

1Q11 RESULTS

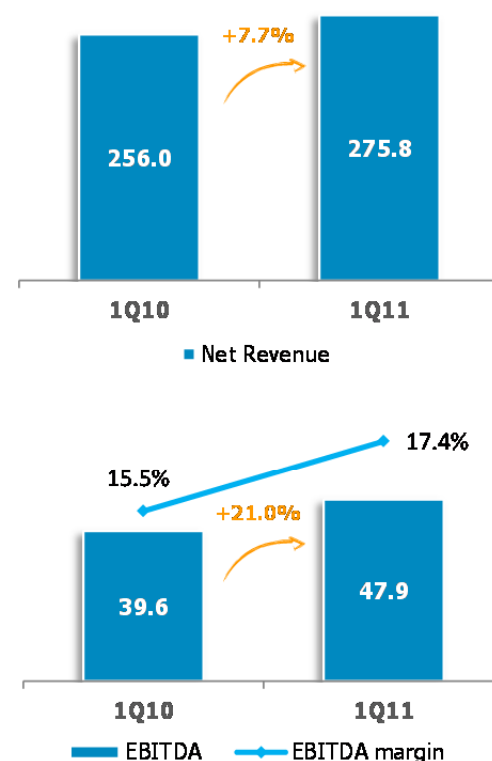
RECORD HIGH ENROLLMENT, with over 73,000 new students (+24% vs. 1Q10),
EBITDA growth of 21% to R\$48 million,
and Margin expansion of 1.9 p.p. to 17.4%

Rio de Janeiro, May 12, 2011 - **Estácio Participações S.A.** - "Estácio" or "Company" (BM&FBovespa, ESTC3; Bloomberg, ESTC3.BZ; Reuters, ESTC3.SA) announces its results for the first quarter of 2011 (1Q11) in comparison with the year-ago period (1Q10). Except where stated otherwise, the following financial and operating information is presented in accordance with International Financial Reporting Standards ("IFRS") and on a consolidated basis.

Highlights

- ◆ Estácio ended 1Q11 with a **total base** of 241,400 students (up 11.6% from 1Q10), with 210,500 enrolled in **on-campus programs** and 30,900 in **distance learning programs**.
- ◆ The **acquisitions** concluded and announced in 2011 added 10,100 post-secondary students to the on-campus programs student base.
- ◆ **Acquisition of Academia do Concurso:** Leader in preparatory courses for civil servant selection exams in the city of Rio de Janeiro, marking the entry into a promising segment with important synergies.
- ◆ **Net operating revenue** was R\$275.8 million in 1Q11, growing 7.7% from the prior year, mainly due to the 7.5% expansion in the total student base and the increases applied to tuitions in the period.
- ◆ In 1Q11, **recurring EBITDA** rose to R\$47.9 million, up 21.0% from a year earlier. **Recurring EBITDA margin** expanded by 1.9 p.p. from 1Q10 to 17.4% in 1Q11.

Quarterly Highlights (R\$ MM)



ESTC3

(May 11, 2011)

Stock Price: R\$22.70 / share

Number of Shares: 82,251,937

Market Cap: R\$1.9 billion

Free Float: 77%

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CFO
 IR Manager

Main Indicators in the Period

Financial Highlights	1Q10	1Q11	Change
Net Revenue (R\$ million)	256.0	275.8	7.7%
Recurring Gross Profit (R\$ million)	91.9	101.6	10.6%
<i>Recurring Gross Profit margin</i>	<i>35.9%</i>	<i>36.8%</i>	<i>0.9 p.p.</i>
Recurring EBIT	32.3	38.7	19.8%
<i>Recurring EBIT Margin</i>	<i>12.6%</i>	<i>14.0%</i>	<i>1.4 p.p.</i>
Recurring EBITDA	39.6	47.9	21.0%
<i>Recurring EBITDA Margin</i>	<i>15.5%</i>	<i>17.4%</i>	<i>1.9 p.p.</i>
Recurring Net Income (R\$ million)	31.3	33.1	5.8%
<i>Recurring Net Income Margin</i>	<i>12.2%</i>	<i>12.0%</i>	<i>-0.2 p.p.</i>

Message from Management

We began 2011 celebrating the results achieved with our growth strategy based on organic expansion and acquisitions, supported by an efficient operational platform and a high-quality academic model.

The progress achieved in our business strategy and the quality of our teaching model are demonstrated by the results recorded in the last two enrollment cycles. In the first quarter of 2011, more than 73,000 new students enrolled in our on-campus and distance-learning programs at both the undergraduate and graduate level, a growth of 24.4% from the same period a year ago (this is purely organic growth not including any acquisitions in the period being achieved mainly by improving our sales efficiency) and improvements in the perception of Estácio through consistent investments in quality. This improvement in enrollment, combined with the acquisitions made in the period, led to the expansion of 11.6% in our total student base and the growth of 7.7% in our net revenue to R\$275.8 million.

We concluded important acquisitions in the beginning of 2011 that added a total of 10,100 students to our post-secondary base: Faculdade de Natal ("FAL") with 2,100 students; Faculdade Atual da Amazônia ("FAA") with 4,700 students and Faculdade de Excelência Educacional do Rio Grande do Norte ("FATERN") with 3,300 students. These acquisitions inaugurate our consolidation strategy as an important part of Estácio's long-term planning and will help expand our presence in regions experiencing high growth, strengthening our position as the national leader in post-secondary education.

We also announced the acquisition of Academia do Concurso, the leader in preparatory courses for civil service exams in the city of Rio de Janeiro, which in 2010 had 29,000 students enrolled in its short-duration courses and net revenue of approximately R\$10 million. The acquisition represented Estácio's entry into this attractive segment in order to capture accelerated growth by developing a distance-learning platform to be explored by the Company.

Lastly, the operating and financial results in the quarter were very positive, with recurring EBITDA growing 21% to R\$47.9 million, with recurring EBITDA margin expanding 1.9 p.p., supported by net revenue growth, which more than offset the additional investments in advertising, the efficient management of direct costs and the dilution of the general and administrative expenses, which declined in nominal terms. These results reaffirm our strategy and management philosophy, which seek sustainable growth based on the high quality of our services and operational efficiency.

Operating Indicators

Estácio ended 1Q11 with a **student base** of 241,400 (up 11.6% from 1Q10), with 210,500 students enrolled in on-campus programs and 30,900 in distance-learning programs. The **enrollment cycle** presented **record growth** for the second straight time, with enrollment growing 24.4% from 1Q10 with 73,500 new students, being 61,500 in on-campus programs and 12,000 in distance-learning programs. The expansion in the student base in the quarter was due to the strong **enrollment** during the period and the **acquisitions** of FAA and FAL (already recognized in the period) that added 6,800 students to the base.

Table 1 – Student Base

'000	1Q10	1Q11	Change
Total Student Base	216.4	241.4	11.6%
On-Campus	200.0	210.5	5.3%
Undergraduate	190.3	200.5	5.4%
Graduate	9.7	10.0	3.1%
Distance Learning	16.4	30.9	88.4%
Undergraduate	14.9	28.2	89.3%
Graduate	1.5	2.7	80.0%

Note: The 1Q11 base reflects the number of students enrolled/re-enrolled up to 04/17/2011 for On-Campus students and ended in 03/23/2011 for Distance Learning students.

Table 2 – Growth in On-Campus Student Base (undergraduate and graduate)

'000	1Q10	1Q11	Change
Students - Starting Balance	196.1	183.8	-6.3%
Graduates	(20.4)	(14.8)	-27.5%
Renewable Base	175.7	169.0	-3.8%
Non-Payment / Non-Renewals	(24.5)	(26.7)	9.0%
<i>Droupouts Rate</i>	<i>86.1%</i>	<i>84.2%</i>	<i>-1.9 p.p.</i>
Enrollment Renewals	151.3	142.3	-5.9%
Enrollments	48.9	61.5	25.8%
Acquisitions	-	6.8	N.A.
Students - Ending Balance	200.0	210.5	5.2%

Note: The 1Q11 base reflects the number of On-Campus students enrolled/re-enrolled up to 04/17/2011.

Table 3 – Growth in Distance-Learning Base (undergraduate and graduate)

'000	1Q10	1Q11	Change
Students - Starting Balance	9.6	26.2	172.9%
Graduates	-	(0.6)	N.A.
Renewable Base	9.6	25.6	166.7%
Non-Payment / Non-Renewals	(3.4)	(6.8)	100.0%
<i>Droupouts Rate</i>	<i>64.6%</i>	<i>73.4%</i>	<i>8.8 p.p.</i>
Enrollment Renewals	6.2	18.8	203.2%
Enrollments	10.2	12.0	18.1%
Students - Ending Balance	16.4	30.9	88.4%

Note: The 1Q11 base reflects the number of on-campus students enrolled/re-enrolled ended in 03/23/2011.

Operating Revenue

Table 4 – Breakdown of Operating Revenue

R\$ MM	1Q10	1Q11	Change
Gross Operating Revenue	365.4	398.2	9.0%
Monthly Tuition Fees	362.0	394.5	9.0%
Others	3.4	3.8	11.8%
Gross Revenue Deductions	(109.4)	(122.4)	11.9%
Scholarships and Discounts	(98.6)	(111.0)	12.6%
Taxes	(10.8)	(11.4)	5.6%
<i>% Deductions / Gross Operating Revenue</i>	<i>29.9%</i>	<i>30.7%</i>	<i>0.8 p.p.</i>
Net Operating Revenue	256.0	275.8	7.7%

Table 5 – Calculation of Average Ticket – On-Campus

R\$ MM*	1Q10	1Q11 Consolidated	Change	1Q11 ex-acquisitions	Change
Gross Revenue - On-Campus	354.1	375.8	6.1%	369.6	4.4%
Deductions - On-Campus	(106.3)	(115.2)	8.3%	-113.5	6.8%
Net Revenue - On-Campus	247.8	260.6	5.2%	256.1	3.3%
On-Campus Students - Total (000)	200.0	203.1	1.6%	196.3	-1.9%
Average Ticket - On-Campus (R\$)	412.9	427.8	3.6%	434.8	5.3%

Note 1: In millions of Brazilian real, except where stated otherwise.

Note 2: The student base used to calculate the average ticket for 1Q11 is the number of students in the base on 3/31/2011 and differs from that presented in Tables 1 and 2, since enrollment/re-enrollment in 1Q11 continued until 4/17/2011.

Table 6 – Calculation of Average Ticket – Distance Learning

R\$ MM*	1Q10	1Q11	Change
Gross Revenue - Distance Learning	11.3	22.4	98.2%
Deductions - Distance Learning	(3.1)	(7.2)	133.2%
Net Revenue - Distance Learning	8.2	15.2	85.0%
Distance Learning Students - Total (000)	16.4	29.5	79.9%
Average Ticket - Distance Learning (R\$)	166.7	171.4	2.8%

Note 1: In millions of Brazilian real, except where stated otherwise.

Note 2: The student base used to calculate the average ticket for 1Q11 is the number of students in the base on 3/31/2011 and differs from that presented in Tables 1 and 2, since enrollment/re-enrollment in 1Q11 ended in 03/23/2011.

Net operating revenue in 1Q11 amounted to R\$275.8 million, a growth of 7.7%, supported by the 7.5% increase in the student base and the increase in tuitions in the period.

The **average on-campus ticket** was R\$427.8, increasing 3.6% from 1Q10. Excluding the effect of the acquisitions, the average ticket increased 5.3%, reflecting the increase in tuitions in line with inflation in the period. The impact on the average consolidated ticket reflects the partial consolidation of revenue from FAA (as of 1/24/2011) and FAL (as of 2/22/2011).

The **average distance-learning ticket** grew 2.8% to R\$171.4, as a result of the enrollment campaigns to expand the base and consolidate the segment, which serves a different public.

Cost of Services

Table 7 – Breakdown of Cost of Services

R\$ MM	1Q10	1Q11	Change
Cash Cost of Services	(158.6)	(168.7)	6.4%
Personnel	(120.8)	(130.2)	7.8%
Salaries and Payroll Charges	(100.1)	(105.8)	5.7%
Brazilian Social Security Institute (INSS)	(20.6)	(24.4)	18.4%
Rentals / Real Estate Taxes Expenses	(23.6)	(25.1)	6.4%
Textbooks Materials	(2.2)	(3.1)	40.9%
Third-Party Services and Others	(12.0)	(10.3)	-14.2%

Note: In 1Q10 a reclassification of R\$1.8 million was made in nonrecurring items, which were allocated as nonrecurring general and administrative expenses and were reclassified under cost of services for better comparisons with 2011.

Table 8 – Vertical Analysis of Cost of Services

% of Net Operating Revenue	1Q10	1Q11	Change
Cash Cost of Services	-62.0%	-61.2%	0.8 p.p.
Personnel	-47.2%	-47.2%	0.0 p.p.
Salaries and Payroll Charges	-39.1%	-38.4%	0.7 p.p.
Brazilian Social Security Institute (INSS)	-8.0%	-8.8%	-0.8 p.p.
Rentals / Real Estate Taxes Expenses	-9.2%	-9.1%	0.1 p.p.
Textbooks Materials	-0.9%	-1.1%	-0.2 p.p.
Third-Party Services and Others	-4.7%	-3.7%	1.0 p.p.

The **ratio of recurring cash costs to net revenue** recorded an efficiency gain of 0.8 p.p., basically due to the lower use of outsourcing (gain of 1 p.p.) and the lower expense with leases, condominium fees and municipal property tax (IPTU) (gain of 0.1 p.p.).

The ratio of personnel costs (including INSS social security contributions) to net revenue remained stable at 47.2%, due to the **more efficient management of faculty costs**, which allowed for offsetting the effects from the last installment of the step-up of INSS payments and inflation in the period.

The nonrecurring costs of R\$3.4 million registered in 1Q11 were associated with the severance payments related to headcount reductions, given the contraction in the faculty base due to the restructuring process and quality gains at certain units in Minas Gerais and Bahia, with effects on recurring income, already in the quarter.

Gross Income

Table 9 – Statement of Gross Income

R\$ MM	1Q10	1Q11	Change
Net Operating Revenue	256.0	275.8	7.7%
Cost of Services	(168.5)	(177.6)	5.4%
Gross Profit	87.5	98.2	12.2%
(-) Non-Recurring Costs	4.3	3.4	-20.9%
(-) Depreciation	5.5	5.5	0.0%
Recurring Gross Profit	97.3	107.1	10.1%
<i>Recurring Gross Margin</i>	<i>38.0%</i>	<i>38.8%</i>	<i>0.8 p.p.</i>

In 1Q11, **recurring gross income** was to R\$107.2 million, up 10.1% from 1Q10, with gross margin expanding by 0.8 p.p., due to the net revenue growth of 7.7% in the period and gains in the main costs.

Selling, General & Administrative Expenses

Table 10 – Breakdown of Selling, General & Administrative Expenses

R\$ MM	1Q10	1Q11	Change
Selling, General and Administrative Cash Expenses	(61.0)	(65.1)	6.7%
Selling Expenses	(24.4)	(29.0)	18.9%
Provisions for Doubtful Debts	(5.0)	(5.2)	4.0%
Marketing	(19.4)	(23.7)	22.2%
General and Administrative Expenses	(36.6)	(36.1)	-1.4%
Personnel	(15.9)	(17.8)	11.9%
Salaries and Payroll Charges	(13.4)	(14.9)	11.2%
Brazilian Social Security Institute (INSS)	(2.5)	(2.9)	16.0%
Others	(20.7)	(18.3)	-11.6%

Note 1: A reclassification of R\$3.1 million was made in 1Q10 in advertising items, which were allocated as general and administrative expenses and were reclassified under selling expenses for better comparisons with 2011.

Note 2: A reclassification of R\$1.8 million was made in 1Q10 in nonrecurring items, which were allocated as nonrecurring general and administrative expenses and were reclassified under cost of services for better comparisons with 2011.

Table 11 – Vertical Analysis of Selling, General & Administrative Expenses

% of Net Operating Revenue	1Q10	1Q11	Change
Selling, General and Administrative Cash Expenses	-23.8%	-23.5%	0.3 p.p.
Selling Expenses	-9.5%	-10.5%	-1.0 p.p.
Provisions for Doubtful Debts	-2.0%	-1.9%	0.1 p.p.
Marketing	-7.6%	-8.6%	-1.0 p.p.
General and Administrative Expenses	-14.3%	-13.0%	1.3 p.p.
Personnel	-6.2%	-6.4%	-0.2 p.p.
Salaries and Payroll Charges	-5.2%	-5.4%	-0.2 p.p.
Brazilian Social Security Institute (INSS)	-1.0%	-1.1%	-0.1 p.p.
Others	-8.1%	-6.6%	1.5 p.p.

General and administrative expenses represented 13.0% of net revenue in 1Q11, a margin gain of 1.3 p.p. from 1Q10, due to efficient management using the matrix budget implemented in 2008 and the favorable reversals in provision for contingencies.

Advertising expenses represented 8.6% of net revenue in 1Q11, due to the higher advertising campaigns in the quarter to support the enrollment period at the start of 2011, which proved to be a successful strategy, given the record number of new enrollments.

These results demonstrate the commitment to the strategy of controlling expenses with discipline, enabling us to reinvest funds in growth and still expand.

EBITDA

Table 12 – Statement of Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

R\$ MM	1Q10	1Q11	Change
Net Operating Revenue	256.0	275.8	7.7%
(-) Cash Cost of Services	(158.6)	(168.7)	6.4%
(-) Selling, General and Administrative Cash Expenses	(61.0)	(65.1)	6.7%
(+) Operating Financial Result	3.4	5.8	70.6%
Recurring EBITDA	39.6	47.9	21.0%
<i>Recurring EBITDA Margin</i>	<i>15.5%</i>	<i>17.4%</i>	<i>1.9 p.p.</i>
(-) Depreciation and Amortization	7.4	9.2	24.3%
Recurring EBIT	32.3	38.7	19.8%
<i>Recurring EBIT Margin</i>	<i>12.6%</i>	<i>14.0%</i>	<i>1.4 p.p.</i>

Recurring EBITDA in 1Q11 was R\$47.9 million with **EBITDA margin** of 17.4%, a margin expansion of 1.9 p.p. from 1Q10. The margin expansion was basically due to the net revenue growth in the period, which offset the additional investments in advertising, the efficient management of direct costs and the dilution of general and administrative expenses, which registered nominal declines from 1Q10.

Accounts Receivable and Average Receivable Days

Table 13 – Accounts Receivable and Average Receivable Days

Accounts Receivable (R\$ mm)	1Q10	2Q10	3Q10	4Q10	1Q11
Gross Accounts Receivable	208.8	249.9	256.3	201.8	228.9
FIES	4.6	5.4	17.5	15.3	21.2
Tuition monthly fees	179.5	220.0	207.9	168.2	184.2
Financed Tuition	24.7	24.6	30.9	18.3	23.5
Credit Cards receivable	1.1	6.0	11.8	6.9	12.8
Checks receivable	15.5	16.8	16.2	6.9	6.6
Fees receivables	8.2	1.8	2.9	4.4	4.1
Provision for bad debts	(85.1)	(102.2)	(107.3)	(45.4)	(49.9)
Net Accounts Receivable	123.7	147.7	148.9	156.4	179.0
(-) FIES	(4.6)	(5.4)	(17.5)	(15.3)	(21.2)
Net Accounts Receivable Ex. FIES	119.1	142.3	131.5	141.1	157.8
Net revenue (last twelve months)	1,000.3	1,010.0	1,008.1	1,016.2	1,036.0
Days Receivables Ex. FIES	43	51	47	50	55

The number of **days for receiving from students** (monthly tuition and agreements) stood at 55 days in 1Q11. The increase of the number of receivable days in 1Q11, was primarily due to the termination of the giving of discounts to students for the prepayment of monthly tuitions, which was established in 2Q10. Since then, receivable days have fluctuated between 45 and 55 days, which is completely consistent with the seasonality of our business model.

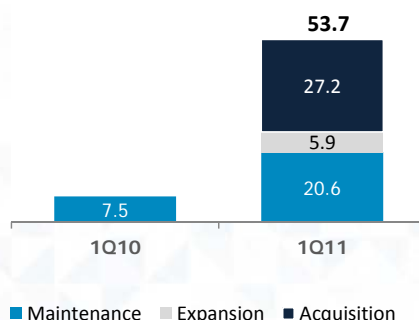
The FIES accounts receivable, which grew by R\$5.9 million in the quarter, consists of educational credits for students who contracted loans from Caixa Econômica Federal, which is used by Estácio for the payment of federal taxes, in other words, it represents tax credits without any risk of delinquency. In addition to the credits in accounts receivable, we have over R\$22.6 million on the balance sheet already converted into certificates waiting to be used or repurchased.

Financed tuition receivables remained stable and well under control during the period, with the line Credit Card receivable increasing by R\$11.7 million from 1Q10, which demonstrates the improvement in credit quality, since this payment type eliminates the risk of delinquency for the Company.

In December 2010, receivables overdue more than 360 days were written off from accounts receivable (R\$53 million), as also were the respective provisions for doubtful accounts (PDA), with no effects on the company's net income or working capital.

Investments (CAPEX and Investments in Acquisitions)

Chart 1 – Composition of Investments (R\$ million)



Acquisition capex is composed of \$24.1 million in goodwill from acquisitions and R\$3.1 million in permanent assets of the new subsidiaries.

In 1Q11, Estácio's **organic CAPEX** was R\$20.6 million, mainly allocated to the new equipment, libraries and laboratories at our units. Approximately R\$10 million of this organic CAPEX were related to the renewal of PC's used by the entire company and its students in a negotiation based on the scale of Estácio's operations, demonstrating once again our commitment to the institution's quality and sustainability.

Estácio also invested R\$5.9 million in **expansion, renovation and improvement projects** at the units, such as the inauguration of a new unit in São Paulo (Chácara Flora) at the start of the year and the restructurings and renovations completed at the Sulacap and Ibiúna units.

Investments in acquisitions were R\$27.2 million, due to the acquisitions of FAA and FAL, which were concluded in 1Q11.

Cash Flow

Chart 2 – Recurring Operational Cash Flow (R\$ million)

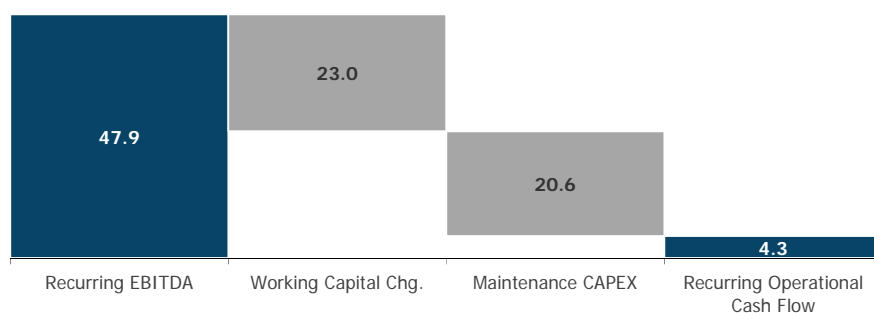


Chart 3 – Cash Flow (R\$ million)


¹ Financial result excluding the Operating Financial Result (-R\$4.2 million) + Financing (+R\$1.8 million)

² Investment Composition: goodwill from acquisitions (-R\$15.5 million) + Fixed Assets at FAA and FAL (-R\$3.2 million) + Expansion CAPEX (-R\$5.9 million)

The R\$37.2 million reduction in the **cash** balance is mainly related to the expansion CAPEX of R\$5.9 million and the R\$27.2 million for acquisitions concluded in the period (FAA and FAL).

Capitalization and Cash

Table 14 – Capitalization and Cash

R\$ MM	03/31/2010	12/31/2010	03/31/2011
Shareholders' Equity	481.0	585.9	614.2
Loans and Financing	4.4	9.5	11.3
Short Term	4.2	1.8	4.4
Long Term	0.2	7.8	6.9
Cash & Cash Equivalents	224.5	165.4	128.2
Net Cash	220.1	155.9	116.9

At the close of 1Q11, **net cash** stood at R\$116.9 million, which was conservatively invested in fixed-income instruments pegged to the CDI rate, in government bonds and in certificates of deposits at prime Brazilian banks.

The **gross debt** of R\$11.3 million in 1Q11 basically corresponds to the FINAME contract and to the capitalization of expenses with equipment leasing, in accordance with Federal Law 11,638.

Quarterly Conference Calls

Conference Call (in Portuguese)	Conference Call (in English)
Date: May 13, 2011	Date: May 13, 2011
Time: 10 a.m. (Brasília) / 9 a.m. (U.S. ET)	Time: 12 p.m. (Brasília) / 11 a.m. (U.S. ET)
Connection Dial-in: +55 (11) 3127-4971	Connection Dial-in: +1 (412) 317-6776
Webcast: www.estacioparticipacoes.com.br/ri	Webcast: www.estacioparticipacoes.com.br/ir
Replay: available from May 13 to 20, 2011	Replay: available from May 13 to 21, 2011
Access Dial-in: +55 (11) 3127-4999	Access Dial-in: +1 (412) 317-0088
Access Code: 55569227	Access Code: 450047#

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 the 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 changes without prior notice.

Income Statement in IFRS

R\$ MM	1Q10	1Q11	Change
Gross Operating Revenue	365.4	398.2	9.0%
Monthly Tuition Fees	362.0	394.5	9.0%
Others	3.4	3.8	11.8%
Gross Revenue Deductions	(109.4)	(122.4)	11.9%
Scholarships and Discounts	(98.6)	(111.0)	12.6%
Taxes	(10.8)	(11.4)	5.6%
Net Operating Revenue	256.0	275.8	7.7%
Cost of Services	(168.5)	(177.6)	5.4%
Personnel	(120.8)	(130.2)	7.8%
Rentals / Real Estate Taxes Expenses	(23.6)	(25.1)	6.4%
Textbooks Materials	(2.2)	(3.1)	40.9%
Third-Party Services and Others	(12.0)	(10.3)	-14.2%
Non-Recurring Costs	(4.3)	(3.4)	-20.9%
Depreciation	(5.5)	(5.5)	0.0%
Gross Profit	87.5	98.2	12.2%
(-) Non-Recurring Costs	4.3	3.4	-20.9%
Recurring Gross Profit	91.9	101.6	10.6%
Recurring Gross Margin	35.9%	36.8%	0.9 p.p.
Selling, General and Administrative Expenses	(64.3)	(69.8)	8.6%
Selling Expenses	(24.4)	(29.0)	18.9%
Provisions for Doubtful Debts	(5.0)	(5.2)	4.0%
Marketing	(19.4)	(23.7)	22.2%
General and Administrative Expenses	(38.0)	(37.1)	-2.4%
Personnel	(15.9)	(17.8)	11.9%
Others	(20.7)	(18.3)	-11.6%
Non-Recurring Expenses	(1.3)	(1.0)	-23.1%
Depreciation	(1.9)	(3.7)	94.7%
EBIT	23.2	28.4	22.4%
EBIT Margin	9.1%	10.3%	1.2 p.p.
(-) Non-Recurring Costs and Expenses	5.7	4.4	-22.8%
(-) Operating Financial Result	3.4	5.8	70.6%
Recurring EBIT	32.3	38.7	19.8%
Recurring EBIT Margin	12.6%	14.0%	1.4 p.p.
(-) Depreciation and Amortization	7.4	9.2	24.3%
Recurring EBITDA	39.6	47.9	21.0%
Recurring EBITDA Margin	15.5%	17.4%	1.9 p.p.
Financial Result	2.9	1.6	-44.8%
Depreciation and Amortization	(7.4)	(9.2)	24.3%
Non-operating result	-	0.2	N.A.
Social Contribution	(0.1)	(0.4)	300.0%
Income Tax	(0.4)	(1.1)	175.0%
Net Income	25.6	28.7	12.1%
Non-Recurring Costs and Expenses	5.7	4.4	-22.8%
Recurring Net Income	31.3	33.1	5.8%
Recurring Net Margin	12.2%	12.0%	-0.2 p.p.

Balance Sheet in IFRS

R\$ MM	03/31/2010	12/31/2010	03/31/2011
Short-Term Assets	381.5	390.4	378.6
Cash & Cash Equivalents	85.5	44.7	38.8
Short-Term Investments	139.0	120.7	89.4
Accounts Receivable	123.7	156.4	179.0
Carry-Forwards Credits	0.9	14.5	22.6
Advance to Employees / Third-Parties	4.2	6.2	4.2
Related Parties	0.3	7.1	0.3
Prepaid Expenses	13.7	10.0	16.2
Others	14.2	30.8	28.1
Long-Term Assets	343.5	414.1	460.8
Non-Current Assets	33.1	58.7	61.0
Prepaid Expenses	4.3	2.2	1.5
Related Parties	2.8	3.2	-
Judicial Deposits	23.5	38.1	43.2
Deferred Taxes	2.5	15.3	16.3
Permanent Assets	310.4	355.4	399.8
Investments	0.2	7.7	0.2
Fixed Assets	192.0	211.0	228.3
Intangible	118.3	136.7	171.3
Total Assets	725.0	804.5	839.4
Short-Term Liabilities	173.5	139.5	146.0
Loans and Financing	4.2	1.8	4.4
Suppliers	17.3	17.8	15.6
Salaries and Payroll Charges	74.8	58.0	81.0
Taxes Payable	14.1	18.9	12.2
Prepaid Monthly Tuition Fees	26.4	18.9	5.3
Taxes Paid in Installments	0.4	0.3	0.3
Dividends Payable	30.5	19.2	19.2
Commitments Payable	1.3	1.5	4.9
Others	4.5	3.2	3.1
Long-Term Liabilities	70.5	79.1	79.2
Loans and Financing	0.2	7.8	6.9
Provisions for Contingencies	33.0	36.4	34.3
Advances under Partnership Agreement	22.9	20.7	20.0
Taxes Paid in Installments	1.8	1.5	5.1
Provision for asset retirement obligations	12.6	12.7	12.9
Others	0.1	-	0.1
Shareholders' Equity	481.0	585.9	614.2
Capital	295.8	360.1	360.1
Capital Reserves	101.8	106.9	107.2
Earnings Reserves	58.1	100.5	100.5
Retained Earnings	25.6	-	28.7
Additional Proposed Dividend	-	19.2	19.2
Retained Translation Adjustments	(0.3)	(0.4)	(0.1)
Treasury Stocks	-	(0.3)	(1.3)
Total Liabilities and Shareholders' Equity	725.0	804.5	839.4

About Estácio

Estácio is one of the largest **private sector post-secondary education** groups in Brazil in terms of number of students enrolled and has 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 brackets. 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 the academic programs
- ◆ The broad recognition of the "Estácio" brand

High Quality Learning Experience

- ◆ Nationally integrated syllabi
- ◆ Unique teaching methodology
- ◆ Highly qualified faculty

Professional and Integrated Operational Management

- ◆ Results-oriented management model
- ◆ Focus on educational quality

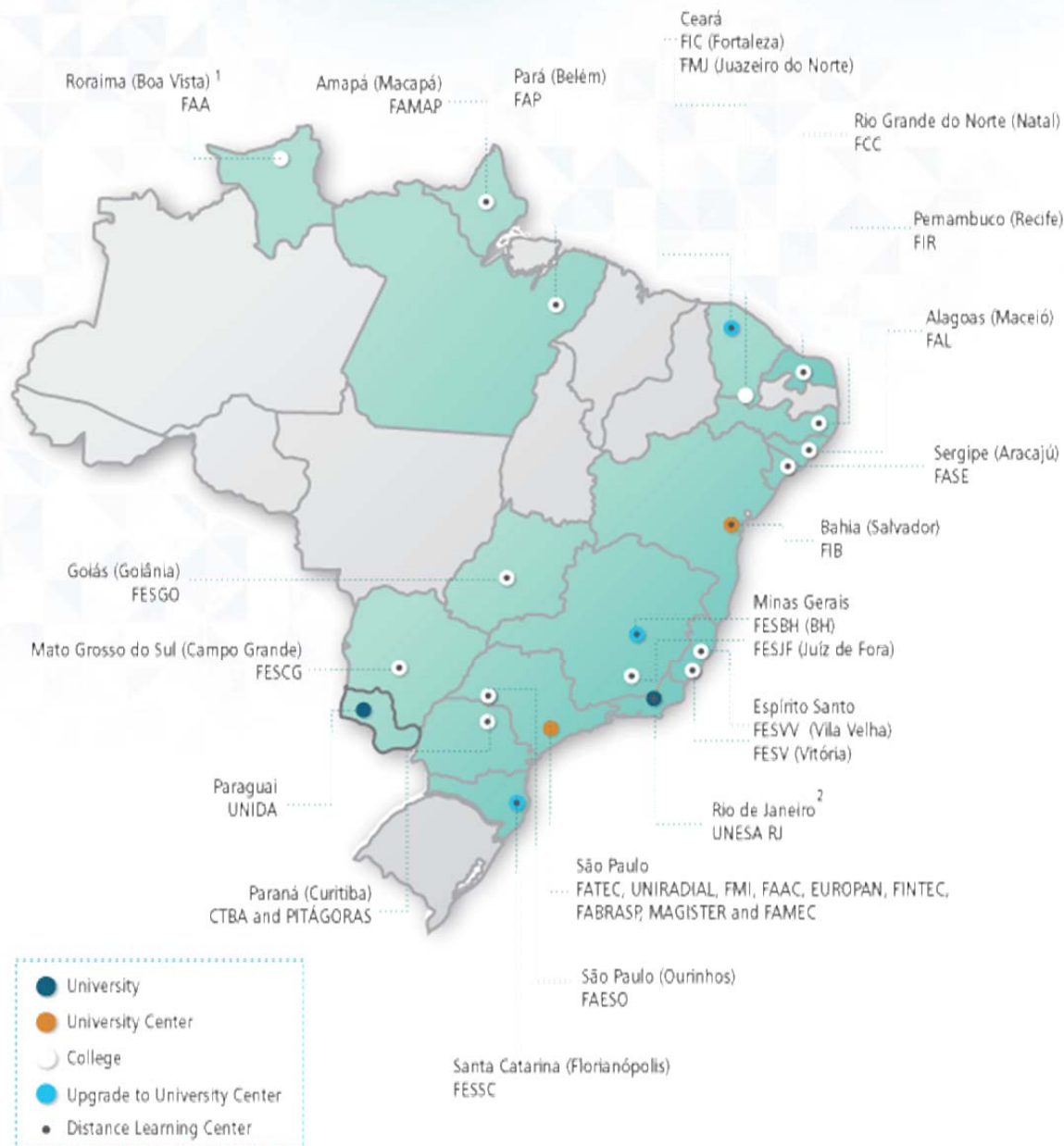
Scalable Business Model

- ◆ Growth with profitability
- ◆ Organic expansion and through acquisitions

Financial Solidity

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

At the end of March 2011, Estácio had 241,400 students enrolled in its undergraduate, graduate and distance learning education network with nationwide coverage, with operations also in Paraguay, as the map shows:



1. FAA has approximately 4,500 students.

2. The state of Rio de Janeiro has 34 recognized Distance Learning Centers.

As of 03/31/2011