


Estácio
PARTICIPAÇÕES

2Q08

Stock Price - ESTC3
R$ 19.82/per share
- August 13, 2008

No. of Shares:
78,585,066

Market Cap
R$1.557 billion

Free Float
25.3%

Conference Calls
August 14, 2008

Portuguese
11:00 AM (Brasília)
10:00 AM (US EST)
Phone: +55 (11) 2188-0188
Replay: +55 (11) 2188-0188
Code: Estácio

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ESTC3 NOVO MERCADO BOVESPA BRASIL

ESTÁCIO ANNOUNCES NET REVENUE OF R$238 MILLION IN 2Q08, UP 14% YOY. EBITDA INCREASES 25%.

Rio de Janeiro, August 14, 2008 – Estácio Participações S.A. (*Bovespa, ESTC3; Bloomberg, ESTC3.BZ; Reuters, ESTC3.SA*) announces its results for the second quarter of 2008 (2Q08). Except where otherwise stated, the financial and operating information in this release is presented in a consolidated form, pursuant to the Brazilian Corporate Law.

MESSAGE FROM THE CEO, MR. JOÃO ROSAS:

"It is with great satisfaction that we announce the results of Estácio Participações for the second quarter of 2008, our first release following the Company´s listing on Bovespa´s Novo Mercado special corporate governance segment.

We have experienced important changes since the acquisition of 20% of Estácio's capital stock by an investment vehicle of the private equity fund GP Capital Partners IV, L.P, managed by GP Investments IV, Ltd., a subsidiary wholly owned by GP Investments Ltd. ("GP") and the signing of a shareholder agreement between GP and the founding partners that sets out the rules for the Company's shared management.

We are highly motivated and confident as well as aware of the upcoming challenges, which are to leverage Estácio's growth potential and increase its profitability by drawing on its leadership position, industry knowledge and operating scale, supported by the best management practices.

We have initiated the process of streamlining our organizational structure, redefining duties and appointing a new executive board, which will work to maximize our results by implementing rigorous control on cost and expenses while focusing on growth and the quality of our academic programs.

A new business model is currently being implemented and will be consolidated over the following months while we develop the planning and monitoring cycle of the Company's performance.

Through our management model we will simplify and standardize our processes and financial and operating performance indicators, which will be aligned with the Company's planning and budget. We established targets of constant improvements, systematic benchmarking and fostering a culture of meritocracy. The performance targets were broken down and defined a bonus compensation program for the Company's key managers, which include program coordinators and campus directors and, for the first time, extended to our faculty staff.

With this model we will increase motivation among our team and identify new talent among Estácio´s staff, while stimulating a permanent search for greater efficiency and consequently better financial and operating results.

Following this new business model, we launched a project to identify and standardize the best practices at our units in order to expand their use to all campuses nationwide. We have centralized in Rio de Janeiro part of our administrative processes, such as purchasing and leasing negotiations, as well as other processes. We started this project with the creation of the Shared Services Center and the Teaching Center, and we expect to conclude it by the end of this year.

In the quarter, we concluded the implementation of SAP system at all our units. Our academic management system, which was implemented in Rio de Janeiro, was extended to Florianópolis and São Paulo, and should be implemented nationwide by 2008 year end.

To promote even further the alignment of interests of controlling and minority shareholders, Estácio joined Bovespa Novo Mercado´s listing rules, special corporate-governance listing segment, and now has one class of shares with voting rights. The installation of a three-member Fiscal Council, with one member appointed by minority shareholders, further strengthens this alignment.

At the close of the quarter, Estácio Participações had approximately 193,000 students enrolled in its undergraduate and associate programs, 12% more than in June 2007.

Net Revenue was R$238 million in the quarter (+13.7% over 2Q07). Even though it was subjected to a higher tax burden, which was expected, Estácio registered R$13.2 million in recurring EBITDA, 24.6% higher than in 2Q07.

Adjusted Net Income excluding goodwill amortization and one-off expenses in 2Q08 was R$9.3 million, up 201% on 2Q07.

We expect a continuation over the coming quarters of the favorable scenario with growing demand from applicant students. In this scenario, we will pursue the expansion of our business through organic growth and selective acquisitions."

FINANCIAL AND OPERATING HIGHLIGHTS

- Fueled by the improvement in enrollment and retention, as well as by the acquisitions in the period, our student base expanded to 192,800 by June 30, 2008, an increase of 12% over 2Q07;

- The average increase in tuition of 6%, combined with the expansion in the student base, led to growth in net revenue in the quarter of 13.7% year over year;

- The actions taken by management to streamline the academic and administrative structures had a positive impact on recurring EBITDA in the quarter, which rose by 24.6% year on year, despite the increase on social security payroll charges´ rate (INSS);

- In the second quarter, we began our enrollment cycle (entry exams) for the second academic semester and the re-enrollment of our students. Although this enrollment process has not been concluded, we are optimistic on the progress and the consolidation of Estácio's position as Brazil's largest private post-secondary education institution.

Table 1 – Key Operating and Financial Indicators

	2Q07	2Q08	Chg.%	1H07	1H08	Chg.%
Student Base (final) - thousand [1]	172.7	192.8	11.7%	172.7	192.8	11.7%
Student Base (average) - thousand [1]	174.2	193.9	11.3%	175.3	190.7	8.8%
Average Tuition (R$)[2]	427	440	3.1%	433	447	3.3%
R$ million						
Gross Revenue	314.6	351.0	11.6%	636.1	699.2	9.9%
Net Revenue	209.4	238.0	13.7%	427.5	475.6	11.3%
Gross Profit	73.4	85.1	15.9%	166.1	186.7	12.4%
Gross Margin (%)	***35.1%***	***35.7%***	***0.6 p.p.***	***38.9%***	***39.3%***	***0.4 p.p.***
EBITDA ex-rentals	27.8	33.1	19.2%	82.3	91.5	11.1%
EBITDA Margin ex-rentals (%)	***13.3%***	***13.9%***	***0.6 p.p***	***19.3%***	***19.2%***	***-0.1 p.p.***
Adjusted EBITDA[3]	10.6	13.2	24.6%	47.0	50.7	7.9%
Adjusted EBITDA Margin (%)	***5.1%***	***5.5%***	***0.4 p.p.***	***11.0%***	***10.7%***	***-0.3 p.p.***
Adjusted Net Income[4]	**3.1**	**9.3**	**200.7%**	**30.8**	**42.8**	**39.0%**

(1) Includes full scholarship granted students (PROUNI and others)
(2) Net Revenue / Average Paying Student Base
(3) Adjusted, in 1H07, to the payment of taxes in January 2007 (SESES became for-profit in February 2007) and to the one-off expenses in 2Q08
(4) Excluding goodwill amortization from acquisition

2Q08 HIGHLIGHTS

During the quarter, the Company implemented significant changes to streamline its structure and introduce a new management model, with the most important of these listed below:

- **Corporate Restructuring (Acquisition of Interest by GP)**
- **Newly Elected Board of Directors**
- **Streamlining of Organizational Structure and Election of New Executive Board**
- **Stock Option Plan and New Variable (Bonus) Compensation**
- **Academic Reform**
- **Listing on the Novo Mercado (Bovespa)**
- **Installation of the Fiscal Council**

Corporate Restructuring (Acquisition of Interest by GP)

On May 11, 2008, Moena Participações S.A., a company controlled by GP, entered into an agreement with Estácio's founding shareholders for the acquisition of a 20% interest in the capital of Estácio Participações S.A..

The entry of GP into the shareholder base of Estácio Participações has the primary objective of formalizing a strategic alliance between the Company's founding shareholders and GP for its shared control, with the aim of creating value and further consolidating the Company through the strategic management of its business, focusing on growth and profitability increase.

The Company's founding shareholders and GP entered into a shareholder agreement to establish the terms and conditions of this strategic alliance, defining, among other items, the integrated exercise of voting rights, equal representation on the Board of Directors, the shared participation of decision making and selection of key executives and their compensation, joint deliberation and approval of the Annual Budget and Business Plan, agreement on acquisitions and non-competition agreement.

Table 2 below provides the new shareholders' structure after the entry of GP, the conversion of all preferred shares into common shares and the reversal split of common shares.

Table 2 - Ownership Breakdown, as of 07/11/08

Shareholders	Shares	%
Founding Family	43,037,648	54.8
GP Investments	15,717,013	20.0
Executive officers and Directors	7,581	0.0
Free Float	19,822,824	25.2
Total	**78,585,066**	**100.0**

Newly Elected Board of Directors

On June 4, in accordance with the Shareholders' Agreement, new members were elected to the Board of Directors. The board's composition reflects the balance between the deep knowledge of the post-secondary education sector in Brazil and the focus on best management practices.

Marcel Cleófas Uchoa Cavalcanti, Chairman, for 25 years monitoring the development of the Company, being responsible for implementing and managing our national expansion project, as a result increasing the number of students from 17,000 to more than 192,000 students currently. Similarly, the restructuring of the group began under his orientation, as well as the initial public offering of shares in Estácio Participações S.A..

João Baptista de Carvalho Athayde, Co-Chairman, holds bachelor's degrees in civil engineering and served as Estácio's officer responsible for financial planning since 2003. Previously he was also member of the boards of directors at many financial institutions and manufacturing companies.

Victorio Fernando Bhering Cabral, **independent member**, holds degrees in law, business management and economics, member of the Board of Directors of Empresas Villares, Elevadores Atlas, Aços Villares, Davos, Ibmec, Codimec, CIEE, besides being Vice-President and President of Abrasca and president of Comissão de Valores Mobiliários - CVM.

Francisco de Borges Souza Dantas, independent member, holds a large experience in Capital Markets, He was the president of Banco Cambial and head of Abico (Arab Brazilian Company), besides being a member of the Board and president of Bolsa de Valores do Rio de Janeiro (Rio de Janeiro Stock Exchange).

Antonio Carlos Ribeiro Bonchristiano, holds a bachelor´s degree in politics, philosophy and economics from the University of Oxford. He joined GP in 1993 and has been a Partner since 1995. Co-chairman and Co-CEO of GP Investments. Currently, he serves as a member of the board of directors of BR Properties, San Antonio and LA Hotels. He previously served as a member of the board of directors of ALL, Sé Supermercados, Gafisa, Submarino and Equatorial. He was also previously a CFO of SuperMar Supermercados and founder and CEO of Submarino.com. Prior to joining GP, he was a Partner at Johnston Associates Inc., a finance consultancy based in London, and worked for Salomon Brothers in London and New York.

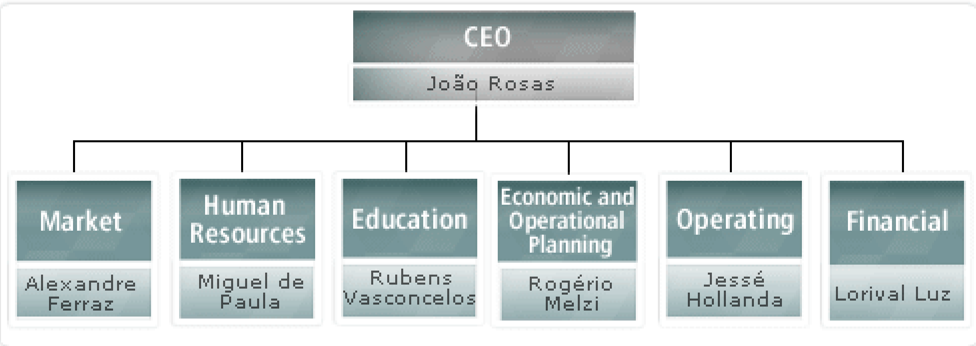
Eduardo Alcalay, holds a bachelor's degree in business administration from Fundação Getúlio Vargas and a bachelor´s degree in law from the University of São Paulo. Mr. Alacalay joined GP in 2005 as a Partner. Currently, he servers as a member of the board of directors of Hopi Hari and Magnesita. He previously served as a board member of Equatorial Energia. He acquired more than 15 years of investment bank experience as a Partner at Singular, a mergers and acquisitions advisory boutique, and as Head of Merger & Acquisitions at DLJ-Brazil and Banco Garantia. Prior thereto, Mr. Alcalay served as Senior Vice President for business development at UOL.

Mateus Gomes Ferreira, holds a bachelor's degree in business administration and joined GP in 2008. Prior to that, he worked for three years as an Associate Director in Itaú BBA Investment and two years at UBS Investment Banking

Maurício Luis Luchetti, **independent member**, holds a bachelor's degree in business administration. Worked for Brahma/Ambev, as Regional Officer, and Corporate Officer of People and Management. He also worked for Grupo Votorantim as Head of Organizational Development and COO.

Streamlining of the Organizational Structure and Election of New Executive Board

On July 1, a new executive board was appointed, formed by executives with extensive experience from companies highly focused on results, as well as by professionals with long experience at Estácio. This new executive board started to implement a management model that prioritizes and standardizes processes and monitors results by using performance indicators that are aligned with the Company's strategic guidelines. The new executive board will also promote a culture of meritocracy and valuing the best talent, providing for the implementation of a system of performance targets linked to variable compensation, while improving quality of Estácio´s Post-secondary programs.



João Rosas, Chief Executive Officer, holds a bachelor's degree in engineering, a master´s degree from COPPE School at Federal University of Rio de Janeiro, an MBA in Finance from Fundação Dom Cabral and an MBA from IBMEC. Mr. Rosas started his career at Cia Vale do Rio Doce. He headed up the Intermodal Business Unit at ALL and was responsible for the Consumer Market area at Infoglobo and a consultant for K2 Achievements.

Jessé Hollanda, Chief Operating Officer, holds a degree in pedagogy. He was principal of Estácio´s College in Ceará - Faculdades Integradas do Ceará (FIC), Academic Director of CSN Foundation and director of CSN Escola Técnica (Technical School), member of the Executive Board of CBS and Academic Director of Oswaldo Aranha Foundation.

Rubens Vasconcelos, Chief Education Officer, holds a degree in engineering and a master's degree (MSc Business Studies) from London Business School. Member of the Board of Directors and General Superintendent at Sociedade Brasileira de Cultura Inglesa, COO at Máxima Consultoria and CFO at Cougar.

Alexandre Ferraz, Chief Market Officer, holds an engineer degree and a MBA from Coppead. Manager, Sales Manager and Corporate Marketing Manager in Infoglobo Comunicações.

Miguel de Paula, Human Resources Officer, holds a business administration degree, post graduate degree in human resources, post graduate degree in business administration from FGV, MBA in Retail Management from USP. Head of Human Resources in Farmasa, Head of Human Resources in Votorantim and Human Resources Manager at Gerdau.

Rogério Melzi, Economic and Operational Planning Officer, holds an engineer degree and a MBA from Stanford University. Head of Financial Planning in Suzano Holding, Supply Chain Planning & Performance Officer in Inbev/Labatt and Budget Manager at Ambev, Associate in Booz-Allen.

Lorival Luz, Chief Financial and Investor Relations Officer, holds a bachelor's degree in business administration with special coursework in Corporate Finance, Exposure, Risk and Liquidity. Previously, he worked at Citibank in Brazil as Executive Treasury Director at Banco Credicard, Corporate Bank Chief of Staff, Senior Relationship Manager, Senior Treasury and Financial Products Manager and Financial Analyst.

Stock Option Plan and New Variable (Bonus) Compensation

On June 13, 2008, the Stock Option Plan for the Company's management was approved. The Plan aims to align long-term strategic interests with the compensation of senior executives, which now have a significant portion of their compensation pegged to the Company's value. The maximum dilution resulting from the plan is 5.0%, with 3.1% of the capital stock already been allocated to key executives.

It should be finalized in the 3Q08, a new Bonus policy for senior executives, academic coordinators and directors and faculty, aligning the Board of Directors' budget guidelines and results with the payment of bonuses to eligible team members.

Academic Reform

Regarding the Academic Reform project, during the semester, we implemented the modularization project with flexible entry in 22 of the 40 undergraduate programs in Rio de Janeiro.

Besides that, we implemented the national standardization of the Business Administration, Accounting, Human Resources and Computer Networks programs. The conclusion of this phase made it possible to offer two courses through distance learning (onsite via television and computer) to approximately 6,500 students from our units in several states. The next phase will be to extend this national unification to the communication programs and the areas of health and technology.

Another important development was the consolidation and optimization of classes in those courses that are common to multiple programs, such as Portuguese and Entrepreneurship, which are now being offered to more than 35,000 students in our Rio de Janeiro units.

Those initiatives should result in an increase in the number of students per class with subsequent cost reductions with a focus on maintaining and improving teaching quality.

Listing on the Novo Mercado (Bovespa)

To align the Company's management with corporate governance best practices, Estácio adhered to the Novo Mercado special corporate-governance segment of the São Paulo Stock Exchange (Bovespa). To comply with Novo Mercado regulations, the Company introduced amendments to its Bylaws, including the conversion of all preferred shares into common shares with voting rights. Following the conversion, the Company carried out a reversal split of its common shares in the proportion of one share for each three shares held.

On July 11, Estácio's common shares began trading on the Novo Mercado segment, the listing segment on the Bovespa with the highest corporate governance standards, under the ticker ESTC3, with the delisting of the former Units.

Installation of the Fiscal Council

As part of the adoption of corporate governance best practices, a Fiscal Council, formed by highly qualified professionals was installed to audit the Company's accounts, review the financial statements and perform other attributions provided for by law. The Fiscal Council is composed as follows:

Emanuel Schifferle, engineer with extensive experience in advising on corporate restructuring, acquisitions and management transitions at companies such as BR Malls, BMA, Playcenter, Telemar, Artex, Ambev and ALL.

Douglas Woods, accountant, he was a partner at PWC, member of the executive board of PWC for South America and Chief Human Resources Officer, a member of the Fiscal Council of PQU - Petroquímica União and a member of the Fiscal Council of Arcelor.

Rodrigo Magela, holds an economics degree, and worked as equity research analyst and member of the investments committee of ARX capital management. Earlier, he worked as a sell-side analyst at Banco Pactual for seven years.

ANALYSIS OF RESULTS – 2Q08

Due to the strong seasonality of our business, we have focused our analysis on year-on-year comparisons.

The seasonality compared to the first and third quarters is due to the following factors:

(a) dropouts without a corresponding inflow of new students via our entry exams, which are held twice a year in the first and third quarters;
(b) greater activity on campuses, pressuring variable costs, since vacation periods occur in the first and third quarters;
(c) lower credit recovery, impacting delinquency, since the settlement of overdue tuition payments is a pre-requirement for re-enrollment, which occurs in the first and third quarters;
(d) higher faculty costs, given the full allocation of professors to classrooms, which does not occur in the first and third quarters, when classes are still being formed, with the faculty's annual vacations also occurring in the latter quarter.

The summary of the Financial Statements are presented on pages 23, 24 and 25.

REVENUE

Table 3 provides a breakdown of the variations in our revenue in the periods analyzed

Table 3 – Revenue Breakdown

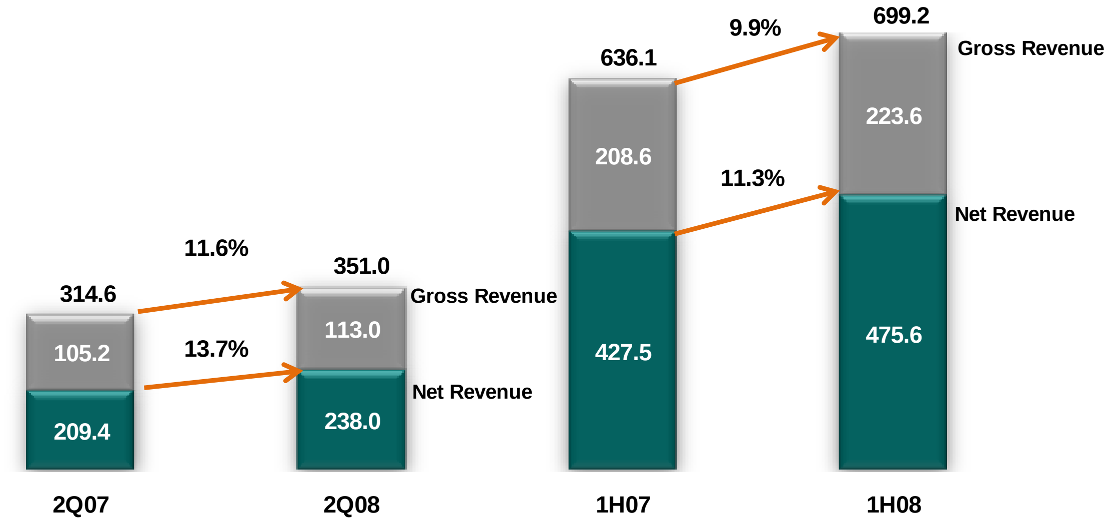
R$ million	2Q07	2Q08	Chg.%	1H07	1H08	Chg.%
Monthly Tuition fees	311.0	346.4	11.4%	627.1	688.7	9.8%
Other	3.6	4.6	27.7%	9.0	10.5	17.0%
Gross Revenue	**314.6**	**351.0**	**11.6%**	**636.1**	**699.2**	**9.9%**
Deductions	**(105.2)**	**(113.0)**	**7.4%**	**(208.6)**	**(223.6)**	**7.2%**
Gratuities – Scholarships	(86.7)	(89.5)	3.2%	(173.5)	(177.8)	2.5%
Returned Fees and Charges	(0.7)	(0.8)	24.2%	(1.7)	(2.0)	14.0%
Allowances	(8.5)	(11.9)	40.9%	(16.6)	(22.7)	36.6%
Taxes	(9.3)	(10.8)	15.6%	(16.8)	(21.1)	26.0%
Net Revenue	**209.4**	**238.0**	**13.7%**	**427.5**	**475.6**	**11.3%**

Gross revenue increased 11.6% in the 2Q08 and 9.9% year to date driven by the expansion in the average student base (of 11.3% and 8.8%, respectively), due to higher enrollment, better retention and acquisitions, combined with the average increase of 6% in monthly tuitions fees, despite the change in the student mix (stronger growth in the technical undergraduate programs, which have lower tuitions).

In the gross revenue deductions line, we highlight the following: a) the impact of the tax item, given the conversion of SESES into a for-profit company in February 2007, which resulted in six months of taxes registered by SESES in the first half of 2008, versus just five months in the first half of 2007; b) relative stability in the gratuities and scholarships line (lower share of scholarships under philanthropy/SESES rules and higher share of PROUNI scholarships).

Net revenue posted a year-on-year growth of 13.7% in the quarter and 11.3% year to date. The sharper increase in net revenue than in gross revenue was due to the relative reduction in the amount of gratuities and scholarships granted.

Chart 1 – Net Revenue (R$ million)



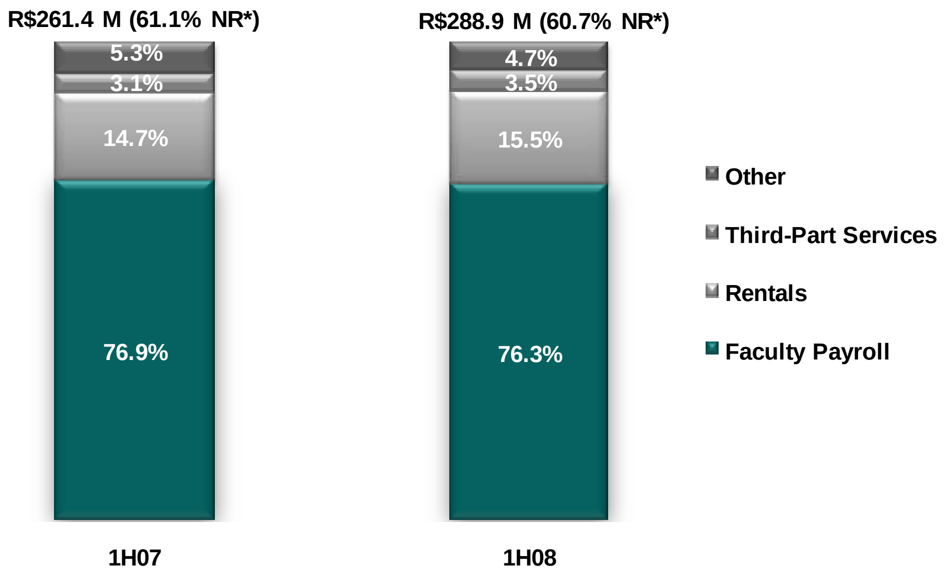
COST OF SERVICES (COS)

Cost of services totaled R$152.9 million in 2Q08 and decreased as a percentage of net revenue to 64.3%, from 64.9% in 2Q07. Despite the higher tax burden, faculty costs as a percentage of revenue fell by 0.6 p.p. to 49.5%, from 50.1% in 2Q07, as a result of the academic reform being implemented. Recently implemented cost-cutting initiatives for public utilities such as electricity, water, gas and telephone also began to show results, with a decrease from 3.8% of net revenue in 2Q07 to 3.3% in 2Q08.

Year to date, COS was R$288.9 million, also declining as a percentage of net revenue from the same six-month period in 2007 (40 basis points).

The breakdown of COS is shown in the next chart.

Chart 2 – Cost of Services Breakdown



(*) NR= Net Revenue

GROSS PROFIT

Gross profit registered a year-on-year growth of 15.9% in the quarter and of 12.4% year to date, as shown in the table below. The gross margin expansions were chiefly driven by revenue growth outpacing costs with faculty and public utilities.

To provide a comparison on equivalent bases, we adjusted gross profit in the first six months of 2007 to reflect the fact that SESES did not pay taxes in January 2007.

Table 4 – Gross Profit

R$ million	2Q07	2Q08	Chg.%	1H07	1H08	Chg.%
Net Revenue	209.4	238.0	13.7%	427.5	475.6	11.3%
Cost of Services Rendered	(136.0)	(152.9)	12.5%	(261.4)	(288.9)	10.5%
Gross Profit	**73.4**	**85.1**	**15.9%**	**166.1**	**186.7**	**12.4%**
Gross Margin	***35.1%***	***35.7%***	***0.6 p.p.***	***38.9%***	***39.3%***	***0.4 p.p.***
Adjusted Gross Profit	***73.4***	***85.1***	***15.9%***	***161.8***	***186.7***	***15.4%***
Adjusted Gross Margin	***35.1%***	***35.7%***	***0.6 p.p.***	***38.1%***	***39.3%***	***1.2 p.p.***

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

SG&A in 2Q08 totaled R$75.2 million, an increase of 18.9%, representing 31.6% of net revenue in the period, versus 30.2% in 2Q07. A portion of the increase in SG&A expenses in the quarter was due to one-off expenses, mainly due to dismissals, of R$2.2 million (0.9% of net revenue).

This year on year increase was due to higher marketing expenses (equivalent to 2.9% of net revenue, versus 1.6% in 2Q07), as well as with outsourcing, especially with accounting, legal and general advisory services to support acquisition processes and support for the corporate restructuring.

On the other hand, administrative payroll expenses fell as a percentage of revenue (from 12.7% in 2Q07 to 11.4% in 2Q08), despite the increase in the rate of the contribution to the INSS social security system of R$1.1 million (0.5% of net revenue). Provisions for doubtful accounts represented 5.2% of net revenue, versus 5.3% in 2Q07.

Year to date, SG&A expenses stood at R$142.2 million (29.9% of net revenue, versus 27.2% in the first six months of 2007), led by the same factors impacting the quarterly variation.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization charges increased from R$5.9 million in 2Q07 (2.8% of net revenue) to R$9.6 million in 2Q08 (4.0% of net revenue), and from R$11.3 million in 1H07 (2.7% of net revenue) to R$18.3 million year to date (3.8% of net revenue). The increase was impacted by goodwill amortization of R$4.2 million in the first six months of 2008 and R$2.4 million in 2Q08. Excluding goodwill amortization, these expenses grew 22.0% in the quarter and 24.8% in 1H08, due to an increase in the investments in the period.

NET FINANCIAL RESULT

The net financial result in the quarter was R$5.8 million, up R$5.3 million YOY, led by the increase in cash and cash equivalents as a result of the IPO proceeds and the cash flow generation in the period, as shown in the table below.

Financial revenue registered an on-off decrease of R$1.0 million, due to adjustments in Accounts Receivable Balances, to converge to the international accounting practices (IFRS).

Table 5 – Financial Result

R$ million	2Q07	2Q08	1H07	1H08
Financial Revenue	2.0	7.6	6.2	18.3
Financial Expenses	(1.5)	(1.8)	(3.3)	(4.0)
Financial Result	**0.5**	**5.8**	**2.9**	**14.3**

EBITDA

In 2Q08, recurring EBITDA was R$13.2 million, 24.6% higher year on year.

Year to date, EBITDA was R$50.7 million with a margin of 10.7%. In 1H07, EBITDA adjusted to taxes was R$47.0 million, with an EBITDA margin of 11.0%. SESES paid taxes for only five months in that period, due to its transformation into a for-profit company in February 2007, with a positive EBITDA impact of R$6.0 million.

Table 6 – EBITDA

R$ million	2Q07	2Q08	Chg.%	1H07	1H08	Chg.%
Operating Income	**4.8**	**6.1**	**26.3%**	**41.6**	**40.6**	**-2.3%**
Depreciation and Amortization	5.9	9.6	63.1%	11.3	18.3	61.2%
Financial Result[1]	(0.1)	(5.7)	-	0.1	(10.4)	-
One-off Revenues / Expenses	-	3.2	-	-	2.2	-
Adjustment to Taxes	-	-	-	(6.0)	-	-
Adjusted EBITDA	**10.6**	**13.2**	**24.6%**	**47.0**	**50.7**	**7.9%**
Adjusted EBITDA Margin	*5.1%*	*5.5%*	*0.4p.p.*	*11.0%*	*10.7%*	*-0.3p.p.*
EBITDA Ex-rentals	**27.8**	**33.1**	**19.2%**	**82.3**	**91.5**	**11.1%**
EBITDA Margin Ex-rentals	*13.3%*	*13.9%*	*0.6p.p.*	*19.3%*	*19.2%*	*-0.1p.p.*

1. Excluding fines and banking charges

NET INCOME

Net income in the quarter was R$3.7 million. Excluding the impact of goodwill amortization and one-off expenses, adjusted net income in 2Q08 was R$9.3 million (+200.7% yoy).

Year to date, adjusted net income was R$42.8 million (+16.0% yoy), with a net margin of 9.0%, as shown in the table below.

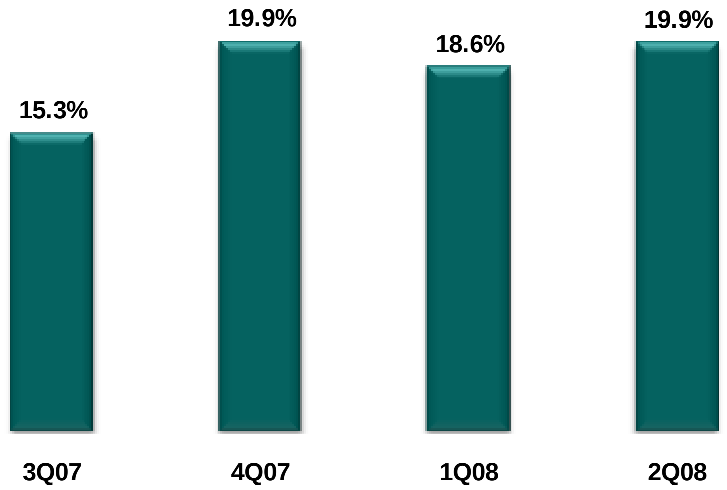
Table 7 – Net Income

R$ million	2Q07	2Q08	Chg.%	1H07	1H08	Chg.%
Net Income	**3.1**	**3.7**	**18.4%**	**36.8**	**36.4**	**-1.2%**
Goodwill Amortization from Acquisition	-	2.4	-	-	4.2	-
One-off revenues / expenses	-	3.2	-	-	2.2	-
Adjustment to Taxes				(6.0)		
Adjusted Net Income	**3.1**	**9.3**	**200.7%**	**30.8**	**42.8**	**39.0%**
Net Margin	*1.5%*	*3.9%*	*2.4p.p.*	*7.2%*	*9.0%*	*1.8p.p.*

RETURN ON EQUITY (ROE)

Estácio operates under an "Asset Light" business model. Almost all of our campuses are leased, the majority through partnerships with brokerages. This model simplifies the opening of new units and makes the structuring and management of our network more flexible. Our brokerage partnerships reduce the need to acquire fix assets. As a result, the Company's return on equity has been higher than industry average. In 2Q08, this indicator was 19.9% (Net Income/Sharehoders´ equity).

Chart 3 – ROE[1]



(1) Adjusted net income (LTM) / Shareholder´s equity in the quarter.

INDEBTEDNESS

The net cash position grew to R$255.9 million as of June 30, 2008, as the following table shows, boosted by the proceeds from the IPO issued on July 2007 and cash flow generated in the period.

Table 8 – Indebtedness

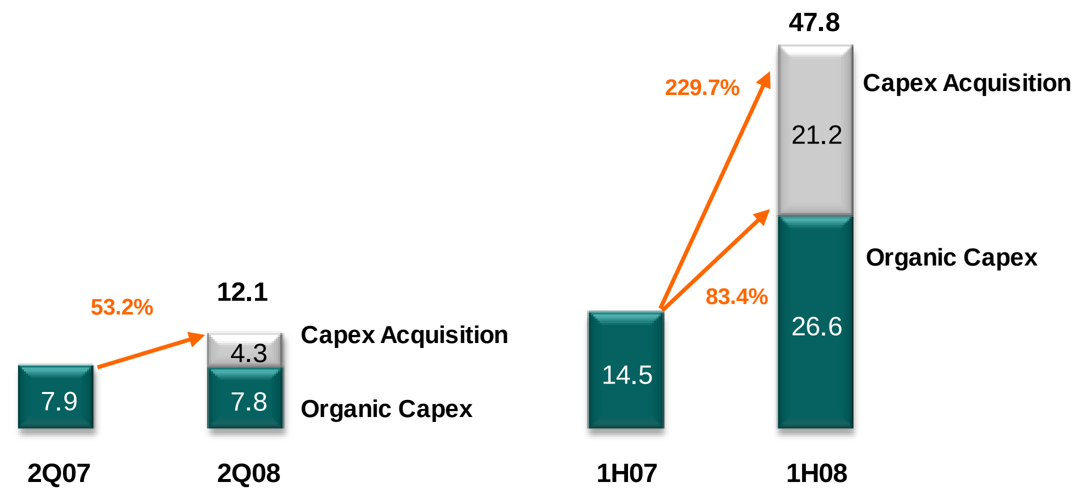
R$ million	1H07	1H08
Short-term indebtedness	1.9	0.3
Long-term indebtedness	0.1	-
Total	2.0	0.3
Cash and cash equivalents	43.2	256.2
Net Cash	**41.2**	**255.9**

CAPITAL EXPENDITURES

Capex in the quarter was R$12.1 million. Organic Capex was R$7.8 million, equivalent to 3.3% of net revenue, and was allocated to current operating investments, national integration, corporate restructuring and expansion.

Year to date, organic Capex was R$26.6 million (5.6% of net revenue). Current operating investments totaled R$17.6 million, and roughly R$4.0 million was allocated to projects involving the national integration. Investments in acquisitions in the period totaled R$21.2 million (R$16.9 million with the acquisitions of Interlagos, Europan and Brasília in February 2008 and R$4.3 million with the acquisition of Magister in June 2008).

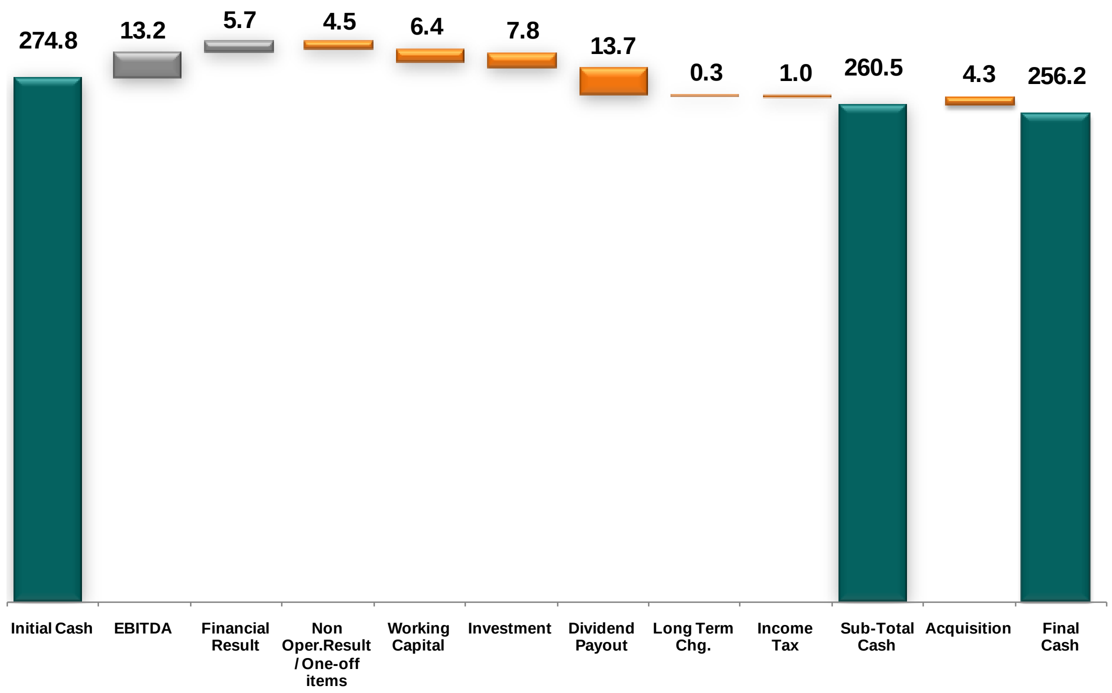
Chart 4 – Investments (R$ million)



CASH FLOW

In the 2Q08, the Company's cash flow was R$13.8 million, which combined with the existing cash and cash equivalents, was allocated, among other uses, to the payment of dividends (R$13.7 million), organic capex (R$7.8 million) and acquisitions (R$4.3 million), resulting in a cash position of R$256.2 million at the end of period, as shown in the chart below.

Chart 5 – 2Q08 Cash Flow (R$ million)



OTHER EVENTS

Market Maker

On June 2, Estácio announced to the market that it contracted Credit Suisse (Brasil) S.A. Corretora de Títulos e Valores Mobiliários to act as market maker with the aim of increasing the liquidity of its shares.

New Acquisition in São Paulo

On June 3, Estácio announced the acquisition of Faculdade Magister in São Paulo state with approximately 1,100 students for R$4.3 million. This acquisition enabled the launch of a new Uniradial campus named Campus Marajoara, which received 900 students internally as well as another 600 students transferred from other units, bringing forward by one year the new unit's projected growth.

New Acquisition in Paraguay

On July 28, the Company announced to the market that its Board of Directors authorized the Executive Board to start the procedures for the acquisition of 99.99% of Sociedad de Enseñanza Superior S.A. ("SESSA"), headquartered in the city of Asunción, Paraguay, the controlling institution of Universidad de la Integración de las Americas – UNIDA.

The acquisition price shall be equivalent to SESSA's book value of approximately R$ 2.4 million, in accordance with a Memorandum of Understanding executed between the Company and SESSA's controlling shareholders on April 7, 2007.

UNIDA offers graduation programs in business administration, marketing, law, education, information technology, physical education, medicine and nursing, among others.

The Company will release a Material Fact as soon as the acquisition procedures are concluded.

Changes Concerning IFRS / Estacio's Compliance (Law 11,638/07)

On December 28, 2007, Law 11,638 was approved. It amended, revoked and introduced new provisions in relation to Law 6,404 of December 15, 1976 and Law 6,385 of December 7, 1976. The main objective of these changes and introductions was to update Brazilian Corporate Law to provide for the convergence of the accounting practices adopted in Brazil to the international accounting practices established by the International Accounting Standards Board (IASB).

The requirements of this law apply to the financial statements concerning the fiscal years starting as of January 1, 2008. These requirements do not represent changes in circumstances or estimates, and therefore the adoption of the new practices introduced by Law 11,638/07 must be, as a general rule, stated retrospectively, in other words, through the application of these new accounting practices as if the same policies were in use during all of the periods presented, observing the rules addressing the "Accounting Policies, Changes in Accounting Estimates and Correction of Errors" approved by the Securities and Exchange Commission of Brazil (CVM) through CVM Deliberation 506.

Accordingly, the changes in accounting practices are recorded in the accounting records as adjustments to prior fiscal years. However, their impacts are allocated to each of the periods presented. In the specific case of the Company, in which the financial statements for the fiscal year ending December 31, 2008 are presented in comparison with the amounts in fiscal year 2007, the adjustments will be stated in the initial balances (January 1, 2007), enabling the two fiscal years to be presented observing the same accounting policies.

On May 2, 2008, the CVM issued Instruction 469, which partially regulated Law 11,638/07, establishing minimum requirements to be observed in the presentation of quarterly information during 2008. The Company's Management will apply law 11,638/07 to the extent required by CVM Instruction 469 in the presentation of its quarterly information during 2008.

Of the main changes in the accounting standards introduced by this Law, those that, based on a preliminary analysis conducted by the Management, could come to have a material impact on the financial statements of the Company and its subsidiaries for the fiscal year ending on December 31, 2008 are listed below:

- Analysis of the recovery of fixed, intangible and deferred assets, as established by Pronouncement 1 of the Accounting Pronouncement Committee (CPC) and approved by CVM Deliberation 527. Appraisal reports are being prepared of the fixed, intangible and deferred assets, as required by CVM Deliberation 527. Preliminary studies did not indicate any significant effects in the application of this regulation.

- Stock-based executive and employee compensation. On July 15, 2008, the stock option plan for the company's managers and key executives was approved. This matter has not yet been regulated by the CVM and since it represents a subsequent event to the reporting of the quarterly information on June 30, 2008, said plan does not have any effects on the financial statements in the current period.

- Lease of assets or goods used to maintain the company's operations. The Company currently holds approximately 280 lease agreements (financial type), which in accordance with item IV of article 179 of Brazilian Corporation Law, as amended by Law 11,638/07, became eligible and classified as depreciable fixed assets, with the accounting of the existing obligation. However, previously, this accounting was performed by the payment of contra installments booked as rent expenses. The adjusted balance and the expected effect of this change is summarized as follows:

(R$ Mil)	Balances on 03/31/2008			Balances on 06/30/2008		
	Before adjustments	Impact	After adjustments	Before adjustments	Impact	After adjustments
Balance Sheet Impacts						
Asset: Leasing Fixed	174.226	2.354	176.580	171.727	1.201	172.928
Liability: Lease Payable	-	5.214	5.214	-	4.047	4.047
Effects on Net Income						
Depreciation Expenses	(6.889)	(676)	(7.565)	(14.109)	(1.058)	(15.167)
Interest Expenses	-	(480)	(480)	-	(835)	(835)
Lease Expenses	(919)	919		(1.692)	1.669	(23)
Total Effect on Net Income	(7.808)	(237)	(8.045)	(15.801)	(224)	(16.025)

The Company also holds approximately 60 lease agreements for land and buildings, for which specialized professionals were contracted to appraise the market value of the assets and reach a conclusion on under which type of lease the respective contracts are classified (operational or financial lease). As this matter has not yet been regulated by the CVM, the Company is analyzing these contracts based on the practices established by the IASB, according to

International Accounting Standard - IAS 17 and International Financial Reporting Interpretations Committee - IFRIC 4.

The monthly expense for land and buildings leases is approximately R$ 6.5 million.

The effect shown in the above chart and any potential impacts arising from the change in the classification of the building and land leases, from operational to financial, will be reflected in the financial statements of December 31, 2008 in relation to the previous fiscal year, in accordance with the option provided for by the CVM.

- Long-term assets and liabilities must be adjusted to their net present value (NPV). Other balances must be adjusted to their NPV only when there is a significant impact on the financial statements. In the case of long-term assets and liabilities, preliminary studies do not present significant differences and the Company's Management does not expect this change to have a significant impact on the financial statements for the fiscal year ending on December 31, 2008.

- In the operations related to business combinations, involving independent parties and regarding the effective transfer of control, the assets and liabilities of the company to be merged, or deriving of merger or spin-offs, will be accounted by their market value. The Company is analyzing the amortization of the remaining balance of goodwill of R$49.9 million as of June 30, 2008 (R$51.6 million as of March 31, 2008). This quarter, R$1.8 million was accounted as goodwill amortization (R$1.8 million as of March 31, 2008).

  The Company is conducting a detailed analysis to identify and measure at market value the assets and liabilities resulting from this acquisition.

- Creation of a new intangible account subgroup for presentation in the balance sheet. The main effects of the application of Law 11,638/07 identified refer to the reclassifications between fixed asset items resulting from the creation of an Intangible account subgroup to register the rights to assets without physical substance, and from the revision of items that may be classified as deferred and will be registered in the financial statements for the year ending December 2008. The effects of reclassification on the balances of fixed asset accounts on June 30 and March 31,2008 are described and quantified below:

	Balances on 3/31/2008			Balances on 6/30/2008		
(R$ thousand)	Before reclassification	Amount	After reclassification	Before reclassification	Amount	After reclassification
Investments (a)	68,093	(68,093)	-	69,983	(69,983)	-
Fixed assets (b)	174,226	(6,441)	167,785	171,727	(6,366)	165,361
Fixed assets	-	74,534	74,534	-	76,349	76,349
	242,319	-	242,319	241,71	-	241,71

(a) Reclassification of goodwill from the acquisition of companies, currently classified as investments to intangible assets
(b) Reclassification of the software use licenses, currently registered in fixed assets, to intangible assets in the amount of R$6,4 million (R$6,4 million on March 31)

The Technical Pronouncement CPC – 04, Intangible Assets, is currently in the process of being issued. Among other items, this pronouncement determines the cessation of goodwill amortization paid in investment acquisitions as a result of the expectation of future returns, which should be tested annually to confirm if they are recoverable and limited to the amount recoverable through the registration of a provision if required. If this pronouncement becomes mandatory for the application in the fiscal year ending in December 2008, the Company's net income in the period ended June 30, 2008 and its shareholders´ equity position may be increased by R$4.2 million as a result of the non-amortization of the existing goodwill.

- Modification of the concept of values registered as deferred charges. Only pre-operating expenses and restructuring expenses that will effectively contribute to an increase in results for more than one fiscal year and that do not only represent a decrease in costs or an increase in operating efficiency: the Company intends to conduct more detailed studies that will enable adequate recording and disclosure of this matter.

- Inclusion of the Statement of Value Added to the set of financial statements. The Company's Management will present said statement of value added when it prepares its annual financial statements for the fiscal year ending in December 31, 2008.

- Possibility of maintaining separately the registration of transactions to comply with tax legislation and, subsequently, the adjustments required for adapting to the accounting practices. The Company is evaluating the impacts of the application of this introduction on its structure of internal controls to better define the policies to be adopted.

The other changes introduced by Law 11,638/07 should not have material effects on the financial statements of December 31, 2008 or are not applicable, as follows:

- Financial instruments basically derive from residual cash amounts that are invested in a single exclusive fund, the assets of which are consolidated in the Company's financial statements. The portfolio of the exclusive fund is basically comprised of securities maturing in more than 90 days. On June 30, 2008, the fund's securities were classified in the category of tradable assets, which are registered at market value, with the respective gains and losses recognized in net income. Therefore, the change in the accounting standard does not present significant effects at the end of the fiscal year and in the quarters presented.

- Revaluations of fixed assets – New revaluations of fixed assets are not allowed. The Company does not have revaluations of its assets, therefore there is no impact from this change.

- Similarly, the changes implemented by CVM Instruction 247 that address the investments in associates should also not have any effect, since the investments held by the company are in associate companies that continue to be valued by the equity accounting method.

- Repeal the possibility of recording tax incentives directly as a capital reserve in the shareholders´ equity account. This means that the tax incentives (ProUni) will start to be registered in the P&L in the fiscal year. To avoid the distribution as dividends, the amount of incentives may be allocated, after passing through P&L, to the earnings reserve (Article 195-A of Law 11,638). The capital reserve, in the consolidated financial statements, is already registered in P&L in the period (income tax and social contribution tax), in accordance with the option provided for by the CVM. The values should not impact the equity and financial position when they start being registered under the new accounting policy.

- The Company already discloses as supplementary information the Statement of Cash Flows, therefore, the change in legislation making the disclosure of this statement mandatory does not have any impact in relation to what the Company has already been disclosing.

IMPORTANT NOTICE (CVM INSTRUCTION 358)

Estácio Participações advises its shareholders about compliance with the terms of article 12 of CVM Instruction 358, however it is not responsible for disclosing information about the acquisition or sale, by third parties, of interest corresponding to 5% or more of the type or class of share representing its capital or rights over these shares and the remaining securities issued by the company.

We are a holding company, and our only assets are our interests in SESES, STB, SESPA, SESCE, SESPE and IREP, and we currently hold 99.9% of the capital stock of each of these subsidiaries. This report may contain forward-looking statements concerning the industry's prospects and Estácio Participações' estimated financial and operating results; these are mere projections and, as such, are based solely on the Company management's expectations regarding the future of the business and its continuous access to capital to finance Estácio Participações' business plan. These considerations depend substantially on changes in market conditions, government rules, competitive pressures and the performance of the sector and the Brazilian economy as well as other factors and are, therefore, subject to changes without previous notice.

Considering that the Company was incorporated on March 31 2007, the information presented herein is for comparison purposes only, on a proforma unaudited basis, relative to the first quarter of 2007, as if the Company had been incorporated on January 1 2007. Additionally, information was presented on an adjusted basis, in order to reflect the payment of taxes on SESES, our largest subsidiary, which from February 2007, after becoming a for-profit company, is subject to the applicable taxation rules applied to corporations, except for the exemptions arising out of the PROUNI – University for All Program ("PROUNI"). Information presented for comparison purposes should not be considered as a basis for calculation of dividends, taxes or for any other corporate purposes.

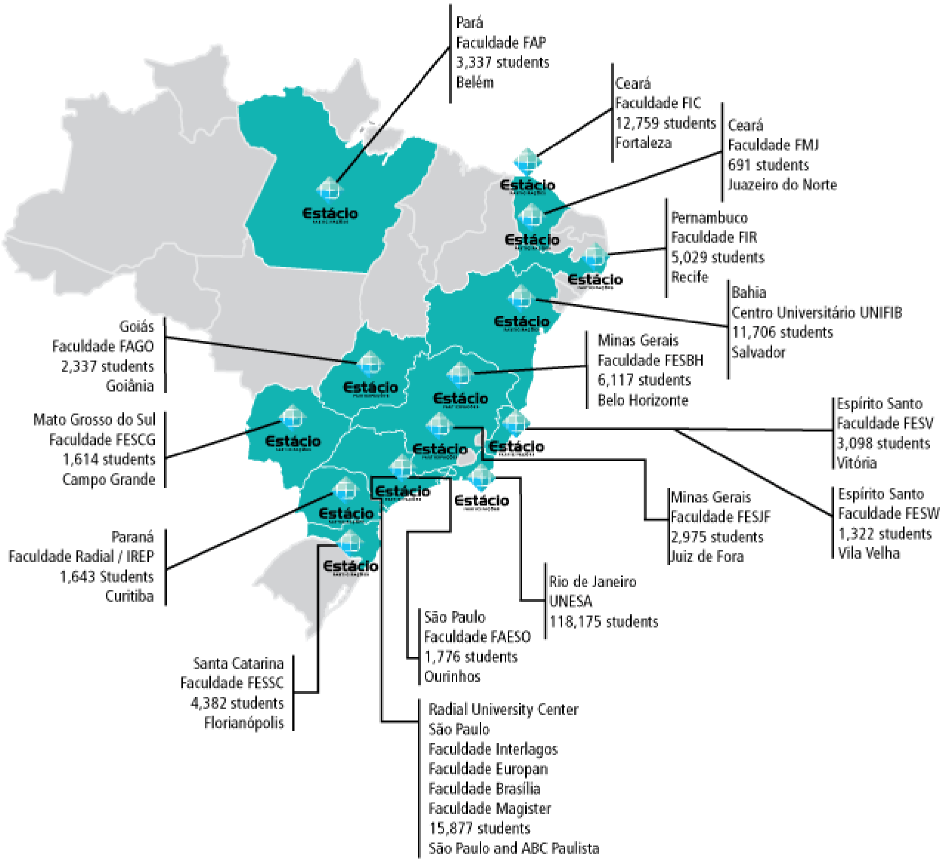
ABOUT ESTÁCIO

We are the largest private post-secondary education institution in Brazil in terms of number of students enrolled and have a nationwide presence in the country's major cities. On February 2007, we became entirely for-profit with the transformation of our main subsidiary, SESES, into a for-profit institution.

Our student profile is highly diversified and includes mostly young working adults from the middle and mid-low-income families. Since we were founded, 38 years ago, our growth has been mainly organic. We attribute a large part of our growth and market leadership to the high quality of our programs, the strategic location of our units, our competitive prices and our solid financial profile.

Our main strengths are innovative, diversified and flexible portfolio of academic programs; quality programs, of faculty and facilities; our leadership in the Rio de Janeiro market and scale gains; our excellent track record; the efficient management of the regulatory process; the ability to offer our students internship programs and job opportunities; and management based on an "Asset Light" business model, under which approximately 90% of our campuses are leased through real estate partnerships.

On June 30, 2008, we had 192,838 undergraduate students enrolled in our nationwide education network, consisting of 1 University (Rio de Janeiro), 2 University Centers (Bahia and São Paulo) and 16 Colleges, which combined represent 68 campuses, of which 38 are in Rio de Janeiro and 30 are distributed across 11 other Brazilian states, as shown in the map below:



Balance Sheet (R$ million)			
Assets	**6/30/2007**	**3/31/2008**	**6/30/2008**
Current Assets	**153.4**	**395.7**	**399.6**
Cash	43.2	57.7	51.7
Cash Equivalents	-	217.1	204.5
Accounts Receivable	85.1	89.8	104.1
Carry-forward credits	2.8	2.3	4.6
Advance to employees / third parties	4.1	2.6	4.4
Related parties	15.9	14.4	15.1
Prepaid Expenses	-	5.4	4.7
Other	2.4	6.5	10.6
Long term receivables	**0.3**	**2.0**	**3.6**
Advance for future capital increase	-	0.6	-
Prepaid Expenses	-	1.0	3.0
Judicial Deposits	0.3	0.3	0.6
Permanent Assets	**156.6**	**249.3**	**251.7**
Investments			
Goodwill, Net	-	68.1	70.0
Other	0.2	0.2	0.2
Fixed Assets	156.4	174.2	171.7
Deferred Charges		6.7	9.8
Total Assets	**310.3**	**647.0**	**654.9**

Liabilities and Shareholders' Equity	**6/30/2007**	**3//31/2008**	**6/30/2008**
Current liabilities	**157.7**	**161.6**	**164.9**
Loans and financings	1.9	1.1	0.3
Suppliers	13.7	24.9	21.7
Salaries and payroll charges	101.3	74.8	93.8
Taxes payable	11.0	12.5	14.1
Prepaid Monthly tuition fees	26.2	31.0	31.7
Taxes paid in installments	1.0	0.3	0.3
Proposed Dividends	-	13.6	-
Commitments payable	-	-	-
Other	2.6	3.4	3.0
Long term liabilities	**13.3**	**18.6**	**20.4**
Loans and financings	0.1	0.0	0.0
Provisions for contingencies	13.0	15.5	17.3
Taxes paid in installments	0.3	3.1	3.1
Deferred Revenues	**13.0**	**28.6**	**27.9**
Advances under partnership agreement	13.0	28.6	27.9
Shareholders' Equity	**126.3**	**438.1**	**441.8**
Capital	27.1	295.2	295.2
Capital Reserves	97.8	96.5	96.5
Earnings Reserve	1.4	13.7	13.7
Retained Earnings	-	32.7	36.4
Total liability and shareholders' equity	**310.3**	**647.0**	**654.9**

Income Statement (R$ million)	2Q07	2Q08	Chg. %	1H07	1H08	Chg. %
Gross Revenue	**314.6**	**351.0**	**11.6%**	**636.1**	**699.2**	**9.9%**
Tuition fees	311.0	346.4	11.4%	627.1	688.7	9.8%
Other	3.6	4.6	27.7%	9.0	10.5	17.0%
Deductions	**(105.2)**	**(113.0)**	**7.4%**	**(208.6)**	**(223.6)**	**7.2%**
Gratuities/scholarships	(86.7)	(89.5)	3.2%	(173.5)	(177.8)	2.5%
Monthly tuition fees and charges returned	(0.7)	(0.8)	24.2%	(1.7)	(2.0)	14.0%
Allowances	(8.5)	(11.9)	40.9%	(16.6)	(22.7)	36.6%
Taxes	(9.3)	(10.8)	15.6%	(16.8)	(21.1)	26.6%
Net Revenue	**209.4**	**238.0**	**13.7%**	**427.5**	**475.6**	**11.3%**
Cost of services rendered[1]	**(136.0)**	**(152.9)**	**12.5%**	**(261.4)**	**(288.9)**	**10.5%**
Gross Profit	**73.4**	**85.1**	**15.9%**	**166.1**	**186.7**	**12.4%**
Selling, general and administrative expenses[1]	**(63.2)**	**(75.2)**	**18.9%**	**(116.1)**	**(142.2)**	**22.4%**
Financial Result	0.5	5.8	-	2.9	14.3	382.0%
Depreciation and Amortization	(5.9)	(9.6)	63.1%	(11.3)	(18.3)	61.2%
Operating Income	**4.8**	**6.1**	**26.3%**	**41.6**	**40.6**	**-2.3%**
Adjusted EBITDA	**10.6**	**13.2**	**24.6%**	**47.0**	**50.7**	**7.9%**
Non operating revenue (expenses)	(0.2)	(1.4)	574.1%	(2.8)	(1.1)	-61.3%
Income before social contribution and income tax	**4.6**	**4.7**	**2.0%**	**38.8**	**39.5**	**2.0%**
Social Contribution	(0.4)	(0.3)	-32.5%	(0.5)	(0.8)	61.5%
Income Tax	(1.1)	(0.8)	-31.4%	(1.4)	(2.3)	63.9%
Goodwill Amortization from acquisition		2.4			4.2	
One-off Revenues / Expenses		3.2			2.2	
Tax Adjustments				(6.0)		
Adjusted Net Income	**3.1**	**9.3**	**200.7%**	**30.8**	**42.8**	**39.0%**

1) Excluding depreciation expenses and goodwill amortization from acquisition

Statement of Cash Flow	2Q07	2Q08	1H07	1H08
Cash flow from operating activities:				
Net income for the period	1,397	3,668	35,145	36,402
Adjustments - net income to cash generated by operating activities:				
Depreciation and amortization	5,911	7,220	11,335	14,109
Residual value of fixed asset disposals	(215)	505	(133)	1,553
Provision for losses on fixed asset			2,525	
Goodwill amortization		2,418		4,158
Others	1,325		1,325	
Interest on Equity				
Cash flow from operating activities	**8,418**	**13,811**	**50,197**	**56,222**
Changes in assets and liabilities:				
(Increase) in accounts receivable	(9,619)	(14,271)	(7,428)	(14,564)
(Increase) in other assets	(803)	(9,750)	(2,345)	(10,089)
Increase (decrease) in Suppliers	(1,296)	(3,255)	(1,147)	4,450
Increase (decrease) in tax payable		1,658	6,156	1,336
Increase in salaries and social charges	20,154	19,084	30,270	35,334
Increase in prepaid monthly tuition fees	(3,525)	667	343	697
Increase (decrease) in the provision for contingencies	(1,109)	1,866	(2,256)	3,613
Increase (decrease) in other liabilities	113	(491)	(105)	2,786
Changes in transactions with related parties:	(7,278)			
(Increase) in accounts receivable		(694)	(9,169)	(1,172)
Increase (decrease) in accounts payable		-		(5,702)
(Increase) in non current assets		629		
Deferred Revenues		(720)	(1,589)	16,508
Net cash generated by (used in) operating activities	**5,055**	**8,534**	**62,927**	**89,419**
Cash flow from financing activities:				
Financial Investments		12,593		1,866
Goodwill on acquisition		(4,308)		(20,759)
Fixed assets	(7,211)	(5,125)	(13,870)	(21,773)
Deferred charges		(3,165)		(6,321)
Net cash used in investing activities	**(7,211)**	**(5)**	**(13,870)**	**(46,987)**
Cash flow from financing activities :				
Loans and Financings acquisitions				1,013
Dividends distributed		(13,658)	(4,091)	(13,658)
Financing amortization	(1,511)	(857)	(7,293)	(910)
Net cash used in financing activities	**(1,511)**	**(14,515)**	**(11,384)**	**(13,555)**
Increase (decrease) in cash	**(3,667)**	**(5,986)**	**37,673**	**28,877**
At beginning of period	46,850	57,725	5,510	22,853
At end of period	43,183	51,739	43,183	51,730
Variance to cash generated balance	**(3,667)**	**(5,986)**	**37,673**	**28,877**