


3Q08

NET REVENUE REACHES R$727 MILLION IN 9M08, UP 14% YOY. ADJUSTED NET INCOME GROWS 26%, TO R$72 MILLION.

Rio de Janeiro, November 14, 2008 – Estácio Participações S.A. (Bovespa, ESTC3; Bloomberg, ESTC3.BZ; Reuters, ESTC3.SA) announces its results for the third quarter of 2008 (3Q08). Except where otherwise stated, the financial and operating information in this release is presented in a consolidated form, pursuant to the Brazilian Corporate Law.

MESSAGE FROM THE CEO, MR. JOÃO ROSAS:

"I am pleased to present the results of Estácio Participações for the third quarter of 2008.

During the quarter we continued the process to streamline the Company's organizational structure, implementing best academic and administrative management practices, a top priority for the new board of executive officers appointed in July.

To support the new management model, we recently concluded the implementation of the management and academic systems in all our campuses nationwide, one quarter ahead of schedule. The integration of these systems is a key step to the "Model Project", which will promote the continuous improvement of the organization, via internal benchmarking, linked to aggressive performance and compensation targets.

Simultaneously, we have reviewed the Company's main processes to pave the way for standardization. This will allow for the migration of administrative activities, today performed in our campuses, to a Shared Services Center (SSC). The SSC will allow for significant optimization of resources, while also freeing up our campuses to focus exclusively on the quality of our courses, to improve the learning capabilities and the employability of our students.

Another improvement, towards a higher level of corporate governance was the creation of the audit, compensation and teaching committees to support the work of our Board of Directors.

We concluded the acquisition of five post-secondary institutions, of which four are located in the North and Northeast regions of Brazil and one in Paraguay, for a combined total of 12,000 students and a total investment of approximately R$24 million.

With these acquisitions, which were concluded in early October, and three more institutions acquired in the beginning of November in São Paulo, adding more 3,200 students to our base, we reached a total of approximately 207,000 students enrolled in our traditional and technical undergraduate programs, under

Stock Price - ESTC3
R$14.99/ per share - 11/12/2008

No. of Shares
78,585,066

Market Cap
R$1.178 billion

Free Float
25.3%

Conference Calls November 14, 2008

Portuguese
9h00 AM (Brasília)
6h00 AM (US EST)
Phone.: +55 (11) 4003-9004
Replay: +55 (11) 4003-9004
Code: Estácio

English
12h00 PM (Brasília)
9h00 AM (US EST)
Phone.: +1(866) 866-2673
Code: Estácio
Replay: +1(866) 866-2673
Code:6717

IR Contacts:
Carlos Lacerda
+55 (21) 2433-9789
carlos.lacerda@estacio.br

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

regulation by the Ministry of Education. We believe the scale of our current undergraduate student base makes Estácio Participações the largest post-secondary institution in Brazil.

Our admission and enrollment processes for the second academic semester of 2008 were in line with our planning. We had a record enrollment, with 41 thousand new students in our undergraduate programs, 26% higher in relation to last year. Our renewal rate also improved in relation to 2007, involving 87% of the renewable base.

We have already begun the enrollment process for the first semester of 2009 and feel confident that the ongoing process review will allow our campuses to increase their focus on growth, with a decline in attrition rates and an improvement in the quality perceived by our students.

On the quality front, we are pleased to inform that Estácio Participações, through its controlling institutions, placed above the national average under the General Course Index concept, which was recently published by the Ministry of Education and includes both government and private institutions. These results increase our commitment to deliver quality programs and grant our students the opportunity to enhance their qualification and their career.

Our results in the quarter were in line with our budget and our medium and long term business strategy.

Net Revenue was R$251 million in the quarter and R$727 million in the 9M08. Despite being subject to a higher tax burden, which was expected, the Company posted recurring EBITDA of R$34 million in the quarter and R$84 million in the 9M08, up 6% year over year.

We incurred one-off charges of approximately R$11 million in the quarter, mainly due to layoffs and contracts termination, as well as expenses with the restructuring process underway.

Adjusted Net Income, excluding goodwill amortization and nonrecurring expenses, was R$30.2 million in the quarter and R$72.2 million year to date, growing by 4% and 26%, respectively, year on year.

Regarding the Company's financial health, we ended the quarter with a sound cash position of R$271 million, which was conservatively invested in fixed-income instruments indexed to the CDI rate, mainly in government bonds and certificates of deposits at major Brazilian banks.

We believe this level of liquidity strengthens our competitive position in the post-secondary sector in Brazil, either in terms of the opportunities of organic growth and market share gains and to expand via selective acquisitions.

In the coming quarters, we intend to consolidate the administrative and academic activities into service centers aimed at improving academic quality, while focusing on learning capabilities of our students and improving the Company's profitability."

FINANCIAL AND OPERATING HIGHLIGHTS

- Management and academic system implemented in all our campuses nationwide. With this step, we are ready to start migrating several decentralized activities into a Shared Services Center, a Learning Center and a Student Care Center. This centralization will support the introduction of a new management model, with focus on quality, profitability and business expansion;

- With the results achieved in the enrollment and retention for the second academic semester of 2008 as well as the integration of the institutions acquired in the period, our base expanded to 196,000 undergraduate students at the close of the 3Q08, growing 10% year on year;

- The student base growth, both organically and due to acquisitions, combined with adjustment in monthly tuition fees, has driven the 16.5% increase of gross revenue in the quarter, compared to 3Q07;

- Adjusted net income growth of nearly 26% in the 9M08, compared to 9M07, helped by higher financial result;

- Solid cash position of R$271 million at the end of the quarter, with no debt, invested conservatively in fixed-income instruments pegged to the CDI rate, government bonds and deposit certificates at domestic first-tier banks.

Table 1 – Key Operating and Financial Indicators

	3Q07	3Q08	Chg.%	9M07	9M08	Chg.%
Student Base (final) - thousand	178.7	196.1	9.7%	178.7	196.1	9.7%
Student Base (average) - thousand	171.9	189.9	10.5%	174.2	190.4	9.3%
Average Tuition (R$)[1]	443	478	8.0%	436	458	5.0%
R$ million						
Gross Revenue	314.8	366.7	16.5%	950.9	1,066.0	12.1%
Net Revenue[2]	212.8	251.5	18.2%	637,7	727.1	14.0%
Adjusted Gross Profit[2]	88.0	103.3	17.4%	249.8	290.0	16.1%
Gross Margin (%)	***41.3%***	***41.1%***	***-0.2 p.p.***	***39.2%***	***39.9%***	***0.7 p.p.***
EBITDA ex-rentals	50.9	56.1	10.2%	133.2	147.0	10.3%
EBITDA Margin ex-rentals (%)	***23.9%***	***22.3%***	***-1.6 p.p.***	***20.8%***	***20.2%***	***-0.6 p.p.***
Adjusted EBITDA[2]	32.2	34.1	5.7%	79.2	84.2	6.3%
Adjusted EBITDA Margin (%)	***15.1%***	***13.6%***	***-1.5 p.p.***	***12.4%***	***11.6%***	***-0.8 p.p.***
Adjusted Net Income[4]	**28.9**	**30.2**	**4.2%**	**57.5**	**72.2**	**25.6%**

(1) Net Revenue / Average Paying Student Base
(2) Adjusted for the extraordinary expenses (3Q08 and 9M08) and non incidence of taxes at SESES in January/2007 (9M07), which was transformed in a for profit company in February 2007
(3) Excluding goodwill amortization from acquisition and IPO expenses in 2007

3Q08 HIGHLIGHTS

Acquisition of 4 Institutions in North/Northeast

On August 28, the Company announced to the market the acquisition of four Post-Secondary Education Controlling 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 “Institutions”), whose shares were fully held by part of the Company’s controlling shareholders.

As of June 2008, said Institutions had 9,641 students enrolled in their undergraduate programs, which comprise Business Administration, Law, Accounting, Physical Education, Physiotherapy, Tourism and Hotel Management, as well as other fields. In the first half of 2008, the Institutions jointly recorded net revenue of R$21.0 million, EBITDA of R$4.2 million and net income of R$1.9 million. On July 31, 2008, the Institutions held net debt of R$21.6 million, of which R$15.1 million was a loan agreements with subsidiaries of the Company. All of them are for-profit companies, and their controlled institutions are part of the “University for All Program – PROUNI.

These acquisitions were approved by shareholders at the Extraordinary Shareholder’s Meeting held on October 1, 2008, and the total price paid was R$21.6 million.

Acquisition of 3 Institutions in São Paulo

On November 7 , the Company announced to the market the acquisition, through its subsidiary IREP Sociedade de Ensino Superior, Médio e Fundamental Ltda. (“IREP”), the controlling companies of Centro Universitário Radial (UNIRADIAL), 100% of the interests in the capital of three Post-Secondary Institutions, namely: (i) Maria Montessori de Educação e Cultura Ltda., mantenedora da Faculdade de Educação e Cultura Montessori – FAMEC; (ii) Cultura e Educação de Cotia Ltda., mantenedora da Faculdade Associada de Cotia – FAAC ou Instituto de Ensino Superior de Cotia – IESC; e (iii) Unissori – Unidade de Ensino Superior Montessori de Ibiúna S/C Ltda., mantenedora da Faculdade Montessori de Ibiúna – FMI (“Sociedades”), which maintain head offices in the cities of São Paulo, Cotia and Ibiúna, respectively.

The total amount paid was of R$10.3 million, being approximately R$2.3 million in form of debt.

The said Companies are for-profit companies, and their controlled institutions are part of the “University for All Program – PROUNI”. The Institutions had 3.215 students enrolled in their undergraduate and graduate programs in October 2008, offering programs such as Business, Marketing, Advertising, Nursing, Physical Education, Pedagogy, Linguistics and Tourism, among others.

ANALYSIS OF RESULTS – 3Q08

Due to the strong seasonality of the business, we have focused our analysis on comparisons with the same periods of last year (quarter and first nine months of the year).

Tables showing the income statement can be found on pages 18, 19 and 20 of this report.

REVENUE

Table 3 below provides a breakdown of revenue and variations for the periods indicated.

Table 2 – Revenue Breakdown

R$ million	3Q07	3Q08	Chg.%	9M07	9M08	Chg.%
Monthly Tuition fees	309.4	359.2	16.1%	936.5	1,048.0	11.9%
Other	5.4	7.5	38.3%	14.4	18.0	25.0%
Gross Revenue	**314.8**	**366.7**	**16.5%**	**950.9**	**1,066.0**	**12.1%**
Deductions	**(102.0)**	**(115.2)**	**13.0%**	**(310.6)**	**(338.9)**	**8.2%**
Gratuities – Scholarships	(81.3)	(92.1)	13.3%	(254.8)	(269.9)	5.9%
Returned Fees and Charges	(1,0)	(0.9)	-12.7%	(2.7)	(2.8)	4.2%
Allowances	(10.0)	(11.4)	14.2%	(26.6)	(34.2)	28.2%
Taxes	(9.7)	(10.8)	11.2%	(26.5)	(32.0)	20.6%
Adjusted taxes[1]				(2.6)		
Net Revenue	**212.8**	**251.5**	**18.2%**	**637.7**	**727.1**	**14.0%**

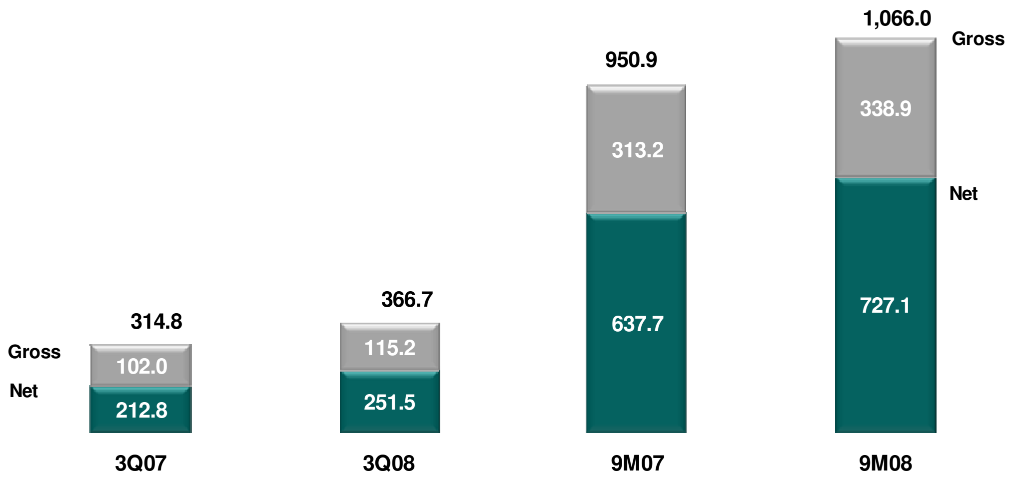
(1) Adjusted for the non incidence of taxes at SESES in January/2007, which was transformed in a for profit company in Feb/07

Gross revenue grew 16.5% in the quarter and 12.1% year to date, driven by the expansion in the average student base (10.5% and 9.3%, respectively) due to higher enrollments and better retention rates as well as the acquisitions, combined with an average increase in monthly tuition fees of 6%.

In the gross revenue deductions line, we highlight: a) the impact of the tax item in 9M08, given the conversion of SESES into a for-profit company in February 2007, which resulted in 9 months of taxes in the first nine months of 2008, versus only 8 months in 9M07; b) relative stability in the gratuities and scholarships line (lower share of scholarships under philanthropy/SESES rules and higher share of PROUNI scholarships); c) increase in the line of allowances granted as a result of the differentiated discount policy in effect at the institutions acquired in the period.

Net revenue posted year-on-year growth of 18.2% in the quarter and 14.0% in the 9M08 (after tax adjustment). The higher increase in net revenue in relation to gross revenue is due to the relative reduction in the amount of gratuities and scholarships granted.

Chart 1 – Net Revenue (R$ million)



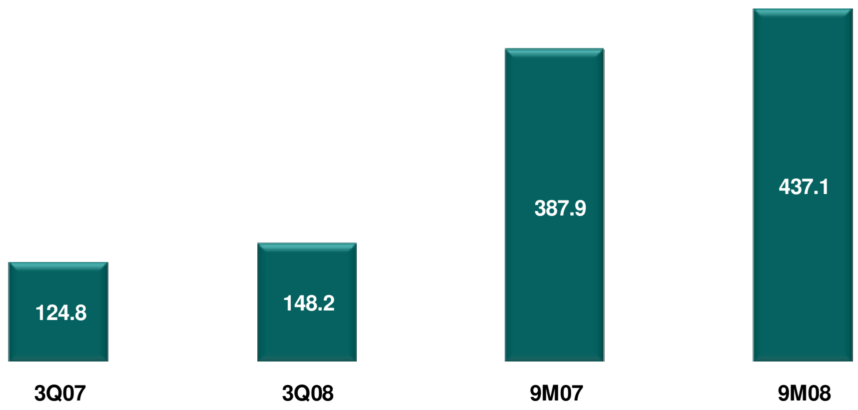
COST OF SERVICES (COS)

In the 3Q08, COS totaled R$153.4 million, impacted by non recurring costs, with layoffs, of R$5.2 million.

Recurring cost of services totaled in R$148.2 million in the quarter, up 18.8% from the 3Q07.

Despite the higher tax burden in the period, of R$3.4 million (1.4% of net revenue), faculty costs as a percentage of revenue increased only 0.4 p.p. (from 44.0% in 3Q07 to 44.4% in 3Q08).

Chart 2 – Cost of Services (R$ million)

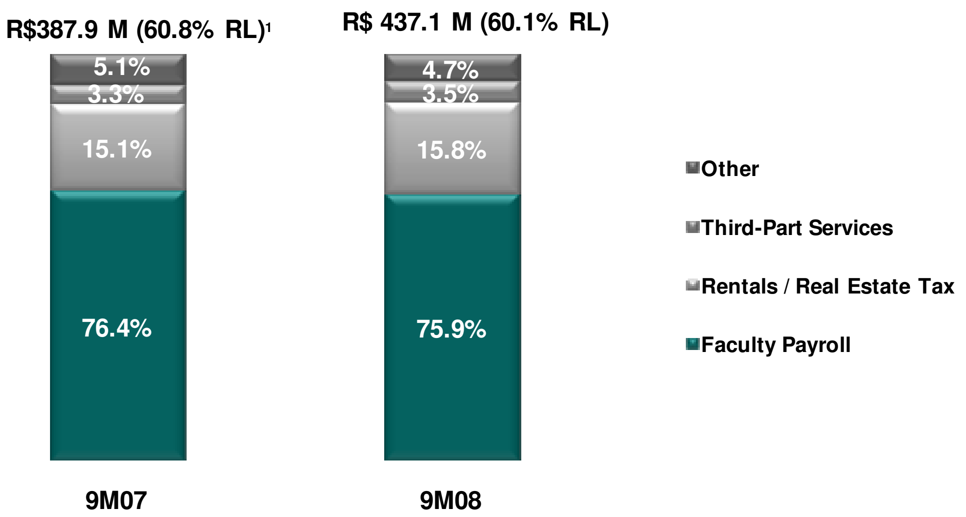


In the 9M08, COS totaled R$442.3 million. Excluding the non-recurring costs it totaled R$437.1 million. As a percentage of net revenue it represented 60.1%, decreasing 0.7 p.p., versus 9M07 (60.8%), despite the increase in the rate of INSS social security charges in the period (R$7.4 million, or 1.0% of net revenue).

The year-on-year reduction in COS on a recurring basis and as a percentage of net revenue (0.8 p.p.), despite the increase in INSS charges, reflects the success the initiatives adopted under the scope of the academic restructuring. These initiatives include the use of common courses, flexible entry programs, extracurricular activities and distance-learning courses aimed at optimizing faculty costs, strengthening learning and improving the employability of our students.

The chart below shows the components of COS in the periods analyzed.

Chart 3 – Cost of Services Breakdown - 9M08 x 9M07



(1) Adjusted for the non-incidence of taxes at SESES in january/07

GROSS PROFIT

Adjusted gross profit, of R$103.3 million in 3Q08, with a year-on-year growth of 17.4%, totaled R$290.0 million in the 9M08 (+16.1%), as shown in the table below. The gross margin expansion was chiefly driven by net revenue growth of 14.0% in 9M08, which outpaced the increase of only 12.7% in faculty costs.

Table 3 – Gross Profit

R$ million	3Q07	3Q08	Chg.%	9M07	9M08	Chg.%
Net Revenue*	212.8	251.5	18.2%	637.7	727.1	14.0%
Cost of Services Rendered *	(124.8)	(148.2)	18.8%	(387.9)	(437.1)	12.7%
Adjusted Gross Profit *	**88.0**	**103.3**	**17.4%**	**249.8**	**290.0**	**16.1%**
Adjusted Gross Margin	***41.3%***	***41.1%***	***-0.2 p.p.***	***39.2%***	***39.9%***	***0.7 p.p.***

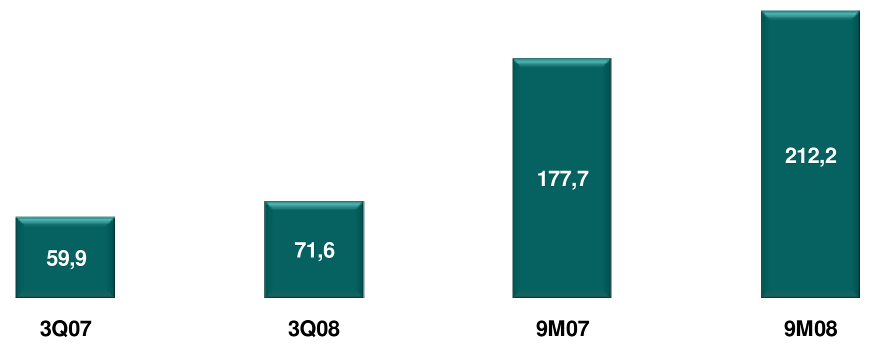
(*) Adjusted for the extraordinary severance expenses of R$ 5.2 million (3Q08 and 9M08) and in 9M07 adjusted for taxes in January 2007 (SESES).

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

SG&A expenses stood at R$77.2 million in 3Q08. Non recurring expenses totaled R$5.6 million with contract termination charges and R$2.0 million with corporate restructuring expenses. Adjusted SG&A totaled R$71.6 million, up 19.6%, from 3Q07 and equivalent to 28.5% of net sales, compared to 28.2% in 3Q07.

The year-on-year increase was mainly due to higher expenses with advertising (2.9% of net revenue, versus 1.9% in the 3Q07), seeking to boost enrollment in the second academic semester, and with outsourcing, notably consulting services to support the management optimization processes and student attendance.

Chart 4 – SG&A (R$ million)



Year to date, SG&A expenses totaled R$212.2 million. This amount is adjusted by R$7.1 million related to one-off expenses incurred and was equivalent to 29.2% of net revenue (versus 27.9% in the 9M07). The increase of SG&A as a percentage of net revenue was due to higher expenses with advertising, students call attendance (telemarketing) and consulting. Provisions for doubtful accounts represented 3.2% of net revenue (3.3% in 9M07).

DEPRECIATION AND AMORTIZATION

Depreciation and amortization charges increased from R$6.4 million in the 3Q07 (3.0% of net revenue) to R$10.4 million in the 3Q08. Excluding the impact of goodwill amortization related to acquisitions (R$2.6 million), expenses came to R$7.8 million in the 3Q08 (3.1% of net revenue).

Year to date, expenses totaled R$28.6 million. Excluding goodwill amortization in the period (R$6.8 million), totaled R$21.8 million, representing 3.0% of net revenue (2.8% in 9M07). The slight increase in both periods is due to capex with management and academic systems integration.

NET FINANCIAL RESULT

The net financial result in the 3Q08 was R$9.4 million, up R$3.8 million year on year, boosted by the increase in cash and cash equivalents as a result of the IPO proceeds and the cash flow in the period, as shown in the table below.

Table 4 – Financial Result

R$ million	3Q07	3Q08	9M07	9M08
Financial Revenue	10.0	12.1	16.3	30.4
Financial Expenses	(4.4)	(2.7)	(7.7)	(6.6)
Net Financial Result	**5.6**	**9.4**	**8.6**	**23.8**

In the 3Q08, net financial results include revenues with fines and interest charged on overdue monthly tuitions (R$3.1 million x R$4.6 million in 2Q07) and collection charges expenses (R$0.6 million x R$0.4 million in 2Q07), both of an operating nature.

In the 9M08, revenues with fines reached R$7.9 million (R$8.3 million in the 9M07) and collection charged reached R$1.6 million (R$1.1 million in the 9M07).

EBITDA

In the 3Q08, the Company's EBITDA grew to R$34.1 million on a recurring basis, up 5.7% over the 3Q07.

Nonrecurring expenses in the quarter totaled R$10.8 million, of which R$8.8 million was related to contract termination charges and R$2.0 million to restructuring costs.

Year to date, EBITDA was R$84.2 million with 11.6% margin, with nonrecurring items totaling R$12.3 million. In 9M07, EBITDA adjusted for tax stood at R$79.2 million, with an EBITDA margin of 12.4%.

The increase on INSS rate in 2008, compared to last year, had an impact on EBITDA of R$3.4 million in 3Q08 and R$8.0 million in 9M08.

Table 5 – EBITDA

R$ million	3Q07	3Q08	Chg.%	9M07	9M08	Chg.%
Operating Income	**27.3**	**19.9**	**-27.1%**	**68.9**	**60.5**	**-12.2%**
Extraordinary Expenses		10.8			12.3	
Tax adjustments[2]				(6.0)		
Adjusted Operating Income	**27.3**	**30.7**	**12.3%**	**62.9**	**72.8**	**15.8%**
Depreciation and Amortization	6.4	10.4	61.6%	17.7	28.6	61.3%
Financial Result[1]	(1.5)	(7.0)	-	(1.4)	(17.3)	-
Adjusted EBITDA	**32.2**	**34.1**	**5.7%**	**79.2**	**84.2**	**6.3%**
Adjusted EBITDA Margin	*15.1%*	*13.6%*	*-1.5 p.p.*	*12.4%*	*11.6%*	*-0.8 p.p.*
EBITDA Ex-rentals	**50.9**	**56.1**	**10.2%**	**133.2**	**147.0**	**10.3%**
EBITDA Margin Ex-rentals	*23.9%*	*22.3%*	*-1.6 p.p.*	*20.8%*	*20.2%*	*-0.6 p.p.*

1. *Excluding revenues with fines and collection expenses*
2. *Tax obligations under subsidiary SESES encompassed only eight months in 9M07, with a favorable impact on EBITDA of R$6.0 million.*

NET INCOME

Net Income adjusted for nonrecurring expenses in the 3Q08 came to R$27.6 million. Adjusted Net Income excluding goodwill amortization from acquisitions was R$30.2 million (+4.2% over the 3Q07).

Year to date, adjusted net income totaled R$72.2 million (+25.6% year on year), as shown in the table below.

Table 6 – Net Income

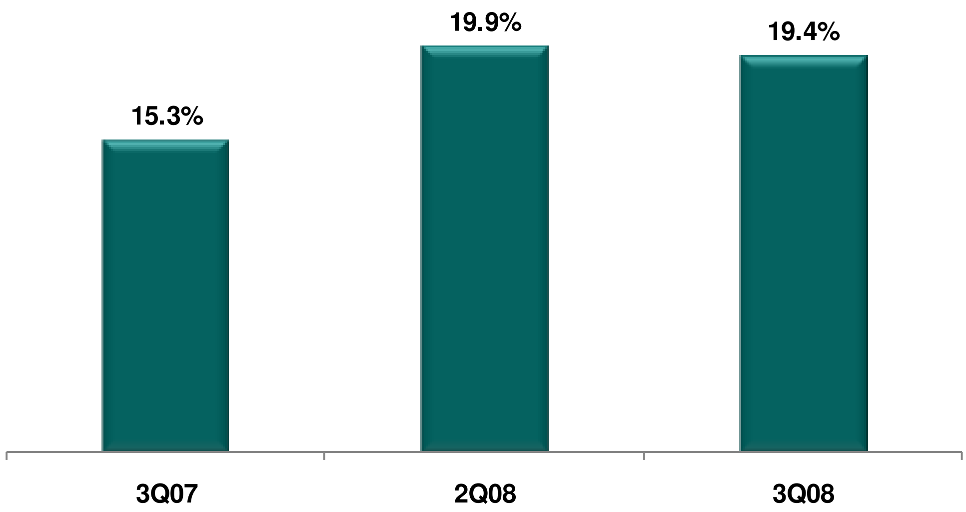
R$ million	3Q07	3Q08	Chg.%	9M07	9M08	Chg.%
Net Income	**28.3**	**16.8**	**-40.6%**	**65.2**	**53.1**	**-18.6%**
One-off expenses		10.8			12.3	
Goodwill Amortization from Acquisition	0.6	2.6		0.6	6.8	
Adjustment to Taxes[1]				(8.3)		
Adjusted Net Income	**28.9**	**30.2**	**4.2%**	**57.5**	**72.2**	**25.6%**

Tax obligations under subsidiary SESES encompassed only eight months in 9M07, with an impact on net income of R$8.3 million.

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 simplifies the opening of new units and makes the structuring and management of our network more flexible. Our brokerage partnerships reduce the need to acquire real estate assets. As a result, the Company's return on equity has exceeded the industry average. In the 3Q08, this indicator was at 19.4% (net income/shareholders´ equity), up 4.1 p.p., compared to the same period in 2007.

Chart 5 – ROE[1]



1. Adjusted net income in the last 12 months / shareholders' equity in the quarter.

CAPITALIZATION AND CASH

The net cash position stood at R$270.6 million by the end of the 3Q08, as the following table shows, boosted by proceeds from the IPO held in July 2007 and cash flow in the period.

Table 7 – Capitalization and Cash

R$ million	09/30/07	09/30/08
Shareholders' Equity	406.0	458.5
Short-term indebtedness	0.2	0.8
Long-term indebtedness	0.0	-
Total Indebtedness	0.2	0.8
Cash and cash equivalents	263.8	271.4
Net Cash	**263.6**	**270.6**

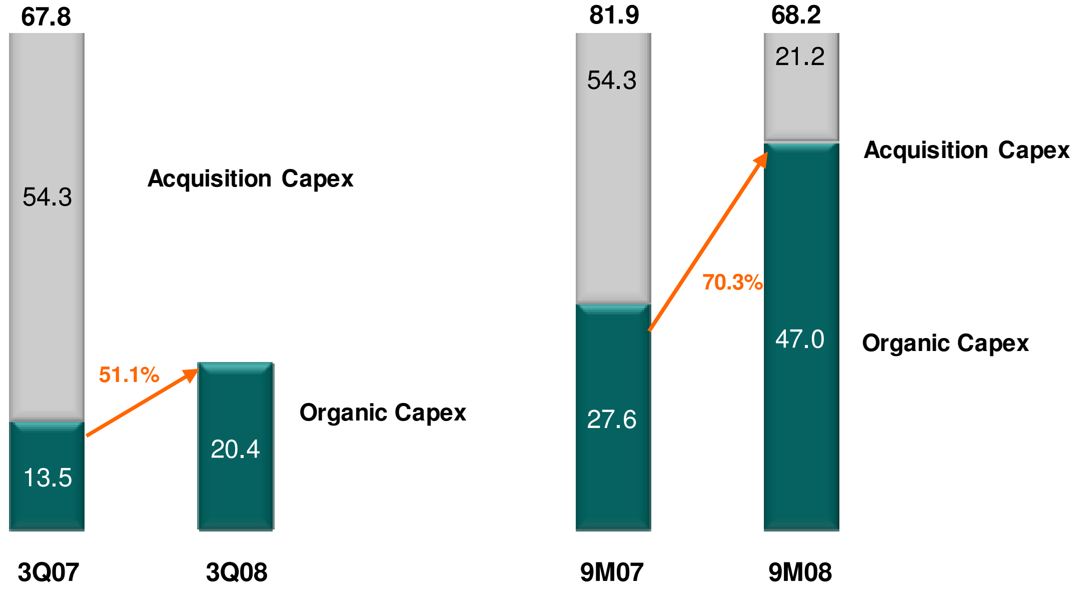
CAPITAL EXPENDITURES

In the 3Q08, organic Capex totaled R$20.4 million, equivalent to 8.1% of net revenue, and was allocated to current operational investments, the systems integration and to corporate restructuring and expansion. The increase over 3Q07 was driven by the acquisition of a real estate, to open a new campus in São Paulo.

Year to date, organic Capex was R$47.0 million (6.5% of net revenue, versus 4.3% in 9M07). The increase of R$19.4 million over 9M07 was driven by higher investments allocated to the national integration project (R$4.4 million), real estate acquisition (R$7.0 million), academic reform and distance learning (R$2.4 million) and current operational investments (R$5.6 million).

Investments in acquisitions in the 9M08, all in São Paulo, totaled R$21.2 million (R$16.9 million with Interlagos, Europan and Brasília in February 2008 and R$4.3 million with Magister in June 2008).

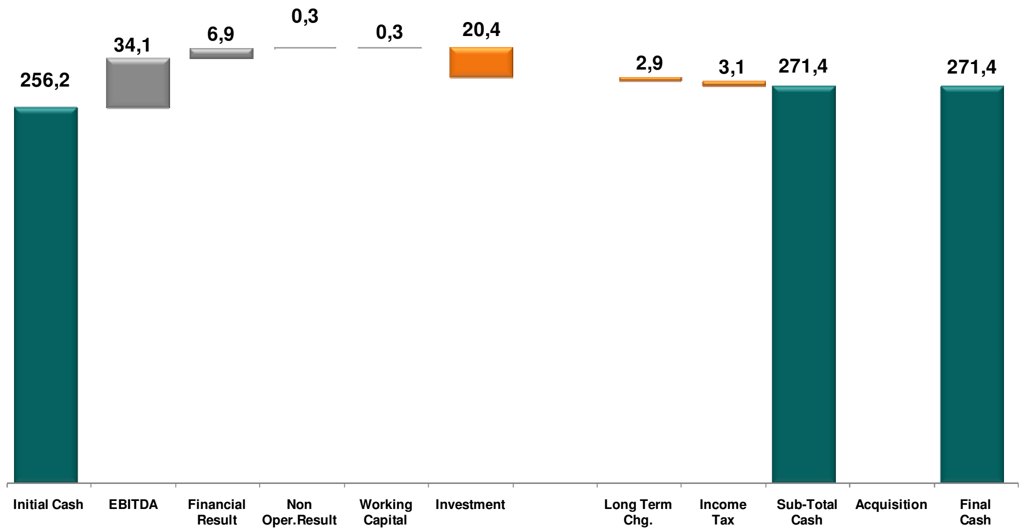
Chart 6 – Investments (R$ million)



CASH FLOW

In the 3Q08, the Company´s cash flow generation was of R$35.6 million, which after organic capex (R$20.4 million), resulted in a net cash increase of R$15.2 million, and a cash position of R$271.4 million at the end period, as shown in the chart below.

Chart 7 – 3Q08 Cash Flow (R$ million)



OTHER EVENTS

On December 28, 2007, Law 11,638 was approved. It amended, revoked and introduced new provisions in relation to Law 6,404 of December 15, 1976 and Law 6,385 of December 7, 1976. The main objective of these changes and introductions was to update Brazilian Corporate Law to provide for the convergence of the accounting practices adopted in Brazil to the international accounting practices established by the International Accounting Standards Board (IASB).

The requirements of this law apply to the financial statements concerning the fiscal years starting as of January 1, 2008. These requirements do not represent changes in circumstances or estimates, and therefore the adoption of the new practices introduced by Law 11,638/07 must be, as a general rule, stated retrospectively, in other words, through the application of these new accounting practices as if the same policies were in use during all of the periods presented, observing the rules addressing the "Accounting Policies, Changes in Accounting Estimates and Correction of Errors" approved by the Securities and Exchange Commission of Brazil (CVM) through CVM Deliberation 506.

Accordingly, the changes in accounting practices are recorded in the accounting records as adjustments to prior fiscal years. However, their impacts are allocated to each of the periods presented. In the specific case of the Company, in which the financial statements for the fiscal year ending December 31, 2008 are presented in comparison with the amounts in fiscal year 2007, the adjustments will be stated in the initial balances (April 1, 2007), enabling the two fiscal years to be presented observing the same accounting policies.

On May 2, 2008, the CVM issued Instruction 469, which partially regulated Law 11,638/07, establishing minimum requirements to be observed in the presentation of quarterly information during 2008. This Instruction, through certain conditions, provided as an alternative, the wholly adoption of the provisions of that law. The Company's Management did not opted for this alternative and, thus, applied law 11,638/07 to the minimum extent required by CVM Instruction 469 in the presentation of its quarterly information during 2008.

Of the main changes in the accounting standards introduced by this Law, those that, based on a preliminary analysis conducted by the Management, could come to have a material impact on the financial statements of the Company and its subsidiaries for the fiscal year ending on December 31, 2008 are listed below:

- Analysis of the recovery of fixed, intangible and deferred assets, as established by Pronouncement 1 of the Accounting Pronouncement Committee (CPC) and approved by CVM Deliberation 527. Appraisal reports are being prepared of the fixed, intangible and deferred assets, as required by CVM Deliberation 527. Preliminary studies did not indicate any significant effects in the application of this regulation.

- Stock-based executive and employee compensation. On July 15, 2008, the stock option plan for the company's managers and key executives was approved. The Company is waiting for accounting instructions to be able to recognize the impact, which are being quantified. The analysis will be concluded until year end, and will be disclosed in the company´s financial statements as of December 31, 2008.

- Lease of assets or goods used to maintain the company's operations. The Company currently holds approximately 280 lease agreements (financial type), which in accordance with item IV of article 179 of Brazilian Corporation Law, as amended by Law 11,638/07, became eligible and classified as depreciable fixed assets, with the accounting of the existing obligation. However, previously, this accounting was performed by the payment of contra installments booked as rent expenses. The adjusted balance and the expected effect of this change is summarized as follows:

(R$ Mil)	Balances on 06/30/2008			Balances on 09/30/2008		
	Before adjustments	Impact	After adjustments	Before adjustments	Impact	After adjustments
Balance Sheet Impacts						
Asset: Leasing Fixed	171.727	1.201	172.928	182.451	311	182.762
Liability: Lease Payable	-	4.047	4.047	-	3.084	3.084
Effects on Net Income						
Depreciation Expenses	(14.109)	(1.058)	(15.167)	(21.867)	(1.334)	(23.201)
Interest Expenses	-	(835)	(835)	-	(1.123)	(1.123)
Lease Expenses	(1.692)	1.669	(23)	(2.323)	2.323	-
Total Effect on Net Income	(15.801)	(224)	(16.025)	(24.190)	(134)	(24.324)

The Company also holds approximately 60 lease agreements for buildings, for which specialized professionals were contracted to appraise the market value of the assets and reach a conclusion on under which type of lease the respective contracts are classified (operational or financial lease). As this matter has not yet been regulated by the CVM, the Company is analyzing these contracts based on the practices established by the IASB, according to International Accounting Standard - IAS 17 and International Financial Reporting Interpretations Committee - IFRIC 4.

The monthly expense for buildings leases is approximately R$ 6.5 million.
The effect shown in the above chart and any potential impacts arising from the change in the classification of the building leases, from operational to financial, will be reflected in the financial statements of December 31, 2008 in relation to the previous fiscal year, in accordance with the option provided for by the CVM.

- Long-term assets and liabilities must be adjusted to their net present value (NPV). Other balances must be adjusted to their NPV only when there is a significant impact on the financial statements. In the case of long-term assets and liabilities, preliminary studies do not present significant differences and the Company's Management does not expect this change to have a significant impact on the financial statements for the fiscal year ending on December 31, 2008.

- In the operations related to business combinations, involving independent parties and regarding the effective transfer of control, the assets and liabilities of the company to be merged, or deriving of merger or spin-offs, will be accounted by their market value. The Company is analyzing the amortization of the outstanding goodwill balance from Irep and CURITBA of R$48.2 million as of September 30, 2008 (R$49.9 million as of June 30, 2008). During the 3Q08, was registered goodwill amortization of R$1.7 million (R$1.7 million in 2Q08).

  The Company is conducting a detailed analysis to identify and measure at market value the assets and liabilities resulting from this acquisition.

- Creation of a new intangible account subgroup for presentation in the balance sheet. The main effects of the application of Law 11,638/07 identified refer to the reclassifications between fixed asset items resulting from the creation of an Intangible account subgroup to register the rights to assets without physical substance, and from the revision of items that may be classified as deferred and will be registered in the financial statements for the year ending December 2008. The effects of reclassification on the balances of fixed asset accounts on June 30 and September 30,2008 are described and quantified below:

	Balances on 6/30/2008			Balances on 9/30/2008		
(R$ thousand)	Before reclassification	Amount	After reclassification	Before reclassification	Amount	After reclassification
Investments (a)	69,983	(69,983)	-	69,519	(69,519)	-
Fixed assets (b)	171,727	(6,366)	165,361	182,451	(5,939)	176,512
Fixed assets	-	76,349	76,349	-	75,458	75,458
	241,710	-	241,710	251,970	-	251,970

(a) Reclassification of goodwill from the acquisition of companies, currently classified as investments to intangible assets
(b) Reclassification of the software use licenses, currently registered in fixed assets, to intangible assets in the amount of R$5,9 million (R$6,4 million on June 30)

- Modification of the concept of values registered as deferred charges. Only pre-operating expenses and restructuring expenses that will effectively contribute to an increase in results for more than one fiscal year and that do not only represent a decrease in costs or an increase in operating efficiency: the Company intends to conduct more detailed studies that will enable adequate recording and disclosure of this matter.

- Inclusion of the Statement of Value Added to the set of financial statements. The Company's Management will present said statement of value added when it prepares its annual financial statements for the fiscal year ending in December 31, 2008.

The other changes introduced by Law 11,638/07 should not have material effects on the financial statements of December 31, 2008 or are not applicable, as follows:

- Financial instruments basically derive from residual cash amounts that are invested in a single exclusive fund, the assets of which are consolidated in the Company's financial statements. The portfolio of the exclusive fund is basically comprised of securities maturing in more than 90 days. On September 30, 2008, the fund's securities were classified in the category of tradable assets, which are registered at market value, with the respective gains and losses recognized in net income. Therefore, the change in the accounting standard does not present significant effects at the end of the fiscal year and in the quarters presented.

- Revaluations of fixed assets – New revaluations of fixed assets are not allowed. The Company does not have revaluations of its assets, therefore there is no impact from this change.

- Similarly, the changes implemented by CVM Instruction 247 that address the investments in associates should also not have any effect, since the investments held by the company are in associate companies that continue to be valued by the equity accounting method.

- Repeal the possibility of recording tax incentives directly as a capital reserve in the shareholders´ equity account. This means that the tax incentives (ProUni) will start to be registered in the P&L in the fiscal year. To avoid the distribution as dividends, the amount of incentives may be allocated, after passing through P&L, to the earnings reserve (Article 195-A of Law 11,638). The capital reserve, in the consolidated financial statements, is already registered in P&L in the period (income tax and social contribution tax), in accordance with the option provided for by the CVM. The values should not impact the equity and financial position when they start being registered under the new accounting policy.

- The Company already discloses as supplementary information the Statement of Cash Flows, therefore, the change in legislation making the disclosure of this statement mandatory does not have any impact in relation to what the Company has already been disclosing.

IMPORTANT NOTICE (CVM INSTRUCTION 358)

Estácio Participações advises its shareholders about compliance with the terms of article 12 of CVM Instruction 358, however it 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, and our only assets are our interests in SESES, STB, SESPA, SESCE, SESPE and IREP, and we currently hold 99.9% of the capital stock of each of these subsidiaries. This report may contain forward-looking statements concerning the 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 proforma 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 applicable taxation rules applied to corporations, 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.

The Company's ownership structure is shown below:

Table 8 - Ownership Breakdown, as of 10/30/08

Shareholders	Shares	%
Founding Family	43.037.648	54.8
GP Investments	15.717.013	20.0
Executive Officers and Directors	53.480	0,1
Others	19.776.925	25.1
Total	**78.585.066**	**100.0**

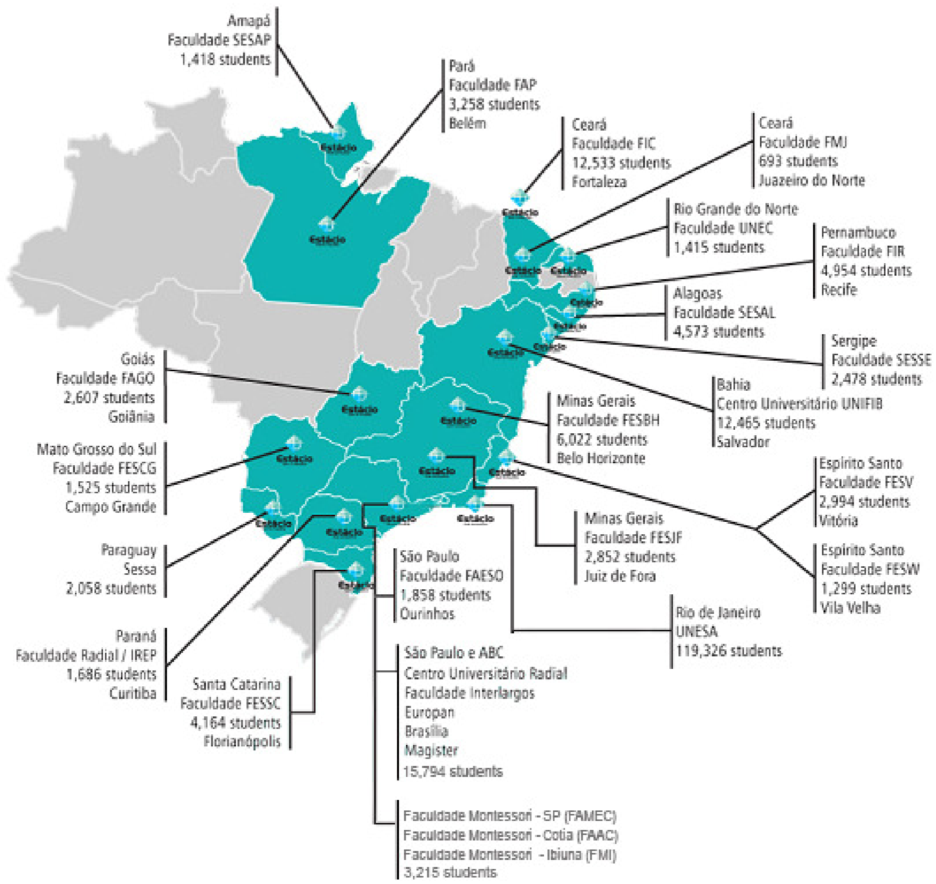
ABOUT ESTÁCIO PARTICIPAÇÕES

We are the largest private post-secondary education institution in Brazil in terms of number of students enrolled and have a nationwide presence in the country's major cities. On 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 programs, of faculty and facilities; our leadership in the Rio de Janeiro market and scale gains; our excellent track record; the efficient management of the regulatory process; the 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 207 thousand undergraduate students enrolled in our nationwide education network, consisting of 1 University (Rio de Janeiro), 2 University Centers (Bahia and São Paulo) and 24 Colleges, which combined represent 80 campuses, of which 39 are in Rio de Janeiro and 41 are distributed across 15 other Brazilian states, besides one university in Paraguay, with more than 2 thousand undergraduate students, as shown in the map below:



Balance Sheet (R$ million) Assets	09/30/2007	06/30/2008	09/30/2008
Current Assets	**375.6**	**399.6**	**411.8**
Cash	263.8	51.7	36.9
Cash Equivalents	-	204.5	234.5
Accounts Receivable	81.6	104.1	100.2
Carry-forward credits	2.8	4.6	1.2
Advance to employees / third parties	3.5	4.4	3.7
Related parties	18.7	15.1	15.7
Prepaid Expenses	0.4	4.7	3.0
Other	4.8	10.6	14.1
Long term receivables	**1.2**	**3.6**	**3.2**
Prepaid Expenses	0.7	3.0	2.9
Judicial Deposits	0.5	0.6	0.3
Permanent Assets	**218.6**	**251.7**	**263.6**
Goodwill, Net	54.3	70.0	69.5
Other	0.2	0.2	0.3
Fixed Assets	163.0	171.7	182.5
Deferred Charges	1.1	9.8	11.3
Total Assets	**595.4**	**654.9**	**676.1**

Liabilities and Shareholders' Equity	09/30/2007	06/30/2008	09/30/2008
Current liabilities	**160.1**	**164.9**	**170.5**
Loans and financings	0.2	0.3	0.8
Suppliers	15.1	21.7	21.0
Salaries and payroll charges	97.1	93.8	97.8
Taxes payable	12.5	14.1	14.2
Prepaid Monthly tuition fees	25.2	31.7	32.7
Taxes paid in installments	0.7	0.3	0.7
Commitments payable	5.7	-	-
Other	3.6	3.0	3.3
Long term liabilities	**17,1**	**20,4**	**19,8**
Loans and financings	0.0	0.0	0.0
Provisions for contingencies	16.9	17.3	17.2
Taxes paid in installments	0.3	3.1	2.6
Deferred Revenues	**12.2**	**27.9**	**27.2**
Advances under partnership agreement	12.2	27.9	27.2
Shareholders' Equity	**406.0**	**441.8**	**458.5**
Capital	295.2	295.2	295.2
Capital Reserves	96.5	96.5	96.5
Earnings Reserve	14.2	13.7	13.7
Retained Earnings	-	36.4	53.1
Total liability and shareholders' equity	**595.4**	**654.9**	**676.1**

Income Statement (R$ million)	3Q07	3Q08	Chg. %	9M07	9M08	Chg. %
Gross Revenue	**314.8**	**366.7**	**16.5%**	**950.9**	**1,066.0**	**12.1%**
Tuition fees	309.4	359.2	16.1%	936.5	1,048.0	11.9%
Other	5.4	7.5	38.3%	14.4	18.0	25.0%
Deductions	**(102.0)**	**(115.2)**	**13.0%**	**(313.2)**	**(338.9)**	**8.2%**
Gratuities/scholarships	(81.3)	(92.1)	13.3%	(254.8)	(269.9)	5.9%
Monthly tuition fees and charges returned	(1.0)	(0.9)	-12.7%	(2.7)	(2.8)	4.2%
Allowances	(10.0)	(11.4)	14.2%	(26.6)	(34.2)	28.2%
Taxes	(9.7)	(10.8)	11.2%	(26.5)	(32.0)	20.6%
Adjusted taxes				(2.6)		
Net Revenue	**212.8**	**251.5**	**18.2%**	**637.7**	**727.1**	**14.0%**
Cost of services rendered	**(124.8)**	**(153.4)**	**22.9%**	**(386.2)**	**(442.3)**	**14.5%**
Gross Profit	**88.0**	**98.1**	**11.5%**	**251.5**	**284.8**	**13.2%**
Extraordinary Expenses		5.2			5.2	
Adjusted taxes				(1.8)		
Adjusted Gross Profit	**88.0**	**103.3**	**17.4%**	**249.8**	**290.0**	**16.1%**
Gross Profit margin	41.3%	41.1%		39.2%	39.9%	
Selling, general and administrative expenses	**(59.9)**	**(77.2)**	**28.9%**	**(176.0)**	**(219.4)**	**24.6%**
Financial Result	5.6	9.4	67.9%	8.6	23.8	176.5%
Depreciation and Amortization	(6.4)	(10.4)	61.6%	(17.7)	(28.6)	61.3%
Extraordinary Expenses		5.6			7.1	
Operating Income	**27.3**	**30.7**	**12.3%**	**62.9**	**72.8**	**15.8%**
EBITDA	**32.2**	**34.1**	**5.7%**	**79.2**	**84.2**	**6.3%**
EBITDA margin	15.1%	13.6%		12.4%	11.6%	
Non operating revenue (expenses)	1.9	(0.1)		(0.9)	(1.2)	
Income before social contribution and income tax	**29.2**	**30.6**	**4.7%**	**62.0**	**71.7**	**15.6%**
Social Contribution	(0.2)	(0.8)		(0.7)	(1.6)	
Income Tax	(0.6)	(2.2)		(2.0)	(4.6)	
Goodwill Amortization from acquisition	0.6	2.6		0.6	6.8	
Adjusted taxes				(2.3)		
Adjusted Net Income [1]	**28.9**	**30.2**	**4.2%**	**57.5**	**72.2**	**25.6%**

1. Adjusted to extraordinary expenses, goodwill amortization and taxes on SESES, in January 2007

Statement of Cash Flow (R$ Thousand)	3Q07	3Q08	9M07	9M08
Cash flow from operating activities:				
Net income for the period	12,852	16,762	47,996	53,162
Adjustments - net income to cash generated by operating activities:				
Depreciation and amortization	5,840	7,758	17,175	21,867
Residual value of fixed asset disposals		3,590	(133)	5,143
Provision for losses on fixed asset			2,525	
Goodwill amortization	571	2,599	571	6,757
Others			1,325	
Cash flow from operating activities	**19,263**	**30,709**	**69,459**	**86,929**
Changes in assets and liabilities:				
(Increase) in accounts receivable	3,477	3,911	(3,951)	(10,653)
(Increase) in other assets	(3,130)	2,573	(5,474)	(7,516)
Increase (decrease) in Suppliers	1,404	(708)	257	3,742
Increase (decrease) in tax payable	1,296	51	7,452	1,387
Increase in salaries and social charges	(4,179)	3,933	26,091	39,267
Increase in prepaid monthly tuition fees	(952)	1,070	(609)	1,767
Increase (decrease) in the provision for contingencies	3,884	(136)	1,628	3,477
Increase (decrease) in other liabilities	(599)	369	(704)	3,155
Changes in transactions with related parties:				
(Increase) in accounts receivable	(2,863)	(604)	(12,032)	(1,776)
Increase (decrease) in accounts payable	5,703		5,703	(5,702)
(Increase) in noncurrent assets				
Deferred Revenues	(794)	(722)	(2,383)	15,786
Net cash generated by (used in) operating activities	**22,510**	**40,445**	**85,437**	**129,865**
Cash flow from financing activities:				
Financial Investments		(30,041)		(28,166)
Goodwill on acquisition	(54,843)	(2,135)	(54,843)	(22,894)
Other investments	(14)		(14)	
Fixed assets	(12,481)	(21,972)	(26,351)	(43,745)
Deferred charges	(1,033)	(1,656)	(1,033)	(7,977)
Net cash used in investing activities	**(68,371)**	**(55,804)**	**(82,241)**	**27,083**
Cash flow from financing activities :				
Capital Increase	268,164		268,164	
Loans and Financings acquisitions		769		1,782
Dividends distributed			(4,091)	(13,658)
Payment of Loans and Financing	(1,732)	(245)	(9,025)	(1,155)
Net cash used in financing activities	**266,432**	**524**	**255,048**	**(13,031)**
Increase (decrease) in cash	220,571	(14,834)	258,244	14,052
At beginning of period	43,183	51,739	5,510	22,853
At end of period	263,754	36,905	263,754	36,905