1Q15 RESULTS

20 Miles at a Time

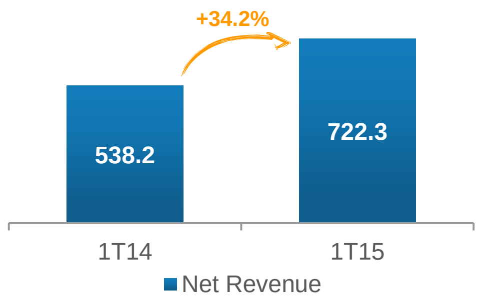
Yet anorther intake record, with 153,000 new students
34% year-on-year student base growth
EBITDA of R$196 million in 1Q15, 51% up on 1Q14
EBITDA Margin of 27.1%, a gain of 3.1 p.p.
Net Income totals R$131 million

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

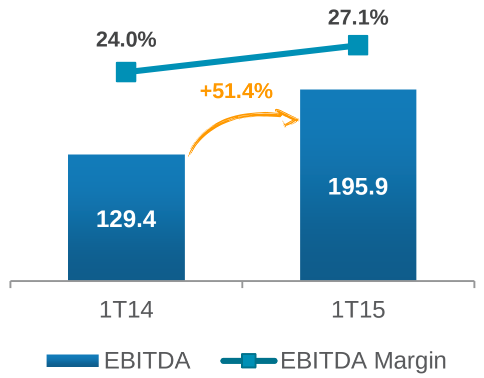
Quarter Highlights

(R$ million)

Net Revenue



EBITDA and EBITDA Margin



Highlights

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

ESTC3
(on May 6, 2015)

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

IR Contacts:

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

ESTC3
NOVO MERCADO
BM&FBOVESPA

Key Indicators

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

Note: EBITDA calculated in accordance with CVM Instruction 527.

Message from Management

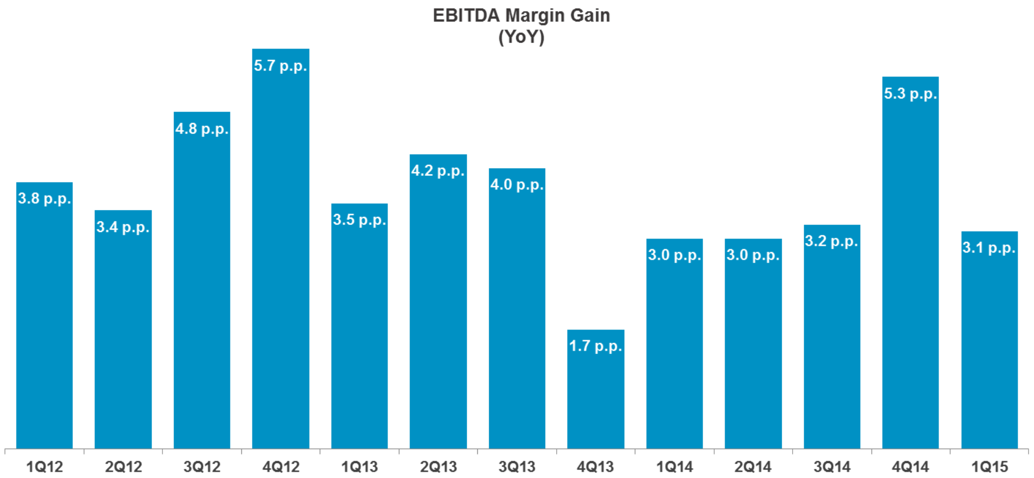
For many, the beginning of 2015 brought a “perfect storm” to Brazil’s education sector. As if the difficulties confronted by Brazilian companies, all of which are public knowledge at this time, were not enough, the education sector was severely impacted by a series of measures introduced by Brazil’s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

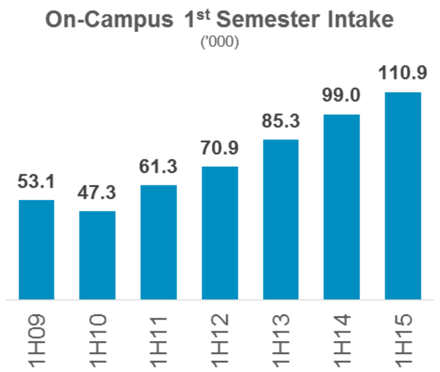
For us, however, these difficulties are far from meaning the end of Estácio’s recent winning cycle. On the contrary, we believe that all the stories of building major companies that are highly successful and widely recognized in the long term have their “black swan” moments, to paraphrase author Nassim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

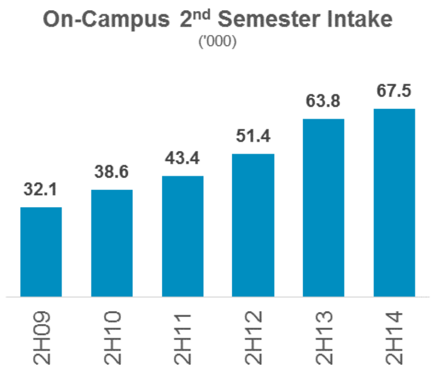
Therefore, whenever questioned about whether we intend to change our strategy due to the “perfect storm”, our reply is always: “no, we do not”. In fact, if we thought it was necessary to change our entire strategy due to changes in the external scenario, it would be because we did not have a strategy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

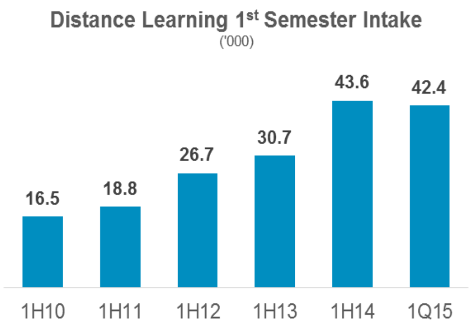
In order to better understand this approach, it is worth looking back once again to some of our recent history, starting by 2008 when, under pressure to grow, we made the difficult decision not to expand until we had a solid institution capable of growing both in good times and in times of greater uncertainty.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

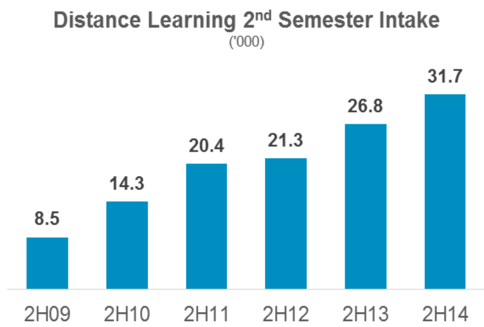
In the three subsequent years, more precisely between 2011 and 2014, we were able to resume growth knowing that, unlike in previous movements, we had **solid pillars to support us**. **We experienced three years of intense growth of virtually all the indicators that a Company can present, both financial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



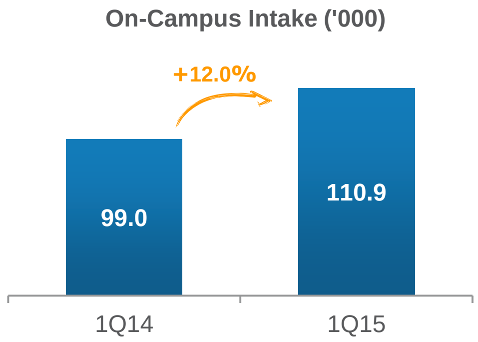


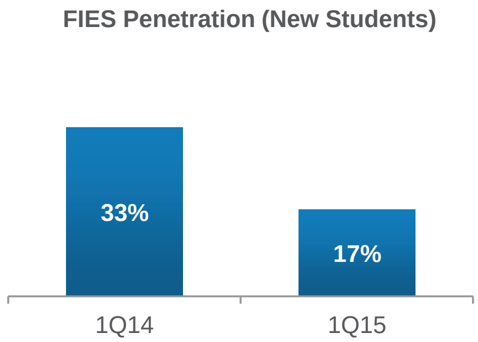




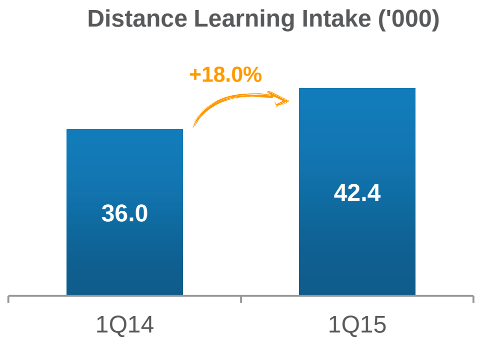


All this explain why our 1Q15 results, even in the middle of the "perfect storm", were so impressive, comparable to those in previous quarters when everything appeared to be in our favor. Even in the more turbulent scenario triggered by the huge uncertainties arising from the sudden changes in FIES,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





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



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

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

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

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

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

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

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

2015 Strategy

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

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

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

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

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

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

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

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

Student Base

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

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

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

Table 1 – Total Student Base

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

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

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

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

The renewal ratio reached 89.6% in 1Q15, a 2.7 p.p. improvement over the same period last year, already reflecting the various initiatives we have been developing to improve this indicator, which is a major opportunity for Estácio.

Table 2 – Evolution of On-Campus Undergraduate Student Base

'000	1Q14	1Q15	Change
Students - Starting balance	**239.4**	**290.2**	**21.2%**
(+/-) Acquisitions in the last 12 months (until 4Q)	-	(13.0)	N.A.
(-) UniSEB (on-campus undergraduate)	-	(2.2)	N.A.
(-) Graduates	(12.5)	(15.4)	23.2%
Renewable Base	**226.9**	**259.6**	**14.4%**
(+) Enrollments	99.0	110.9	12.0%
(+) PTA	6.7	-	N.A.
(-) Not Renewed	(29.8)	(27.1)	-9.1%
Students - same shops	**302.8**	**343.4**	**13.4%**
(+) Acquisitions in the last 12 months (until 1Q)	-	13.0	N.A.
(+) UniSEB (on-campus undergraduate)	-	2.9	N.A.
Students - Ending Balance	**302.8**	**359.3**	**18.6%**

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

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

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

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

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

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

Dropouts

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

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

The Academic pillar has the following initiatives:

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

The Financial pillar has the following main initiatives:

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

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

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

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

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

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

Continuing Education

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

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

Graduate Segment

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

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

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

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

Academia do Concurso

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

Short Term Programs

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

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

Corporate Solutions

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

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

Pronatec

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

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

New Businesses

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

Operating Revenue

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

Table 5 – Operating Revenue

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

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

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

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

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

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

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

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

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

Cost of Services

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

Table 8 – Breakdown of Cost of Services

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

Table 9 – Vertical Analysis of Cost of Services

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

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

Table 10 – Cost Reconciliation

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

Gross Income

Table 11 – Statement of Gross Income

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

Selling, General and Administrative Expenses

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

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

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

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

Table 12 – Selling, General and Administrative Expenses

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

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

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

EBITDA

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

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

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

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

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

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

Financial Result

Table 16 – Breakdown of the Financial Result

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

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

(i) the reduction in income from financial investments, explained by the lower cash balance throughout 1Q15 in comparison with 1Q14;

(ii) the R$11.4 million increase in the interest and financial charges line, given our higher debt level in 1Q15 in comparison to the same period last year and the increase in the interbank deposit rate;

(iii) the negative R$2.5 million impact related to the loan in foreign currency contracted in March (this amount already considers the impacts of the exchange rate variation of the debt and the swap mark-to-market). It is worth noting that the exchange rate variation is fully hedged by the swap contract;

(iv) the increase of R$2.8 million in financial discounts, explained by our decision not to sell our old receivables portfolio but to work on it internally as of 2014, which proved to be highly successful.

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

Net Income

Table 17 – Reconciliation of EBITDA and Net Income

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

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

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

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

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

Acquired Companies

The following chart shows the 1Q15 results of the institutions acquired in the last 12 months (UniSEB, IESAM, Literatus and CEUT). These details will be provided up to 12 months as of the acquisition date to enable follow-up of the Company's performance under the same-shop concept. The acquisitions prior to 12 months ago are already consolidated in our result.

Table 18 – Key Indicators of Acquired Companies in 1Q15

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

UniSEB

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

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

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

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

Table 19 – UniSEB Student Base

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

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

Table 20 – UniSEB Income Statement

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

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

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

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

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

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

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

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

Table 21 – Authorized UniSEB centers

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

Table 22 – New protocols for DL centers through UniSEB

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

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

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

Table 23 – UniSEB – On-Campus Undergraduate Intake

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

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

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

FIES

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

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

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

Table 24 – FIES Student Base

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

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

Table 25 – New FIES Contracts (freshmen and seniors)

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

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

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

Accounts Receivable and Average Receivable Days

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

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

Table 27 – Accounts Receivable and Average Receivable Days

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

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

Table 28 – Accounts Receivable and Average FIES Receivable Days

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

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

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

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

Table 29 – Evolution of FIES Accounts Receivable

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

Table 30 – Evolution of FIES Carry-Forward Credits

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

Table 31 – Aging of Total Gross Accounts Receivable

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

Table 32 – Aging of Agreements Receivable

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

*Excludes credit card agreements

Our receivables portfolio remains healthy, with a low percentage of agreements – only 6% of total receivables come from renegotiations with students, a reduction of 2.0 p.p. over 1Q14. In addition, the percentage of receivables from renegotiations overdue by more than 60 days accounted for 34% of total agreements, or just 2.1% of total accounts receivable.

Our criteria remain rigid, clear and objective, exemplified by the fact that we provision 100% of receivables overdue by more than 180 days, complemented by the FIES provisions. Tables 33 and 34 show how our PDA is constituted, and reconciles the balance sheet amounts with those in the income statement.

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

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

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

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

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

Investments (CAPEX and Acquisitions)

Table 35 – CAPEX Breakdown

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

[1]Excluding goodwill and investments in acquisitions.

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

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

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

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

Capitalization and Cash

Table 36 – Capitalization and Cash

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

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

Cash Flow

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

Table 37 – Cash Flow

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

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

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

Key Material Facts

2015 Corporative Event: Year of the Brand

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

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

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

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

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

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

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

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

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

Excellent ratings for our Law courses

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

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

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

45 years of Estácio

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

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

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

Estácio in Sports

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

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

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

- Gustavo Kuerten is Estácio's new Ambassador

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

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

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

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

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

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

Results Conference Call

Conference Call (in Portuguese)	Conference Call (in English)
Date: May 8, 2015 (Friday)	Date: May 8, 2015 (Friday)
Time: 10:00 a.m. (Brasília) / 09:00 a.m. (US ET)	Time: 11:30 a.m. (Brasília) / 10:30 a.m. (US ET)
Connection Dial-in Brazil: +55 (11) 2188-0155	Connection Dial-in NY: +1 (412) 317-6776
Access Code: Estácio	Access Code: Estácio
Webcast: www.estacioparticipacoes.com.br/ri	Webcast: www.estacioparticipacoes.com.br/ir
Replay: available until May 14	Replay: available until May 15
Phone: +55 (11) 2188-0400	Phone: +1 (412) 317-0088
Access Code: Estácio	Access Code: 10064093

The statements included in this report related to the prospects of the business, estimates of operating and financial results, as well as those relating to Estácio's growth prospects, are merely projections and as such are based exclusively on Management's expectations regarding the future of the business. These statements depend substantially on changes in market conditions and the performance of the Brazilian economy, the industry and international markets and therefore are subject to change without prior notice.

Income Statement in IFRS

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

Balance Sheet in IFRS

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

Cash Flow Statement

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

Exhibit I – Provision for FIES

Below is a summary of the "Provision for FIES" line under selling expenses, which constitutes provisions for:

(i) FIES students with a guarantor (at 2.25%, as we have already been doing this year, conservatively assuming future losses of 15% from the FIES portfolio, which is approximately three times higher than historical losses from the student portfolio; the provision was constituted considering 15% of credit risk over 15% of delinquency);

(ii) FIES students with FGEDUC after April 2012 for uncovered FGEDUC risk under the current rule, i.e. provisions were constituted for the 10% not covered by FGEDUC. Over this amount, we constituted provisions for the 15% credit risk over estimated delinquency of 15% (0.225%);

(iii) FIES students with FGEDUC until March 2012 for uncovered FGEDUC risk under the former rule, i.e. provisions were constituted for the 20% not covered by FGEDUC. Over this amount, we constituted provisions for the 15% credit risk over estimated delinquency of 15% (0.450%);

(iv) FIES students with FGEDUC until March 2012, for losses on the balance of restricted deposits based on the 2% FGEDUC contribution under the former rule, recorded as Minimum Guarantee, on estimated delinquency of 15% (0.30%).

It is worth noting that items (i), (ii) and (iii) have counter entries under noncurrent liabilities in the "Provision for FIES risk line", while item (iv) has a counter entry as a noncurrent asset reducing account – "Provision for loss of FIES restricted deposits" – as an adjustment for the expected realization of the restricted deposits account, recorded based on the 2% FGEDUC contribution under the former rule.

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

About Estácio

Estácio is one of the largest **private sector post-secondary educational institutions** in Brazil in number of students enrolled, with a nationwide presence in the country's major cities. Its student base has a highly diversified profile and includes mostly young working adults from the middle and lower-middle income groups. Its growth and market leadership are due to the quality of its programs, the strategic location of its units, its competitive prices and its solid financial position.

Estácio's strengths are:

Strong positioning to Explore the Market's Growth Potential

- Nationwide presence, with units in the country's largest urban centers
- Broad portfolio of academic programs
- Managerial and financial capacity to innovate and improve our courses
- Widely recognized "Estácio'' brand

High Quality Learning Experience

- Nationally integrated syllabi
- Unique teaching methodology
- Full convergence between the On-Campus and Distance Learning models
- Highly qualified faculty

Professional and Integrated Operational Management

- Result-oriented management model
- Focus on educational quality

Scalable Business Model

- Growth with profitability
- Organic expansion and through acquisitions

Financial Solidity

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

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