



# Estácio

## 4Q11 AND 2011 RESULTS

Eduardo Alcalay  
*CEO*

Rogério Melzi  
*CFO and Investor Relations Officer*

March, 2012

## 2011: EBITDA & EVA

- ◆ **Organic Growth on on-campus student base:** 200,600 students, an increase of 9% over 2010
- ◆ **Great growth on Distance Learning:** 40,000 students, 50% growth over 2010
- ◆ **New expansion phase:** acquisition of 4 companies and launching of 2 new campuses in 2011
- ◆ **Recognition in the research Ibope-Intelligence:** textbooks included in tuition as a major differentiating factor for Estácio
- ◆ **Implementation of the methodology EVA® (Economic Value Added):** positive EVA® of R\$22 million
- ◆ **32.3% EBITDA growth,** with 170 bps margin gain YoY

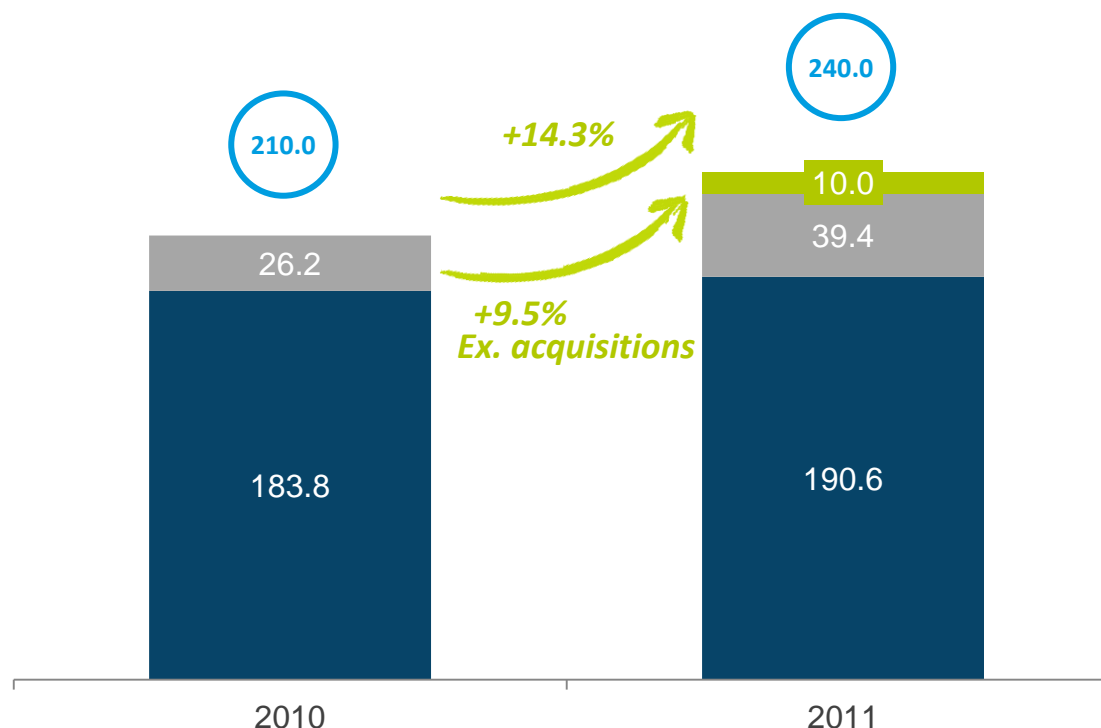
**Margin expansion due to the success of our business model:  
centralization, scalability and new academic model**

Main Indicators (R\$ MM)	4Q10	4Q11	Change	4Q11 ex. acquisitions	Change
Net Revenue	252.5	294.4	16.6%	280.2	11.0%
EBIT	10.1	11.2	10.9%	8.4	-16.8%
EBITDA	21.6	26.8	24.1%	23.8	10.2%
<i>EBITDA Margin</i>	<i>8.6%</i>	<i>9.1%</i>	<i>0.5 p.p.</i>	<i>8.5%</i>	<i>-0.1 p.p.</i>

Main Indicators (R\$ MM)	2010	2011	Change	2011 ex. acquisitions	Change
Net Revenue	1,016.2	1,148.4	13.0%	1,102.8	8.5%
EBIT	60.5	84.3	39.3%	77.9	28.8%
EBITDA	106.2	140.5	32.3%	133.6	25.8%
<i>EBITDA Margin</i>	<i>10.5%</i>	<i>12.2%</i>	<i>1.7 p.p.</i>	<i>12.1%</i>	<i>1.6 p.p.</i>

## STUDENT BASE – BY SEGMENT

■ On campus      ■ Acquisitions 2011      ('000 students)  
■ Distance Learning      ○ Total Student Base

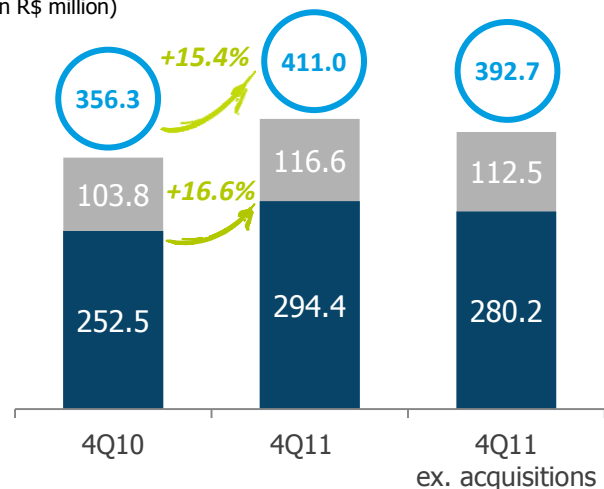


- ◆ On-campus student base resumes upward trend, healthier and higher ticket with less discounts
- ◆ 5.7% on-campus undergraduate growth, excluding Paraguay
- ◆ Significant growth of the Distance Learning student base (+50.4%), result of higher admission

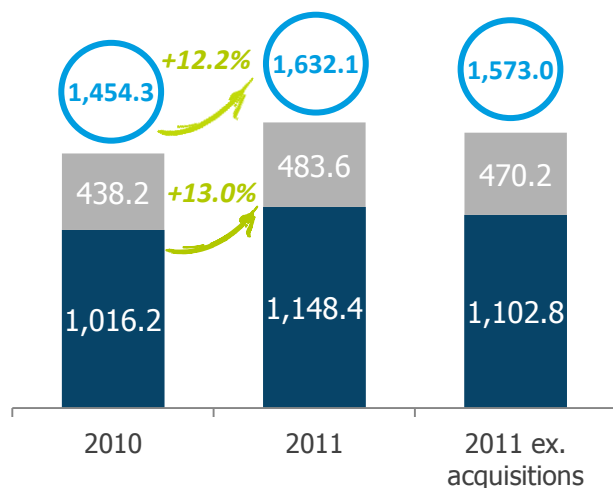
# OPERATING REVENUE

## OPERATING REVENUE

(In R\$ million)



- ◆ Increase in revenue follows organic growth in student base
- ◆ Average ticket growth reflects the inflation adjustment in prices



(R\$)

Average On-Campus Ticket

Average On-Campus Ticket  
Ex. Acquisitions

Average Distance Learning  
Ticket

2010

2011

Var.

420.8

436.2

3.7%

420.8

436.0

3.6%

167.0

173.2

3.7%

■ Net Revenue    ■ Deduction    ○ Gross Revenue

## Vertical Analysis (% of Net Operating Revenue)

### Cash Cost\*

Personnel

Brazilian Social Security  
Institute (INSS)

Rentals. Condominium Fees  
and Municipal Property Tax

Textbooks Materials

Others

**4Q10**   **4Q11**   **Change**

**-66.2%**   **-63.3%**   **+2.9 p.p.**

-40.8%   -37.8%   +3.0 p.p.

-8.0%   -8.5%   -0.5 p.p.

-9.7%   -8.5%   +1.2 p.p.

-2.7%   -4.0%   -1.3 p.p.

-5.0%   -4.5%   +0.5 p.p.

**2010**   **2011**   **Change**

**-66.2%**   **-64.3%**   **+1.9 p.p.**

-41.9%   -39.6%   +2.3 p.p.

-8.2%   -8.8%   -0.6 p.p.

-9.5%   -8.9%   +0.6 p.p.

-1.6%   -2.6%   -1.0 p.p.

-5.0%   -4.4%   +0.6 p.p.

\*Cost of Services excluding depreciation.

<b>Vertical Analysis</b> (% of Net Operating Revenue)	<b>4Q10</b>	<b>4Q11</b>	<b>Change</b>	<b>2010</b>	<b>2011</b>	<b>Change</b>
<b>SG&amp;A*</b>	<b>-25.9%</b>	<b>-28.8%</b>	<b>-2.9 p.p.</b>	<b>24.6%</b>	<b>-24.7%</b>	<b>-0.1 p.p.</b>
<b>Selling Expenses</b>	<b>-10.4%</b>	<b>-10.6%</b>	<b>-0.2 p.p.</b>	<b>-9.4%</b>	<b>-9.9%</b>	<b>-0.5 p.p.</b>
PDA	-6.0%	-7.9%	-1.9 p.p.	-4.1%	-4.7%	-0.6 p.p.
Marketing	-4.4%	-2.7%	+1.7 p.p.	-5.3%	-5.2%	+0.1 p.p.
<b>G&amp;A Expenses*</b>	<b>-15.6%</b>	<b>-18.2%</b>	<b>-2.6 p.p.</b>	<b>15.2%</b>	<b>-14.8%</b>	<b>+0.4 p.p.</b>
Personnel and Payroll charges	-8.7%	-9.7%	-1.0 p.p.	-7.5%	-6.9%	+0.6 p.p.
Third-party services	-1.4%	-4.2%	-2.8 p.p.	-3.8%	-3.9%	-0.1 p.p.
Machinery rental and leasing	-0.2%	-0.2%	0.0 p.p.	-0.3%	-0.3%	0.0 p.p.
Other Operating Revenues	1.3%	1.6%	+0.3 p.p.	1.1%	1.1%	0.0 p.p.
Provision for Contingencies	-0.9%	-1.2%	-0.3 p.p.	-0.5%	-0.4%	0.1 p.p.
Others	-5.7%	-4.5%	+1.2 p.p.	-4.3%	-4.4%	-0.1 p.p.

\*SG&A Expenses excluding depreciation.

# NET AVERAGE DAYS RECEIVABLES

<b>Accounts Receivables (R\$ MM)</b>	<b>2010</b>	<b>1Q11</b>	<b>2Q11</b>	<b>3Q11</b>	<b>2011</b>	<b>2011 ex. aquisitions<sup>1</sup></b>
<b>Gross Accounts Receivables</b>	<b>210.9</b>	<b>234.4</b>	<b>273.1</b>	<b>283.2</b>	<b>320.8</b>	<b>295.3</b>
FIES	15.3	21.2	25.4	31.0	36.5	36.1
Tuition Monthly Fees	157.4	164.6	198.7	195.0	241.4	218.3
Agreement Receivables	26.9	31.7	32.4	35.5	26.4	24.7
Others	2.1	11.4	9.7	16.5	9.1	9.0
Provision for Doubtful Accounts	(45.4)	(49.9)	(55.8)	(56.0)	(69.3)	(56.8)
<b>Net Accounts Receivables</b>	<b>156.4</b>	<b>179.0</b>	<b>210.5</b>	<b>221.9</b>	<b>244.1</b>	<b>231.3</b>
(-) FIES	(15.3)	(21.2)	(25.4)	(31.0)	(36.5)	(36.1)
<b>Net Accounts Receivables Ex. FIES</b>	<b>141.1</b>	<b>157.8</b>	<b>185.0</b>	<b>190.9</b>	<b>207.6</b>	<b>195.2</b>
<b>Net Revenues (Last 12 months)</b>	<b>1,016.2</b>	<b>1,036.0</b>	<b>1,119.3</b>	<b>1,106.5</b>	<b>1,148.4</b>	<b>1,102.8</b>
<b>Net Days Receivables Ex. FIES*</b>	<b>50</b>	<b>55</b>	<b>60</b>	<b>62</b>	<b>65</b>	<b>64</b>

<sup>1</sup> Acquired companies since 2011: Atual, FAL, FATERN e Academia do Concurso.



# GROSS AVERAGE DAYS RECEIVABLES

## Gross Average Days Receivables

Gross Accounts Receivables (R\$ million)

Net Revenue (Last 12 months)

## Gross Days Accounts Receivables

(-) Accounts Receivables FIES

## Gross Days Accounts Receivables Ex. FIES\*

## 2010 1Q11 2Q11 3Q11 2011

210.9 234.4 273.1 283.2 320.8

1,016.2 1,036.0 1,119.3 1,106.5 1,148.4

**75 65 88 92 101**

(15.3) (21.2) (25.4) (31.0) (36.5)

**69 60 80 82 89**

## Gross Average Days Receivables FIES

Accounts Receivables FIES (R\$ million)

Carry-forward Credits

Net Revenue FIES (Last 12 months)

## Days Accounts Receivables FIES

## 2010 1Q11 2Q11 3Q11 2011

15.3 21.2 25.4 31.0 36.5

14.5 22.6 18.2 9.7 16.7

37.4 49.8 67.6 82.7 101.4

**287 317 233 177 189**

# AGING OF RECEIVABLES AND AGREEMENTS

## Breakdown of accounts receivable by age (R\$ millions)

FIES
Not yet due
Overdue up to 30 days
Overdue from 31 to 60 days
Overdue from 61 to 90 days
Overdue from 91 to 179 days
Overdue more than 180 days
<b>Total</b>

2010	%	2011	%
15.3	7%	36.5	11%
32.5	15%	60.6	19%
32.3	15%	40.0	12%
22.0	10%	30.6	10%
22.0	10%	31.5	10%
41.5	20%	52.4	16%
45.4	22%	69.3	22%
<b>211.0</b>	<b>100%</b>	<b>320.8</b>	<b>100%</b>

## Breakdown of agreements by age (R\$ millions)

Not yet due
Overdue up to 30 days
Overdue from 31 to 60 days
Overdue from 61 to 90 days
Overdue from 91 to 179 days
Overdue more than 180 days
<b>TOTAL</b>

2010	%	2011	%
10.9	40%	9.1	34%
6.6	25%	4.0	15%
1.3	5%	2.4	9%
1.6	6%	2.4	9%
3.2	12%	4.4	17%
3.4	12%	4.2	16%
<b>26.9</b>	<b>100%</b>	<b>26.4</b>	<b>100%</b>
17%		11%	

% over Net Accounts Receivable

# ACQUIRED COMPANIES RESULTS

Highlights 4Q11 (R\$ million)	Atual	FAL	FATERN	ACADEMIA DO CONCURSO
<b>Net revenue</b>	<b>5.2</b>	<b>2.2</b>	<b>4.8</b>	<b>1.8</b>
Gross Profit	1.8	0.7	2.9	0.1
<i>Gross profit margin</i>	34.6%	31.8%	60.4%	5.6%
<b>EBITDA<sup>1</sup></b>	<b>1.1</b>	<b>0.7</b>	<b>2.2</b>	<b>-0.9</b>
<b>EBITDA Margin</b>	<b>21.2%</b>	<b>31.8%</b>	<b>45.8%</b>	<b>-50.0%</b>
Net Income	0.9	0.6	2.4	-1.0
<i>Net Income Margin</i>	17.3%	27.3%	50.0%	-55.6%

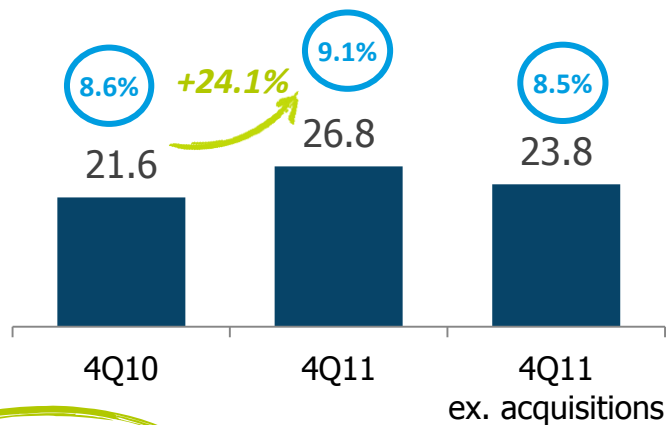
Highlights 2011 (R\$ million)	Atual	FAL	FATERN	ACADEMIA DO CONCURSO
<b>Net revenue</b>	<b>19.0</b>	<b>7.7</b>	<b>11.7</b>	<b>6.6</b>
Gross Profit	6.1	1.6	5.9	1.6
<i>Gross profit margin</i>	32.1%	20.5%	50.0%	24.3%
<b>EBITDA<sup>1</sup></b>	<b>4.3</b>	<b>0.6</b>	<b>4.3</b>	<b>-2.0</b>
<b>EBITDA Margin</b>	<b>22.6%</b>	<b>8.0%</b>	<b>36.4%</b>	<b>-30.3%</b>
Net Income	3.4	0.2	3.9	-2.2
<i>Net Income Margin</i>	17.9%	2.6%	33.5%	-33.4%

<sup>1</sup> Adjusted by the Operating Financial Results. Corporate expenses not included.

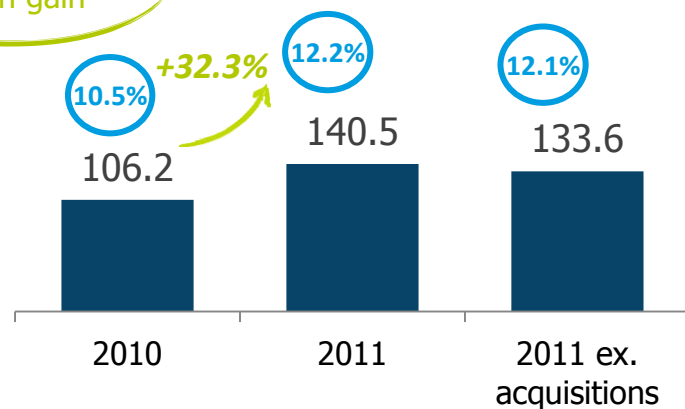
# EBITDA AND NET INCOME

## EBITDA

(In R\$ million)



1.7 p.p. of margin gain

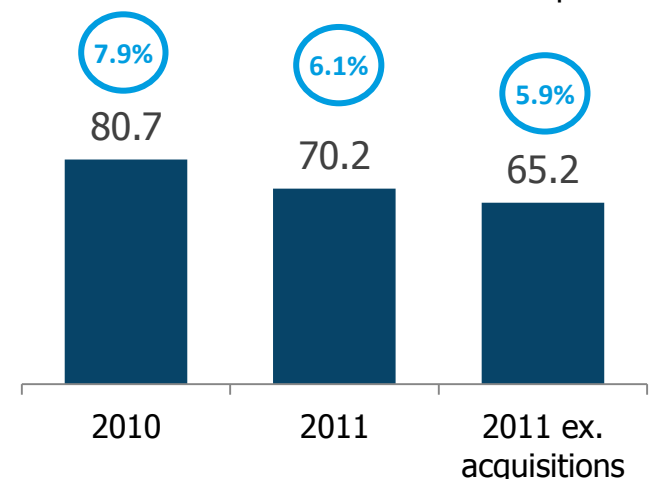
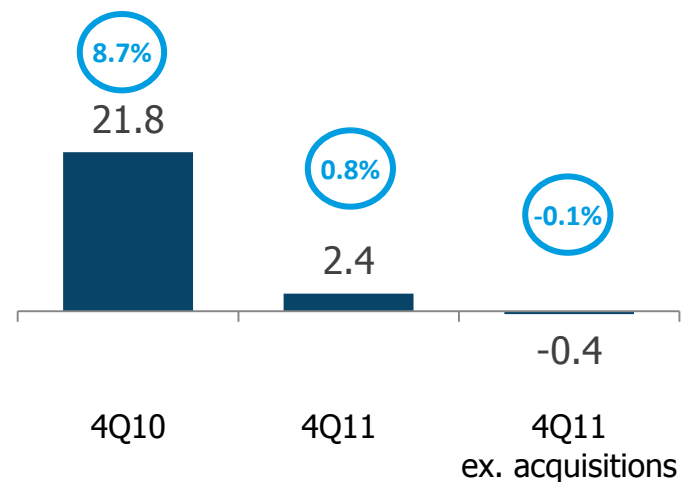


○ EBITDA Margin

■ EBITDA

## NET INCOME

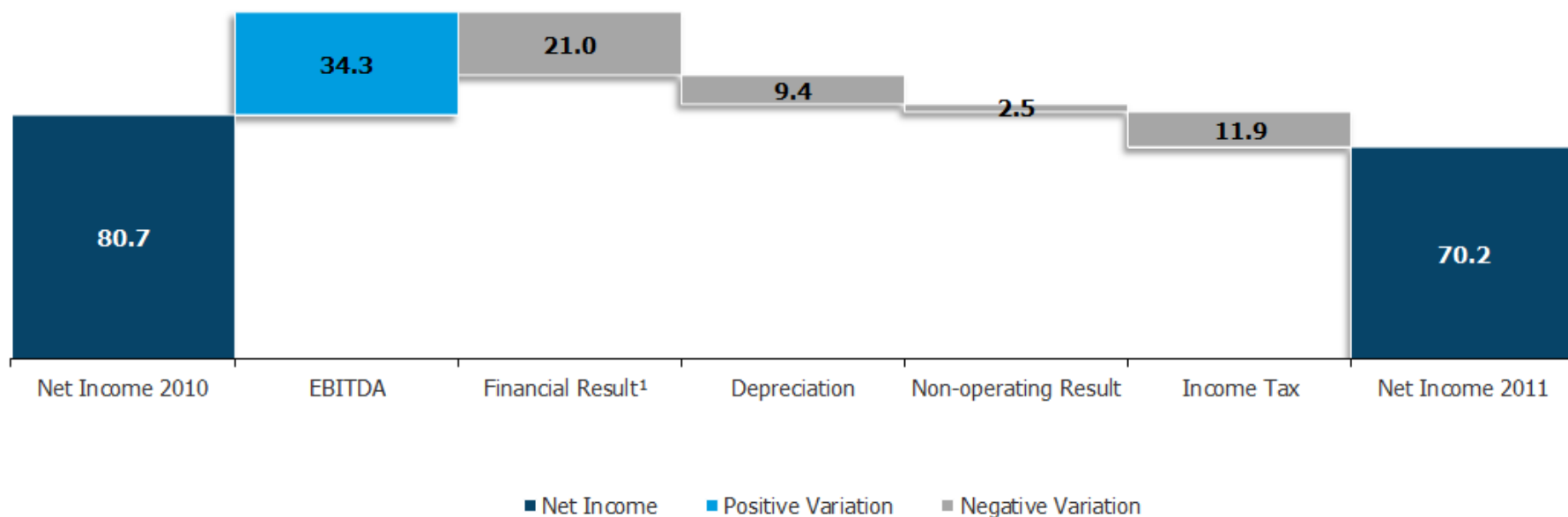
(In R\$ million)



○ Net Income Margin

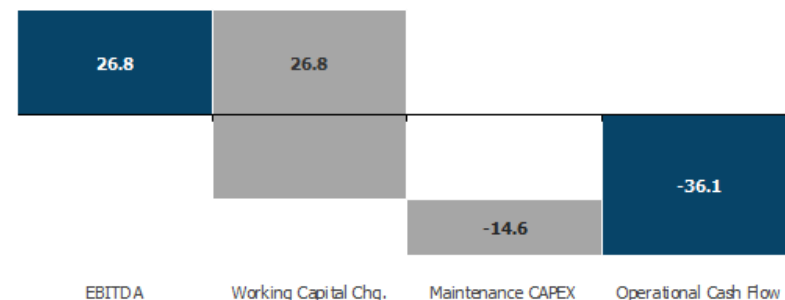
■ Net Income

# NET INCOME BRIDGE



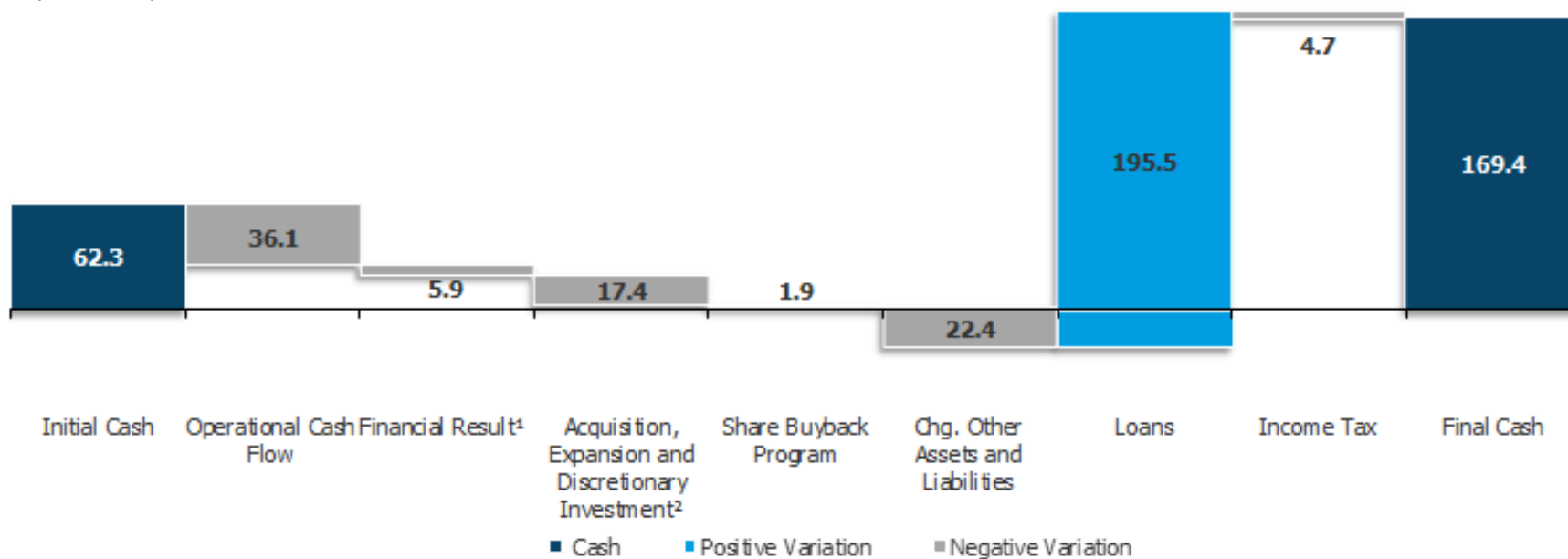
# CASH FLOW 4Q11

## Operational Cash Flow



## CASH FLOW 4Q11

(In R\$ million)

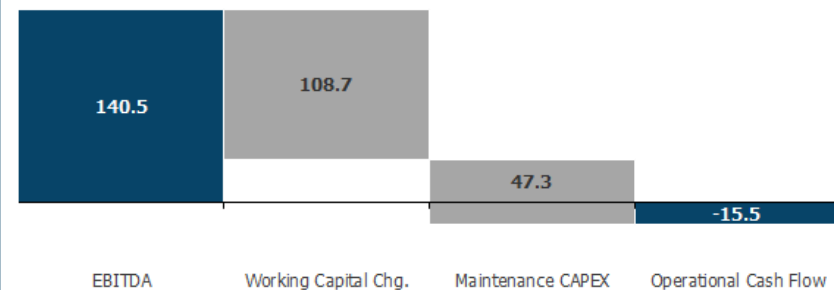


<sup>1</sup> Financial Result except Operating Financial Result

<sup>2</sup> Composition of Investments: Discretionary CAPEX (R\$12.5 million) + Expansion CAPEX (R\$4.9 million)

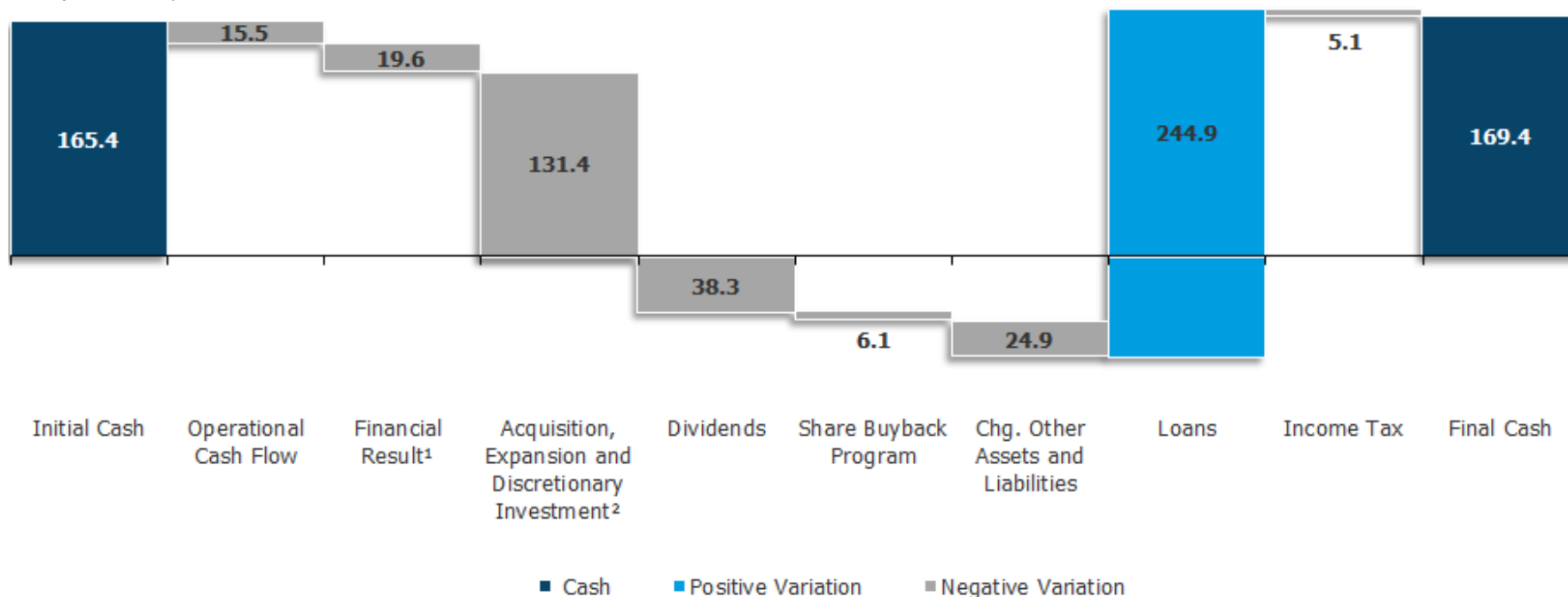
# CASH FLOW 2011

## Operational Cash Flow



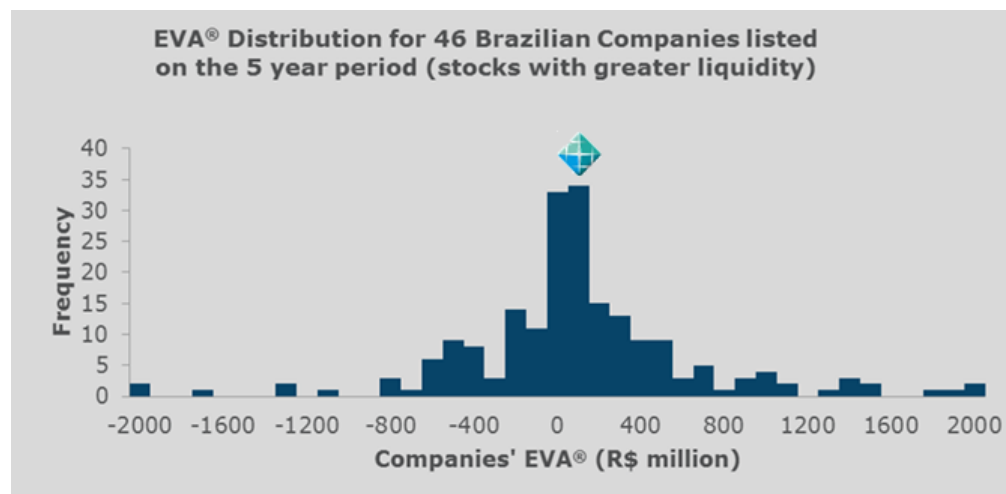
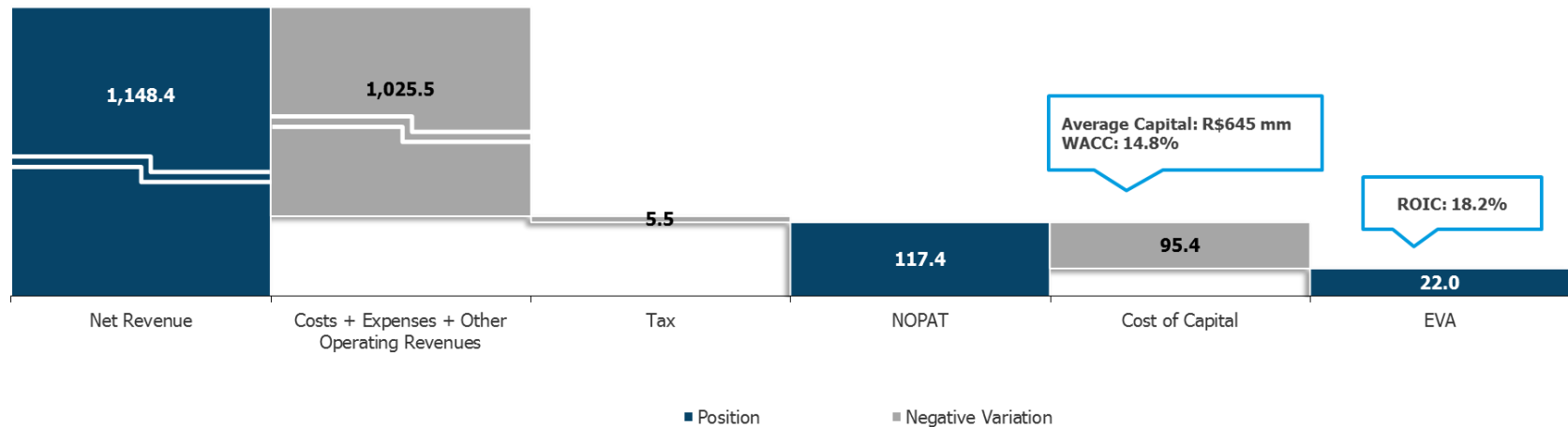
## CASH FLOW 2011

(In R\$ million)



<sup>1</sup> Financial Result except Operating Financial Result

<sup>2</sup> Composition of Investments: Acquisition (R\$61.0 million) + Expansion CAPEX (R\$17.5 million) + Discretionary CAPEX (R\$52.9 million)





- ◆ **Intake** 1H12
- ◆ **Student base** organic growth
- ◆ **Margin** Gain

## Investor Relations:

Flávia de Oliveira

**Email:** [flavia.oliveira@estacio.br](mailto:flavia.oliveira@estacio.br)

**Phone:** +55 (21) 3311-9789

**Fax:** +55 (21) 3311-9722

**Address:** Av. Embaixador Abelardo Bueno, 199 – Office Park – 6th floor  
ZIP Code: 22.775-040 – Barra da Tijuca – Rio de Janeiro – RJ – Brazil

**Website:** [www.estacioparticipacoes.com/ir](http://www.estacioparticipacoes.com/ir)

*This presentation may contain forward-looking statements concerning the industry's prospects and Estácio Participações' estimated financial and operating results; these are 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. We are a holding company, and our only assets are our interests in SESES, STB, SESPA, SESCE, SESPE, SESAL, SESSE, SESAP, UNEC, SESSA and IREP, and we currently hold 99.9% of the capital stock of each of these subsidiaries. Considering that the Company was incorporated on March 31 2007, the information presented herein is for comparison purposes only, on a proforma unaudited basis, relative to the first three months of 2007, as if the Company had been organized on January 1 2007. Additionally, information was presented on an adjusted basis, in order to reflect the payment of taxes on SESES, our largest subsidiary, which from February 2007, after becoming a for-profit company, is subject to the applicable taxation rules applied to the remaining subsidiaries, except for the exemptions arising out of the PROUNI – University for All Program ("PROUNI"). Information presented for comparison purposes should not be considered as a basis for calculation of dividends, taxes or for any other corporate purposes.*