


Estácio

4Q08

Stock Price - ESTC3
R$12.50/per share
3/18/2009

No. Of Shares
78,585,066

Market Cap
R$982.3 million

Free Float
25.2%

Conference Calls:
03/19/2009

Portuguese
9h00 AM (Brasília)
8h00 AM (US EST)
Phone: +55 (11) 4003-9004
Replay: +55 (11) 4003-9004
Code: Estácio

English
12h00PM (Brasília)
11h00 AM (US EST)
Phone: +1(866) 866-2673
Code: Estácio
Replay: +1(866) 866-2673
Code: Estácio

IR Contacts:

Lorival Luz
CFO and IR Director

Daniella Guanabara
+55 (21) 2433-9789
daniella.guanabara@estacio.br

Fernando Santino
+55 (21) 2433-9790
fernando.santino@estacio.br

ESTC3 NOVO MERCADO BOVESPA BRASIL

NET REVENUES REACH R$980.0 MILLION IN 2008. ADJUSTED EBITDA TOTALS R$98.4 MILLION.

Rio de Janeiro, March 19, 2008 – Estácio Participações S.A. (*Bovespa, ESTC3; Bloomberg, ESTC3.BZ; Reuters, ESTC3.SA*) announces its results for the year and fourth quarter of 2008 (4Q08). Except where otherwise stated, the operating and financial data in this release is presented in a consolidated form, in thousands of reais and pursuant to the Brazilian Corporate Law.

FINANCIAL HIGHLIGHTS

In 2008, Estácio posted net revenues of R$980 million, compared to R$851 million in 2007, which represents a 15.2% expansion on a year-over-year basis. This result derives from solid organic growth, timely acquisitions and tuition adjustments.

The Company's student base reached 207 thousand by the end of 2008, against 178 thousand in 2007, up by 16.1%. The average tuition amounted to R$451 2008, growing 4.1% compared to 2007.

Recurring EBITDA totaled R$98.4 million in 2008 (10.0% margin), vis-à-vis R$94.7 million in 2007 (11.1% margin). The major impacts on EBITDA were:

i) **Significant improvement in personnel expenses.** Recurring personnel expenses (Costs and Administrative Expenses) reached R$549.5 million in 2008 (56.1% of net revenues), versus R$506.0 million (59.5% of net revenues) in 2007. The 3.4 p.p. decline results from dismissal charges and the first impacts from the ongoing restructuring process.

ii) **One-off increase in the provision for doubtful debts (PDD).** Given a more conservative and transparent approach followed by Estácio in its overdue tuition renegotiation policy with students and recognition of doubtful debts, the Company recorded a one-off PDD increase of R$17.9 million in 4Q08. In 2008, the total PDD amount reached 6.0% of net revenues, of which 1.8% relates to such one-off increase. (For details, please refer to "Selling Expenses"- page 9)

Excluding the impact coming from the PDD on 4Q08 results, the Company's recurring EBITDA would have reached R$116.3 million with 11.9% margin in 2008 and R$32.4 million with 12.8% margin in 4Q08.

Adjusted net income totaled R$71.6 million in 2008, representing a decline of 1.1% against 2007, mainly driven by the PDD adjustment. Based on the net income booked in the financial statements of R$37.6 million, and after exclusions and additions set forth in the legislation, the Company will pay R$17.9 million as dividends, which corresponds to 56.7% of the net income.

The Company ended 2008 with a solid cash position of R$202 million, which were conservatively invested in fixed-income instruments.

MESSAGE FROM THE CEO, Eduardo Alcalay

Throughout 2008, the Company carried on with its strategic and organizational restructuring process. In May, GP Investments, Latin America's largest private equity company, through an investment fund under its management, became a controlling shareholder of the Company, upon the acquisition of 20% of its capital, by means of Moena Participações S.A. ("Moena"). For such purpose, a shareholders' agreement was signed whereby the Company started to be jointly managed by Uchôa Cavalcanti Participações S.A. ("Uchôa Cavalcanti") and Moena.

The Company implemented a new management model whose top priorities are the efficiency and integration of processes, the utilization of financial and operating performance indicators aligned with planning and budget, as well as the creation of continuous improvement targets and internal and systematic benchmarks, even for faculty. Such management model also aims at a strict cost and expense control, focus on growth, quality of education and student satisfaction. In line with this guidance, the Company widely reshuffled its Management Board, hiring seasoned professionals in the market.

With regard to operations, 2008 was a year of major achievements. The Company jumped from an undergraduate base of 178 thousand students in late 2007 to 207 thousand students in late 2008, which represents a 16.1% expansion. Such result was driven by a solid organic growth and boosted by the acquisition of 13 campuses located in the North/Northeast regions (5), Southeast region (7) and Paraguay (1). The total investment in acquisitions reached R$56.7 million in 2008.

In addition to the current Distance Learning (DL) programs at the graduate level (*Lato Sensu*), the Company intends to start offering undergraduate programs throughout 2009 by means of 54 DL units in 15 states.

The Ministry of Education (MEC) authorized the creation of 35 programs in 14 colleges belonging to the Company's economic group. Authorizations were granted for 21 programs in Radial University Center and in Bahia University Center (FIB). MEC also accredited 15 traditional undergraduate programs and 6 technical undergraduate programs with grades G (good) and VG (very good). The colleges located in Recife and Santa Catarina were assigned remarkable grades based on the external assessment carried out by the National Institute for Educational Research and Studies – INEP ("Instituto Nacional de Estudos e Pesquisas Educacionais Anísio Teixeira").

In order to support the new management model, the Company successfully completed the nationwide implementation of the integrated business administration system (SAP), together with the remodeling and consolidation of the academic information system (SIA), which allows the real-time monitoring and control of records and academic and financial data for the entire student and faculty base.

In December, the Company concluded another major step in its organizational streamlining process by implementing the Model Project, which aims at adopting continuous improvement practices within the organization and linking them to performance and compensation targets. Such initiative resulted in the approval of the first Zero-Based and Matrix Budget, where financial and organizational targets were defined for 2009.

The Company believes that linking those targets to variable compensation will encourage its employees, while aligning the Company's interests with its investors.

In line with market best practices and pursuing a greater transparency and trust relationship with investors, the Company joined Bovespa's *Novo Mercado* in July 2008. In this connection, the Company is subject to arbitration by the Market Arbitration Chamber, as set forth in its Bylaws.

The Company's Fiscal Council is composed of three independent members, one of whom is assigned by minority shareholders. Also in the pursuit of high governance standards, another major improvement relates to the implementation of the audit, stock option plan administration and education committees, all of them supporting the activities of the Board of Directors.

One of the initiatives scheduled for 2009 is the creation of a Shared Services Center (SSC), which will combine, in Rio de Janeiro, all operations-supporting roles, of both commercial and procedural nature, that are shared by all campuses and the corporate center. The strategic planning for 2009 also encompasses the set-up of a Learning Center and a Student Care Center. After such units come into full operation, the Company expects to significantly improve efficiency, enhance the quality of education and increase the satisfaction degree of students.

KEY OPERATING AND FINANCIAL INDICATORS

Table 1 – Key Operating and Financial Indicators

	4Q07	4Q08	Chg.%	2007	2008	Chg.%
Student Base (final) - thousand	178	207	16.1%	178	207	16.1%
Student Base (average) - thousand	177	206	16.4%	175	194	11.1%
AverageTuition (R$)[1]	431	434	0.7%	434	451	4.1%
R$ million						
Gross Revenue	319.7	366.3	14.6%	1,270.6	1,432.3	12.7%
Net Revenue[2]	212.9	252.9	18.8%	850.6	980.0	15.2%
Recurring Cash Gross Profit[2]	**81.9**	**98.4**	**20.2%**	**331.6**	**388.4**	**17.1%**
Gross Margin (%)	*38.5%*	*38.9%*	*0.5 p.p*	*39.0%*	*39.6%*	*0.6 p.p*
Recurring EBITDA[2]	**15.5**	**14.5**	**-6.2%**	**94.7**	**98.4**	**4.0%**
Recurring EBITDA Margin (%)	*7.3%*	*5.8%*	*(1.5) p.p*	*11.1%*	*10.0%*	*(1.1) p.p*
Recurring EBITDA ex-rentals	**32.5**	**35.0**	**7.9%**	**165.6**	**181.7**	**9.7%**
Recurring EBITDA Margin ex-rentals (%)	*15.3%*	*13.9%*	*(1.4) p.p*	*19.5%*	*18.5%*	*(0.9) p.p*
Adjusted Net Income[3]	**15.0**	**(0.4)**	**-102.9%**	**72.5**	**71.6**	**-1.1%**

(1) Net Revenues/Average Paying Student Base
(2) Adjusted for non-recurring expenses (4Q08 and 2008) and taxes (2007), as SESES was turned into a for-profit company in Feb/07
(3) Excluding goodwill amortization from acquisitions and IPO expenses in 2007 and non-recurring expenses in 2008

OPERATING HIGHLIGHTS

- In another step of its restructuring process, the Company completed and approved the first Zero-Based and Matrix Budget, where financial and organizational targets, linked to the variable compensation policy, were defined for 2009.

- The mapping of the Company's macro and micro operating processes was concluded, laying the ground for the implementation of the Shared Services Center (SSC), as well as the Learning Center and Student Care Center. The first process migration to the SSC is scheduled for June 2009.

- In 4Q08, the Company concluded the acquisition of four institutions in the North/Northeast regions of the country and three institutions in São Paulo (Montessori). These acquisitions combined added nearly 13 thousand new students and another 8 campuses to our base.

ANALYSIS OF RESULTS – 4Q08 and 2008

For the purpose of this press release, Estácio's results for 2008 are presented vis-à-vis the figures for 2007 on a *pro-forma* basis – the adjustments refer to tax payment made in January 2007, as the Company was turned into a for-profit entity in February 2007. Given the strong seasonality of the business, the comparisons were focused on the same periods of last year (quarter and full year).

The tables containing the income statement can be found on pages 22, 23 and 24 of this report.

REVENUES

Table 2, as follows, provides the revenue breakdown and variations for the periods indicated.

Table 2 – Revenue Breakdown

R$ million	4Q07	4Q08	Chg.%	2007	2008	Chg.%
Monthly Tuition Fees	315.3	361.5	14.6%	1,251.8	1,409.5	12.6%
Others	4.4	4.8	9.5%	18.8	22.8	21.4%
Gross Revenue	**319.7**	**366.3**	**14.6%**	**1,270.6**	**1,432.3**	**12.7%**
Deductions	**(106.9)**	**(113.4)**	**6.1%**	**(417.5)**	**(452.3)**	**8.3%**
Gratuities - Scholarships	(85.8)	(91.2)	6.2%	(340.6)	(361.1)	6.0%
Monthly tuition fees and charges returned	(0.5)	(0.4)	-18.2%	(3.2)	(3.2)	0.8%
Allowances	(11.5)	(11.3)	-1.8%	(38.1)	(45.5)	19.2%
Taxes	(9.1)	(10.5)	16.1%	(35.6)	(42.5)	19.4%
Taxes Adjustments[1]				(2.5)	-	
Net Revenue	**212.9**	**252.9**	**18.8%**	**850.6**	**980.0**	**15.2%**

1. Adjusted for taxes on SESES in January 2007 (for-profit company as from February 2007)

With a combination of acquisitions, consistent organic growth and price adjustments, Estácio's gross revenues reached R$1.4 billion in 2008, which represents a 12.7% increase over 2007. In 4Q08, such growth was even more evident with an expansion of 14.6% compared to 4Q07, given the recognition of revenues from companies acquired in late 2008.

The Company ended 2008 with a final balance of 207 thousand students and an average annual base of 194 thousand students, which corresponds to an increase of 16.1% and 11.1% against 2007, respectively. Throughout 2008, the Company concluded acquisitions that added nearly 20 thousand students, a growth of 11.2% compared to its student base in 2007.

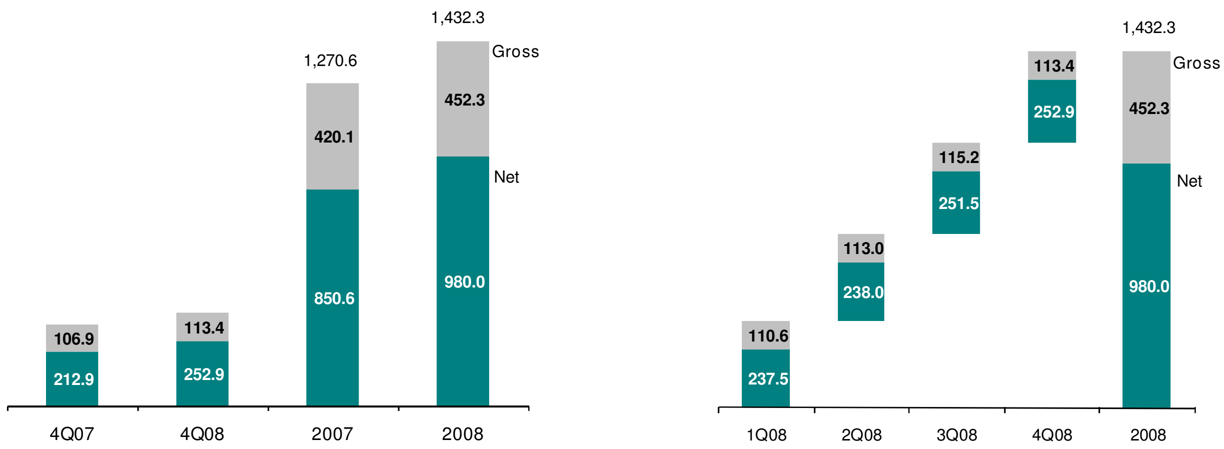
By means of the enrollment processes carried out in the first and third quarters of 2008, the Company added around 93 thousand new students, corresponding to 52.5% of the final student base in 2007. Disregarding graduated students and dropouts, nearly 9 thousand students were added to the base, representing an organic growth of 4.9% over 2007. As a highlight in 4Q08, 13 thousand students joined the Company's base, resulting from four acquisitions in the Northeast region and three acquisitions in São Paulo (Montessori).

Concerning the gross revenue deductions, the following should be highlighted: a) reduction in the gratuities/scholarships line as a percentage of gross revenues – lower share of scholarships under the philanthropy/SESES rule and higher share of PROUNI, combined with a more restrictive policy towards the distribution of new commercial scholarships; b) relative stability in the taxes line – based on a *pro-forma* analysis and as a percentage of gross revenues, the tax amount paid in 2008 was in line with 2007; c) stability in the monthly tuition and charges returned fees and allowances lines in relation to gross revenues.

The Company's net revenues totaled R$980 million in 2008, corresponding to a growth of 15.2% vis-à-vis 2007. The larger expansion of net revenues compared to gross revenues derives mainly from the relative reduction in the amount of gratuities and scholarships granted.

The Company's average monthly tuition fee – determined based on the average paying student base – amounted to R$451 in 2008 against R$434 in 2007, which corresponds to an increase of 4.1%. In addition to the price adjustments implemented in the first and third quarters, the relative reduction in the number of gratuities and scholarships allowed for the increase in the average monthly tuition fee.

Chart 1 – Revenue Evolution (R$ million)



COST OF SERVICES (COS)

In 2008, cash cost totaled R$599.7 million, affected by non-recurring expenses related to lay-offs amounting to R$8.1 million. On a recurring basis, cash cost stood at R$591.5 million, which corresponds to a 0.6 p.p. decline as a percentage of net revenues against 2007.

The main recurring cash cost variations were the following:

- **Faculty Costs**: despite the higher tax burden related to INSS social security charges, faculty costs, on a recurring basis, reached R$449.0 million in 2008. As a percentage of net revenues, such costs declined 0.9 p.p. vis-à-vis 2007 (46.7% versus 45.8% in 2008). The additional INSS charges in the costs line totaled R$12.1 million in 2008, or 1.2 p.p. of net revenues.

- **Rental (Includes Real Estate Taxes and expenses)**: rental expenses in 2008 reached R$92.6 million compared to R$77.3 million in 2007, up by 19.9% on a year-over-year basis. As a percentage of net revenues, rental expenses climbed to 9.5% in

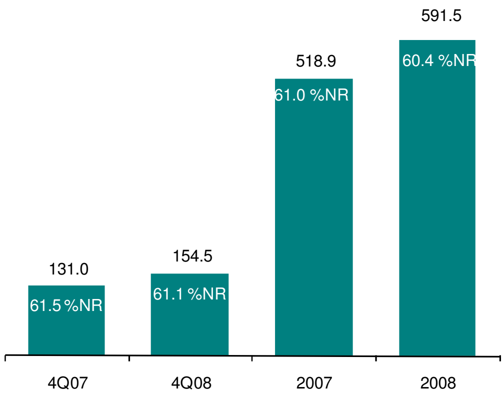
- 2008 against 9.1% in 2007, mainly as a result of the higher index from acquired companies. In the 2007 and 2008 acquisitions, rentals accounted for, on average, 11.2% of net revenues. In the remaining companies of the Group, this percentage drops to 9.3%, leading to a consolidated percentage of 9.5%.

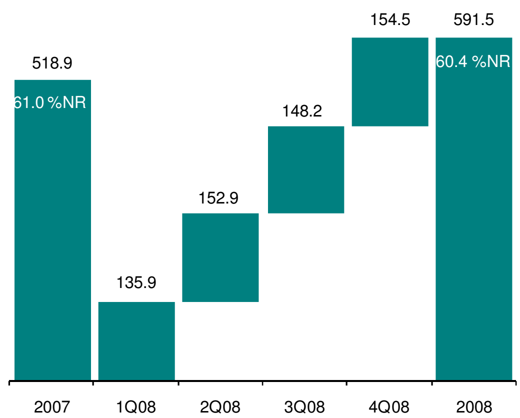
- **Third-party Services/Other**: both accounts corresponded to 5.1% of net revenues in 2008, a gain of 0.2 p.p. against 2007, concerning mainly electricity, water, gas and telephone.

In 4Q08, cash cost reached R$157.4 million, affected by dismissal expenses amounting to R$2.9 million. On a recurring basis, 4Q08 cash cost summed up to R$154.5 million, down by 0.5 p.p. against 4Q07. Faculty costs declined 0.9 p.p. as a percentage of net revenues vis-à-vis 4Q07, despite the increase in INSS charges. In 4Q08, the additional impact from INSS charges reached R$2.7 million, or 1.1% of the net revenues for the quarter.

Similarly to the full-year result, rental expenses in 4Q08 climbed 0.5 p.p. in relation to net revenues, when compared to same period of the preceding year, driven by higher rental rates in acquired companies.

Chart 2 – Cost of Services (R$ million)





The following table shows the COS breakdown for the periods under analysis:

Table 3 – Cash Cost Evolution

R$ million	4Q07	1Q08	2Q08	3Q08	4Q08	2007	2008
Cash Cost	**131.0**	**135.9**	**152.9**	**153.4**	**157.4**	**517.2**	**599.7**
Adjustments							
Non Recurring		-	-	(5.2)	(2.9)		(8.1)
Taxes (Jan/07)						1.8	
Recurring Cash Costs	**131.0**	**135.9**	**152.9**	**148.2**	**154.5**	**518.9**	**591.5**
Faculty Costs	**100.4**	**102.4**	**117.9**	**111.6**	**117.2**	**397.0**	**449.0**
- Faculty Payroll	94.9	93.7	108.7	102.9	108.9	374.3	414.3
- Social Secutiry taxes	5.5	8.6	9.2	8.6	8.3	22.7	34.7
Rentals / Real State Taxes	**18.7**	**22.6**	**22.1**	**24.5**	**23.4**	**77.3**	**92.6**
Others	**11.9**	**10.9**	**12.9**	**12.1**	**13.9**	**44.7**	**49.9**
- Third-Part Services	4.7	5.0	5.2	5.3	5.2	17.6	20.7
- Others	7.2	5.8	7.7	6.9	8.7	27.1	29.2

GROSS PROFIT

Recurring gross profit reached R$388.4 million in 2008, up by 17.1% against 2007. Recurring gross margin in 2008 stood at 39.6%, compared to 39.0% in 2007. The reduction in faculty costs (0.9 p.p of net revenues) and the revenue increase were the main drivers behind margin expansion.

Table 4 – Gross Profit

R$ million	4Q07	4Q08	Chg.%	2007	2008	Chg.%
Net Revenue	212.9	252.9	18.8%	850.6	980.0	15.2%
Recurring Cash Cost of Services	(131.0)	(154.5)	17.9%	(518.9)	(591.5)	14.0%
(+) Cash Cost of Services	(131.0)	(157.4)	20.2%	(517.2)	(599.7)	15.9%
(+) Non-recurring expenses		2.9			8.1	
(+) Taxes Adjustments				(1.8)		
Recurring Cash Gross Profit	**81.9**	**98.4**	**20.2%**	**331.6**	**388.4**	**17.1%**
Recurring Gross Margin	*38.5%*	*38.9%*	*0.5 p.p*	*39.0%*	*39.6%*	*0.6 p.p*

SELLING, GENERAL & ADMINISTRATIVE EXPENSES (SG&A)

On a cash basis, SG&A expenses totaled R$313.6 million in 2008. Given the Company's restructuring process, R$14.6 million non-recurring expenses were booked in SG&A throughout the year, as follows: R$8.8 million in personnel and R$5.7 million in outsourcing/other.

On a recurring basis, SG&A expenses totaled R$299.1 million in 2008 (30.5% of net revenues), compared to R$245.3 million in 2007 (28.8% of net revenues). This result was mainly driven by a one-off increase in the provision for doubtful debts of R$17.9 million (1.8% of 2008 net revenues), in view of a more conservative approach in the recognition of receivables. However, personnel expenses declined 7.8% versus 2007 (-2.6 p.p. of net revenues), as a result of the beginning of the optimization process implemented in the back-office structure.

Selling Expenses: total selling expenses amounted to R$83.8 million (8.6% of net revenues) in 2008, compared to R$49.6 million (5.8% of net revenues) in 2007. This result derives mainly from:

- **Marketing:** as a percentage of net revenues, marketing expenses climbed 0.5 p.p. in 2008 versus 2007, because of a heavier sales effort in São Paulo, where the Company has been operating since the acquisition of Radial/IREP in August 2007.

- **Provision for Doubtful Debts (PDD):** after the implementation of the academic information system (SIA) in all campuses and in the pursuit of best practices and larger transparency, the Company decided to enhance the procedure for tuition fee renegotiation with students in default and the consequent recognition of doubtful debts.

  Based on this more conservative, transparent and customized approach, the Company decided to book as doubtful debts the accounts receivable balance related to students with past non-performing renegotiated debts, as well as overdue and unpaid tuition fees.

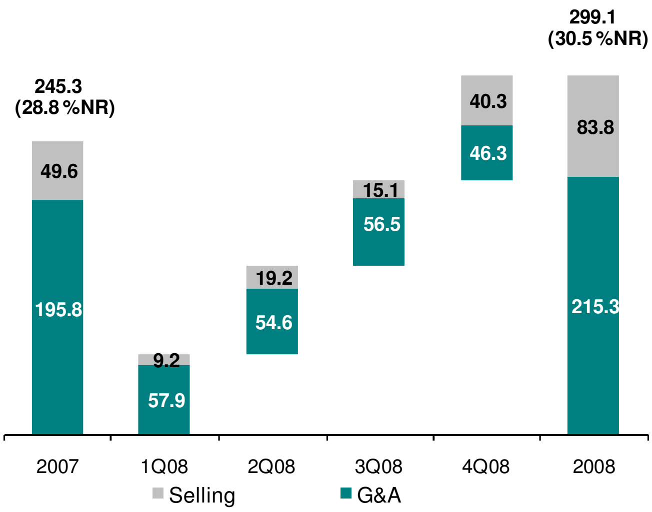
  As a result, the doubtful debts line reached R$35.4 million in 4Q08 (14.0% of net revenues), of which R$17.9 million (7.1% of net revenues) derive from the new procedure of recognizing receivables. Given this concentrated impact on 4Q08, the doubtful debts item totaled R$58.9 million (6.0% of net revenues) in 2008 versus R$32.6 million (3.8% of net revenues) in 2007. Excluding this one-off increase, the PDD would have reached 4.2% of net revenues in 2008.

General and Administrative Expenses: on a recurring basis, general and administrative expenses totaled R$215.3 million (22.0% of net revenues) in 2008, against R$195.8 million (23.0% of net revenues) in 2007. This improvement was mostly driven by lower personnel expenses (2.6 p.p. of net revenues), which then corresponded to 10.3% of net revenues in 2008 versus 12.8% in 2007, despite the increase in INSS tax rates. In 2008, the additional INSS charges related to administrative staff costs amounted to R$1.3 million (0.1% of net revenues).

The greater efficiency achieved in the personnel line allowed the Company to invest in hiring consulting services that are supporting the organizational restructuring process and the Model Project implementation, including the Shared Services Center (SSC), the Learning Center and the Student Care Center. The "other" general and administrative expenses line totaled R$114.7 million in 2008, representing 11.7% of net revenues.

In total, the Company's general and administrative expenses fell 1.0 p.p. in relation to net revenues, when comparing 2008 and 2007 results.

Chart 3 – SG&A (R$ million)



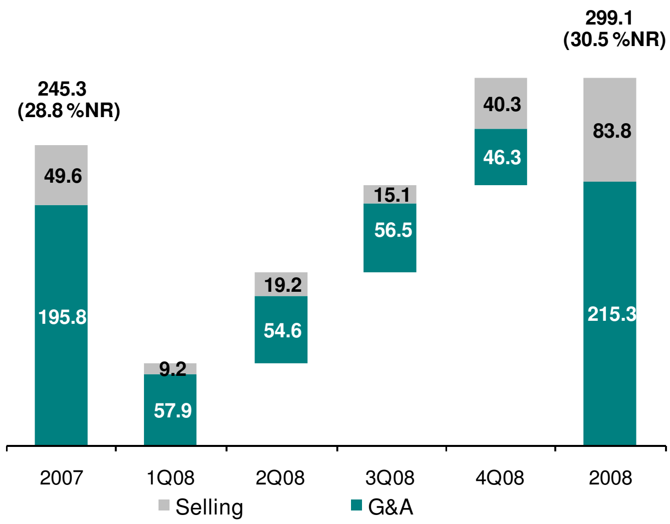


Table 5 – Breakdown of SG&A expenses

R$ million	4Q07	1Q08	2Q08	3Q08	4Q08	2008	2007
Total Selling / Administative	**67.6**	**67.1**	**75.2**	**77.2**	**94.2**	**313.6**	**243.6**
- Non-Recurring		-	(1.4)	(5.6)	(7.6)	(14.6)	
- Tax Adjustment (Jan/07)							1.7
Recurring Selling/Administative	**67.6**	**67.1**	**73.8**	**71.6**	**86.6**	**299.1**	**245.3**
Selling	**17.3**	**9.2**	**19.2**	**15.1**	**40.3**	**83.8**	**49.6**
- Bad Debt Provision Expenses	11.5	3.5	12.3	7.8	35.4	58.9	32.6
- Marketing	5.8	5.7	6.9	7.3	5.0	24.9	16.9
Administrative Expenses	**50.3**	**57.9**	**54.6**	**56.5**	**46.3**	**215.3**	**195.8**
- Personnel	**26.9**	**28.5**	**26.0**	**26.2**	**19.8**	**100.5**	**109.1**
- Personnel	25.3	25.8	23.9	24.7	18.3	92.7	102.5
- Personnel charges (INSS SESES)	1.6	2.7	2.1	1.6	1.5	7.9	6.6
- Others	**23.4**	**29.4**	**28.6**	**30.3**	**26.5**	**114.7**	**86.7**

DEPRECIATION AND AMORTIZATION

Depreciation and amortization charges totaled R$34.4 million in 2008, compared to R$24.4 million in 2007. This increase is partially explained by the acquisitions made in the period and the adjustments required by Law 11.638. The Company capitalized the present value of leasing expenses, generating an additional depreciation of R$4.7 million in 4Q08 (0.5% of net revenues in 2008), which accumulated the full-year effect.

Table 6 – Depreciation and Amortization

R$ million	4Q07	1Q08	2Q08	3Q08	4Q08	2008	2007
Depreciation	**(7.3)**	**(6.9)**	**(7.2)**	**(7.8)**	**(12.5)**	**(34.4)**	**(24.4)**
- Cost	(6.8)	(6.2)	(6.3)	(6.8)	(11.7)	(31.1)	(22.9)
- Expenses	(0.4)	(0.7)	(0.9)	(0.9)	(0.8)	(3.3)	(1.5)
Goodwill Amortization	(1.8)	(1.7)	(2.4)	(2.6)	(3.6)	(10.4)	(2.3)

NET FINANCIAL RESULT

The Company's net financial result was also affected by the changes required by Law 11.638. Leasing expenses from equipment, which were previously booked in the general and administrative expenses line, are now accounted for in the financial result. The impact from leasing financial expenses reached R$2.7 million in 4Q08 (0.3% of net revenues in 2008), which accumulated the full-year effect.

Financial revenues totaled R$9.0 million in 4Q08, of which R$7.2 million derive from the Company's cash investments and R$1.8 million is related to interest and fines charged on overdue monthly tuitions and collection charges expenses (operating financial result). However, this result is also affected by R$0.9 million of revenues that were recognized downwards in preceding quarters. The recurring amount of the operating financial result line is R$2.7 million in 4Q08 and R$9.1 million in full 2008.

Table 7 – Financial Result

R$ million	4Q07	4Q08	2007	2008
Net Financial Result	**6.0**	**2.6**	**14.6**	**26.3**
Financial Revenue	8.2	9.0	24.5	39.4
- Interest on Financial Instruments	7.0	7.2	16.1	31.3
- Operational Financial Result	1.2	1.8	8.4	8.2
Financial Expenses	(2.2)	(6.4)	(9.9)	(13.1)
- Non-recurring Oper. Financial Result		0.9		0.9
- Recurring Operational Financial Result		2.7		9.1

EBITDA

The Company's recurring EBITDA reached R$98.4 million with 10.0% margin in 2008. Recurring EBITDA in 2007 totaled R$94.7 million with 11.1% margin. In 2008, non-recurring expenses amounted to R$22.7 million, comprising dismissal charges and consulting services.

The EBITDA in 2008 was mostly affected by: i) lower personnel expenses (Costs and SG&A: lower 3.4 p.p. of net revenues), even considering the progressive increase in INSS rates (1.4 p.p. of net revenues); ii) one-off increase in the provision for bad debts arising from a more conservative approach in the recognition of receivables; iii) higher expenses with consulting services to support the search for efficiency (operating, organizational and academic restructuring).

Disregarding the one-off impact of R$17.9 million in the provision for bad debts during 4Q08, EBITDA would have reached R$116.3 million with 11.9% margin in 2008 and R$32.4 million with 12.8% margin in 4Q08.

Table 8 – EBITDA

R$ million	4Q07	4Q08	Chg.%	2007	2008	Chg.%
Cash Operating Income	**14.3**	**1.3**	**-91.1%**	**92.3**	**66.7**	**-27.8%**
Non-recurring expenses	-	10.5		-	22.7	
Tax adjustments[1]				(6.0)		
Operational Financial Result[2]	1.2	2.7		8.4	9.1	
Recurring EBITDA	**15.5**	**14.5**	**-6.2%**	**94.7**	**98.4**	**4.0%**
Recurring EBITDA Margin	*7.3%*	*5.8%*	*(1.5) p.p*	*11.1%*	*10.0%*	*(1.1) p.p*
Recurring EBITDA ex-rentals	**32.5**	**35.0**	**7.9%**	**165.6**	**181.7**	**9.7%**
Recurring EBITDA	15.5	14.5		94.7	98.4	
- Rentals	17.0	20.5		70.9	83.2	
Recurring EBITDA Margin Ex-rentals	*15.3%*	*13.9%*	*(1.4) p.p*	*19.5%*	*18.5%*	*(0.9) p.p*

1. Adjusted for the taxes levied on SESES in January/07 (for-profit company as from February/07)
2. The 4Q08 operating financial result totaled R$1.8 million. However, considering the non-recurring impact of R$0.9 million, the total adjusted amount stands at R$2.7 million in 4Q08 and R$9.1 million in 2008.

NET INCOME AND DIVIDENDS

Net income adjusted for non-recurring expenses, goodwill and operating financial results totaled R$71.6 million in 2008, down by 1.1% compared to 2007. The one-off increase in the provision for doubtful debts, combined with higher expenses arising from consulting services, were the main drivers behind the net income decline.

According to the policy set forth in the shareholders' agreement, the Company will pay dividends in the amount of R$17.9 million, based on the net income booked in the financial statements after exclusions and additions provided for in the legislation.

Table 9 – Net Income

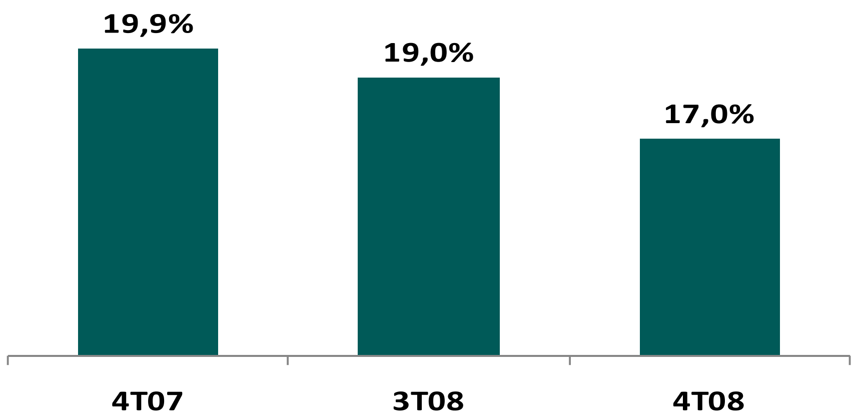
R$ million	4Q07	4Q08	2007	2008	Chg.%
Net Income	**13.1**	**(15.5)**	**61.1**	**37.6**	**-38.4%**
Non-recurring expenses	0.2	10.5	17.4	22.7	
Goodwill Amortization from Acquisitions	1.8	3.6	2.3	10.4	
Taxes Adjustments			(8.4)		
Non-recurring operational financial result		0.9		0.9	
Adjusted Net Income	**15.0**	**(0.4)**	**72.5**	**71.6**	**-1.1%**

RETURN ON EQUITY (ROE)

Estácio operates under an “Asset Light” business model, in which the majority of our campuses are leased, mainly through partnerships with real estate brokerages. This model streamlines the opening of new units and allows for more flexibility in the structuring and management of our network.

Our brokerage partnerships reduce the need to acquire real estate assets. Consequently, the Company’s return on equity has outpaced the sector’s average. In 4Q08, this indicator stood at 17.0%, down by 2.9 p.p. compared to the same period in 2007. This result was mostly driven by the net income reduction which reflected, among other effects, the one-off increase in the provision for doubtful debts amounting to R$17.9 million (1.8% of net revenues in 2008). ROE in 2008 would have reached 20.8%, excluding the one-off provision for doubtful debts.

Chart 4 – ROE[1]



(1) Adjusted net income for the past 12 months/Shareholders’ equity for the quarter.

CAPITALIZATION AND CASH

The Company ended 2008 with a solid cash position amounting to R$202 million. Such amount was conservatively invested in fixed-income instruments, indexed to the CDI rate, in government bonds and certificates of deposits at top-class Brazilian banks.

The debts amounting to R$11.6 million booked in 4Q08 correspond to the capitalization of leasing expenses as required by Law 11.638. Considering the aforementioned debt amount, the Company’s net cash position stood at R$190.6 million in 2008.

Table 10 – Capitalization and Cash

R$ million	12/31/2007	12/31/2008
Shareholders' Equity	405.4	421.1
Total indebtedness	0.2	11.6
Short-term indebtdeness	0.2	6.7
Long-term indebtdeness	0.0	4.8
Cash and cash equivalents	229.2	202.2
Net Cash	**229.0**	**190.6**

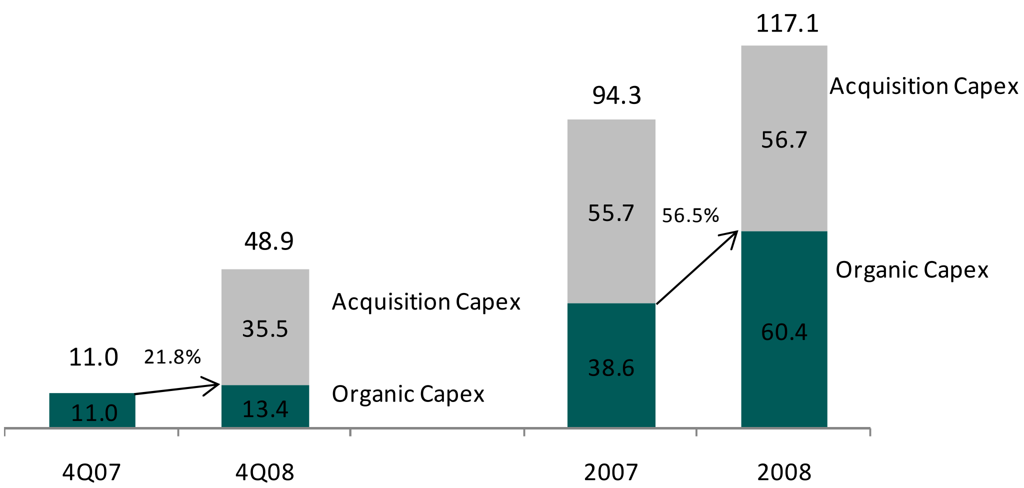
CAPITAL EXPENDITURES

In 4Q08, the Company's organic capex totaled R$13.4 million, equivalent to 5.3% of net revenues, and was assigned to current operating investments, national integration, restructuring and expansion.

Full-year organic capex reached R$60.4 million (6.2% of net revenues versus 4.5% in 2007). The increase of R$21.8 million over 2007 was driven by larger investments in the one-off national systems integration project (R$5.1 million), academic reform and distance learning (R$1.0 million), and current operating investments (R$15.7 million).

The acquisitions in 2008 totaled R$56.7 million (R$16.9 million with the Interlagos, Europan and Brasília Colleges, in February; R$4.3 million with Magister College, in June; R$2.3 million with the University in Paraguay, in September; R$33.2 million with the four colleges in the Northeast/North, in October; and with the three colleges of Montessori, in November).

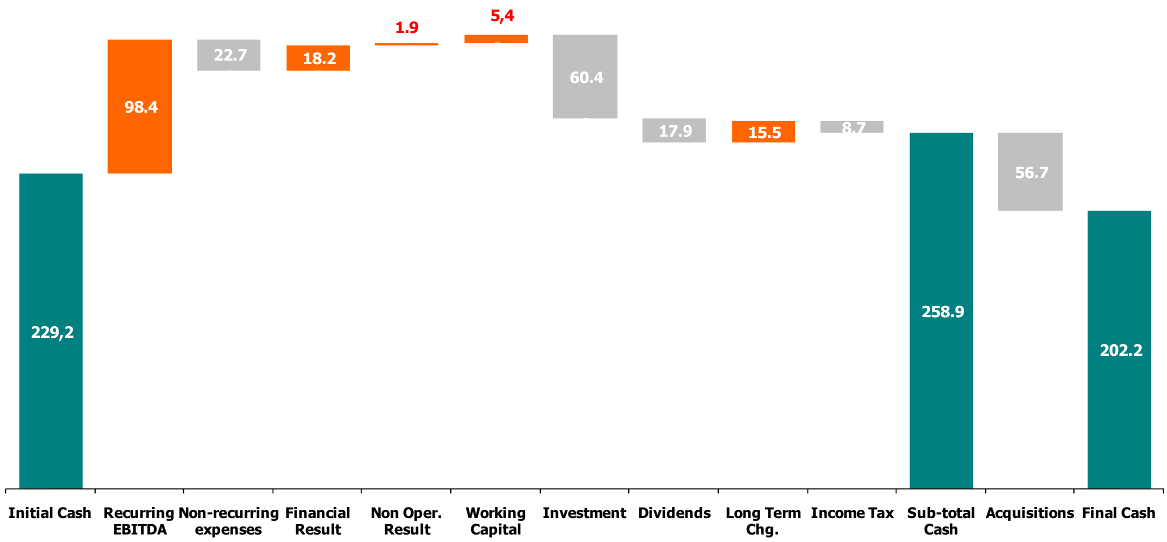
Chart 6 – Investments (R$ million)



CASH FLOW

In 2008, the Company's cash generation stood at R$90.1 million. After organic capex of R$60.4 million, this result generated a net cash increase of R$29.7 million which, after acquisition capex of R$56.7 million, led to a net cash decline of R$27.0 million, with the cash position in late 2008 standing at R$202.2 million.

Chart 7 – 2008 Cash Flow (R$ million)



OTHER EVENTS

- **Tax Assessment Notices**

On 12/23/2008, the Company was delivered tax assessment notices, issued by the Brazilian Federal Revenue Service, against its controlled company Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES"), regarding alleged debts of social security contributions for the period 2003-05, in the total amount of R$458.9 million, as well as a list for controlling its estate assets.

After the delivery of the tax assessment notices, the Company requested the opinion of legal advisors, which issued legal opinions supporting a remote probability of loss in these claims. In addition, the Company's Management addressed this matter to the Company's independent auditors, providing them the tax assessment notices and said legal reports. According to the Brazilian GAAP, contingencies liabilities with a remote probability of loss do not have to be subject to a reserve and, therefore, the Company's financial statements were not modified as a result of this matter.

- **Impacts from Law no. 11,638 and Provisional Measure no. 449/08**:

As permitted by CVM Resolution no. 565, of December 17, 2008, which approved Technical Statement CPC no. 13 – Initial Adoption of Law no. 11,638/07 and Provisional Measure no. 449/08 ("MP no. 449/08"), the Company chose December 31, 2007 as the transition date to adopt the new accounting rules. The transition date is the starting point to implement the changes in Brazilian accounting rules and represents the base date for the Company's initial balance sheet adjusted to the 2008 new accounting provisions.

CPC 13 exempted companies from implementing the provisions set forth in NPC 12 and CVM Resolution no. 506/06 – Accounting Practices, Changes in Accounting Estimates and Error Correction, upon the initial adoption of Law no. 11,638/07 and MP no. 449/08. Such Resolution determines that, besides listing the effects of the new accounting rules in the retained earnings or losses account, companies are required to show the opening balance sheet for each account or group of accounts related to the oldest period for comparison purposes, together with the remaining comparative amounts, as if the new accounting rules had always been in use.

As allowed by the said statement, the Company chose to book the adjustments arising from the changes in accounting rules in the retained earnings account on January 1, 2008. The financial statements for the year ended December 31, 2007, jointly presented with the financial statements for 2008, were prepared in accordance with the Brazilian accounting practices in force up to December 31, 2007. As permitted by Technical Statement CPC 13 – Initial Adoption of Law no. 11,638/07 and MP no. 449/08, such financial statements are not being resubmitted for comparison purposes between the years.

The initial balance sheet as of December 31, 2007 (transition date) was prepared considering the required exceptions and some optional exemptions allowed by Technical Statement CPC 13, as follows:

a) Exemption about presentation of comparative financial statements:

The financial statements for 2007 were prepared based on the accounting rules prevailing in 2007. The option granted by CPC 13 to not adjust the 2007 financial statements to the 2008 accounting standards was exercised by the Company, as mentioned above.

b) Exemption about maintenance of balances in deferred assets until their realization:

Law no. 11,638/07 limited the registration of cost in deferred assets, and MP no. 449/08 discontinued this group of accounts. Accordingly, the Company reclassified part of the balances recognized in the deferred assets group to intangible assets, in the amount of R$5,517 (R$3,586 in 2007), as they related to software and user licenses. In addition, the amounts that could be neither booked as pre-operating expenses nor reclassified to other groups of the balance sheet were written off directly to the retained earnings account on the transition date.

c) Exemption about determination of present value adjustments:

The Company measured the present value adjustment by performing a global calculation on outstanding balances for each monetary assets and liabilities account group, and also applied discount rates based on market assumptions prevailing on the transition date. The present value adjustment was not recorded given its immaterial effects.

d) Exemption about recognition of stock-based payments:

Stock-based payments related to the compensation of the Company's executives and employees were granted just in 2008. For such reason, there were no effects coming from such amounts on the transition date.

e) Exemption about added value statement without indicating the corresponding amounts in the preceding year:

The Company chose to present the added value statement solely for the year ended December 31, 2008.

f) Exemption about cash flow statements without indicating the corresponding amounts in the preceding year:

The Company chose to present the cash flow statement for the year ended December 31, 2008, including the corresponding amounts for the preceding year, and chose to no longer present the statement of changes in financial position as of December 31, 2007.

g) Neutrality for tax purposes of the initial application of Law no. 11,638/07 and Provisional Measure no. 449/08:

The Company decided to follow the Transition Tax Regime (RTT) implemented by Provisional Measure no. 449/08, whereby Corporate Income Tax (IRPJ), Social Contribution on Net Profits (CSLL), Social Integration Program (PIS) contribution and Social Security Financing Contribution (COFINS), for the years 2008-2009, continue to be determined based on the accounting methods and criteria set forth by Law no. 6,404, of December 15, 1976, prevailing on December 31, 2007. Deferred income tax and social contribution, calculated on the adjustments arising from the adoption of the new accounting rules pursuant to Law no. 11,638/08 and MP 449/08, were booked in the Company's financial statements, when applicable, in accordance with CVM Instruction no. 371. The Company will record such option in the Statement of Corporate Economic and Tax Information (DIPJ) in 2009.

h) Exception regarding goodwill amortization:

The goodwill amounts recorded by the Company were amortized on a straight-line basis up to December 31, 2008.

i) Exception regarding the first regular review of the useful life of fixed assets:

Up to December 31, 2009, the Company's subsidiaries will review the useful life estimates for its fixed assets, which are used to calculate their depreciation rates. Should any material changes in such estimates arise from this review, they will be addressed as a change in accounting estimates and will be recognized on a prospective basis.

j) Exception regarding the treatment for investment subsidies:

Up to December 31, 2007, the amounts corresponding to the University for All Program ("PROUNI") incentive were directly credited to the capital reserve account in the shareholders' equity of subsidiaries. The Company followed the accounting procedures prevailing on the date they were originated, including the bookkeeping of the related balances in the capital reserve account.

Pursuant to CVM Resolution no. 555/08, which approved CPC 07, the amount corresponding to the PROUNI incentive determined as from the effectiveness of Law no. 11,638/07, that is, as from January 01, 2008, was accounted for in the P&L for the year to reduce expenses with income tax and social contribution on net profits, and was then transferred to the earnings reserve account.

k) Exception regarding financial leasing:

Leased assets were incorporated to fixed assets, on the transition date, at their fair value or, if lower, at the present value of the minimum payments of the lease, on the initial date of the contract, adjusted by accumulated depreciation up to the transition date. The net difference was recorded in the retained earnings account on the transition date.

To comply with the disclosure requirements about the initial adoption of the new accounting rules, the Company provides below, for 2008 and the preceding year, for comparison purposes, a brief description of the changes enforced by Law no. 11.638/07 and MP no. 449/08, as well as the amounts corresponding to the impacts on shareholders' equity and P&L, for both the company and consolidated results.

	Holding Company		Consolidated	
	Net Income	Shareholders' Equity	Net Income	Shareholders' Equity
Balances as per financial statements as of December 31,2008:	37,635	421,075	37,635	421,075
Effects from Law n°. 11.638/07 and MP n°. 449/08:				
Accumulated conversion adjustment (1)	397	(397)	397	(397)
Recognition of stock options granted (2)			969	
Equity pick-up	757			
Deferred assets (3)		1,520		1,520
Leasing adjustment (4)		2,947	(212)	2,947
Balances prior to compliance with Law n°. 11,638/07 and MP n°. 449/08:	38,789	425,145	38,789	425,145

1. In compliance with CVM Resolution no. 534/08, which approved CPC 02, the effect arising from exchange rate variations of the offshore investment, made on August 14, 2008, represented by SESSA, started to be recorded in the "Accumulated Conversion Adjustment" account, in Shareholders' Equity.

2. Recognition of stock-based compensation expenses, pursuant to CVM Resolution no. 562/08, which approved CPC 10 (Note 18).

3. Deferred assets write-off related to amounts that are neither qualified as pre-operating expenses nor allowed to reclassification to other groups in the balance sheet, as set forth in CVM Resolution no. 527/08, which approved CPC 13.

4. Leased assets (financial leasing) were incorporated to fixed assets, adjusted by accumulated depreciation up to the transition date.

In addition, in compliance with MP no. 449/08, the Company performed the following reclassifications in the financial statements for the years ended December 31, 2008 and 2007: (i) non-operating income was reclassified to other operating revenues (expenses), (ii) deferred income (subsidies advance) was reclassified to the deferred revenues line.

	Holding Company		**Consolidated**	
	2008	**2007**	**2008**	**2007**
Non Operating Income		17.470	1.913	14.004
Deferred Revenues	16.500		26.460	11.395

IMPORTANT NOTICE (CVM INSTRUCTION 358)

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

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

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

The Company's ownership structure is the following:

Table 11 – Ownership Breakdown – 12/31/08

Shareholders	ON	%
Founding Family	43,037,648	55%
GP Investments	15,717,013	20%
Executive Officers and Directors	52,482	0%
Others	19,777,923	25%
Total	**78,585,066**	**100%**

ABOUT ESTÁCIO PARTICIPAÇÕES

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

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

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

Estácio has nearly 207 thousand undergraduate students enrolled in our nationwide education Network and Paraguay, consisting of 1 University (Rio de Janeiro), 2 University Centers (Bahia and São Paulo) and 27 Colleges, which combined represent 78 campuses distributed across 16 Brazilian states, of which 38 are in Rio de Janeiro, besides 1 University in Paraguay, with more than 2 thousand undergraduate students, as shown in the map below.

Table 12 – Income Statement

Income Statement (R$ million)	4Q07	4Q08	Chg. %	2007	2008	Chg. %
Gross Revenue	**319.7**	**366.3**	**14.6%**	**1,270.6**	**1,432.3**	**12.7%**
Tuition fees	315.3	361.5	14.6%	1,251.8	1,409.5	12.6%
Others	4.4	4.8	9.5%	18.8	22.8	21.4%
Deductions	**(106.9)**	**(113.4)**	**6.1%**	**(417.5)**	**(452.3)**	**8.3%**
Gratuities - Scholarships	(85.8)	(91.2)	6.2%	(340.6)	(361.1)	6.0%
Monthly tuition fees and charges returned	(0.5)	(0.4)	-18.2%	(3.2)	(3.2)	0.8%
Allowances	(11.5)	(11.3)	-1.8%	(38.1)	(45.5)	19.2%
Taxes	(9.1)	(10.5)	16.1%	(35.6)	(42.5)	19.4%
Taxes Adjustments				(2.5)		
Net Revenue	212.9	252.9	18.8%	853.1	980.0	14.9%
Recurring Net Revenue	212.9	252.9	18.8%	850.6	980.0	15.2%
Cost os services (Recurring / cash)	(131.0)	(154.5)	17.9%	(518.9)	(591.5)	14.0%
- Faculty Payroll	(100.4)	(117.2)	16.7%	(397.0)	(449.0)	13.1%
- Rentals / Real State Taxes expenses	(18.7)	(23.4)	25.3%	(77.3)	(92.6)	19.9%
- Third-Part Services	(4.7)	(5.2)	11.6%	(17.6)	(20.7)	17.7%
- Others	(7.2)	(8.7)	20.8%	(27.1)	(29.2)	7.5%
- Non-recurring expenses		(2.9)			(8.1)	
Taxes Adjustments				1.8		
Cash Gross Profit	81.9	95.5	16.6%	335.9	380.3	13.2%
Recurring Cash Gross Profit	81.9	98.4	20.2%	331.6	388.4	17.1%
Recurring Cash Gross Margin (%)	*38.5%*	*38.9%*		*39.0%*	*39.6%*	
Selling, General and administrative (Recurring / Cash)	**(67.6)**	**(86.6)**	**28.2%**	**(245.3)**	**(299.1)**	**21.9%**
- Selling	**(17.3)**	**(40.3)**	**133.2%**	**(49.6)**	**(83.8)**	**69.0%**
- Provisions for Doubtful accounts	(11.5)	(35.4)		(32.6)	(58.9)	
- Marketing	(5.8)	(5.0)		(16.9)	(24.9)	
- General and administrative (Recurring / Cash)	**(50.3)**	**(46.3)**	**-8.0%**	**(195.8)**	**(215.3)**	**10.0%**
- Non-recurring		(7.6)			(14.6)	
Taxes Adjustments				1.7		
Cash Operating Income	14.3	1.3	-91.1%	92.3	66.7	-27.8%
Recurring Cash Operating income	14.3	11.8	-17.3%	86.3	89.4	3.6%
Net financial result	**6.0**	**2.6**		**14.6**	**26.3**	
- Financial revenue	8.2	9.0		24.5	39.4	
- Financial expenses	(2.2)	(6.4)		(9.9)	(13.1)	
Depreciation	**(7.3)**	**(12.5)**		**(24.4)**	**(34.4)**	
- COS	(6.8)	(11.7)		(22.9)	(31.1)	
- G&A	(0.4)	(0.8)		(1.5)	(3.3)	
Goodwill amortization from acquisition	**(1.8)**	**(3.6)**		**(2.3)**	**(10.4)**	
Non operating revenue (expenses)	**2.8**	**(0.7)**		**(15.3)**	**(1.9)**	
Income before social contribuition and income tax	14.1	(13.0)		64.9	46.3	15.6%
Social Contribuition and income tax	(1.1)	(2.5)		(3.8)	(8.7)	
Tax adjustments				(2.3)	-	
Net income	13.1	(15.5)		61.1	37.6	
Adjusted Net Income (Godwill, one-off expenses, taxes and IPO)	15.0	(0.4)	-102.9%	72.5	71.6	-1.1%
Adjusted Net Margin (%)	7.1%	-0.2%		8.5%	7.3%	

EBITDA	4Q07	4Q08	Chg. %	2007	2008	Chg. %
Operating Income	14.3	1.3		92.3	66.7	
Non recurring		10.5			22.7	
Operational Financial Result	1.2	1.8		8.4	8.2	
Adjustment to Financial Operating Income		0.9			0.9	
Tax adjustments				(6.0)		
Recurring EBITDA	**15.5**	**14.5**		**94.7**	**98.4**	4.0%
EBITDA Margin (%)	*7.3%*	*5.8%*		*11.1%*	*10.0%*	
IPO one-off expenses	0.2			17.4		

Table 13 – Balance Sheet

Balance Sheet (R$ million)	12/31/2007	12/31/2008
Current Assets	**349.1**	**332.9**
Cash	22.9	38.1
Cash Equivalents	206.4	164.1
Accounts Receivable	89.5	100.4
Carry-fowards Credits	3.7	2.3
Advance to Employees / Third Parties	6.4	9.1
Related Parties	13.9	0.1
Prepaid Expenses	0.6	2.9
Others	5.8	16.0
Long term receivables	**1.2**	**3.7**
Prepaid Expenses	0.9	3.0
Judicial Deposits	0.3	0.7
Permanent Assets	**222.7**	**297.8**
Investiments	0.2	0.2
Fixed Assets	160.4	190.7
Intangible	62.1	106.9
Total Assets	**573.1**	**634.5**

Liabilities and Shareholders' Equity	31/12/2007	31/12/2008
Current liabilities	**142.4**	**157.9**
Loans and financings	0.2	6.7
Suppliers	17.2	24.4
Salaries and payroll charges	58.5	56.2
Taxes payable	12.8	16.8
Prepaid monthly tuition fees	31.0	29.1
Taxes paid in installments	0.5	1.5
Dividends payable	13.7	17.9
Commitments payable	5.7	1.5
Others	2.8	3.8
Long term liabilities	**25.3**	**55.5**
Loans and financings	0.0	4.8
Provisions for contingencies	13.7	20.2
Advances under partnership agreement	11.4	26.5
Taxes paid in installments	0.2	4.0
Shareholders' Equity	**405.4**	**421.1**
Capital	295.2	295.2
Capital Reserves	96.5	96.5
Earnings Reserves	13.7	29.0
Impairment	-	0.4
Total liability and shareholders' Equity	**573.1**	**634.5**

1. Adjusted to extraordinary expenses, goodwill amortization and taxes on SESES in January/07

Table 14 – Cash Flow

Statement of cash flow (R$ million)	2007	2008
Cash flow from operating activities:		
Net income for the period	**27.3**	**37.6**
Adjustments - net income to cash generated by operating activities:		
Depreciation e amortization	19.0	34.4
Residual value of fixed asset disposals	1.4	5.1
Goodwill amortization	2.3	10.4
Provisions for doubtful accounts	27.6	58.9
Provision for contingencies	0.9	7.4
Cash flow from operating activities	**78.5**	**153.9**
Changes in assets and liabilities:		
(Increase) in accounts receivable	(41.6)	(69.8)
(Increase) in other assets	(9.0)	(16.2)
Increase (decrease) in Suppliers	2.2	7.2
Increase (decrease) in tax payable	1.5	4.0
Increase in salaries and social charges	(22.7)	(2.3)
Increase in prepaid monthly tuition fees	2.1	(1.8)
Increase (decrease) in the provision for contingencies	(1.2)	(1.0)
Increase (decrease) in other liabilities	6.4	1.5
Increase (decrease) in advanced under partnership agreement	(2.4)	15.1
Changes in transactions with related parties:		
(Increase) in accounts receivable	(5.3)	13.8
Net cash generated by (used in) operating activities	**8.4**	**104.4**
Cash flow from financing activities:		
Financial Investments	(159.5)	42.3
Investments		(4.1)
Goodwill on acquisitions	(55.7)	(48.2)
Fixed Assets and Intangible	(34.6)	(65.6)
Net cash used in investing activities	**(249.8)**	**(75.5)**
Cash flow from financing activities:		
Capital Increase	268.2	
Dividends distributed		(13.7)
Loans and Financings acquisitions		2.1
Payment of Loans and Financings	(3.9)	(2.0)
Net cash used in financing activities	**264.2**	**(13.5)**
Increase (decrease) in cash		
At the beginning of period		22.9
At end of of period	22.9	38.1
Changes in net cash	**22.9**	**15.3**