



ESTÁCIO PARTICIPAÇÕES S.A.

ANNOUNCEMENT TO THE MARKET

ESTÁCIO PARTICIPAÇÕES S.A. (“Company” or “Estácio”, Novo Mercado Bovespa: ESTC3), announced today in Brazil that its Board of Directors resolved, in a meeting held today, to call an Extraordinary Shareholders’ Meeting for October 1, 2008, to examine and approve Management’s Proposal for the acquisition of four Controlling Companies of Post-Secondary Education Institutions, as follows: a) Sociedade de Ensino Superior do Amapá Ltda. – SESAP, b) Sociedade de Ensino Superior de Alagoas S/C Ltda. – SESAL, c) Sociedade de Ensino Superior de Sergipe S/C Ltda. – SESSE; and d) União Nacional de Educação e Cultura – UNEC, in Rio Grande do Norte state (jointly the “Companies”), in which part of the Company’s controlling shareholders hold 100% of the shares.

The Companies were the object of a Memorandum of Understanding signed on April 7, 2007 between Estácio and the partners of these institutions, which establishes the acquisition, by Estácio, of 100% of the shares in the Companies, the terms and conditions of which were published in the Offering Memorandum for the Initial Equity Offering of the Company.

The said Companies are for-profit companies, and their controlled institutions are part of the University for All Program (PROUNI), with 9,641 students enrolled in their undergraduate programs, which comprise the courses of management, law, accounting, physical education, physiotherapy, tourism and hotel management, among others. The Companies recorded, in total, in the first half of 2008, a net revenue of R\$21.0 million, an EBITDA of R\$4.2 million and a net income of R\$1.9 million. They had a net debt of R\$21.6 million on July 31, 2008, of which R\$15.1 million as loan agreements with subsidiaries of the Company.

In view of the above, the Company’s Board of Directors will submit for the deliberation of the shareholders, a proposal for the acquisition of the Companies, as follows: (i) the subscription of a capital increase at the Companies in the amount of approximately R\$15.1 million, to be paid by the capitalization of the credits held by the Company; (ii) the acquisition of the current shares in the Companies, except for one share at each institution, for the respective nominal price per share, totaling R\$ 20,000.00 (twenty thousand reais).

The Company’s Management believes that the acquisition of these Companies at multiples substantially lower than those of recent acquisitions in Brazil’s higher-education sector is highly accretive for the Company and all of its shareholders.

Rio de Janeiro, August 28, 2008

Lorival Nogueira Luz Júnior
Chief Financial and Investor Relations Officer
Estácio Participações S.A.