Gross revenue from amounts paid in cash by students using the PAR totaled R$7.9 million in 2Q17, while the amount paid in installments came to R$16.7 million. Considering the effect of taxes, the adjustment to present value (APV) related to the amount paid in installments (R$9 million) and the provisioning of 50% of the amount paid in installments, the effect on EBITDA from students using the PAR came to R$10.7 million in 2Q17.

Table 5 – PAR effect in EBITDA

R$ MM	1Q17	2Q17	6M17
Gross revenue paid in cash	5.4	7.9	13.3
Gross revenue paid in installments	15.1	16.7	31.8
Taxes - Revenue Deductions	(0.9)	(1.0)	(1.9)
Adjustment to Present Value (APV) - Revenue Deductions	(7.0)	(9.0)	(16.0)
PDA (50% provisioning)	(4.0)	(3.9)	(7.9)
EBITDA	**8.6**	**10.7**	**19.3**

* Figures not reviewed by the auditors.

Table 6 – PAR effect in Accounts Receivable

R$ MM	1Q17	2Q17	6M17
Gross revenue paid in installments	15.1	16.7	31.8
Adjustment to Present Value (APV) - Revenue Deductions	(7.0)	(9.0)	(16.0)
Gross revenue paid in installments Ex-APV	**8.1**	**7.7**	**15.8**
PDA (50% provisioning)	(4.0)	(3.9)	(7.9)
PAR Accounts Receivable Balance	**4.0**	**3.9**	**7.9**

* Figures not reviewed by the auditors.

Distance-Learning Undergraduate Segment

The second-quarter distance-learning undergraduate base increased by 7.6% over 2Q16, to 124,700 students, as a result of the initiatives such as the clusterization of partner centers based on performance, aiming at aligning the results obtained.

The sustainable base concept also becomes apparent in the retention rate increase of 7.2 percentage points in the period.

Table 7 – Evolution of Distance-Learning Undergraduate Base

'000	2Q16	2Q17	Change
Students - Starting Balance	**132.1**	**134.5**	**1.8%**
(-) Graduates	(0.8)	(0.7)	-10.0%
Renewable Base	**131.3**	**133.8**	**1.9%**
(+) Enrollments	9.9	7.2	-27.2%
(-) Dropouts	(25.3)	(16.2)	-35.8%
Students - Ending Balance	**115.9**	**124.7**	**7.6%**
Retention Rate (%)	80.7%	87.9%	7.1 p.p.

* Figures not reviewed by the auditors.

Graduate Segment

Estácio closed 2Q17 with 79,200 students enrolled in graduate programs, 4.2% up on 2Q16. The highlights of the graduate segment in 2Q17 were the distance-learning programs, which increased by 18.3%, largely due to partnerships in the student intake process.

Table 8 – Graduate Student Base

'000	2Q16	2Q17	Change
Students - Ending Balance	**76.1**	**79.2**	4.2%
On-Campus	**37.6**	**33.7**	**-10.3%**
Distance Learning	**38.5**	**45.6**	**18.3%**

* Figures not reviewed by the auditors.

On-Campus Average Ticket

On-campus average ticket increased by 11.7% in 2Q17 over 2Q16, to R$751.6, reflecting the Company's new pricing strategy used on a more sustainable student base, who comply with payment obligations and whose dropout rate is lower.

Table 9 – Calculation of the Average Monthly Ticket – On-Campus

'000	2Q16	2Q17	Change
Revenue Generating On-Campus Undergraduate Student Base	343.4	335.9	-2.2%
(+) On-Campus Graduate Student Base	**27.6**	**22.4**	**-18.7%**
(=) Revenue Generating On-Campus Student Base	**371.0**	**358.3**	**-3.4%**
On-Campus Gross Revenue (R$ million)	**1,076.8**	**1,249.2**	**16.0%**
On-Campus Deductions (R$ million)	(328.2)	(441.3)	34.5%
On-Campus Net Revenue (R$ million)	**748.6**	**807.9**	**7.9%**
On-Campus Average Ticket (R$)	**672.7**	**751.6**	**11.7%**
% Deductions / Gross Operating Revenue	*30.5%*	*35.3%*	*4.8 p.p.*

* Figures not reviewed by the auditors.
** Excluding the graduate segment of partner institutions.

The on-campus undergraduate segment's ticket increased by 10.9% in 2Q17 over 2Q16, to R$784.6. In addition to the new pricing strategy adopted by Estácio in the first-quarter intake cycle, the enrollment of students using the PAR also positively impacted the average ticket, given that discounts or scholarships are not granted.

Table 10 – Calculation of the Average Monthly Ticket – On-Campus Undergraduate Program

'000	2Q16	2Q17	Change
Revenue Generating On-Campus Undergraduate Student Base	**343.4**	**335.9**	**-2.2%**
On-Campus Undergraduate Gross Revenue (R$ million)	**1,034.1**	**1,218.3**	**17.8%**
On-Campus Undergraduate Deductions (R$ million)	(305.3)	(427.6)	40.0%
On-Campus Undergraduate Net Revenue (R$ million)	**728.8**	**790.7**	**8.5%**
On-Campus Undergraduate Average Ticket (R$)	**707.4**	**784.6**	**10.9%**
% Deductions / Gross Operating Revenue	*29.5%*	*35.1%*	*5.6 p.p.*

* Figures not reviewed by the auditors.

The on-campus graduate segment's average ticket increased by 6.7% over 2Q16, due to the decrease of approximately 40% in the deductions line, generating gains of 9.1 percentage points in gross revenue.

Table 11 – Calculation of the Average Monthly Ticket – On-Campus Graduate Program

'000	2Q16	2Q17	Change
On-Campus Graduate Student Base	**27.6**	**22.4**	**-18.7%**
On-Campus Graduate Gross Revenue (R$ million)	**42.7**	**31.0**	**-27.5%**
On-Campus Graduate Deductions (R$ million)	(22.9)	(13.8)	-39.9%
On-Campus Graduate Net Revenue (R$ million)	**19.8**	**17.2**	**-13.3%**
On-Campus Graduate Average Ticket (R$)	**239.6**	**255.7**	**6.7%**
% Deductions / Gross Operating Revenue	*53.6%*	*44.5%*	*-9.1 p.p.*

* Figures not reviewed by the auditors.
** Excluding the graduate segment of partner institutions.

Distance-Learning Average Ticket

In 2Q17, the distance-learning average ticket increased by 27.8% over 2Q16, to R$239.2. It is possible to see the result of the changes in the pricing strategy implemented, which aims at leveraging the Company's operating revenue. Second-quarter distance-learning net revenue increased by 35.8% over 2Q16.

Table 12 – Calculation of the Average Monthly Ticket – Distance-Learning

'000	2Q16	2Q17	Change
Distance Learning Undergraduate Student Base	**115.9**	**124.7**	**7.6%**
(+) Distance Learning Graduate Student Base	**17.5**	**17.0**	**-2.9%**
(=) Revenue Generating Distance Learning Student Base	**133.4**	**141.7**	**6.2%**
Distance Learning Gross Revenue (R$ million)	**122.7**	**172.7**	**40.8%**
Distance Learning Deductions (R$ million)	(47.8)	(71.0)	48.7%
Distance Learning Net Revenue (R$ million)	**74.9**	**101.7**	**35.8%**
Distance Learning Average Ticket (R$)	**187.2**	**239.2**	**27.8%**
% Deductions / Gross Operating Revenue	*38.9%*	*41.1%*	*2.2 p.p.*

* Figures not reviewed by the auditors.
** Excluding the graduate segment of partner institutions.

Below is the calculation of the average ticket of distance-learning undergraduate and graduate segments, which totaled R$247.9 and R$175.4, respectively. Both segments followed the period's growth and it is important to mention our net revenue increase, achieving the objective established by Estácio in recent periods.

Table 13 – Calculation of the Average Monthly Ticket – Distance-Learning Undergraduate Program

'000	2Q16	2Q17	Change
Revenue Generating Dist. Learn. Undergraduate Student Base	**115.9**	**124.7**	**7.6%**
Distance Learning Undergraduate Gross Revenue (R$ million)	**113.5**	**159.6**	**40.7%**
Distance Learning Undergraduate Deductions (R$ million)	(43.5)	(66.8)	53.6%
Distance Learning Undergraduate Net Revenue (R$ million)	**69.9**	**92.8**	**32.7%**
Distance Learning Undergraduate Average Ticket (R$)	**201.1**	**247.9**	**23.3%**
% Deductions / Gross Operating Revenue	*38.4%*	*41.9%*	*3.5 p.p.*

* Figures not reviewed by the auditors.

Table 14 – Calculation of the Average Monthly Ticket – Distance-Learning Graduate Programs

'000	2Q16	2Q17	Change
Revenue Generating Distance Learning Graduate Student Base	**17.5**	**17.0**	**-2.9%**
Distance Learning Graduate Gross Revenue (R$ million)	**9.2**	**13.1**	**42.2%**
Distance Learning Graduate Deductions (R$ million)	(4.2)	(4.2)	-1.3%
Distance Learning Graduate Net Revenue (R$ million)	**5.0**	**8.9**	**79.1%**
Distance Learning Graduate Average Ticket (R$)	**95.1**	**175.4**	**84.4%**
% Deductions / Gross Operating Revenue	*45.9%*	*31.9%*	*-7.6 p.p.*

* Figures not reviewed by the auditors.
** Excluding the graduate segment of partner institutions.

Financial Performance

Table 15 – Income Statement

R$ MM	2Q16	2Q17	Change	6M16	6M17	Change
Gross Operating Revenue	**1,214.8**	**1,426.3**	**17.4%**	**2,488.4**	**2,791.0**	**12.2%**
Monthly Tuition Fees	1,198.0	1,417.7	18.3%	2,447.0	2,770.8	13.2%
Pronatec	3.6	0.1	-97.2%	9.4	0.4	-95.7%
Others	13.2	8.6	-34.8%	32.0	19.9	-37.8%
Gross Revenue Deductions	**(379.5)**	**(512.9)**	**35.2%**	**(863.8)**	**(1,058.6)**	**22.6%**
Scholarships and Discounts	(322.2)	(431.3)	33.9%	(749.6)	(905.0)	20.7%
Taxes	(34.1)	(42.2)	23.8%	(67.0)	(78.8)	17.6%
FGEDUC	(17.3)	(25.2)	45.7%	(36.6)	(49.3)	34.7%
Adjustment to Present Value (APV)	-	(9.0)	N.A	-	(16.0)	N.A
Other deductions	(5.9)	(5.1)	-13.6%	(10.6)	(9.4)	-11.3%
Net Operating Revenue	**835.3**	**913.4**	**9.3%**	**1,624.6**	**1,732.5**	**6.6%**
Cost of Services	**(494.5)**	**(468.6)**	**-5.2%**	**(931.4)**	**(891.0)**	**-4.3%**
Personnel	(375.1)	(342.8)	-8.6%	(702.0)	(650.7)	-7.3%
Rentals / Real Estate Taxes Expenses	(61.8)	(64.2)	3.9%	(121.0)	(127.4)	5.3%
Textbooks Materials	(10.7)	(5.0)	-53.3%	(15.8)	(8.4)	-46.6%
Third-Party Services and Others	(26.8)	(27.3)	1.9%	(50.8)	(52.1)	2.5%
Depreciation and Amortization	(20.1)	(29.3)	45.8%	(41.9)	(52.4)	25.1%
Gross Profit	**340.8**	**444.9**	**30.5%**	**693.1**	**841.5**	**21.4%**
Gross Margin	***40.8%***	***48.7%***	***7.9 p.p.***	***42.7%***	***48.6%***	***5.9 p.p.***
Selling. General and Administrative Expenses	**(330.4)**	**(243.8)**	**-26.2%**	**(538.3)**	**(485.4)**	**-9.8%**
Selling Expenses	**(184.5)**	**(115.6)**	**-37.3%**	**(272.2)**	**(227.2)**	**-16.5%**
Provisions for Doubtful Accounts	(70.0)	(61.4)	-12.3%	(97.7)	(104.9)	7.4%
Provisions for Doubtful Accounts – PAR	-	(3.8)	N.A	-	(7.9)	N.A
FIES Provisions for Doubtful Accounts	(43.7)	(0.3)	-99.3%	(44.3)	(0.9)	-98.0%
Marketing	(70.8)	(50.0)	-29.4%	(130.1)	(113.5)	-12.8%
General and Administrative Expenses	**(145.9)**	**(128.2)**	**-12.1%**	**(266.0)**	**(258.2)**	**-2.9%**
Personnel	(31.4)	(41.7)	32.8%	(74.5)	(90.2)	21.1%
Outros G&A	(89.7)	(61.1)	-31.9%	(140.0)	(112.8)	-19.4%
Depreciation	(24.8)	(25.4)	2.4%	(51.5)	(55.2)	7.2%
Other operating revenues/expenses	**(11.7)**	**(1.8)**	**-84.6%**	(7.5)	5.1	-168.0%
EBIT	**(1.3)**	**199.3**	**N.A**	**147.3**	**361.2**	**145.2%**
EBIT Margin	***-0.2%***	***21.8%***	***22.0 p.p.***	***9.1%***	***20.8%***	***11.7 p.p.***
(+) Depreciation and amortization	44.9	54.7	21.8%	93.4	107.6	15.2%
EBITDA	**43.6**	**254.0**	**482.5%**	**240.7**	**468.8**	**94.8%**
EBITDA Margin	***5.2%***	***27.8%***	***22.6 p.p.***	***14.8%***	***27.1%***	***12.3 p.p.***
Financial Result	(16.6)	(21.9)	31.9%	(28.5)	(53.0)	86.0%
Depreciation and Amortization	(44.9)	(54.7)	21.8%	(93.4)	(107.6)	15.2%
Social Contribution	(1.5)	(3.2)	113.3%	(3.8)	(5.7)	50.0%
Income Tax	(0.5)	(7.9)	1480.0%	(6.9)	(14.5)	110.1%
Net Income	**(19.9)**	**166.3**	**N.A**	**108.1**	**288.1**	**166.5%**
Net Income Margin	***-2.3%***	***18.2%***	***20.5 p.p.***	***6.7%***	***16.6%***	***9.9 p.p.***

* The 6M16 figures were adjusted in accordance with the restatement of previous periods disclosed in 2Q16.

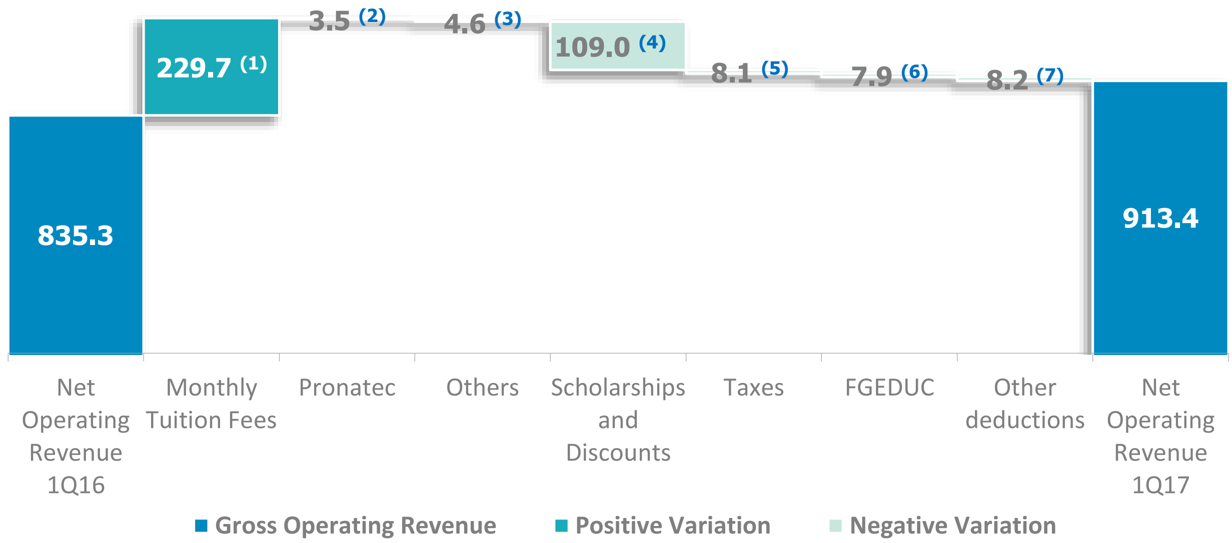
Consolidated Operating Revenue

Table 16 – Breakdown of Operating Revenue

R$ MM	2Q16	2Q17	Change	6M16	6M17	Change
Gross Operating Revenue	**1,214.8**	**1,426.3**	**17.4%**	**2,488.4**	**2,791.0**	**12.2%**
Monthly Tuition Fees	1,198.0	1,417.7	18.3%	2,447.0	2,770.8	13.2%
Pronatec	3.6	0.1	-97.2%	9.4	0.4	-95.7%
Others	13.2	8.6	-34.8%	32.0	19.9	-37.8%
Gross Revenue Deductions	**(379.5)**	**(512.9)**	**35.2%**	**(863.8)**	**(1,058.6)**	**22.6%**
Scholarships and Discounts	(322.3)	(431.3)	33.8%	(749.5)	(905.0)	20.7%
Taxes	(34.1)	(42.2)	23.8%	(67.0)	(78.8)	17.6%
FGEDUC	(17.3)	(25.2)	45.7%	(36.6)	(49.3)	34.7%
Adjustment to Present Value (APV) – "PAR"	-	(9.0)	N.A	-	(16.0)	N.A
Other deductions	(5.9)	(5.1)	-13.6%	(10.6)	(9.4)	-11.3%
% Scholarships and Discounts/ Gross Operating Revenue	26.9%	30.4%	3.5 p.p.	30.1%	32.4%	2.3 p.p.
Net Operating Revenue	**835.3**	**913.4**	**9.3%**	**1,624.6**	**1,732.5**	**6.6%**

* The 6M16 figures were adjusted in accordance with the restatement of previous periods disclosed in 2Q16.

Chart 1 – Net Operating Revenue Bridge



Net operating revenue came to R$913.4 million in 2Q17, 9.3% up on 2Q16, mainly explained by:

(1) The R$219.7 million increase in revenue from monthly tuitions, which represented an increase of 18.3% over 2Q16, due to higher average ticket and a more sustainable student base.

(2) The R$3.5 million reduction in Pronatec revenue, due to the graduation of the last students in this segment;
(3) The R$4.6 million reduction in other revenue, chiefly due to the end of the Rio 2016 project, referring to trainings offered by Estácio to the volunteers of the Rio 2016 Olympic Games;
(4) The R$109.0 million increase in discounts and scholarships, as an effect of the Company's new pricing strategy for new students. This result is more than offset by the R$211.5 million increase in gross revenue. Additionally, the number of PROUNI scholarships increased by R$34.5 million in 2Q17, due to the increase in the student base using the program;
(5) Increase of R$ 8.1 million in taxes, in line with revenue growth;
(6) The 2% retention of net revenue from FIES contracts pursuant to Executive Decree 741 (MP 741) in force as of the second semester of 2016, which had an impact of approximately R$6.6 million in 2Q17.
(7) It is also worth noting that in 2Q17, approximately R$9.0 million were registered under gross revenue deductions, due to the adjustment to present value (APV) of receivables from Estácio's Installment Payment Program (PAR).

Cost of Services

The **cash cost of services** represented 48.1% of net operating revenue in 2Q17, a 8.7 percentage point margin gain compared with 56.8% in 2Q16, essentially in the personnel line. Some of the initiatives implemented at the beginning of the year include the offer of 20% of the on-campus syllabi online and the increase in the number of students in distance-learning classes, all of which are part of the process of restructuring the management of Estácio's faculty costs.

The initiatives that aim to optimize personnel costs were planned as of the second semester of 2016 and contributed to a margin gain of 6.4 percentage points in the cost of services in the first semester of 2017.

Table 17 – Breakdown of Cost of Services

R$ MM	2Q16	2Q17	Change	6M16	6M17	Change
Cash Cost of Services	(474.4)	(439.3)	-7.4%	(889.6)	(838.6)	-5.7%
Personnel	(375.1)	(342.8)	-8.6%	(702.0)	(650.7)	-7.3%
Salaries and Payroll Charges	(311.8)	(285.7)	-8.4%	(581.7)	(539.8)	-7.2%
Brazilian Social Security Institute (INSS)	(63.3)	(57.1)	-9.8%	(120.3)	(110.9)	-7.8%
Rentals / Real Estate Taxes Expenses	(61.8)	(64.2)	3.9%	(121.0)	(127.4)	5.3%
Textbooks Materials	(10.7)	(5.0)	-53.3%	(15.8)	(8.4)	-46.6%
Third-Party Services and Others	(26.8)	(27.3)	1.9%	(50.8)	(52.1)	2.5%

* The 6M16 figures were adjusted in accordance with the restatement of previous periods disclosed in 2Q16.

Table 18 – Vertical Analysis of Cost of Services

R$ MM	2Q16	2Q17	Change	6M16	6M17	Change
Cash Cost of Services	**-56.8%**	**-48.1%**	***8.7 p.p.***	**-54.8%**	**-48.4%**	***6.4 p.p.***
Personnel	-44.9%	-37.5%	*7.4 p.p.*	-43.2%	-37.6%	*5.6 p.p.*
Salaries and Payroll Charges	-37.3%	-31.3%	*6.0 p.p.*	-35.8%	-31.2%	*4.6 p.p.*
Brazilian Social Security Institute (INSS)	-7.6%	-6.3%	*1.3 p.p.*	-7.4%	-6.4%	*1.0 p.p.*
Rentals / Real Estate Taxes Expenses	-7.4%	-7.0%	*0.4 p.p.*	-7.4%	-7.4%	*0.1 p.p.*
Textbooks Materials	-1.3%	-0.5%	*0.7 p.p.*	-1.0%	-0.5%	*0.5 p.p.*
Third-Party Services and Others	-3.2%	-3.0%	*0.2 p.p.*	-3.1%	-3.0%	*0.1 p.p.*

In addition to the decrease in **personnel costs** presented by Estácio this quarter, the textbook materials line led to a gross margin gain of 8.7 percentage point gain, when comparing the total cash cost to revenues ratio, over 2Q16. Estácio intensified the production of its own books and offered virtual libraries to students.

The result of this work, mainly in the distance-learning segment, combined with revenue growth in 2Q17, led to a 30.5% year-on-year increase in the Company's gross profit to R$445 million. Excluding the period depreciation and amortization, Estácio recorded 8.7 percentage point **cash gross margin** gain over 2Q16, from 43.2% to 51.9%. The margin grew by 6.4 percentage points in 1H17, remaining at 51.6%.

Table 19 – Statement of Gross Income

R$ MM	2Q16	2Q17	Change	6M16	6M17	Change
Net Operating Revenue	835.3	913.4	9.3%	1,624.6	1,732.5	6.6%
Cost of Services	(494.5)	(468.6)	-5.2%	(931.4)	(891.0)	-4.3%
Gross Profit	**340.8**	**444.9**	**30.5%**	**693.1**	**841.5**	**21.4%**
Gross Margin	*40.8%*	*48.7%*	*7.9 p.p*	*42.7%*	*48.6%*	*5.9 p.p*
(-) Depreciation and amortization	20.1	29.3	45.8%	41.9	52.4	25.1%
Cash Gross Profit	**360.9**	**474.2**	**31.4%**	**735.0**	**893.9**	**21.6%**
Cash Gross Margin	*43.2%*	*51.9%*	*8.7 p.p.*	*45.2%*	*51.6%*	*6.4 p.p.*

* The 6M16 figures were adjusted in accordance with the restatement of previous periods disclosed in 2Q16.

Selling, General and Administrative Expenses

Selling expenses represented 12.7% of net operating revenue in 2Q17, a 9.4 percentage point gain, impacted by one-off entries in 2Q16. Excluding the effects from these entries, selling expenses margin gain came to 4.3 percentage points.

The **allowance for doubtful accounts** was adversely affected in 2Q16, when Estácio conservatively provisioned R$43 million to comply with obligations related to the FIES. However, throughout 2H16, the Company evaluated this matter with its internal and external legal advisors, deepened the study of students' academic performance and concluded that it has not breached the rules on academic performance, which were object of the provision, and thus reversed the amount, in 4Q16, generating a null net effect in 1H17.

Therefore, in order to analyze 2Q17 year-on-year performance, it is necessary to exclude the R$43 million booked in 2Q16, which results in a margin gain of 1.7 percentage points in the allowance for doubtful accounts, fueled by a stricter collection process and the Company's effort to build student loyalty, offsetting the negative impact of 0.4 percentage point when PAR began to be accrued.

The 3.0 percentage point margin gain in advertising expenses in 2Q17 was also impacted by the non-recurring effect from the end of contracts and institutional campaigns, which led to a one-off increase in advertising expenses of R$15.5 million. Excluding this effect, Estácio recorded a margin gain of 1.1 percentage points in 2Q17, when compared with 2Q16. Since the beginning of 2017, the campaigns have been focusing more on cluster strategies and less on the institution itself, aiming regionally, using lower cost channels with broader coverage.

Second-quarter **general and administrative expenses** accounted for 11.3% of net operating revenue, a 3.2 percentage point margin gain over 2Q16, impacted by one-off entries in 2Q16. It is worth noting that the Company booked a non-recurring contingency item totaling R$28 million in 2Q16, due to the revision of the Company's base, given the nature and premises of our industry. Excluding the effects from these entries, general and administrative expenses margin would remain stable.

Table 20 – Breakdown of Selling, General and Administrative Expenses

R$ MM	2Q16	2Q17	Change	6M16	6M17	Change
Selling, General and Administrative Cash Expenses	**(305.6)**	**(218.4)**	**-28.5%**	**(486.8)**	**(430.2)**	**-11.6%**
Selling Expenses	**(184.5)**	**(115.6)**	**-37.3%**	**(272.2)**	**(227.2)**	**-16.5%**
Provisions for Doubtful Accounts	(113.7)	(65.5)	-42.4%	(142.0)	(113.7)	-19.9%
PDA	(70.7)	(61.7)	-12.7%	(99.0)	(105.8)	6.9%
PDA PAR	-	(3.8)	N.A.	-	(7.9)	N.A.
PDA Non-Recurring	(43.0)	-	N.A.	(43.0)	-	N.A.
Marketing	(70.8)	(50.0)	-29.4%	(130.1)	(113.5)	-12.8%
General and Administrative Expenses	**(121.1)**	**(102.8)**	**-15.1%**	**(214.6)**	**(203.0)**	**-5.4%**
Personnel	(31.4)	(41.7)	32.8%	(74.5)	(90.2)	21.1%
Salaries and Payroll Charges	(26.8)	(36.4)	35.8%	(64.3)	(79.9)	24.3%
Brazilian Social Security Institute (INSS)	(4.6)	(5.3)	15.2%	(10.2)	(10.3)	1.0%
Others	(89.7)	(61.1)	-31.9%	(140.2)	(112.8)	-19.5%
Third-Party Services	(21.3)	(18.6)	-12.7%	(37.4)	(39.0)	4.3%
Consumable Material	(0.6)	(0.8)	33.3%	(1.6)	(1.4)	-12.5%
Maintenance and Repair	(8.7)	(8.6)	-1.1%	(16.8)	(18.2)	8.3%
Provision for Contingencies	(28.0)	(5.6)	N.A.	(28.2)	(6.7)	N.A.
Educational Agreements	(4.1)	(2.4)	-41.5%	(5.8)	(4.7)	-19.0%
Travel and Lodging	(3.0)	(2.8)	-6.7%	(4.2)	(4.4)	4.8%
Convictions	(3.9)	(5.6)	43.6%	(7.1)	(10.0)	40.8%
Institutional Events	(5.2)	(1.4)	-73.1%	(12.7)	(1.6)	-87.4%
Copies and Bookbinding	(2.6)	(1.4)	-46.2%	(4.0)	(2.4)	-40.0%
Insurance	(1.8)	(2.4)	33.3%	(3.4)	(4.2)	23.5%
Cleaning Supplies	(1.0)	(1.0)	0.0%	(1.6)	(1.6)	0.0%
Transportation	(1.5)	(1.5)	0.0%	(2.5)	(2.7)	8.0%
Car Rental	(0.6)	(1.0)	66.7%	(1.3)	(1.6)	23.1%
Others	(7.4)	(8.0)	8.1%	(13.6)	(14.1)	3.7%
Depreciation and amortization	**(24.8)**	**(25.4)**	**2.4%**	**(51.5)**	**(55.2)**	**7.2%**
Other operating revenues	**(11.7)**	**(1.8)**	**-84.6%**	**(7.5)**	**5.1**	**-168.0%**

* The 6M16 figures were adjusted in accordance with the restatement of previous periods disclosed in 2Q16.

Table 21 – Vertical Analysis of Selling, General and Administrative Expenses

% of net operating revenues	2Q16	2Q17	Change	6M16	6M17	Change
Selling, General and Administrative Cash Expenses	**-36.6%**	**-23.9%**	***12.7 p.p.***	**-30.0%**	**-24.8%**	***5.1 p.p.***
Selling Expenses	**-22.1%**	**-12.7%**	***9.4 p.p.***	**-16.8%**	**-13.1%**	***3.6 p.p.***
Provisions for Doubtful Accounts	-13.6%	-7.2%	*6.4 p.p.*	-8.7%	-6.6%	*2.1 p.p.*
PDA	-8.5%	-6.8%	*1.7 p.p.*	-6.1%	-6.1%	*0.0 p.p.*
PDA PAR	0.0%	-0.4%	*-0.4 p.p.*	0.0%	-0.5%	*-0.5 p.p.*
PDA Non-Recurring	-5.1%	0.0%	*5.1 p.p.*	-2.6%	-0.0%	*2.6 p.p.*
Marketing	-8.5%	-5.5%	*3.0 p.p.*	-8.0%	-6.6%	*1.5 p.p.*
General and Administrative Expenses	**-14.5%**	**-11.3%**	***3.2 p.p.***	**-13.2%**	**-11.7%**	***1.5 p.p.***
Personnel	-3.8%	-4.6%	*-0.8 p.p.*	-4.6%	-5.2%	*-0.6 p.p.*
Salaries and Payroll Charges	-3.2%	-4.0%	*-0.8 p.p.*	-4.0%	-4.6%	*-0.7 p.p.*
Brazilian Social Security Institute (INSS)	-0.6%	-0.6%	*0.0 p.p.*	-0.6%	-0.6%	*0.0 p.p.*
Others	-10.7%	-6.7%	*4.0 p.p.*	-8.6%	-6.5%	*2.1 p.p.*
Third-Party Services	-2.5%	-2.0%	*0.5 p.p.*	-2.3%	-2.3%	*0.1 p.p.*
Consumable Material	-0.1%	-0.1%	*0.0 p.p.*	-0.1%	-0.1%	*0.0 p.p.*
Maintenance and Repair	-1.0%	-0.9%	*0.1 p.p.*	-1.0%	-1.1%	*0.0 p.p.*
Provision for Contingencies	-3.4%	-0.6%	*2.7 p.p.*	-1.7%	-0.4%	*1.3 p.p.*
Educational Agreements	-0.5%	-0.3%	*0.2 p.p.*	-0.4%	-0.3%	*0.1 p.p.*
Travel and Lodging	-0.4%	-0.3%	*0.1 p.p.*	-0.3%	-0.3%	*0.0 p.p.*
Convictions	-0.5%	-0.6%	*-0.1 p.p.*	-0.4%	-0.6%	*-0.1 p.p.*
Institutional Events	-0.6%	-0.2%	*0.5 p.p.*	-0.8%	-0.1%	*0.7 p.p.*
Copies and Bookbinding	-0.3%	-0.2%	*0.2 p.p.*	-0.2%	-0.1%	*0.1 p.p.*
Insurance	-0.2%	-0.3%	*0.0 p.p.*	-0.2%	-0.2%	*0.0 p.p.*
Cleaning Supplies	-0.1%	-0.1%	*0.0 p.p.*	-0.1%	-0.1%	*0.0 p.p.*
Transportation	-0.2%	-0.2%	*0.0 p.p.*	-0.2%	-0.2%	*0.0 p.p.*
Car Rental	-0.1%	-0.1%	*0.0 p.p.*	-0.1%	-0.1%	*0.0 p.p.*
Others	-0.9%	-0.9%	*0.0 p.p.*	-0.8%	-0.8%	*0.0 p.p.*
Depreciation and amortization	**-3.0%**	**-2.8%**	***0.2 p.p.***	**-3.2%**	**-3.2%**	***0.0 p.p.***
Other operating revenues	**-1.4%**	**-0.2%**	***1.2 p.p.***	**-0.5%**	**0.3%**	***0.8 p.p.***

EBITDA

EBITDA totaled R$254.0 million in 2Q17, while the margin came to 27.8%, growth of R$210.4 million and 22.6 percentage points over 2Q16. In 1H17, EBITDA came to R$468.8 million and the margin came to 27.1%, growth of R$228.1 million and 12.2 percentage points over 1H16.

However, for a fair comparison, it is necessary to consider the one-off entries recorded in 2Q16, totaling R$105.7 million, exclude the effects of R$6.6 million referring to the 2% of net revenue over FIES contracts in 2Q17, pursuant to Executive Decree 741 (MP 741) in force as of the third quarter of 2016, and exclude non-recurring expenses from the M&A, amounting to R$0.7 million, thus reaching a **comparable EBITDA of R$261.3 million** and a **comparable EBITDA margin of 28.6%, 10.7 percentage point up on** 2Q16.

Following this rational, comparable EBITDA increased approximately 40% in 1H17 over 1H16, to R$484.0 million, while comparable margin came to 27.9%, 6.6 percentage point up on 1H16.

This performance results from the Company's efforts to increase operating efficiency and improve the management of its costs and expenses. Increase profitability in a challenging scenario, impacted by the lower volume of FIES contracts, is an extremely positive sign and confirms Estácio's commitment to continue generating value to its stakeholders.

Table 22 – Financial Indicators

R$ MM	2Q16	2Q17	Change	6M16	6M17	Change
Operational Net Revenue	**835.3**	**913.4**	**9.3%**	**1.624.6**	**1.732.5**	**6.6%**
Cash Cost of Services	(474.4)	(439.3)	-7.4%	(889.6)	(838.6)	-5.7%
Selling. General and Administrative Cash Expenses	(305.6)	(218.4)	-28.5%	(486.8)	(430.2)	-11.6%
Other operating revenues/expenses	(11.7)	(1.8)	-84.6%	(7.5)	5.1	-168.0%
EBITDA	**43.6**	**254.0**	**482.6%**	**240.7**	**468.8**	**94.8%**
EBITDA Margin (%)	*5.2%*	*27.8%*	*22.6 p.p.*	*14.8%*	*27.1%*	*12.2 p.p.*
(+) FIES discount rate 2%	-	6.6	N.A.	-	13.4	N.A.
(+) M&As advisory services	-	0.7	N.A.	-	1.8	N.A.
(+) One-off items	105.7	-	N.A.	105.7	-	N.A.
Comparable EBITDA	**149.3**	**261.3**	**74.9%**	**346.4**	**484.0**	**39.7%**
Comparable EBITDA Margin (%)	*17.9%*	*28.6%*	*10.7 p.p.*	*21.3%*	*27.9%*	*6.6 p.p.*

* The 6M16 figures were adjusted in accordance with the restatement of previous periods disclosed in 2Q16.

Financial Result

Table 23 – Breakdown of the Financial Result

R$ MM	2Q16	2Q17	Change	6M16	6M17	Change
Financial Revenue	**34.5**	**23.5**	**-32.0%**	**110.0**	**54.9**	**-50.1%**
Fines and interest charged	4.4	6.3	42.1%	12.9	16.3	26.8%
Inflation adjustment to FIES receivables	12.0	1.6	-86.6%	24.9	6.2	-75.3%
No equity interest	-	0.0	N.A	-	0.1	N.A
Sale of client portfolio	-	0.5	N.A	-	0.5	N.A
Investments income	11.4	10.5	-7.8%	30.3	22.3	-26.6%
Active monetary variation	1.9	1.9	-2.6%	3.3	4.3	28.8%
Active exchange variation	0.0	0.0	-13.8%	28.0	0.0	N.A
Derivative financial instruments gain - swap	-	-	N.A	0.5	-	N.A
Adjustment to present value (APV) - FIES	4.8	2.8	-42.4%	10.2	5.4	-47.3%
Other	0.0	0.0	-97.5%	0.0	0.0	-78.7%
Financial Expenses	**(51.1)**	**(45.4)**	**-11.1%**	**(138.6)**	**(107.9)**	**-22.2%**
Bank charges	(2.8)	(3.9)	39.9%	(5.0)	(8.0)	61.1%
Interest and financial charges	(32.4)	(31.0)	-4.2%	(67.0)	(74.4)	10.9%
Financial Discounts	(7.4)	(5.3)	-28.8%	(12.9)	(10.7)	-16.9%
Passive monetary variation	(3.3)	(1.7)	-49.4%	(7.3)	(7.0)	-3.9%
Derivative financial instruments losses - swap	-	-	N.A	(26.0)	-	N.A
Passive exchange variation	(0.0)	-	N.A	(11.0)	(0.0)	N.A
Other	(5.1)	(3.5)	-32.6%	(9.4)	(7.8)	-17.1%
Financial Result	**(16.6)**	**(21.9)**	**31.9%**	**(28.5)**	**(53.0)**	**86.0%**

In 2Q17, the **financial result** totaled R$21.9 million, recording negative impacts mainly in revenue from restatement of FIES accounts receivable, which fell by R$5.9 million, due to the decrease in FIES accounts receivable from 2015 following the payment of the first installment in the middle of 2016.

The exchange variation (gains and losses) and swap (gains and losses) lines refer to a foreign-currency loan settled in March 2016. The loan had a cash flow swap in which the long leg corresponded to the exchange rate variation plus 1.95% p.a., compensating the FX exposition of the line, and the short leg to the CDI + 0.12% p.a.

Net Income

Estácio's **net income** came to R$166.3 million in 2Q17, with a **Net Margin** of 18.2%, 20.5 percentage point up on 2Q16, as a result of the R$210.4 million increase in the 2Q17 **EBITDA**. The **net margin gain in 1H17** came to **9.9 percentage points**, also in line with Estácio's EBITDA growth.

Table 24 – Reconciliation of EBITDA and Net Income

R$ MM	2Q16	2Q17	Change	6M16	6M17	Change
EBITDA	**43.6**	**254.0**	**482.6%**	**240.7**	**468.8**	**94.8%**
EBITDA Margin (%)	***5.2%***	***27.8%***	***22.6 p.p.***	***14.8%***	***27.1%***	***12.2 p.p.***
Financial Result	(16.6)	(21.9)	31.9%	(28.5)	(53.0)	86.0%
Depreciation and amortization	(44.9)	(54.7)	21.8%	(93.4)	(107.6)	15.2%
Social Contribution	(1.5)	(3.2)	113.3%	(3.8)	(5.7)	50.0%
Income Tax	(0.5)	(7.9)	1480.0%	(6.9)	(14.5)	110.1%
Net Income	**(19.9)**	**166.3**	**N.A**	**108.1**	**288.1**	**166.5%**
Net Income Margin (%)	***-2.3%***	***18.2%***	***20.5 p.p.***	***6.7%***	***16.6%***	***9.9 p.p.***

* The 6M16 figures were adjusted in accordance with the restatement of previous periods disclosed in the 1Q17 earnings release.

Accounts Receivable and Average Receivables Days

Net accounts receivable totaled R$1,341.4 million in 2Q17, an upturn of R$12.0 million over 2Q16, essentially due to the R$10.3 million increase in the cards receivable line. One of the actions of the new collection process is to intensify the collections by specialized advisors, which negotiate the student´s debt regularization through credit cards. In addition, Estácio is now accepting only the credit card to mitigate the risk of non-performance.

Table 25 – Accounts Receivable

R$ MM	2Q16	2Q17
Tuition monthly fees	470.6	465.3
FIES	930.4	927.5
Credit Cards receivables	54.7	64.9
Renegotiation receivables	91.4	88.0
Gross Accounts Receivable	**1,547.0**	**1,545.9**
Provision for bad debts	(193.3)	(176.9)
Credits to identify	(6.3)	(3.7)
Adjustment to Present Value (APV) FIES	(18.0)	(7.8)
Adjustment to Present Value (APV) PAR	-	(16.0)
Net Accounts Receivable	**1,329.4**	**1,341.4**

It is worth noting that the **student tuition** line **fell by R$5.3 million** in accounts receivable over 2Q16, reflecting Management's focus on the constantly improving collection policies.

In this context, it is also worth noting the narrowing in second-quarter **average non-FIES receivables period**, which came to 74 days, **9 days less** than in 2Q16.

Estácio's average receivables days came to 147 in 2Q17, 9 days lower than the same period last year. The FIES average receivables days was 3 days higher than 2Q16, totaling 271 days.

Table 26 – Average Receivables Days

R$ MM	2Q16	2Q17
Net Account Receivable	**1,329.4**	**1,341.4**
Net Revenue (last twelve months)	3,070.2	3,292.4
Average Receivables Days	**156**	**147**

Table 27 – Average non-FIES Receivables Days (PMR Ex-FIES)

R$ MM	2Q16	2Q17
Net Account Receivable Ex-APV	**1,347.4**	**1,349.3**
Net Account Receivable Ex-FIES and APV	**417.0**	**421.7**
Net Revenue Ex-FIES	1,819.8	2,057.4
Average non-FIES Receivables Days	**83**	**74**

Table 28 – Average FIES Receivables Days

R$ MM	2Q16	2Q17
Net Account Receivable FIES	**930.4**	**927.5**
Revenue FIES (last twelve months)	1,405.9	1,389.2
FGEDUC Deductions (last twelve months)*	(101.1)	(100.1)
Taxes (last twelve months)*	(54.4)	(56.2)
Net Revenue FIES (last twelve months)*	**1,250.4**	**1,232.9**
Receivables Days FIES	**268**	**271**

* Figures not reviewed by the auditors.

Table 29 – Evolution of FIES Accounts Receivable

R$ MM	2Q16	2Q17
Opening Balance	**1,010.6**	**920.3**
(+) FIES Revenue	338.4	366.7
(-) Transfer	540.5	685.8
(-) FIES Deduction/Provision	17.5	22.3
(+) Acquisitions	-1.4	-
(+) Inflation Adjustment of FIES Accounts Receivable	12.0	1.6
Ending Balance	**801.6**	**580.5**

Table 30 – Evolution of FIES Carry-Forward Credits

R$ MM	2Q16	2Q17
Opening Balance	**3.1**	**3.2**
(+) Transfer	540.5	685.8
(-) Tax payment	113.2	94.6
(-) Repurchase auctions	302.4	256.0
(+) Monetary restatement	0.7	-
Ending Balance	**128.7**	**338.3**

Investments (CAPEX and Acquisitions)

Second-quarter **CAPEX** totaled R$31.5 million, down by 10.7%, i.e. approximately R$3.8 million less than in 2Q16, mainly due to the lack of acquisitions in the last 12 months that would demand integration CAPEX.

Table 31 – CAPEX Breakdown

R$ MM	2Q16	2Q17	Change
Total CAPEX (Ex- Acquisitions)	**35.3**	**31.5**	**-10.7%**
Maintenance	**19.5**	**19.4**	-0.6%
Discretionary and Expansion	**15.8**	**12.1**	-23.1%
Academic Model	3.2	2.3	-28.3%
New IT Architecture	3.5	1.0	-71.7%
Integration Processes	1.3	-	N.A.
Expansion	7.9	8.9	13.0%

* Figures not reviewed by the auditors.

Capitalization and Cash

Table 32 – Capitalization and Cash

R$ MM	06/30/2016	06/30/2017
Shareholders' Equity	2,676.2	2,735.4
Cash & Cash Equivalents	387.9	542.3
Total Gross Debt	(905.4)	(1,157.8)
Loans and Financing	(796.0)	(1,033.7)
Short Term	(41.2)	(593.1)
Long Term	(754.7)	(440.6)
Commitments Payable	(92.8)	(109.5)
Taxes Paid in Installments	(16.6)	(14.6)
Cash / Net Debt	(517.5)	(615.5)

Cash and cash equivalents totaled R$542.3 million on June 30, 2017, conservatively invested in fixed-income instruments pegged to the CDI interbank rate, government bonds and certificates of deposit with top-tier Brazilian banks.

The bank **debt** of R$1.03 billion corresponds mainly to:

- the Company's debenture issues (2nd series of R$300 million, 3rd series of R$187 million and 4th series of R$100 million);
- the loan from the IFC (first installment of R$48.5 million and second of around R$20 million);
- the issue of Company promissory notes, totaling R$300.0 million; and
- the capitalization of equipment leasing expenses in compliance with Law 11638.

The R$237.7 million increase in the loans and financing line over 2Q16 refers mainly to the issue of R$300.0 million in promissory notes in November 2016 and R$100.0 million in debentures (4th issue) in December, both operations carried out with Banco Itaú. The objective of these operations was to recover the cash spent on the settlement of the 1st debenture issue, totaling approximately R$214.1 million, and the payment of extraordinary dividends in November and December 2016, totaling R$420.0 million.

Including loans and financing, commitments for future payments related to acquisitions, which totaled R$109.5 million, as well as taxes payable in installments of R$14.6 million, Estácio's gross debt came to R$1.16 billion at the close of 2Q17, resulting in net debt of R$615.5 million.

Cash Flow Statement

Operating cash flow (OCF) was positive by R$172.1 million in 2Q17, an improvement of R$23.9 million over the same period last year.

Operating cash flow generation underlined the improvements implemented in recent quarters, which sought to improve the performance of the Company's indicators. From now on, it is extremely important to ensure a comfortable cash position in order to develop a long-term strategy for a company that has been improving its result based on an excellent academic concept.

Table 33 – Cash Flow Statement

R$ MM	2Q16	2Q17	6M16	6M17
Profit before taxes and after results from discontinued operations	(17.9)	177.3	118.8	308.3
Adjustments to reconcile profit to net cash generated	205.9	158.5	329.2	300.2
Results after reconciliation to net cash generated	188.0	335.9	448.0	608.5
Change in assets and liabilities	5.5	(130.0)	(285.8)	(313.5)
Net Cash provided by (used in) operating activities	193.6	205.9	162.1	295.0
Acquisition of property and equipment items	(29.2)	(20.2)	(43.5)	(36.0)
Acquisition of intangible assets	(16.1)	(13.6)	(35.5)	(24.6)
Operating Cash Flow (OCF)	**148.2**	**172.1**	**83.2**	**234.4**
Net cash provided by (used in) investing activities	1.4	-	(7.2)	-
Cash Flow from financing activities	(124.0)	(87.8)	(381.8)	(96.1)
Net cash provided by (used in) financing activities	25.6	**84.2**	**(305.9)**	**138.3**
Cash and cash equivalents at the beginning of the period	**362.3**	**458.1**	**693.8**	**404.0**
Increase (decrease) in cash	25.6	84.2	(305.9)	138.3
Cash and cash equivalents at the end of the period	**387.9**	**542.3**	**387.9**	**542.3**
EBITDA	**43.6**	**254.0**	**240.7**	**468.8**
Operating Cash Flow before CAPEX / EBITDA	**443.6%**	**81.1%**	**67.4%**	**62.9%**
OCF / EBITDA	**339.8%**	**67.7%**	**34.6%**	**50.0%**

Income Statement per Business Unit

R$ Million	On-Campus		Distance-learning		Graduate + Others		Corporate	Consolidated	
	2T17	AV (%)	2T17	AV (%)	2T17	AV (%)	2T17	2T17	AV (%)
Gross Operating Revenue	**1,217.9**	**154.1%**	**159.7**	**172.1%**	**48.8**	**161.2%**	-	**1,426.3**	**156.1%**
Gross Revenue Deductions	**(427.5)**	-54.1%	(66.9)	-72.1%	(18.5)	-61.2%		(512.9)	-56.1%
Net Operating Revenue	**790.4**	**100.0%**	**92.8**	**100.0%**	**30.2**	**100.0%**	-	**913.4**	**100.0%**
Cost of Services	**(405.2)**	**-51.3%**	**(15.8)**	**-17.0%**	**(18.3)**	**-60.4%**	-	**(439.3)**	**-48.1%**
Personnel	(309.1)	-39.1%	(15.6)	-16.8%	(18.1)	-59.9%	-	(342.8)	-37.5%
Rents, condominium fees, municipal property tax	(64.0)	-8.1%	(0.1)	-0.1%	(0.1)	-0.3%	-	(64.2)	-7.0%
Textbook materials	(3.7)	-0.5%	(0.2)	-0.2%	0.0	0.0%	-	(3.9)	-0.4%
Third-party services and others	(28.3)	-3.6%	(0.0)	0.0%	(0.1)	-0.2%	-	(28.4)	-3.1%
Gross Profit	**385.2**	**48.7%**	**77.0**	**83.0%**	**12.0**	**39.6%**	-	**474.1**	**51.9%**
Selling, General and Administrative Expenses	**(86.1)**	**-10.9%**	**(12.7)**	**-13.7%**	**(1.7)**	**-5.8%**	**(119,7)**	**(220.2)**	**-24.1%**
Selling Expenses	**(55.1)**	**-7.0%**	**(8.7)**	**-9.3%**	**(1.8)**	**-6.0%**	**(50,0)**	**(115.6)**	**-12.7%**
PDA	(54.8)	-6.9%	(8.7)	-9.3%	(1.8)	-6.0%	-	(65.3)	-7.1%
Others	(0.3)	0.0%	-	-	-	-	-	(0.3)	0.0%
Marketing	-	-	-	-	-	-	(50,0)	(50.0)	-5.5%
General and Administrative Expenses	**(30.9)**	**-3.9%**	**(4.0)**	**-4.3%**	**0.1**	**0.2%**	**(69,7)**	**(104.6)**	**-11.4%**
Personnel	(1.3)	-0.2%	(2.7)	-3.0%	(0.1)	-0.3%	(37,6)	(41.7)	-4.6%
Expenses G&A	(31.7)	-4.0%	(1.3)	-1.4%	(0.9)	-2.9%	(27,2)	(61.1)	-6.7%
Others operating revenue	2.1	0.3%	0.0	0.0%	1.0	3.4%	(4,9)	(1.8)	-0.2%
EBITDA	**299.1**	**37.8%**	**64.3**	**69.3%**	**10.2**	**33.8%**	**(119.7)**	**254.0**	**27.8%**

Balance Sheet

R$ MM	06/30/2016	06/30/2017
Short-Term Assets	**1,599.3**	**1,721.9**
Cash & Cash Equivalents	82.2	61.3
Short-Term Investments	305.7	481.1
Accounts Receivable	1,020.0	1,009.0
Advance to Employees / Third-Parties	26.5	12.6
Prepaid Expenses	49.2	27.1
Taxes and contributions	78.3	79.9
Others	37.5	51.0
Long-Term Assets	**2,573.0**	**2,703.1**
Non-Current Assets	**569.2**	**653.4**
Accounts Receivable	309.5	332.4
Prepaid Expenses	5.3	5.3
Related Parties	1.0	-
Judicial Deposits	129.0	124.7
Taxes and contributions	32.4	78.6
Deferred Taxes and others	92.1	112.4
Permanent Assets	**2,003.7**	**2,049.6**
Investments	0.2	0.2
Fixed Assets	521.6	602.0
Intangible	1,481.9	1,447.4
Total Assets	**4,172.3**	**4,425.0**

Short-Term Liabilities	**539.3**	**1,052.1**
Loans and Financing	41.2	593.1
Suppliers	78.1	82.2
Salaries and Payroll Charges	224.4	229.8
Taxes Payable	78.2	67.2
Prepaid Monthly Tuition Fees	27.0	11.4
Advances under Partnership Agreement	2.9	1.9
Taxes Paid in Installments	3.7	3.1
Related Parties	0.4	0.5
Dividends Payable	0.0	0.0
Acquisition price to be paid	28.9	55.9
Others	54.3	6.8
Long-Term Liabilities	**956.9**	**637.5**
Loans and Financing	754.7	440.6
Contingencies	61.2	71.5
Advances under Partnership Agreement	1.9	-
Taxes Paid in Installments	12.9	11.5
Provision for asset retirement obligations	17.2	23.0
Deferred Taxes	28.4	18.2
Acquisition price to be paid	63.9	53.5
Others	16.6	19.2
Shareholders' Equity	**2,676.2**	**2,735.4**
Capital	1,124.1	1,130.8
Share Issuance Costs	(26.9)	(26.9)
Capital Reserves	662.0	661.3
Earnings Reserves	955.3	816.0
Income for the period	108.1	288.1
Treasury Stocks	(146.4)	(134.0)
Total Liabilities and Shareholders' Equity	**4,172.3**	**4,425.0**

Cash Flow Statement

R$ MM	2Q16	2Q17
Profit before income taxes and social contribution	**-17.9**	**177.3**
Adjustments to reconcile profit to net cash generated	**205.9**	**158.5**
Depreciation and amortization	44.6	53.9
Amortization of funding costs	0.3	0.8
Provision for impairment of trade receivables	70.0	65.3
Granted options - stock options	-4.4	1.5
Provision for contingencies	64.3	13.5
Inflation adjustment to FIES receivables	-12.0	-1.6
Adjustment to present value - FIES receivables	-4.8	-2.8
Tax credits	-1.5	-1.8
Interest on borrowings	30.5	29.7
(Gain) loss on the write-off of property and equipment and intangible assets	0.0	0.4
Provision with asset decommissioning	0.0	0.8
Others	18.9	-1.1
Result after reconciliation to net cash generated	**188.0**	**335.9**
Changes in assets and liabilities:	**5.5**	**-130.0**
(Increase) in accounts receivable	-14.3	-103.9
Decrease (increase) in other assets	-0.7	-3.8
(Increase) decrease in advances to employees / third parties	-0.3	-4.0
(Increase) decrease in prepaid expenses	16.4	8.6
(Increase) decrease in taxes and contributions	-5.8	-15.2
Increase (decrease) in suppliers	17.9	16.0
Increase (decrease) in taxes payable	-15.8	-0.3
Increase (decrease) in payroll and related charges	30.7	29.1
(Decrease) in prepaid monthly tuition fees	22.1	-11.0
Civil/Labor claims	-36.3	-7.9
(Decrease) in acquisition price to be paid	-8.4	-6.7
Increase (decrease) in other liabilities	45.8	-1.5
Decrease (increase) in taxes paid in installments	-2.2	-0.8
Increase (Decrease) in non-current assets	0.8	7.4
Increase in judicial deposits	-6.3	-2.7
Interest paid on borrowings	-39.7	-29.2
IRPJ and CSLL paid	1.6	-4.2
Net cash provided by (used in) operating activities	**193.6**	**205.9**

Cash flows from investing activities	**-43.9**	**-33.9**
Acquisition of property and equipment items	-29.2	-20.2
Intangible Assets	-16.1	-13.6
(Gain) loss in net book amount of property and equipment written-off	-0.5	0.0
Acquisitions	1.9	0.0
Net cash provided by (used in) investing activities	**149.7**	**172.1**
Cash flows from financing activities	**-124.0**	**-87.8**
Acquisition of stocks in treasury	3.8	8.1
Loans to subsidiaries	-4.4	0.0
Loans and financing	-115.1	-87.4
Exchange rate variation on foreign currency financing	9.8	0.0
Net increase in borrowings	-18.2	-8.5
Net cash provided by (used in) financing activities	**25.6**	**84.2**
Cash and cash equivalents at the beginning of the period	**362.3**	**458.1**
Increase (decrease) in cash and cash equivalents	25.6	84.2
Cash and cash equivalents at the end of the period	**387.9**	**542.3**