Estácio Participações S.A.

Quarterly Information (ITR) at
March 31, 2013 and
report on review of quarterly information

(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Shareholders
Estácio Participações S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Estácio Participações S.A., included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2013, comprising the balance sheet as at that date and the statements of income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21 (R1), Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 (R1) and International Accounting Standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the six-month period ended March 31, 2013. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Rio de Janeiro, May 8, 2013

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" RJ

Marcos Donizete Panassol
Contador CRC 1SP155975/O-8 "S" RJ

Estácio Participações S.A.

Balance sheets at March 31, 2013 and December 31, 2012

All amounts in thousands of reais **(A free translation of the original in Portuguese)**

	Parent company		Consolidated	
Assets	**3/31/2013**	**12/31/2012**	**3/31/2013**	**12/31/2012**
Current assets				
Cash and cash equivalents (Note 3)	109	132	18,395	18,132
Marketable securities (Note 3)	654,939	88,495	729,096	122,340
Accounts receivable (Note 4)			347,365	279,657
Accounts recoverable - FIES program			4,855	5,416
Advances to employees / third parties	19	24	24,147	25,957
Related parties (Note 5)	897	897	259	259
Prepaid expenses (Note 6)	71	542	37,160	30,931
Dividends receivable (Note 8)	93,699	93,699		
Interest on capital receivable	1,275	1,275		
Taxes and contributions (Note 7)	202		9,563	10,588
Others	1,603	1,364	20,428	17,947
	752,814	186,428	1,191,268	511,227
Non-current assets				
Long-term receivables				
Prepaid expenses (Note 6)			2,545	1,337
Judicial deposits (Note 16)	1,909	1,897	85,264	83,221
Deferred taxes (Note 28)			13,199	11,695
Taxes and contributions (Note 7)	6,723	6,722	22,745	20,886
Others	1,007	1,022	8,089	8,659
	9,639	9,641	131,842	125,798
Investments				
In subsidiaries (Note 8)	916,319	818,052		
Others			228	228
	916,319	818,052	228	228
Intangible assets (Note 9)	512	550	309,123	307,898
Property and equipment (Note 10)	3,116	3,707	289,169	294,660
	919,947	822,309	598,520	602,786
	929,586	831,950	730,362	728,584
	1,682,400	1,018,378	1,921,630	1,239,811

	Parent company		Consolidated	
Liabilities and equity	**3/31/2013**	**12/31/2012**	**3/31/2013**	**12/31/2012**
Current liabilities				
Trade accounts payable	17	405	29,109	35,435
Borrowings and financings (Note 11)	10,117	9,978	13,990	13,856
Payroll and related charges (Note 12)	131	136	93,906	65,727
Taxes payable (Note 13)	74	24	25,200	22,229
Prepaid monthly tuition fees			4,709	8,854
Advances under exclusivity agreements (Note 17)	1,800	1,800	2,887	2,887
Taxes payable in installments (Note 14)			1,993	2,210
Related parties (Note 5)	3,593	3,122		
Dividends payable (Note 18(f))	26,051	26,051	26,051	26,051
Commitments payable (Note 15)			11,199	12,985
Others	3		2,421	3,079
	41,786	41,516	211,465	193,313
Non-current liabilities				
Long-term liabilities				
Borrowings and financings (Note 11)	262,228	262,327	264,827	265,868
Provision for contingencies (Note 16)			23,769	23,205
Advances under exclusivity agreements (Note 17)	7,050	7,500	11,305	12,027
Taxes payable in installments (Note 14)			6,125	6,410
Deferred taxes (Note 28)			814	1,638
Provision for decommissioning of assets			14,211	14,004
Commitments payable (Note 15)			11,625	11,180
Others			6,153	5,131
	269,278	269,827	338,829	339,463
Equity (Note 18)				
Share capital	986,177	369,319	986,177	369,319
Issue costs of share	(23,397)	(2,819)	(23,397)	(2,819)
Capital reserves	115,677	114,298	115,677	114,298
Treasury stock	(11,348)	(11,348)	(11,348)	(11,348)
Revenue reserves	237,585	237,585	237,585	237,585
Net income for the period	66,642		66,642	
	1,371,336	707,035	1,371,336	707,035
	1,682,400	1,018,378	1,921,630	1,239,811

The accompanying notes are an integral part of this quarterly information.

Estácio Participações S.A.

Statement of income
Periods ended March 31

All amounts in thousands of reais **(A free translation of the original in Portuguese)**

	Parent company		Consolidated	
	2013	**2012**	**2013**	**2012**
Continuing operations				
Net operating revenue (Note 23)			413,254	330,552
Services costs (Note 24)			(242,613)	(199,567)
Gross profit			170,641	130,985
Operating revenues (expenses)				
Selling expenses (Note 26)			(42,942)	(37,342)
General and administrative expenses (Note 26)	(2,827)	(2,921)	(62,179)	(49,765)
Equity in the results of subsidiaries (Note 8)	67,128	46,048		
Other operating income (Note 25)	407	450	3,504	2,464
Operating profit	64,708	43,577	69,024	46,342
Finance income (Note 27)	7,453	4,282	11,337	8,603
Finance costs (Note 27)	(5,519)	(7,942)	(13,017)	(12,656)
Finance income (costs), net	1,934	(3,660)	(1,680)	(4,053)
Income before income tax and social contribution	66,642	39,917	67,344	42,289
Income tax (Note 28)			(259)	(622)
Social contribution (Note 28)			(443)	(1,724)
Profit for the period from continuing operations	66,642	39,917	66,642	39,943
Discontinued operations				
Income (expenses) from discontinued activities				(26)
Profit for the period before tax	66,642	39,917	66,642	39,917
Attributable to				
Owners of the Company			66,642	39,917
Non-controlling interests				
Profit per share of continuing and discontinued operations attributable to the Company's owners during the period (in R$ per share)			66,642	39,917
Basic earnings per share (Note 22)				
From continuing operations			0.00069	0.00049
From discontinued operations				
			0.00069	0.00049
Diluted earnings per share (Note 22)				
From continuing operations			0.00068	0.00048
From discontinued operations				
			0.00068	0.00048

The accompanying notes are an integral part of this quarterly information.

Estácio Participações S.A.

Statement of changes in equity

All amounts in thousands of reais **(A free translation of the original in Portuguese)**

			Capital reserves		Revenue reserves					
	Share capital	**Costs of share issue**	**Goodwill in shares subscription**	**Granted options**	**Legal**	**Profit retention**	**Treasury shares**	**Proposed dividends**	**Retained earnings**	**Total**
At January 1, 2012	364,392	(2,819)	96,565	13,195	13,779	140,170	(6,347)			618,935
Net income for the period									39,917	39,917
Options granted				937						937
Treasury stock acquired							(199)			(199)
At March 31, 2012	364,392	(2,819)	96,565	14,132	13,779	140,170	(6,546)		39,917	659,590
Capital increase	4,927									4,927
Cumulative translation adjustments										
Profit for the period before tax									69,770	69,770
Allocation of net income										
Transfer to reserves					5,484	78,152			(83,636)	
Dividends proposed									(26,051)	(26,051)
Dividends paid										
Special goodwill reserve on the incorporation										
Options granted				3,601						3,601
Costs of share issue										
Treasury stock acquired							(2,376)			(2,376)
Share repurchase option							(2,426)			(2,426)
At December 31, 2012	369,319	(2,819)	96,565	17,733	19,263	218,322	(11,348)			707,035
Capital increase	616,858									616,858
Issue costs of share		(20,578)								(20,578)
Profit for the period before tax									66,642	66,642
Options granted				1,379						1,379
Treasury stock acquired							(4,016)			(4,016)
Share repurchase option							4,016			4,016
At March 31, 2013	986,177	(23,397)	96,565	19,112	19,263	218,322	(11,348)		66,642	1,371,336

The accompanying notes are an integral part of this quarterly information.

Estácio Participações S.A.

Statements of cash flows
Periods ended March 31
All amounts in thousands of reais **(A free translation of the original in Portuguese)**

	Parent company		Consolidated	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit before taxes and after result of discontinued operations	66,642	39,917	67,344	42,263
Adjustments to reconciliate the result to the cash and banks generated				
Depreciation and amortization	632	591	17,856	11,613
Amortization of the funding costs	183		183	
Net book amount of fixed assets written off			166	11
Provision for impairment of trade receivables			14,802	14,044
Options granted		937	1,379	937
Earnings on investments	(7.413)	(3.665)	(8.212)	(4.243)
Provision for contingencies			282	1,661
Appropriation of covenants	(450)	(450)	(722)	(722)
Update of commitments payable			(817)	
Interest on loans to subsidiaries		(231)		380
Interest on borrowings and financings	5,436	7,213	5,436	7,213
Increase in provision for asset decommissioning			207	208
Equity in the results of subsidiaries	(67,128)	(46,048)		
	(2.098)	(1.736)	97.904	73.365
Changes in assets and liabilities				
(Increase) in accounts receivable			(82,510)	(48,460)
Decrease (increase) in other assets	(241)	354	(1,921)	269
(Increase) decrease in advances to employees / third parties	5		1,810	
(Increase) decrease in prepaid expenses	471		(6,229)	
(Increase) decrease in taxes and contributions	(203)		(2,338)	
Increase (decrease) in trade accounts payable	(387)	(2)	(6,326)	22
(Decrease) in tax obligations	50	(199)	2,269	(3,201)
Increase (decrease) in payroll and related charges	(5)	7	28,179	21,180
(Decrease) in prepaid monthly tuition fees			(4,145)	(3,625)
Increase (decrease) in provision for contingencies			283	(817)
(Decrease) deferred income tax and social contribution				(1,401)
(Increase)/decrease in other liabilities	3	(22)	(462)	(312)
Increase in taxes paid in installments			(502)	
(Decrease) in non-current assets	17	(270)	(636)	(6,292)
Increase in judicial deposits	(12)		(2,043)	
	(2.400)	(1.868)	23.333	30.728
Interest paid on borrowings	(854)		(854)	
Net cash (used in) provided by operating activities	(3,254)	1,797	22,479	34,971
Cash flows from investing activities:				
Financial investments	(559.031)	21.645	(598.544)	(24.225)
Property and equipment			(4,895)	(13,517)
Intangible assets	(4)		(8,861)	(11,246)
Loan with subsidiaries	471	20,045		(380)
Investments in subsidiaries	(55,845)	(26,394)		
Dividends received		23,865		
Acquisition of subsidiaries, net of cash obtained on acquisition			(524)	
Advance for future capital increase	26,085	(38,798)		
Net cash (used in) provided by investing activities	(588.324)	363	(612.824)	(49.368)
Cash flow from financing activities				
Capital increase	616,858		616,858	
Costs of share issue	(20,578)		(20,578)	
Treasury stock		(199)		(199)
Increase in borrowings and financings	(4,725)	245	(5,672)	3,672
Net cash provided by financing activities	591,555	46	590,608	3,473
Net (decrease) increase in cash and cash equivalents	(23)	(1,459)	263	(15,167)
Cash and cash equivalents at the beginning of the year	132	1,530	18,132	21,857
Cash and cash equivalents at the end of the year	109	71	18,395	6,690
Net decrease in cash and cash equivalents	(23)	(1,459)	263	(15,167)

The accompanying notes are an integral part of this quarterly information.

Estácio Participações S.A.

Statements of value added
Periods ended March 31
All amounts in thousands of reais **(A free translation of the original in Portuguese)**

	Parent company		Consolidated	
	2012	**2011**	**2012**	**2011**
Revenue				
Educational services			428,364	345,371
Other revenues			3,314	(17)
Allowance for doubtful accounts			(14,802)	(14,044)
Other commercial expenses			(1,080)	
			415,796	331,310
Third-party inputs				
Materials, energy and services	(1,628)	(1,618)	(74,689)	(62,414)
Loss/recovery of assets				(26)
Others			(282)	(1,661)
	(1,628)	(1,618)	(74,971)	(64,101)
Gross value added	(1,628)	(1,618)	340,825	267,209
Depreciation and amortization	(815)	(591)	(18,039)	(11,613)
Net value added generated by the Company	(2,443)	(2,209)	322,786	255,596
Value added received in transfer				
Equity in results of subsidiaries	67,128	46,048		
Finance income	7,453	4,282	11,337	8,603
Others	450	450	3,504	2,464
	75,031	50,780	14,841	11,067
Total value added to distribute	72,588	48,571	337,627	266,663
Distribution of value added				
Work remuneration				
Direct compensation	320	561	153,625	122,284
Benefits			5,272	4,520
Government Severance Indemnity Fund for Employees (FGTS)			10,964	9,097
	320	561	169,861	135,901
Taxes, charges and contributions				
Federal	106	152	36,884	32,340
State			1	1
Municipal			19,806	16,505
	106	152	56,691	48,846
Remuneration of third-party capital				
Interest	5,520	7,941	13,017	12,656
Rentals			31,416	29,343
	5,520	7,941	44,433	41,999
Return on equity				
Dividends	27,698		27,698	
Retained earnings	38,944	39,917	38,944	39,917
	66,642	39,917	66,642	39,917
Value added distributed	72,588	48,571	337,627	266,663

The accompanying notes are an integral part of this quarterly information.

1 Operations

Estácio Participações S.A. ("Estácio" or "Company") and its subsidiaries (together the "Group") have as main activities the development and/or administration of activities and/or institutions in the college and professional education areas and other areas associated to education, to the administration of own assets and business, and the interest, as partner or shareholder, in other limited companies in Brazil. The Company's corporate head office is located at Avenida Embaixador Abelardo Bueno, 199, Rio de Janeiro - RJ.

The Company is a limited liability corporation headquartered in the Municipality and State of Rio de Janeiro, constituted by the private subscription of shares on March 31, 2007, and currently listed in the New Market.

The Group has twelve companies: ten of them are sponsors of college institutions, constituted as limited companies and gathers an University, four University Centers and thirty three colleges, distributed in twenty states of the country.

The Company's Board of Directors, in a meeting that took place on May 08, 2013, authorized the disclosure of this quarterly information.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of this quarterly information are set out below. These policies have been consistently applied to the years and periods presented, unless otherwise stated.

2.1 Basis of preparation

The quarterly information has been prepared under the historical cost convention, as modified by available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) measured at fair value, when applicable.

The preparation of quarterly information requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Those areas that require a higher level of judgment and are more complex, as well as the areas in which assumptions and estimates are material for the quarterly information, include: selection of useful lives of property and equipment and the recoverability thereof in the normal course of operations, valuation of financial assets at fair value, credit risk assessment to determine the allowance for doubtful accounts, as well as assessment of other risks to determine other provisions, including provisions for contingencies (Note 2.24).

Settlement of transactions involving these estimates may result in amounts different from those recorded in the quarterly information due to the uncertainties inherent to the estimation process. The Company reviews its estimates and assumptions periodically, and at least annually.

The consolidated quarterly information was prepared in accordance with CPC 21 (R1)/IAS 34, Interim Statements. The Company also applies accounting policies set out in the Brazilian corporation law and specific rules issued by the Brazilian Securities Commission (CVM), which do not conflict with CPC 21 (R1)/IAS 34.

The parent company quarterly information was prepared in accordance with CPC 21 (R1), Interim Statements, and is disclosed together with the consolidated quarterly information.

The information relating to the annual financial statements for the year ended December 31, 2012, presented together with the quarterly information for comparison purposes, was prepared in accordance with accounting principles adopted in Brazil and the International Financial Reporting Standards (IFRS). The accounting practices applied in this parent company and consolidated quarterly information are consistent with those applied in the annual financial statements as at December 31, 2012.

For a better comparison of the quarterly information for March 31, 2012, the Company reclassified R$ 3,665 (parent company) and R$ 4,243 (consolidated) from investing activity to operating activity.

2.2 Consolidation

The following accounting policies are applied in the preparation of the consolidated quarterly information.

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of assets or liabilities resulting from a contingent consideration arrangement, when applicable. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and assets and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the consideration transferred plus the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. When the consideration transferred is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of income.

Transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The consolidated quarterly information includes the operations of the Company and the following subsidiaries, together with its ownership interest in each:

All amounts in thousands of reais unless otherwise stated

	Direct - %	
	March 31, 2013	**December 31, 2012**
Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES")	100	100
Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP")	100	100
Nova Academia do Concurso - Cursos Preparatórios Ltda.	100	100
Estácio Editora	100	100

	Indirect - %	
	March 31, 2013	**December 31, 2012**
Sociedade Educacional Atual da Amazônia ("ATUAL")	100	100
ANEC - Sociedade Natalense de Educação e Cultura ("FAL")	100	100
Sociedade Universitária de Excelência Educacional do Rio Grande do Norte ("FATERN")	100	100
Idez Empreendimentos Educacionais Sociedade Simples Ltda.	100	100
Sociedade Educacional do Rio Grande do Sul S/S Ltda. ("FARGS")	100	100
Unisãoluis Educacional S.A ("Unisãoluis")	100	100
UNIUOL Gestão de Empreendimentos Educacionais e Participações S.A. ("UNIUOL")	100	100
Sociedade Educacional da Amazônia ("Seama")	100	100

The reporting periods of the quarterly information of the subsidiaries included in the consolidation are the same as those of the Company. Accounting practices were applied uniformly by the consolidated companies and are consistent with those used in prior periods.

The consolidation process of the equity and result accounts corresponds to the sum of the balances of the assets, liabilities, revenues and expenses accounts, according to their nature, complemented by the eliminations of the operations carried out between the consolidated companies, as well as the economically unrealized balances and results between the mentioned companies.

2.3 Business combinations

There was no acquisition of new business during the quarter ended March 31, 2013.

The acquisitions occurred in 2012 are as follows:

(i) Sociedade Educacional da Amazônia ("SEAMA")

On April 5, 2012, the Group acquired all the capital quotas of SEAMA, sponsor of Faculdade Seama, with its headquarter and campus in the Municipality of Macapá, State of Amapá. The transaction amount was R$ 20,110, including payments to the partners and assumption of the entity's obligations.

At the acquisition date, Seama had 2,750 students enrolled in its graduation and post-graduation courses.

This acquisition will enable the Company's expansion in a market where it is already present, and it will thus become the largest higher education private institution in that city.

(ii) IDEZ Empreendimentos Educacionais Sociedade Simples LTDA ("IDEZ")

On June 25, 2012, the Group acquired all the capital quotas of iDEZ, sponsor of Faculdade de Tecnologia IBRATEC of João Pessoa ("UNIBRATEC"), with headquarter and campus in the Municipality of João Pessoa, State of Paraíba. The transaction amount was R$ 1,982, including payments to the partners and assumption of the entity's obligations.

At the acquisition date, IDEZ had 500 students enrolled in its graduation and post-graduation courses. The consolidation of the activities in Paraíba will mark the arrival of Estácio in the state, consolidating the position of the higher education private institution leader in the Northeast region.

(iii) Sociedade Educacional do Rio Grande do Sul S/S Ltda. ("FARGS")

On August 1, 2012, the Company acquired all the quotas of FARGS, sponsor of Faculdades Riograndenses, institution with headquarters and campus in the city of Porto Alegre, State of Rio Grande do Sul.

The transaction amount of FARGS was R$ 9,000, including payments to the partners and assumption of the entity's obligations.

FARGS was founded in 1990 and has approximately 1,100 students and 117 teachers allocated in 2 campuses, it makes available 1,680 annual vacancies, counting in its portfolio 11 college courses and 8 post-graduate courses, besides the extension and free courses.

(iv) UNIUOL Gestão de Empreendimentos Educacionais e Participações S.A. ("UNIUOL")

On August 21, 2012, the Group acquired all the shares of UNIUOL, sponsor of Faculdade de Tecnologia do Uniuol, institution with headquarter and campus in the Municipality of João Pessoa, State of Paraíba.

The transaction amount of UNIUOL was R$ 616, including payments to the partners and assumption of the entity's obligations.

UNIUOL was founded in 2001 and has approximately 300 students and 37 teachers allocated in 1 campus, and it counts in its portfolio with 3 technological college courses and 6 post-graduation courses.

(v) Unisãoluis Educacional S.A. ("Unisãoluis")

On September 12, 2012, the Company acquired all the shares of Unisãoluis, with headquarters and campus in the city of São Luis, State of Maranhão.

The transaction amount was R$ 22,154, including payments to the partners and assumption of the entity's obligations.

As of the acquisition date, Unisãoluis had 4,000 students enrolled in its courses. The consolidation of the activities in Maranhão will mark the arrival of Estácio in the state, consolidating the position of the higher education private institution leader in the Northeast region.

None of the goodwill recognized is expected to be deductible for income tax purposes. The considerations paid and the value of the acquired assets and contracted liabilities recognized at the acquisition dates, carried out in 2012, are as follows:

All amounts in thousands of reais unless otherwise stated

Considerations paid and value of the acquired assets and contracted liabilities - Acquisitions carried out in 2012

	SEAMA	IDEZ	FARGS	UNIUOL	Unisãoluis	Total
Acquisition value						
Cash	15,110	1,586	7,000	566	9,957	34,219
Commitments payable	5,000	396	2,000	50	12,197	19,643
Total consideration	20,110	1,982	9,000	616	22,154	53,862
Identifiable assets acquired and liabilities contracted	(1,243)	670	(387)	652	7,636	7,328
Goodwill	18,867	2,652	8,613	1,268	29,790	61,190
Students portfolio	832	605	558	312	3,288	5,595
Goodwill	18,035	2,047	8,055	956	26,502	55,595

	SEAMA	IDEZ	FARGS	UNIUOL	Unisãoluis	Total
Cash and cash equivalents	606	221	370	104	232	1,533
Clients	2,819	96	565	122	351	3,953
Sundry creditors	102	14	256	1	3	376
Prepaid expenses			10			10
Judicial deposits	315		26		123	464
Property and equipment	1,364	260	568	160	2,736	5,088
Borrowings and financings	(1,403)		(5)	(7)	(456)	(1,871)
Trade accounts payable	(115)	(5)	(38)	(8)	(653)	(819)
Labor obligations	(650)	(641)	(828)	(649)	(470)	(3,238)
Taxes payable	(502)	(173)	(43)	(227)	(441)	(1,386)
Payables	(2)	(32)	(76)	(7)	(162)	(279)
Related parties		(109)				(109)
Other obligations	(3)	(230)	(150)	(92)	(5,794)	(6,269)
Provisions	(1,288)	(71)	(268)	(49)	(3,105)	(4,781)
Net assets acquired	1,243	(670)	387	(652)	(7,636)	(7,328)

2.4 Recognition of revenue, costs and expenses

Revenues, costs and expenses are recognized on an accrual basis.

(a) Services revenue

Revenue comprises the fair value of the consideration received or receivable for the provision of teaching services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The Group recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will result from the transaction and when specific criteria have been met.

(b) Finance income and costs

The finance income and costs include mainly income from interest on financial investments, expenses with interest on financing, gains and losses evaluated at fair value, according to the classification of the note, besides the exchange and monetary net variations.

Interest income is recognized on the accrual basis, using the effective interest method. When a loan and receivable instrument is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument. Subsequently, as time goes by, interest is incorporated into loans and receivables against interest income. This interest income is calculated at the same effective interest rate used to determine the recoverable amount, that is, the original rate of the instrument.

2.5 Foreign currency translation

Items included in the quarterly information of each of the Group's entities are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The parent company and consolidated quarterly information are presented in Brazilian reais (R$), which is the Company's functional currency, and also the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the dates of valuation when items are remeasured. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognized in the income statement.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash, bank account and other highly liquid short-term investments, with original maturities up to three months, with an insignificant risk of change in value, which are held to meet the Company's short-term commitments.

2.7 Marketable securities

The Company classifies its marketable securities according to how Management determines the purpose for which they were acquired and establishes the classification on the initial recognition for these financial assets, according to the three following categories:

- securities held for trade - they are acquired with the purpose of short-term sale and are measured at fair value. The interest, the monetary updates and the variations arising from the fair value evaluation are recorded in the result;

- securities held to maturity - they are acquired with the intention and financial capacity to maintain them in the portfolio up to maturity, being recognized and measured at amortized cost, using the effective interest rate method, and the earnings are allocated to the result; and

- available-for-sale - they are non-derivatives instruments that are either designated in this category or not classified in any of the previous categories. They are measured at fair value and the interest and monetary updates are recorded in the result, while the variations arising from the fair value evaluation are recorded in equity, under carrying value adjustments, being transferred to the result of the period upon their settlement.

On March 31, 2013 and December 31, 2012, all the Company's marketable securities are classified as "Securities held for trade".

2.8 Accounts receivable and prepaid monthly tuition fees

Accounts receivable arise from the provision of educational services and do not include any amounts for services provided after the balance sheet date. Services billed but not yet provided at the balance sheet date are recorded as prepaid monthly tuition fees and will be recognized in the respective income statement for the period on the accrual basis.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment of trade receivables.

2.9 Allowance for doubtful accounts

This allowance, recorded as a reduction of accounts receivable, is set up in an amount considered sufficient by the Company's management to cover any losses on collection of amounts related to monthly tuition fees and checks receivable, considering the risks involved.

2.10 Investments in subsidiaries (applicable only for the parent company quarterly information)

The investments in subsidiaries are evaluated based on the equity accounting method. In the parent company quarterly information, the goodwill for future profitability expectation is presented in the investment.

2.11 Property and equipment

Property and equipment are measured at acquisition cost, less accumulated depreciation.

Depreciation is calculated under the straight-line method over the useful life of the assets at the rates mentioned in Note 10.

Costs subsequent to initial recognition are included in the Net book amount of property and equipment or recognized as a specific item, as applicable, only if the economic benefits related to these items are probable and the amounts can be reliably measured. The residual balance of the replaced item is written off. Other repair and maintenance expenses are recognized directly in the income statement when incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.12 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the net fair value of assets and liabilities of the acquired entity. Goodwill on acquisitions of subsidiaries is recorded as "Intangible assets" in the consolidated quarterly information. If negative goodwill is determined, the amount is recorded as a gain in profit or loss for the period on the date of acquisition. Goodwill is tested annually for impairment

and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

(b) Students portfolio

Contractual students relationships acquired in a business combination are recognized at fair value at the acquisition date. The contractual relations have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the student relationship.

(c) Softwares

Computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over the estimated useful life of the software (five years).

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use.
- Management intends to complete the software product and use or sell it.
- There is an ability to use or sell the software product.
- It can be demonstrated how the software product will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available.
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of applicable overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful life, which does not exceed five years.

2.13 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that were adjusted due to impairment are subsequently reviewed for possible reversal of the impairment at the balance sheet date.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the weighted average cost of capital for the industry in which the cash-generating unit operates. Fair value less costs to sell is determined considering, whenever possible, firm sale agreements in arm's length transactions between knowledgeable and willing parties less costs to sell the asset; if no firm sale agreements can be identified, this will be based on the market price of an active market or the price of the most recent transaction involving similar assets.

2.14 Leases

Finance leases

Lease agreements which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item are classified as finance lease agreements, and the corresponding assets are recognized at fair value or present value of minimum lease payments. Items recognized as assets are depreciated at the rates applicable to each group of assets detailed in note 10. Financial charges related to finance lease agreements are appropriated to the income statement over the lease term, based on the amortized cost and effective interest rate method.

Operating leases

Operating lease expenses are recognized in the income statement based on payments made and on a straight line accrual basis during the lease term.

2.15 Borrowings and financings

Borrowings are recognized initially at fair value, net of transaction costs incurred, and are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the statement of income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.16 Distribution of dividends and interest on capital

The distribution of dividends and interest on capital to the Company's shareholders is recognized as a liability in the Group's financial statements at year-end based on the Company's bylaws. Any amount above the mandatory minimum is only accrued on the date it is approved by the shareholders in a General Meeting.

The tax benefit of interest on capital is recognized in the statement of income.

2.17 Provision for decommissioning of assets

This represents the estimated future cost of renovation of rented buildings where the Company's teaching units are located. They are recognized in property and equipment at present value, discounted at an adjusted credit rate, as part of the value of the assets that gave rise to it, since there is a legal obligation and its value can be estimated on are liable basis, with a counterparty record of the provision in the Company's liability. The interest incurred for the update of this provision is classified as financial expenses. The annually reviewed decommissioning estimates suffer depreciation/amortization on the same bases of the main assets.

2.18 Provisions

Provisions for legal claims (labor, civil and tax) are recognized when: (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.19 Taxation

Subsidiaries that enrolled in PROUNI (the "University for All" Program) benefit from exemption of the federal taxes listed below, for as long as they remain registered with the program:

- Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL), introduced by Law 7,689, of December 15, 1988;
- Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS), introduced by Supplementary Law 70, of December 30, 1991; and
- Social Contribution Tax on Gross Revenue for Social Integration Program (PIS), introduced by Supplementary Law 7 of September 7, 1970.

The above exemptions are originally calculated on the amount of revenues earned from higher education activities, derived from undergraduate and occupationally specific sequential courses. Also as a result of the change in the form of organization to limited companies, the Company became subject to the following events as from October 2005 and February 2007:

(i) Loss of Service Tax (ISS) immunity.

(ii) Loss of 100% exemption regarding the employer's contribution to the National Institute for Social Security (INSS), which is required to be paid on a graduating scale as defined under PROUNI legislation (20% in the first year, 40% in the second year and up to 100% in the fifth year). In 2012, the Company pays 100% of the employer's contribution to INSS.

Estácio Participações S.A. (Parent Company) does not benefit from PROUNI-related exemptions and computes its federal taxes payable in the normal manner.

Current income tax and social contribution

Current income tax and social contribution were determined considering the criteria established by the Revenue Procedure issued by the Brazilian IRS, with specific regard to PROUNI, whereby such taxes may not be paid on profits from regular undergraduate and technological educational activities that benefit from a favorable tax treatment ("lucro da exploração") and may be subsequently transferred to a reserve account.

Social Integration Program (PIS) and Social Contribution on Revenues (COFINS)

The rules governing PROUNI establish that revenues from traditional undergraduate and technological courses are exempt from PIS and COFINS contributions. Revenues from other educational activities are subject to PIS and COFINS at the rate of 0.65% and 3.00%, respectively, whereas non-education related revenues are subject to PIS at the rate of 1.65% and to COFINS, at 7.6%.

Income tax and social contribution - deferred

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- On deductible temporary differences referring to investments in subsidiaries, deferred tax assets are recognized only to the extent that the temporary differences will likely be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Derecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred taxes relating to items recognized directly in equity are also recognized in equity and not in the income statement. Deferred tax items are recognized in correlation to the underlying transaction either in comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset tax assets against tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

2.20 Share-based payments

The Company grants to its main executives and and officers an equity-settled, share-based compensation plan, under which the Company receives services from these executives and officers as consideration for equity instruments (options) of the Group. The fair value of the services received in exchange for the grant of the options is recognized as an expense. The total amount to be recognized is determined by reference to the fair value of the options granted, excluding the impact of any service and non-market performance vesting conditions (for example, profitability, revenue growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the balance sheet date, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the statement of income, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.21 Profit sharing

The Group recognizes a liability and an expense for profit-sharing based on a methodology that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.22 Earnings per share

The Company calculates earnings per thousand shares using the weighted average number of outstanding common shares, in the period to which net income refers, according to accounting pronouncement CPC 41 (IAS 33). (Note 22)

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potential common shares with dilutive effects. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would be outstanding assuming the exercise of the share options.

2.23 Share capital

Common shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Company of the Group purchases the company’s equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company’s equity holders until the shares are canceled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax and social contribution effects, is included in equity attributable to the Company’s shareholders.

2.24 Significant accounting judgments, estimates and assumptions

Judgments

The preparation of the parent company and consolidated quarterly information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, the uncertainty involved in these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the quarterly information due to the uncertainties inherent in their estimation process. The Company reviews its estimates and assumptions at least quarterly.

(i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.13. The recoverable amounts of cash-generating units (CGUs) have been determined based on value-in-use calculations. These calculations require the use of estimates as follows:

	In percentages
	December 31, 2012
Gross margin (i)	38.7%
Growth rate (ii)	5%
Discount rate (iii)	14.6%

(i) Budgeted gross margin.

(ii) Weighted average growth rate used to extrapolate cash flows beyond the budget period.

(iii) Pre-tax discount rate applied to the cash flow projections.

If the estimated pre-tax discount rate on the discounted cash flows had been 1% higher than management's estimates (for example, 15.6% instead of 14.6%), the Group would not have recognized a further impairment against goodwill.

(ii) Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 21(b).

(iii) Provisions for tax, civil and labor risks

The Company recognizes provisions for civil, tax and labor cases. The assessment of the probability of loss includes an analysis of available evidence, the hierarchy of laws, available case law, the latest decisions of courts of law and their relevance in the legal system, as well as the opinion of external legal advisors. The provisions are reviewed and adjusted to take into account changes in circumstances, such as the applicable statute of limitations, outcomes of tax inspections, or additional exposures that may be identified based on new issues or court decisions.

(iv) Assets' useful lives

The Company annually reviews the economic useful life of its assets, based on the opinion of external appraisers. The depreciation is recognized in the result based on the remaining useful life balance.

2.25 Statement of cash flows

The statements of cash flows were prepared using the indirect method and are presented in accordance with Technical Pronouncement CPC 03 R2 (IAS 7) - Statement of cash flows, issued by CPC (IASB).

2.26 Statement of value added ("DVA")

The purpose of the statement of value added is to disclose the wealth generated by the Company and its subsidiaries and the wealth distribution over a given year. As required by Brazilian corporate law, this statement is an integral part of the parent company financial statements and supplementary information to the consolidated quarterly information, considering that it is not required under IFRS.

The statement of value added was prepared based on information obtained from the accounting records used to prepare the quarterly information and pursuant to the provisions of Technical Pronouncement CPC 09. The first part shows the wealth created by the Company, represented by revenues (gross sales revenue, including applicable taxes, other revenues and the effects of the allowance for doubtful accounts), inputs acquired from third parties (cost of sales and purchases of materials, electric power and third-party services, including taxes levied upon acquisition, effects of losses on and recovery of assets, depreciation and amortization), and value added received from third parties (equity in the results of subsidiaries, financial and other income). The second part of the statement of value added shows how this wealth is distributed among personnel, taxes, fees and contributions, and return on equity and remuneration of third-party capital.

2.27 Financial instruments

(a) Initial recognition and measurement

The Company's financial instruments are represented by cash anc cash equivalents, marketable securities, accounts receivable, judicial deposits, debentures, borrowings and financings. The instruments are initially recognized at fair value plus costs directly attributable to their acquisition or issue, except for financial instruments classified at fair value through profit or loss, when such costs are directly recorded in the income statement.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

(i) significant financial difficulty of the issuer or debtor;

(ii) a breach of contract, such as a default or delinquency in interest or principal payments;

(iii) the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that it would not otherwise consider;

(iv) it becomes probable that the borrower will enter bankruptcy or other financial reorganization;

(v) the disappearance of an active market for that financial asset because of financial difficulties; or

(vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

- adverse changes in the payment status of borrowers in the portfolio; and
- national or local economic conditions that correlate with defaults on the assets in the portfolio.

Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "Financial assets at fair value through profit or loss" category are presented in the statement of income within "Finance income (cost), net" in the period in which they arise.

(b) Subsequent measurement

The subsequent measurement of financial assets and liabilities depends on their classification as follows:

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss include financial assets and liabilities held for trading and financial assets and liabilities designated upon initial recognition at fair value through profit or loss. Financial assets and liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by CPC 38 (IAS 39).

Gains or losses on liabilities held for trading are recognized in the income statement.

At March 31, 2013 and 2011, the Company did not have derivative operations.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

(c) Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recorded only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of any impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recorded loss is recognized in the statement of income.

2.28 Segment information

Because the Company concentrates its businesses on college educational activities, it is organized into one single business unit. Although the courses offered by the Company are designed for different student requirements, they are neither controlled nor managed as independent segments, and the Company's results are analyzed, monitored and evaluated on an integrated basis.

2.29 New standards, amendments and interpretations to existing standards that are not yet effective

The following new standards, amendments and interpretations of standards became effective as from January 1, 2013, but did not impact the Group:

- IAS 1, "Presentation of financial statements". The main change is a requirement for entities to group items presented in "other comprehensive income" on the basis of whether they will be reclassified to profit or loss or remain in equity.

- IAS 19, "Employee benefits" was amended in June 2011. This amendment was included in the text of CPC 33 (R1) - "Employee benefits".

- IFRS 10, "Consolidated financial statements", included as an amendment to CPC 36(R3), "Consolidated financial statements". This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated quarterly information of the parent company. The standard provides additional guidance to assist in the determination of control.

All amounts in thousands of reais unless otherwise stated

- IFRS 11, "Joint arrangements" was issued in May 2011 and included as an amendment to CPC 19(R2), "Joint ventures". The standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangements: (i) joint operations - arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses; and (ii) joint ventures - arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. The proportional consolidation method will no longer be permitted in joint ventures.

- IFRS 12, "Disclosures of interests in other entities", considered in a new pronouncement CPC 45 - "Disclosures of interests in other entities". IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

- IFRS 13,"Fair value measurement" was issued in May 2011 and disclosed in a new pronouncement CPC 46, "Fair value measurement". IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

3 Cash and cash equivalents and marketable securities

	Parent company		Consolidated	
	March 31, 2013	**December 31, 2012**	**March 31, 2013**	**December 31, 2012**
Cash and banks	109	132	18,395	18,132
Financial investments				
Cash and cash equivalents	109	132	18,395	18,132
Bank Deposit Certificates (CDB)	144,557	39,505	149,454	51,068
Investment fund	124,533	1,105	131,012	2,908
Repurchase agreements	385,849	47,885	448,630	68,364
Marketable securities	654,939	88,495	729,096	122,340
	655,048	88,627	747,491	140,472

All amounts in thousands of reais unless otherwise stated

Cash and cash equivalents consist of cash available in the Company, balances maintained in banks and short-term financial investments, maintained with the purpose of meeting short-term commitments and not for investment or other purposes, of immediate convertibility in an known cash amount and subject to immaterial risk of change in value.

The Bank Deposit Certificate (CDB) are remunerated by two indexers, by Interbank Deposit Certificate (CDI) with rates from 95.0% to 100.7% on March 31, 2013 (from 101.5% to 101.8% on March 31, 2012) and Amplified Consumer Price Index (IPCA), plus 2.44% per annum (p.a.) (there is no operation on March 31, 2012).

Repurchase agreements backed by first-tier debentures are recorded at fair value, bearing interest at 80% to 105.7% of CDI at March 31, 2013 (102.5% of CDI at March 31, 2012).

The fair values of securities traded in the market are based on cash flows discounted using a rate based on the market interest rate and the risk premium specific to the unlisted securities (2013 - 7.25% p.a.; 2012 - 9.25% p.a.). None of these financial assets is either past due or impaired.

The Company has a Financial Investments and Derivatives Policy that determined that the investments concentrate on low risk marketable securities and investments in highly-rated financial institutions On March 31, 2013, the operations are remunerated based on percentages of the variation of the Interbank Deposit Certificate (CDI).

4 Accounts receivables

	Consolidated	
	March 31, 2013	**December 31, 2012**
FIES	82,211	55,735
Monthly tuition fees	257,565	235,319
Accounts receivable (Corporate)	32,336	32,349
Receivables on credit cards	27,130	18,982
Renegotiated receivables	29,301	19,896
	428,543	362,281
Unidentified credits	(3,566)	(6,187)
Provision for impairment of trade receivables	(77,612)	(76,437)
	347,365	279,657

Substantial part of the cards balances receivable arises from the funding and renewal of payment capacity.

All amounts in thousands of reais unless otherwise stated

Accounts receivable from Student Financing Fund (FIES) are represented by educational loans obtained by students from Caixa Econômica Federal (CEF) and Fundo Nacional de Desenvolvimento da Educação (FNDE), whereby the financed funds are transferred monthly by CEF and Banco do Brasil to a specific bank account. This amount has been used exclusively to pay the social security contributions and federal taxes and converted into cash by means of auctions of Brazilian National Treasury securities.

The aging of accounts receivable is as follows:

	Consolidated			
	March 31, 2013	**%**	**December 31, 2012**	**%**
FIES	82,211	19	55,735	15
Not yet due	91,626	21	76,258	21
Overdue up to 30 days	88,806	21	37,217	10
Overdue from 31 to 60 days	26,600	6	31,599	9
Overdue from 61 to 90 days	13,675	3	28,839	8
Overdue from 91 to 179 days	48,013	11	56,196	16
Overdue for more than 180 days	77,612	19	76,437	21
	428,543	100	362,281	100

The aging of renegotiated receivables is as follows:

	Consolidated			
	March 31, 2013	**%**	**December 31, 2012**	**%**
Not yet due	18,356	63	7,558	38
Overdue up to 30 days	2,825	10	2,349	12
Overdue from 31 to 60 days	1,013	3	917	5
Overdue from 61 to 90 days	588	2	1,109	5
Overdue from 91 to 179 days	2,055	7	3,159	16
Overdue for more than 180 days	4,464	15	4,804	24
	29,301	100	19,896	100

Because of the recently implemented adjustments in handling default-related procedures, receivables from agreements/negotiations are substantially settled within 60 days. The Company's management has strict criteria that prevents debt from rolling over from one semester to another. The Company offers various payment methods to students, within their related credit limits.

All amounts in thousands of reais unless otherwise stated

Changes in the consolidated allowance for doubtful accounts were as follows:

Description	12/31/2012	Gross increase in allowance for doubtful accounts	Recovered doubtful accounts	Provision net effect	Write-off	3/31/2013
Monthly tuition and fees	59,702	29,819	(14,497)	15,322	(13,094)	61,930
Other	16,735	3,708	(1,027)	2,681	(3,734)	15,682
	76,437	33,527	(15,524)	18,003	(16,828)	77,612

In order to facilitate understanding and to allow a direct reconciliation of the allowance for doubtful accounts between the balance sheet and income statement, the Company believes that this change should consider the consolidated amount not recovered after 180 days from the due date as supplementary amounts, and the consolidated amount received/renegotiated relating to bills not settled up to the previous month as recovered amounts.

(i) FIES student with guarantor (a provision was constituted for 2.25% of the accounts receivable with this trait, considering the assumptions of 15% of the credit risk on 15% of default).

(ii) For the uncovered risk of FGEDUC a provision was constituted for the 10% of the credits of responsibility of the sponsors (and the Guarantor Fund is responsible for the remaining 90%) on the 15% credit risk on an estimate of 15% of default, i.e, 0.225%.

(iii) For the uncovered risk of FGEDUC, a provision was constituted for the 20% of responsibility of the sponsors (and the Guarantor Fund is responsible for the remaining 80%) on the 15% credit risk on an estimate of 15% of default, i.e, 0.450%;

(iv) For the provision for loss constituted on the balance of the linked deposits based in the 2% of the FGEDUC contribution, constituted as Minimum Guarantee, on am estimate of 15% of default.

For the quarters ended March 31, 2013 and March 31, 2012, expenses for the provision for impairment of trades receivable (Note 26), recognized in the income statement as 'selling expenses', comprised:

	March 31, 2013	March 31, 2012
Supplementary allowance	18,003	13,325
Unidentified deposit and collection written off	(2,561)	(1,469)
Credit Risk - FIES		2,188
Others	(640)	
	14,802	14,044

All amounts in thousands of reais unless otherwise stated

5 Related-party transactions

The related-party transactions were carried out in terms equivalent to those prevailing in the transactions with independent parties, according to item 23 of the Technical Pronouncement CPC 05 and are as follows:

	Parent company		Consolidated		
	March 31, 2013	**December 31, 2012**	**March 31, 2013**	**December 31, 2012**	**Interest**
Current assets					
Intercompany loan					
Subsidiaries					
SESES	813	813			110% CDI
IREP	78	78			110% CDI
Publishing house	6	6			110% CDI
	897	897			
Related individuals			259	259	100% CDI
	897	897	259	259	
Prepaid expenses (i)			975	1,300	
Investment fund (ii)			1,040	1,027	
			2,015	2,327	
Non-current assets					
AFAC - Investments (Note 8)					
Nova Academia	70	705			
SESES	10,450	35,900			
	10,520	36,605			
Current liabilities					
Subsidiaries					
SESES	3,590	3,119			110% CDI
IREP	3	3			110% CDI
	3,593	3,122			

All amounts in thousands of reais unless otherwise stated

Income statement

	March 31, 2013	March 31, 2012
Result in loan operations		
Interest received	-	(380)
Interest paid	-	149
Net result at March 31	-	(231)

(i) On July 5, 2011, the Company entered into a Management Service Agreement with ARemor Consultoria e Treinamento Ltda. ("ARemor"), a company owed by a Company's officer) for the provision of management and administration services of those units located in the Regional Norte, comprising services relating to the Company's best practices and efforts to (i) obtain licenses, certificates and authorizations from the Education and Culture Ministry or any other governmental body, that may be required to perform or expand the activities of those units pertaining to the Company's Regional Norte, (ii) when so requested, represent the interests of the units located at the Company's Regional Norte before local, state of federal government departments, (iii) provide guidance and any support required for the Company's Regional Norte units to become a University Center, (iv) maintain orderly records and processes to ensure the successful outcome of internal and external audit processes, (v) prepare and comply with the budget of the Company's Regional Norte units, in accordance with instructions from the Company, (vi) develop local marketing strategies and campaigns (in line with the guidelines provided by the Company and its controlling shareholders) to acquire new students and foster the growth of the Company's Regional Norte units, (vii) develop strategies for the maintenance of the student body of the Company's Regional Norte units, (viii) ensure the students' satisfaction with the Company and a good environment for its employees, (ix) build a relationship network with the external public, (x) ensure the execution of the expansion plan for Estácio's Regional Norte units as per the CAPEX plan, (xi) ensure the implementation of large corporate projects in the Company's Regional Norte units, (xii) provide guidance on improvements in the activities of the local secretary, (xiii) implement and maintain the Company's and its controlling shareholders' culture, vision, mission and values, (xiv) ensure good operating conditions in the Company's Regional Norte units, and (xv) carry out other activities associated with the Company's Regional Norte units that may be reasonably required by the Company. In January and May 2012, advances of R$ 1,000 and R$ 300, respectively, were made to ARemor, which is equal to the full contract amount. This price is associated with the accomplishment of student body targets to be made possible through the obtainment of licenses, certificates and authorizations required to turn the Regional Norte into a University Center. The prepaid amount will be considered to have been incurred as the targets are consistently attained.

(ii) On August 16, 2012, the Company invested R$ 1,000 in the Fundo Exclusivo de Investimento Estapart of BTG Pactual bank, whose portfolio comprises quotas of the BRZ Renda Fixa Fundo de Investimento CP fund ("BRZ Fund "). GP Investimentos has a 91.6% interest in the share capital of BRZ Investimentos, manager of BRZ Fund. On March 31, 2013, the Company had R$ 1,040 invested in the respective fund.

All amounts in thousands of reais unless otherwise stated

6 Prepaid expenses

	Parent company		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Insurance	71	100	2,114	1,393
Property tax (IPTU) unexpired			5,215	
Educational material (*)			12,572	6,128
Advances - Vacation and related charges			16,901	21,522
Other prepaid expenses		442	2,903	3,225
Total	71	542	39,705	32,268
Current assets	71	542	37,160	30,931
Non-current assets			2,545	1,337
	71	542	39,705	32,268

(*) It refers to the costs incurred with copyright, graphic and postage. They are recorded as prepaid expenses and appropriated during the period to which they refer.

7 Taxes and contributions

	Parent company		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
IRPJ	6,501	6,301	14,690	15,761
CSLL	249	249	1,424	2,112
PIS	(1)	(2)	396	171
COFINS	(4)	(5)	1,558	501
ISS	74	74	13,500	11,581
INSS			585	1,194
Government Severance Indemnity Fund for Employees (FGTS)			43	43
IOF	106	105	112	111
	6,925	6,722	32,308	31,474
Current assets	202		9,563	10,588
Non-current assets	6,723	6,722	22,745	20,886

All amounts in thousands of reais unless otherwise stated

8 Investments in subsidiaries

	Parent company	
	March 31, 2013	**December 31, 2012**
Sociedade de Ensino Superior Estácio Sá Ltda- Seses	512,694	453,115
IREP-Sociedade de Ensino Superior Médio e Fundamental Ltda.	388,745	350,141
Nova Academia de Concurso - Cursos Preparatórios Ltda.	14,900	14,814
Estácio Editora e Distribuidora Ltda.	(20)	(18)
	916,319	818,052

The subsidiaries' information is as follows:

	- Interest	Number of quotas	Total assets	Total liabilities	Equity	Advance for future capital increase	Goodwill	Equity in results of subsidiaries
Seses	100%	322,127	686,948	184,739	502,244	10,450		28,751
Irep	100%	211,000	500,105	173,802	326,303		62,442	38,603
Nova Academia de Concurso	100%	5,421	4,294	3,483	811	70	14,018	(225)
Estácio Editora e Distribuidora Ltda.	100%	250	40	64	(24)		5	(1)
Total - March 31, 2013			1,191,387	362,088	829,334	10,520	76,465	67,128

	- Interest	Number of quotas	Total assets	Total liabilities	Equity	Advance for future capital increase	Goodwill	Equity in results of subsidiaries
Seses	100%	267,227	609,571	192,357	417,214	35,900		50,884
Irep	100%	211,000	454,503	166,804	287,699		62,442	84,881
Nova Academia de Concurso	100%	4,475	3,995	3,903	92	705	14,018	(1,623)
Estácio Editora e Distribuidora Ltda.	100%	250	41	64	(23)		5	(8)
Total - December 31, 2012			1,068,110	363,128	704,982	36,605	76,465	134,134

All amounts in thousands of reais unless otherwise stated

The global changes in the investments in subsidiaries in the period and year ended March 31, 2013 and December 31, 2012 are as follows:

Investments in subsidiaries December 31, 2011	663,058
Equity in the results of subsidiaries	134,134
Capital increase	94,648
Advance for future capital increase	(8,492)
Dividends	(93,699)
Profit retention reserve (i)	23,865
Options granted	4,538
Investments in subsidiaries December 31, 2012	818,052
Equity in the results of subsidiaries	67,128
Capital increase	55,845
Advance for future capital increase	(26,085)
Options granted	1,379
Investments in subsidiaries March 31, 2013	916,319

(i) During the year ended December 31, 2011, the subsidiary IREP proposed the distribution of dividends of R$ 36,866. The General and Special Shareholders' Meeting held on May 3, 2012 approved the payment of dividends of R$ 13,000 from this proposed amount, while the remaining R$ 23,865 was allocated to the profit retention reserve.

The accounting information used for application of the equity method of accounting was prepared as of March 31, 2013.

All amounts in thousands of reais unless otherwise stated

9 Intangible assets

	Parent company			Consolidated									
	Software and use licenses	**Students portfolio**	**Total**	**Goodwill on investments acquisitions**	**Software and use licenses**	**Integration and distance learning project**	**CSC**	**Learning center**	**Relation-ship center**	**Students portfolio**	**Brands and patents**	**Others**	**Total**
At January 1, 2012	6	818	824	141,590	26,967	7,988	925	30,121	1,878	10,395		7,993	227,857
Deriving from business combinations											2		2
Additions				61,271	18,069	386		11,597		1,143		11,538	104,004
Transfers				(5,595)	(15)	15				5,595			
Depreciation/ amortization	(1)	(273)	(274)		(13,971)	(2,851)	(388)	(1,306)	(469)	(4,627)	(2)	(351)	(23,965)
At December 31, 2012	5	545	550	197,266	31,050	5,538	537	40,412	1,409	12,506		19,180	307,898
Additions	4		4		3,713			1,886				3,261	8,860
Write-offs					(2,331)								(2,331)
Depreciation/ amortization	(1)	(41)	(42)		(2,629)	(713)	(97)	(467)	(117)	(857)		(424)	(5,304)
At March 31, 2013	8	504	512	197,266	29,803	4,825	440	41,831	1,292	11,649		22,017	309,123

	Parent company			Consolidated									
	Software and use licenses	**Students portfolio**	**Total**	**Goodwill on investments acquisitions**	**Software and use licenses**	**Integration and distance learning project**	**CSC**	**Learning center**	**Relation-ship center**	**Students portfolio**	**Brands and patents**	**Others**	**Total**
At March 31, 2013													
Total cost	11	818	829	204,190	71,108	14,656	1,940	48,723	2,348	17,133		23,058	383,156
Accumulated amortization	(3)	(314)	(317)	(6,924)	(41,305)	(9,831)	(1,500)	(6,892)	(1,056)	(5,484)		(1,041)	(74,033)
Net book amount	8	504	512	197,266	29,803	4,825	440	41,831	1,292	11,649		22,017	309,123
At December 31, 2012													
Deriving from business combinations											2		2
Total cost	7	818	825	204,190	70,565	14,656	1,940	46,837	2,348	17,133		19,796	377,465
Accumulated amortization	(2)	(273)	(275)	(6,924)	(39,515)	(9,118)	(1,403)	(6,425)	(939)	(4,627)	(2)	(616)	(69,569)
Net book amount	5	545	550	197,266	31,050	5,538	537	40,412	1,409	12,506		19,180	307,898
Annual amortization rates	20% p.a.	20% p.a.		Undefined	20% p.a.	20% p.a.	20% p.a.	5% p.a.	20% p.a.	20% p.a.		20% p.a.	

All amounts in thousands of reais unless otherwise stated

At March 31, 2013 and December 31, 2012, goodwill on investments comprised the following:

	Consolidated	
	March 31, 2013	**December 31, 2012**
Goodwill on investment acquisition		
IREP	89,090	89,090
ATUAL	15,503	15,503
Idez	2,047	2,047
Fargs	8,055	8,055
Seama	18,035	18,035
Uniol	956	956
São Luis	26,502	26,502
FAL	8,076	8,076
FATERN	14,979	14,979
Nova Academia	14,018	14,018
Estácio Editora	5	5
	197,266	197,266

The Company carries out annual analyses for impairment purposes, the last being for the year ended December 31, 2012, relative to goodwill on investment acquisitions and mergers, based on expected future profitability, considering projections of future results for the next five years, at the nominal perpetuity growth rate of 5.0 % p.a. (equivalent to the long-term inflation rate, not considering any incremental growth) and a single nominal discount rate of 14.6% to discount estimated future cash flows. Asset impairment testing did not result in the need to recognize losses.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and the impairment loss is recognized in the income statement.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

The key assumptions were based on the Company's historical performance and reasonable macroeconomic assumptions using financial market projections, duly documented and approved by Company management.

All amounts in thousands of reais unless otherwise stated

10 Property and equipment

Property and equipment - Parent company

	Computers and peripherals	Closing balance
At December 31, 2011	6,068	6,068
Depreciation/ amortization	(2,361)	(2,361)
At December 31, 2012	3,707	3,707
Depreciation/ amortization	(591)	(591)
At March 31, 2013	3,116	3,116
At March 31, 2013		
Total cost	9,079	9,079
Accumulated depreciation	(5,963)	(5,963)
Net book amount	3,116	3,116
At December 31, 2012		
Total cost	9,079	9,079
Accumulated depreciation	(5,372)	(5,372)
Net book amount	3,707	3,707
Annual depreciation rate	25.0%	

All amounts in thousands of reais unless otherwise stated

Property and equipment - Consolidated

	Land	Buildings	Leasehold improvements	Furniture and utensils	Computers and peripherals	Machinery and equipment	Physical activities/ hospital equipment	Library	Facilities	Others	Construction in progress	Decommissioning	Total
At December 31, 2011	19,830	45,514	29,409	22,957	33,320	21,940	10,206	40,362	6,872	9,002	21,660	2,729	263,801
Deriving from business combinations			847	951	450	682	237	1,251	28	642			5.088
Additions		961	2,569	3,762	6,834	9,651	4,566	6,818	1,608	12,165	14,809	512	64,255
Write-offs	(350)	(280)	(9)	(25)	(161)	(38)		(2)		(12)		(1,047)	(1,924)
Transfers		1,374	10,767					(8)		8	(12,141)		
Depreciation/ amortization		(1,118)	(7,719)	(2,957)	(11,679)	(5,960)	(876)	(2,706)	(893)	(1,618)		(1,034)	(36,560)
At December 31, 2012	19,480	46,451	35,864	24,688	28,764	26,275	14,133	45,715	7,615	20,187	24,328	1,160	294,660
Additions		58	30	614	60	157	138	220	121	2,288	1,209		4,895
Write-offs				(15)	(7)	(34)	(6)			(9)	(95)		(166)
Transfers			158								(158)		
Depreciation/ amortization		(284)	(2,207)	(865)	(3,022)	(1,504)	(292)	(764)	(245)	(672)		(365)	(10,220)
At March 31, 2013	19,480	46,225	33,845	24,422	25,795	24,894	13,973	45,171	7,491	21,794	25,284	795	289,169
Deriving from business combinations													
Total cost	19,480	84,668	106,876	54,653	84,413	65,649	25,769	82,154	12,713	27,762	25,284	12,060	601,481
Accumulated depreciation		(38,443)	(73,031)	(30,231)	(58,618)	(40,755)	(11,796)	(36,983)	(5,222)	(5,968)		(11,265)	(312,312)
Net book amount	19,480	46,225	33,845	24,422	25,795	24,894	13,973	45,171	7,491	21,794	25,284	795	289,169
At December 31, 2012													
Deriving from business combinations			847	951	450	682	237	1,251	28	217			4,663
Total cost	19,480	84,610	100,234	51,084	82,140	63,499	25,286	77,541	12,498	24,941	24,328	12,060	577,701
Accumulated depreciation		(38,159)	(65,217)	(27,347)	(53,826)	(37,906)	(11,390)	(33,077)	(4,911)	(4,971)		(10,900)	(287,704)
Net book amount	19,480	46,451	35,864	24,688	28,764	26,275	14,133	45,715	7,615	20,187	24,328	1,160	294,660
Annual depreciation rates		1.67%	11.11%	8.33%	25.00%	8.33%	6.67%	5.00%	8.33%	16.67%			

All amounts in thousands of reais unless otherwise stated

As mentioned in Note 11, certain assets acquired through financing were provided as financing guarantee. The Company has not pledged any other of its properties to secure obligations.

Vehicles and machinery includes the following amounts where the Group is a lessee under a finance lease:

	Consolidated	
	March 31, 2013	**December 31, 2012**
Cost - capitalized finance leases	43,258	43,258
Accumulated depreciation	(31,575)	(30,552)
Net book amount	11,683	12,706

The Group leases various machinery and equipment under non-cancelable finance lease agreements. The lease terms are between three and four years, and ownership of the assets is then transferred to the Group.

Impairment of assets

Under Accounting Pronouncement CPC 01 (IAS 36), "Impairment of Assets", property and equipment items that present evidence their recorded costs exceed their recoverable value (market value) shall be reviewed to determine the need of setting up a provision for impairment. Management performed an annual analysis of operating and financial performance of its assets and did not identify changes in circumstances or indication of technological obsolescence. At March 31, 2013 and December 31, 2012, there was no need to record any provision for impairment of fixed assets.

11 Borrowings and financings

		Parent company		Consolidated	
Type	**Financial charges**	**March 31, 2013**	**December 31, 2012**	**March 31, 2013**	**December 31, 2012**
Local currency					
Working capital	1.70% p.m. and/or CDI + 0.25% p.m.			228	228
Lease agreements	IGPM + 12.3% p.m.			4	4
Lease agreements – Colortel	INPC + 0.32% p.m.			5,042	5,813
Lease agreements – Assist				1,159	1,325
Lease agreements – CIT				28	33
Aymoré financing	1.78% per month			8	8
IFC loan	CDI + +1.53% p.a.	67,673	67,315	67,673	67,315
Issue of debentures	CDI + +1.60% p.a.	204,421	200,330	204,421	200,331
Repurchase share option Banco Itaú (Note 18(d))		251	4,660	251	4,660
Borrowing - Banco do Brasil				3	7
		272,345	272,305	278,817	279,724
Current liabilities		10,117	9,978	13,990	13,856
Non-current liabilities		262,228	262,327	264,827	265,868
		272,345	272,305	278,817	279,724

All amounts in thousands of reais unless otherwise stated

The funding costs amounts to R$ 3,971 at March 31, 2013, being R$ 2,767 of the borrowings with IFC (R$ 616 of the 1st borrowings and R$ 2,151 of the 2nd borrowing) and R$ 1,204 of the debentures. The annual effective interest rate of the debentures (TIR) is 9.36%.

The Group has the following undrawn borrowing facilities:

	Consolidated	
	March 31, 2013	December 31, 2012
Floating rate		
Expiring within one year	120,729	122,574
	120,729	122,574

The maturity schedule of amounts recorded in non-current liabilities at March 31, 2013 and December 31, is as follows:

	Parent company		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
2014	27,327	27,336	28,184	28,509
2015	48,683	48,690	49,554	49,874
2016	68,683	68,690	69,554	69,874
2017	88,683	88,690	88,683	88,690
2018	8,683	8,691	8,683	8,691
2019	8,872	8,892	8,872	8,892
2020	8,872	8,892	8,872	8,892
2021	2,425	2,446	2,425	2,446
Non-current liabilities	262,228	262,327	264,827	265,868

The proceeds of the issue will be used to meet the cash requirements of expansion including, but not limited to, the acquisition of other enterprises in the industry and/or the organization of new campuses.

The share repurchase conditions are detailed in Note 21.

(a) Lease agreements

Promissory notes endorsed by shareholders and leased assets were given in guarantee of the lease agreements in the amount of R$ 43,258.

All amounts in thousands of reais unless otherwise stated

(b) IFC Borrowing

Receivables of the IREP and UNESA units in an escrow account were given in guarantee of IFC debts, there being no attachment of assets or pledged securities or investments; a minimum monthly flow in the escrow accounts was set at R$ 33,000.

These borrowings contain restrictive clauses that require the maintenance of certain financial rates with predetermined parameters. In the interim financial information as of March 31, 2013, the Company and its subsidiaries met all contractually required ratios.

(c) Debentures

Alike the borrowing agreements with IFC, the debentures also have restrictive clauses that require the maintenance of certain financial rates with predetermined parameters. In the interim financial information as of March 31, 2013, the Company and its subsidiaries met all contractually required ratios.

Debentures were issued as registered, book-entry and without certificates. They are subordinated, simple debentures, non-convertible into shares, The current issue did not have renegotiation clause.. The securities are entitled to the payment of remuneration interest of 100% of the Interbank Deposit Certificates - CDI rate plus a spread of 1.60% per annum.

The issue date was November 25, 2011 and the maturity date (principal) will be November 25, 2017, except for any early redemption offers and accelerated maturity events as provided in the deed. Interest is paid every six months (May and November).

The debentures payment flow is as follows:

	March 31, 2013
2013	5,364
2014	19,622
2015	39,812
2016	59,812
2017	79,811
Total	204,421

The fair value of the current portion of long-term borrowings equals the carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 8.70% p.a. (2012 - 8.60% p.a.).

The carrying amounts of short-term borrowings approximate their fair value.

The Group's borrowings are denominated in Reais:

All amounts in thousands of reais unless otherwise stated

12 Payroll and related charges

	Parent company		Consolidated	
	March 31, 2013	**December 31, 2012**	**March 31, 2013**	**December 31, 2012**
Payroll and related charges payable	131	136	69,058	50,367
Accrued vacation pay			18,845	15,360
Provision for 13th monthly salary			6,003	
	131	136	93,906	65,727

13 Tax obligations

	Parent company		Consolidated	
	March 31, 2013	**December 31, 2012**	**March 31, 2013**	**December 31, 2012**
ISS payable		2	14,339	11,161
IRRF payable	26	16	6,055	5,583
PIS and COFINS payable	45	3	1,046	922
IOF			384	384
	71	21	21,824	18,050
IRPJ payable			2,449	3,031
CSLL payable	3	3	927	1,148
	3	3	3,376	4,179
	74	24	25,200	22,229

All amounts in thousands of reais unless otherwise stated

14 Taxes paid in installments

	Consolidated	
	March 31, 2013	**December 31, 2012**
IRPJ	72	72
CSLL	116	115
FGTS	12	12
ISS	108	167
PIS	85	66
COFINS	344	346
INSS	7,380	7,842
	8,117	8,620
Current liabilities	1,992	2,210
Non-current liabilities	6,125	6,410
	8,117	8,620

Monthly, the installments balance is updated by the SELIC rate.

These refer basically to taxes and social security contributions payable in installments to Municipalities, Federal Revenue and Social Security.

	Consolidated	
2014	669	697
2015	669	697
2016	669	697
2017	669	697
2018 to 2027	3,449	3,622
	6,125	6,410

All amounts in thousands of reais unless otherwise stated

15 Commitments payable

	Consolidated	
	March 31, 2013	**December 31, 2012**
Current	72	500
FAL	1,012	888
Fatern	1,972	1,730
Seama	5,260	5,145
Idez	454	445
Fargs	2,104	2,072
Uniuol	595	583
São Luis	11,355	12,802
	22,824	24,165
Current liabilities	11,199	12,985
Non-current liabilities	11,625	11,180
	22,824	24,165

It basically refers to the amount payable to the former owners regarding the acquisition of the related companies, being updated monthly by the following rates: SELIC or IPCA (Consumer Price Index) or CDI variation.

16 Provisions for contingencies

The Company's subsidiaries are involved in various civil, labor and tax proceedings at different court levels. Management, based on the opinion of its external legal advisors, recorded a provision for an amount considered sufficient to cover expected losses arising from pending litigation.

All amounts in thousands of reais unless otherwise stated

At March 31, 2013 and December 31, 2012, the provision for contingencies was comprised of the following:

	Consolidated	
	Provision for contingencies	**Judicial deposits**
At March 31, 2013		
Civil	3,856	13,437
Labor	19,905	63,709
Tax	8	8,118
	23,769	85,264
At December 31, 2012		
Civil	3,955	13,138
Labor	19,241	62,157
Tax	9	7,926
	23,205	83,221

Changes in the provision for contingencies are as follows:

				Consolidated
	Tax	**Labor**	**Civil**	**Total**
At December 31, 2012	8	19,216	3,981	23,205
Additions		9,426	713	10,139
Reversals		(8,737)	(838)	(9,575)
At March 31, 2013	8	19,905	3,856	23,769

All amounts in thousands of reais unless otherwise stated

For the year ended December 31, 2012, the expense of the provision for contingencies, recognized in the income statement under general and administrative expenses', was as follows:

Income statement	
Additions	10,139
Reversals	(9,575)
Reversal Responsibility Former Quotaholders	(212)
Others	(70)
General and administrative expenses (Note 26)	282

(a) Civil

Most proceedings mainly involve claims for indemnity for material and moral damages arising from incorrect collections, late issue of diplomas, failure to return summer course registration fees, among other matters of an operational and/or educational nature.

The Company's legal advisors reviewed, assessed and quantified the civil-related proceedings and, in order to cover probable losses on such claims, management recorded a provision of R$ 3,856 at March 31, 2013 (R$ 3,955 at December 31, 2012).

The provisions constituted for civil lawsuits are due to the following:

Topic	
INDEMNITY FOR MORAL DAMAGES	2,71
INCORRECT COLLECTION	65
OTHERS*	25
PREVENTION OF ENROLLMENT/REENROLLMENT	8
PROBLEMS WITH DISCIPLINE	5
DEVOLUTION OF RATES	5
DELAY IN ISSUANCE OF DIPLOMA	4
General total	3,85

(*) These arise from other operating and/or academic problems, Civil Actions in the Public Interest, Renewal/Review suits and other indemnity suits.

The Company's legal advisors reviewed, assessed and quantified the various civil-related proceedings for which the likelihood of loss is possible, aggregating at March 31, 2013 an amount of R$ 73,358 (R$ 73,148 at December 31, 2012).

The major suits for which no provision was set up, are as follows:

(i) Collection suit arising from healthcare agreement through which the insurance company that served our employers claims to have a credit with the Company, arising from the supposed excess of claim rate. The insurance company claims that the premium paid was not enough to support all the claims verified during the effectiveness of the Company's employees' healthcare insurance. Currently, the case is at the cognizance stage. The amount involved in this case was estimated at R$ 5,782.

(ii) Suit for Collection of Rent Payments under the Sublease Agreement for property, entered into on January 1, 1998 and terminated on September 15, 2008, when the keys were handed over. In summary, with this suit, the plaintiff claims that the defendants be ordered to pay (i) unpaid rent differences of R$ 496; (ii) the amount necessary to repair the property, defined at R$ 1,080, as duly supported by three quotations obtained and presented by the plaintiff; (iii) rent payments for the period in which the property has been/will be supposedly unavailable for use, in view of its allegedly poor state of repair, for the time required for completion of repairs; (iv) penalty equivalent to three months' rent, for alleged breach of the obligation to submit the property's documentation and to return the property in usable conditions. On September 15, 2011, a partially-valid decision was awarded whereby the Company was sentenced to pay losses and damages. Currently, the judgment of the appeal filed by the parties is being awaited. The amount involved in this case was estimated at R$ 1,500;

(iii) Class action suit together with a motion for interim relief filed by the Federal Department of Justice against several educational institutions, including the Company, seeking to restrain the defendants from collecting charges for issuing a first copy of the course conclusion certificate and to repay an amount equivalent to double the charges collected from students who have already graduated and obtained their certificates. The plea was held partially valid by the court and the Company was ordered to refrain from collecting any amounts for issuing and registering a first copy of the course conclusion certificate. Therefore, such decision does not have a financial impact. An appeal was lodged by the Department of Justice, which awaits judgment. The amount assigned to the case by the Public Prosecution Office is R$ 1,000.

(b) Labor

The main labor claims refer to overtime, unused vacation time, recognition of an employment relationship, salary parity and salary differences arising from the decrease in the working hours of certain teachers. The Company's legal advisors reviewed, assessed and quantified the various labor-related proceedings and, in order to cover probable losses on such claims, the Company's management recorded a provision of R$ 19,905 at March 31, 2013 (R$ 19,241 at December 31, 2012).

All amounts in thousands of reais unless otherwise stated

The provisions constituted for labor lawsuits are due to the following:

Topic	
SALARY DIFFERENCES + REDUCTION OF WORKLOAD + CCT FINE + FGTS + NOTICE	4,298
OTHERS*	3,694
FINES (ART. 467 CLT, ART. 477CLT AND CCT/ACT)	3,167
OVERTIME + SUPRESSION INTER + INTRA	2,790
MORAL/MATERIAL DAMAGE/MORAL HARASSMENT	2,187
CORRECTION CTPS + INDIRECT REPEAL + RECOGNITION OF EMPLOYMENT RELATIONSHIP	1,206
VACATION	1,131
ADDITIONAL (HEALTH HAZARDS/NIGHT SHIFT PAY/IMPROVEMENT/SERVICE TIME/RISKS	754
DEVIATION OF FUNCTION AND PARATY	679
General total	19,905

(*) Pleadings complementary to the main ones described above (effects) and Union's fees.

The Company's legal advisors reviewed, assessed and quantified the various labor-related proceedings for which the likelihood of loss is possible, whose total value of claims on March 31, 2013 is R$ 74,189 (R$ 104,324 at December 31, 2012).

Among the main labor suits classified as possible losses, are those filed by the Teachers Union highlight, such as:

(i) Lawsuit filed by the Teachers' Union of Rio de Janeiro City, whereby the entity claims the payment of salary adjustment to the Company's faculty (approximately 5,595 teachers when the suit was filed), as defined in the Collective Bargaining Convention: from April 1, 2004, 3% on salary payable in October 2003, and, from October 1, 2004, 6.62% on salary payable in October 2003. It also claims a fine of 10% on base salary of each teacher replaced due to noncompliance with collective labor rules. An unfavorable ruling was issued against the Company. The case is at the appeal stage, awaiting judgment of the appeal lodged by the Company, The amount assigned by the Union is R$ 1,500,

(ii) Lawsuit filed by the Federal Labor Prosecution Office, challenging the legality of the amendment made by the Company in employment agreements executed with hourly-paid teachers, with the consequent change in the calculation of salary payments, and the legality of the labor procedure of having teachers on its faculty with no classes, a situation where employment agreements may be tacitly and unilaterally interrupted. The case is pending a decision by the court of first instance. The amount assigned to the case by the Public Prosecution Office is R$ 500.

(iii) Enforcement action filed by the Teacher's Union of the State of Minas Gerais State, claiming the payment of salary differences arising from the supposed noncompliance with salary parity standards that should apply to the Company's faculty, in addition to payment of a 10% fine as defined in the Collective Bargaining Convention for failure to comply with related obligations. Currently, the case is at the expert examination stage. The amount randomly assigned to the case by the plaintiff is R$ 50.

All amounts in thousands of reais unless otherwise stated

(c) Tax

The Company's legal advisors reviewed, assessed and quantified the tax-related proceedings and, in order to cover probable losses on such claims, management recorded a provision of R$ 8 at March 31, 2013 (R$ 9 at December 31, 2012).

Topic	
FINE FOR THE FAILURE TO COMPLY WITH ACCESSORY OBLIGATION	8
General total	8

Similarly, the legal advisors reviewed, assessed and quantified the various tax-related proceedings, assessed as possible losses, in the amount of R$ 331,286 at March 31, 2013 (R$ 336,668 at December 31, 2012).

The Company also informs that the tax suits classified as remote risk, on the same date, amount to R$ 603,000.

Among the main tax-related proceedings not provided for in the financial statements, we highlight:

(i) In 2008, Brazilian IRS issued 24 tax delinquency notices against the Company, due to alleged debts of social security contributions for 2003, 2004 and 2005, and noncompliance with record-keeping and reporting obligations. A restriction on the Company's properties was recorded in the total amount of the notices. These notices mainly contest the subsidiary SESES's fulfillment of legal requirements to be recognized as a social welfare non-profit entity and its corresponding right to the exemption from paying social security contributions, a condition that it held up to February 9, 2007, when it was converted into a profit-oriented company. In 2011, the Company filed voluntary appeals, which are waiting judgment by the Administrative Council of Tax Appeals. The total amount involved in these assessments is R$ 556,600, not considering the effects of the mentioned lapse. According to the opinion of our legal advisors, the possibility of loss in these cases remains remote.

(ii) In 2011, the Brazilian IRS issued four tax assessment notices, due to alleged debts of social security contributions for the period from January 2006 to January 2007 and noncompliance with record-keeping and reporting obligations. Currently, the referred to defenses are pending judgment by the Special IRS Office for the Largest Contributors of the state of Rio de Janeiro (DEMAC/RJO). In August 2012, there was rendered an administrative lower court sentence which partially granted the Company's objections, to recognize the extinguishment of right and exclude the entries of the period from January to July 2006, the other inspection arguments were maintained. In 2012, the Company filed voluntary appeals, which are waiting judgment by the Administrative Council of Tax Appeals. The total amount involved, without considering the effects of the extinguishment, is R$ 187,400. According to the opinion of the external legal advisors, the possibility of loss in these cases remains remote.

(iii) In 2008, a class action suit was filed in order to annul the Welfare Charitable Entity Certificate (CEBAS), related to the three year period 2001 to 2003 and, consequently, for SESES to pay previously unpaid taxes due to its tax immunity. On September 22, 2009, a ruling was handed down stating that it would not be legitimate to consider the Company as a debtor.. Against this decision, the plaintiff filed an appeal. On May 10, 2012, an upper court decision was published that reverted the decision handed down in the lower court to recognize the legitimacy of the liability of the Company. Due to this decision, the Company filed an Appeal to the Federal Superior Court and Extraordinary Review, which is waiting to be judged. The legal advisors assess an unfavorable outcome on the case as remote and its updated amount is R$ 205,300.

(iv) In 2009, a tax notice was served by the Rio de Janeiro City Tax Department, indicating the following alleged violations: (i) failure to pay ISS on college educational services, in the period January 2005 to January 2007, for having transferred all of its equity in February 2007 to a "new limited liability company"; (ii) unpaid ISS on college educational services, in the period February 2007 to July 2009, for failure to include the amount relating to scholarships awarded through PROUNI in the ISS tax base; and (iii) insufficient ISS amounts withheld and paid for services rendered by property security, surveillance, maintenance and cleaning firms from January 2005 to May 2009. On February 19, 2010, SESES filed a defense against the tax notice. The case is pending a decision by the court of first instance. The updated tax notice amount is R$ 165,700. The outside legal advisor assessed that the case involves a remote chance of an unfavorable outcome.

(v) In 2009, SESES filed a common civil action against the Federal Union/Federal Tax Authorities, through which it claims authorization to pay the social security contributions, according to the graduation provided by Article 13 of the Law No. 11,096/05 ("PROUNI Law"), with the beginning of the graduation as from the 1st month that a general meeting took place that authorized the change of its legal nature to a company for profit, on February 2007, consequently resulting in the following gradation for the payment of the social security contributions by SESES: 20% in 2007; 40% in 2008; 60% in 2009; 80% in 2010; and 100% in 2011, notwithstanding the understanding of INSS inspectors, who claim that the 5 (five) year period for application of the escalated rates as defined in Article 13 of the PROUNI Act should start to be counted as from the date of publication of this Act, which occurred in 2005. On August 7, 2012, the Federal Regional Court (TRF) favorably judged the Company's appeal. According to the mentioned decision, the enjoyment begins as from the date of the Shareholders' Meeting that changed the legal nature of SESES and not the publication date of the Prouni Law. Currently, the suit is waiting the judgment of the appeal filed by Federal Tax Authorities. The outside legal advisors assessed this case as a possible loss and the estimated amount involved is R$ 11,900.

(vi) In 2005, a Declaratory Action and Claim for Tax Refund was filed by SESES against the Federal Government, challenging the legal requirement to pay Social Contribution Tax on Gross Revenue for Social Integration Program (PIS). This suit aims at declaring the non-existence of a legal-tax relationship for purposes of payment of PIS, since the Company held a Welfare Entity Certificate (CEBAS), in addition to recognition of the right to refund of amounts paid over the past ten years. The courts of first and second instances handed down favorable decisions to the Company, acknowledging its tax-immunity and tax credit for overpaid amounts. Currently, a special appeal filed by the Company in order to increase lawyers' fees and an extraordinary appeal lodged by the Federal Government seeking dismissal of the original plea are pending trial. On account of this suit, deposits are made of the amount of R$ 8,818, which would be due in the form of PIS (1% of payroll) while SESES had not changed from a civil non-profit entity to a profit-oriented company, on February 9, 2007. The total amount deposited is R$ 9,179. This case involves a risk of loss rated as remote by the legal advisors, and an total amount involved is R$ 35,662.

(vii) In 1997, a tax assessment notice issued by the Brazilian IRS against SESES, due to alleged COFINS debts for 1996, considering that SESES did not meet all the legal requirements to qualify as a social welfare entity and its right to tax immunity. This tax notice continues to be discussed at the administrative level, specifically at the Board of Tax Appeals. The outside legal advisors assessed this case as a possible loss and the adjusted amount involved is R$ 3,490.

(viii) In 2008, an Action for Annulment filed by SESES against the Federal Government, seeking to reverse the tax credit dealt with in Tax Payment Notice No. 86,202/2008, based on the collection of social security contributions supposedly due in the period between December 2005 and February 2008. The case is currently at the fact-finding stage, pending a lower level ruling. The outside legal advisors assessed this case as a possible loss and the adjusted amount involved is R$ 2,900.

(ix) In 2010, a tax assessment notice was issued by the Brazilian IRS claiming payment by SESES of Social Contribution on Gross Revenue for Social Security Financing (COFINS), for the period January 31, 2006 to January 31, 2007, supposedly levied on revenues not arising from the company's own activities. The Company presented an objection in October 13, 2010, which is currently pending analysis. The outside legal advisors assessed that the case involves a possible loss and its updated amount is R$ 1,700.

(x) In 2012, an Action for Annulment of debit requesting an injunction to suspend the liability of the credit, related to ISS amounts supposedly owed in the period between January 2003 and January 2007. This case involves a risk of loss rated as possible by the legal advisors, and an adjusted amount of R$ 3,400.

(xi) In 2011, the Brazilian IRS issued 5 tax assessment notices against SESES, for the period February to December 2007, due to alleged debts of (a) social security contributions (employers' share) on the compensation of employees registered with the social security and individual taxpayers, and those allocated to RAT (Work-related Environmental Risks) on the compensation of employees registered with the social security; (b) alleged failure to report in GFIP (Tax Form of Social Security Information) social security contributions calculated and deducted from the compensation of employees registered with the social security and individual taxpayers; (c) social security contributions (INCRA, FNDE, SESC, and SEBRAE) on the compensation of employees registered with the social security; and (d) fine for noncompliance with a reporting obligation arising from alleged inaccuracies and/or omissions related to GFIP. The related defense was presented on January 30, 2012. Currently, the referred to defenses are pending judgment by the Special IRS Office for the Largest Contributors of the state of the Rio de Janeiro (DEMAC/RJO). The total amount of the case is R$ 22,600. According to the opinion of the legal advisors, the possibility of loss in these cases remains possible.

(xii) In 2012, there was a tax assessment notice filed by the Federal Revenue Secretariat (SRF) against Estácio Participações, regarding supposed IRPJ and CSLL debits. The notice questions the supposed impossibility of deduction of a series of expenses because they are not included in the operating concept (Article 299 of the Decree No. 3,000/1999. On November 6, 2012, an objection was presented through which, in general terms, the inclusion in the operating concept was maintained. Currently, the referred to defense is pending judgment by the Special IRS Office for the Largest Contributors of the state of the Rio de Janeiro (DEMAC/RJO). The total amount of the case is R$ 3,870. According to the opinion of the legal advisors, the possibility of loss in this case remains possible.

(xiii) In 2012, the Federal Tax Authorities filed a tax foreclosure notices for the judicial collection of the debits embodied in the tax assessment notice No. 39.808401-7, 39.838008-2 and 39.808402-5, regarding the corresponding claimed differences of payments of social security contributions in 2007. The respective embargos to this foreclosure were filed, which are waiting to be judged. The total amount of the cases is R$ 24,960. According to the opinion of the legal advisors, the possibility of loss in these cases remains possible.

(xiv) In 2012, the Federal Tax Authorities filed tax foreclosure notices for the judicial collection of the debits embodied in the tax assessment notice No. 36.266.291-6, regarding the claimed differences of social security payment in 2007. The respective embargos to this foreclosure were filed, which are waiting to be judged. The total amount of the case is R$ 3,030. According to the opinion of the legal advisors, the possibility of loss in this case remains possible.

(xv) In 2005, SESES filed an Action for Annulment against the Federal Union, to question the legality of the entry regarding the collection of Tax for Social Security Financing (FINSOCIAL), considering the temporary suspension, by the Federal Revenue Secretariat (SRF), of its tax immunity through Declaratory Act No. 14/96. Decision published on November 4, 2009, denying SESES pleadings. SESES requested for amendments of judgment, which were denied on November 11, 2009. On November 26, 2009, an appeal was filed, which is waiting to be judged. The total amount deposited and involved is R$ 1,405, which were assessed by the outside legal advisor as involving a possible loss.

17 Covenant advance payments

On August 3, 2006, an agreement was entered into between the subsidiaries and Unibanco, effective until July 31, 2011. The purpose of such agreement was granting exclusivity/preference to Unibanco with respect to the offering and provision of products and services to students, employees and suppliers, as well as for Unibanco to be the main provider of financial services.

In exchange for the exclusivity granted to Unibanco, and for maintaining such a condition during the term of the agreement, i.e. until July 31, 2011, Unibanco paid to the subsidiaries a fixed amount of R$ 15,954, which has been recognized in income over the term of the agreement. On February 18, 2008, without significant changes in the main contractual clauses, the parties entered into a new agreement extending the partnership until February 18, 2018. In consideration for the exclusive rights granted to Unibanco while the agreement remains effective, Unibanco paid the Company an additional amount of R$ 18,000. At March 31, 2012, the balance related to amounts advanced in connection with the agreement amounted to R$ 14,192 (R$ 14,914 at December 31, 2012), being R$ 2,887 classified in non-current liabilities, which will be amortized over the life of the agreement.

All amounts in thousands of reais unless otherwise stated

18 Equity

(a) Share capital

Capital may be increased by the Board of Directors, regardless of any amendment to the bylaws, up to the limit of 1,000,000,000 (one billion) shares. At March 31, 2013, capital comprises 97,192,451 common shares.

The Company's shareholding structure at March 31, 2013 and December 31, 2012 is:

	Common shares			
Shareholders	**March 31, 2013**	**%**	**December 31, 2012**	**%**
Private Equity C, LLC	11,773,461	12.1	15,290,209	18.5
GPCP4 - Fundo de Investimento em Participações	328,639	0.3	426,804	0.5
Management and Counsellors	518,299	0.5	533,799	0.6
Held in treasury	590,200	0.6	384,600	0.5
Others	83,981,852	86.5	65,869,939	79.9
	97,192,451	100.0	82,505,351	100.0

In the Ordinary General Meetings of April 20, September 12, 2012, January 24 and January 30, 2013, it was approved the private issuance of 182,622, 70,792, 12,771,392 and 1,915,708 registered common shares, respectively, with no par value, with the consequent increase of the Company's capital in the amounts of R$ 3,406, R$ 1,521, R$ 536,398 and R$ 80,460, within the limit of the authorized capital in order to perform the options granted to the beneficiaries of the share purchase option plan.

(b) Changes in shares

At December 31, 2012	82,505,351
Issuance of common shares, due to the public offer of shares AGO - January 24, 2013	12,771,392
Issuance of common shares, due to the public offer of shares AGO - January 31, 2013	1,915,708
At March 31, 2013	97,192,451

The share capital comprises shares with no par value.

(c) Treasury stock

In Board of Directors' Meeting on May 12, 2010, it was unanimously approved the 1st Program of Repurchase of our shares, in stock exchange, up to 1,527,788 common shares equivalent to 7.21% of the share capital.

All amounts in thousands of reais unless otherwise stated

On May 11, 2011, the program was closed and 59,000 (fifty nine thousand) common shares were acquired, equivalent to 3.86% of the total shares provided for the Program.

A new program opened on July 14, 2011 was approved by the Board of Directors, the 2nd Program of Repurchase of Shares, whose objective was to invest available funds, observing the limit of the profits balance or reserves on December 31, 2010, in order to maximize the generation of value to the shareholder, within a stipulated limit of up to 3,323,796 common shares, equivalent to 5% of the Company's share capital.

Complementing the 2nd Program of Repurchase, the Company's Board of Directors, in a meeting carried out on September 27, 2011, approved the repurchase of its own shares, by entering into call and put options (jointly "options") on shares issued by the Company, for the purpose of cancelling, keeping in treasury and/or subsequently disposing of such shares, which may also be used to cover options exercised under the Company's share repurchase programs, as defined by CVM Rule 390/03, according to the conditions below, and having Banco Itaú as agent in the transaction. This operation carries a floating-rate cost for the Company since the obligation represents the amount disbursed by the financial institution on the date of repurchase, plus a fixed rate equal to the DI rate plus spread.

After the 2nd program of repurchase of shares was closed on July 13, 2012, the Company began to realize the exercise of the options of program of repurchase with derivatives, being the first call exercised on September 17, 2012.

The options will be settled by means of physical delivery of shares against payment of the exercise price, which will be determined on the basis of the price of the options plus applicable financial charges.

The maximum period for carrying out the operations referred to is 180 (one hundred and eighty) days. As from October 3, 2011, and the maturity of the options will not exceed 365 (three hundred and sixty-five) days as from the date of each operation.

Up to March 31, 2013, the Company performed the option to purchase 214,300 (two hundred and fourteen thousand and three hundred) shares at an average price of R$ 19.28.

Repurchase share options	**Operation**	**Average cost**	**Balance**
At December 31, 2012	214,300	19.67	4,216
Performance of purchase option	(205,600)	19.53	(4,016)
At March 31, 2013	8,700	22.99	200

	Number	**Average cost**	**Balance**
Repurchase share options	8,700	22.99	200
Treasury stock acquired	590,200	18.89	11,148
At March 31, 2013			11,348

All amounts in thousands of reais unless otherwise stated

(d) Capital reserves

(d.1) Share subscription premium

The share premium reserve refers to the difference between the subscription price that the shareholders pay for the shares and their par value. Since this is a capital reserve, it can only be used to increase capital, offset losses, redeem, reimburse or purchase shares or pay cumulative dividends on preferred shares.

The value of the share premium in the quarterly information as at March 31, 2013 and December 31, 2012 is as follows:

	Parent company	
	March 31, 2013	December 31, 2012
Tax reserve	3	3
Profits not distributed (*)	96,477	96,477
Special goodwill reserve on merger	85	85
	96,565	96,565

(*) Profits earned in periods previous to the Company's transformation to a liability company.

(d.2) Option grants

The Company constituted the Capital Reserve for Granted Share Options in the amount of R$ 1,379 during the quarter ended March 31, 2013 (R$ 4,538 during the year ended December 31, 2012), as mentioned in Note 21 (b). As required by the applicable technical accounting pronouncement, the fair value of options was determined on the grant date and has been recognized over the vesting period up to the date of these parent company and consolidated quarterly information.

(e) Revenue reserves

(e.1) Legal reserve

The legal reserve is increased by 5% of net income for the year until its balance reaches 20% of the amount of paid-in capital, or 30% of capital plus capital reserves. After this limit is reached further transfer to such reserve is not necessary. The capital reserve may only be used to increase capital or offset accumulated losses.

(e.2) Profit retention reserve

This reserve is intended to be used for scheduled investments as per the capital budget, in conformity with Article 196 of Brazilian corporation law.

On December 31, 2012, from the results accumulated by the Company, R$ 78,152 was for retained earnings reserve, in order to realize the investments expected in the Company's capital budget, prepared by Management and approved in the Shareholders' Ordinary General Meeting of April 30, 2013.

19 Financial instruments and sensitivity analysis of financial assets and liabilities

The market value of financial assets and liabilities was determined based on available market information and appropriate valuation methodologies for each situation. However, considerable judgment is required in interpreting market data to develop the most adequate estimates of realizable value. As a result, the estimates presented herein are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The Company's financial assets and liabilities at March 31, 2013 and December 31, 2012, are recorded in the balance sheet at amounts that are consistent with those prevailing in the market. The main financial instruments are described below, as well as the criteria and assumptions used in the calculation of market values and their limitations:

(a) Cash and cash equivalents and marketable securities

The recorded amounts approximate market value due to the short-term maturity of these instruments.

(b) Borrowings and financings

These are measured at amortized cost using the effective interest rate method.

(c) Other receivables

These are classified as loans and receivables and are recorded at the contractual amounts, which approximate fair value.

(d) Other financial assets and liabilities instruments

The estimated realizable value of the Group's financial assets and liabilities was determined based on available market information and appropriate valuation methodologies.

Financial risk factors

All operations of the Group are carried out with first-tier banks, which minimizes risks. Management set up an allowance for doubtful accounts for an amount considered sufficient to cover expected losses on the realization of receivables; therefore the risk of incurring losses on billed amounts receivable is duly measured and recorded. The main market risk factors that affect the Group's business are as follows:

(a) Credit risk

This relates to any difficulties experienced in collecting amounts for services rendered.

The Group is also subject to credit risk from their short-term investments.

The credit risk relating to rendering of services is minimized by a strict control of the student base and active management of default levels and dispersion of balances.

All amounts in thousands of reais unless otherwise stated

With respect to credit risk associated with financial institutions, the Company and its subsidiaries operate in accordance with the Financial Investment and Derivatives Policy, approved by the Board of Directors. The cash and cash equivalents balances, marketable securities and judicial deposits are with financial institutions with AA to AAA credit risk according to the credit agencies Standard & Poor's, Fitch and Moody's.

(b) Interest rate risk

The Group is exposed to CDI (Interbank Deposit Certificate) rate fluctuation, which applies to its short-term investments and its debts. Additionally, any increase in interest rates could drive up the cost of student loans, including loans under the FIES program, and reduce the demand for the courses.

(c) Foreign exchange rate risk

The Group's income is not subject to changes due to exchange rate volatility, as it does not have significant operations denominated in foreign currency.

(d) Liquidity risk

Liquidity risk consists of the possibility that the Group may not have sufficient funds to comply with their financial commitments due to the different settlement terms of their rights and obligations.

The Group's liquidity and cash flow control is monitored on a daily basis by the Group's financial management department, in order to ensure that cash flow from operations and funding, when necessary, are sufficient to meet its commitment schedule, not generating liquidity risks for the Group. There was no significant change in the financial liabilities of the Group as of March 31, 2013 compared to December 31, 2012.

The table below analyzes the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Consolidated			
	No later than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At March 31, 2013				
Trade accounts payable	29,109			
Borrowings	26,253	51,363	249,303	33,520
Finance lease liabilities	3,612		2,614	
Commitments payable	11,199	4,813	734	5,804
At December 31, 2012				
Trade accounts payable	35,435			
Borrowings	26,035	49,820	249,192	35,261
Finance lease liabilities	3,631		3,533	
Commitments payable	12,985	3,457	1,592	6,131

All amounts in thousands of reais unless otherwise stated

(e) Sensitivity analysis

CVM Rule 550 of October 17, 2008 requires that publicly-traded companies disclose in a specific note, qualitative and quantitative information on all of their financial instruments, whether or not recognized as assets or liabilities in their balance sheet.

The Group's financial instruments are represented by cash and cash equivalents, accounts receivable, accounts payable, judicial deposits, borrowings and financings, and are recorded at cost plus earnings or charges incurred, which at March 31, 2013 and December 31, 2012 approximate market value.

The main risks to the Group's operations refer to changes in the CDI (Interbank Deposit Certificate) rate.

CVM Rule 475, of December 17, 2008, requires the presentation of information on financial instruments, in a specific note, as well as disclosure of the sensitivity analysis.

With respect to loans, these refer to transactions for which the recorded amount approximates the market value of these financial instruments.

Investments in CDI are recognized at market value, as per quotations published by the financial institutions. Other investments relate essentially to Bank Deposit Certificates and repurchase operations. Accordingly, the book values are equal to the market values.

To verify the sensitivity of the index of financial investments to which the Company was exposed as of March 31, 2013, three different scenarios were built. The most recent benchmark rate (SELIC) determined by the Brazilian Central Bank's Monetary Policy Committee at its March 06, 2013 meeting - 7.25% p.a. -- was used as the probable scenario for the year. Rate changes of 25% and 50% were then calculated.

For each scenario, a "gross finance income" was calculated, disregarding the effect of taxes on the investment yields. The portfolio base date used was March 31, 2013, with projections for one year and determination of the CDI sensitivity in each scenario.

Transactions				**CDI increase scenario**
	Risk	**Probable scenario (I)**	**Scenario (II)**	**Scenario (III)**
Financial investments (*)	CDI	7.25%	9.06%	10.88%
729,096		52,859	66,074	79,289
Transactions	**Risk**	**Probable scenario (I)**	**Scenario (II)**	**Scenario (III)**
Debentures	CDI+1.60	7.25%	9.06%	10.88%
(204,421)		(18,328)	(22,093)	(25,857)
IFC I	CDI+1.53	7.25%	9.06%	10.88%
(49,399)		(4,392)	(5,301)	(6,210)
IFC II	CDI+1.69	7.25%	9.06%	10.88%
(18,274)		(1,656)	(1,993)	(2,330)
Net position		28,483	36,688	44,892

All amounts in thousands of reais unless otherwise stated

		CDI decrease scenario		
Transactions	**Risk**	**Probable scenario (I)**	**Scenario (II)**	**Scenario (III)**
Financial investments	CDI	7.25%	5.44%	3.63%
729,096		52,859	39,645	26,430

Transactions	**Risk**	**Probable scenario (I)**	**Scenario (II)**	**Scenario (III)**
Debentures	CDI+1.60	7.25%	5.44%	3.63%
(204,421)		(18,328)	(14,564)	(10,800)
IFC I	CDI+1.53	7.25%	5.44%	3.63%
(49,399)		(4,392)	(3,483)	(2,574)
IFC II	CDI+1.69	7.25%	5.44%	3.63%
(18,274)		(1,656)	(1,319)	(982)
Net position		28,483	20,278	12,074

(f) Capital management

The Company's debt in relation to the share capital at the end of the period is presented in consolidated data as follows:

	Consolidated	
	March 31, 2013	**December 31, 2012**
Total liabilities	550,294	528,307
(-) Cash and cash equivalents	(18,395)	(18,132)
Net debt	531,899	510,175
Equity	1,371,336	707,035
Net debt on equity	0.39	0.72

(g) Fair value of financial instruments

On March 31, 2013 and December 31, 2012, the book values of the Company's financial instruments approximate their fair value.

The Group's financial instruments were classified as loans and receivables or other financial liabilities, except marketable securities (Note 3), classified as securities for trade.

The consolidated financial instruments open by fair value hierarchy is as follows:

			Consolidated
			March 31, 2013
	Level 1	**Level 2**	**Level 3**
Financial assets			
Marketable securities		729,096	
		729,096	

			At March 31, 2012
	Level 1	**Level 2**	**Level 3**
Financial assets			
Marketable securities		122,340	
		122,340	

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily equity investments classified as trading or available-for-sale securities.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on Group-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;

- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value; and

- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All amounts in thousands of reais unless otherwise stated

20 Insurance coverage (not reviewed)

The Company and its subsidiaries have a risk management program designed to limit their risks, seeking to contract insurance compatible with their size and operations. Insurance coverage is considered sufficient by management for possible losses, given the nature of the activity, the risks involved in operations and the guidance of its insurance brokers.

The Company and its subsidiaries had the following main insurance policies:

	Insured amounts	
	March 31, 2013	**December 31, 2012**
Officers' liability	80,000	80,000
Fire of fixed assets	87,030	87,030
Civil liability	10,000	10,000
Fixed expenses	5,000	5,000
Electronic equipment	200	200
Life in Group	345,570	333,790
Other lines	2,660	2,660

21 Compensation of key management personnel

(a) Remuneration

According to Brazilian Corporation Law and the Company's bylaws, shareholders are responsible for setting the aggregate amount of management's annual compensation at a General Meeting. The Board of Directors is responsible for the allocation of funds among officers. The Annual General Meeting held on April 3, 2012 fixed the monthly limit of total compensation of management (Board of Directors and Executive Officers) of the Company.

For the periods ended March 31, 2013 and March 31, 2012, total compensation (salaries and profit sharing) paid to the Company's directors, officers and main executives amounted to R$ 1,331 and R$ 1,300, respectively. These amounts are within the limits fixed at the corresponding General Meetings.

The Company and its subsidiaries do not grant post-employment benefits, employment termination benefits or other long-term benefits to its management and employees (except for the share option plan described in Note 21(b).

(b) Share option plan

The Extraordinary Shareholders' Meeting held on September 12, 2008 approved the Company's Share Option Plan (the "Plan"), for the Company's management, employees and service providers (the "beneficiaries"). The Plan is managed by the Plan's Administration Committee, created by the Board of Directors specifically for that purpose in a meeting that took place on July 1, 2008. The Committee is responsible for periodically creating share purchase options and grant the list of Beneficiaries (often reviewed), the options and the specific applicable rules, whenever the Plan's ("Program") general rules are observed

The volume of stock options is limited to 5% of the total shares of the Company's capital stock existing on the date each Program is approved.

The stock options are formally documented in an individual contract between the Company and each beneficiary. As a condition to acquire the right to purchase shares, the beneficiary will pay the price of the shares within 30 (thirty) days from the subscription or acquisition of shares related to the lot acquired and exercised. For the first share option program, as approved by the Committee on July 15, 2008, the exercise price of the options will be R$ 16.50 (sixteen reais and fifty cents) per share, adjusted by reference to the IGPM index since July 11, 2008, less the amount of dividends and interest on equity per share that may be paid by the Company from the date of execution of the individual contracts with the beneficiaries.

For the second share option program, as approved by the Committee on April 20, 2010, the exercise price of the options will be R$ 19.00 (nineteen reais) is equivalent to the average price of the shares over the last thirty (30) trading days on the São Paulo Stock Exchange prior to date the beneficiary joins the 2nd program, adjusted by reference to the IGPM index from the date the beneficiary is included in the 2nd program, less the amount of dividends and interest on equity per share that may be paid by the Company from the date of execution of the individual contracts with the beneficiaries. The Committee may, upon inclusion of the beneficiary in the 2nd program, determine the granting of a discount of up to 10% (ten percent) in the exercise price.

On December 20, 2010, upon termination of the 2nd program, the creation of the 3rd program was approved, with an issue price of shares to be acquired of R$ 23.60 (twenty-three reais and sixty cents), to be increased based on the variation of the IGPM index from January 3, 2011 until the date of actual exercise of the option.

On April 02, 2012, upon termination of the 3rd program, the creation of the 3rd program was approved, with an issue price of shares to be acquired of R$ 19.00 (nineteen reais), to be increased based on the variation of the IGPM index from April 02, 2012 until the date of actual exercise of the option.

At March 31, 2013, 639,961 options granted had been exercised. The balance of shares represented by options is 3,389,162.

As from 2013, the Company will use for the calculation of the fair value of the options of each granting the Binomial model, but we will not change the old granting, according to the standards established in the pronouncement CPC 10, which will continue being calculated by the Black and Scholes model.

All amounts in thousands of reais unless otherwise stated

The assumptions used to determine each grant, based on the Black-Scholes model, are described as follows:

Program	End of the grace period	Expiration date	Fair price in the granting	Price of the Base Asset (*)	Volatility expectation	Dividends expectation	Interest rate free of risk	Estimated life (in years)	Number of shares/options granted	Number of shares/options available
Program 1P Jul/08	At	4/15/2019	R$ 10.06	R$ 23.50	57.49%	0.97%	6.85%	4.68	242,556	54,306
	At	4/15/2020	R$ 12.41	R$ 23.50	57.49%	0.97%	6.85%	4.68	242,542	54,302
	At	4/15/2021	R$ 14.03	R$ 23.50	57.49%	0.97%	6.85%	4.68	242,542	54,302
	At	4/14/2022	R$ 16.08	R$ 23.50	57.49%	0.97%	6.85%	4.68	242,542	54,302
	At	4/14/2023	R$ 14.11	R$ 23.50	57.49%	0.97%	6.85%	4.76	242,542	54,302
Program 1P Sep/08	At	4/15/2019	R$ 3.17	R$ 14.05	56.00%	1.62%	8.42%	4.68	221,215	87,881
	At	4/15/2020	R$ 5.12	R$ 14.05	56.00%	1.62%	8.42%	4.68	221,211	87,878
	At	4/15/2021	R$ 6.42	R$ 14.05	56.00%	1.62%	8.42%	4.68	221,211	87,878
	At	4/14/2022	R$ 7.12	R$ 14.05	56.00%	1.62%	8.42%	4.68	221,211	87,878
	At	4/14/2023	R$ 8.02	R$ 14.05	56.00%	1.62%	8.42%	4.68	221,211	87,878
Program 1P Jan/09	At	4/15/2020	R$ 3.06	R$ 13.20	63.99%	1.72%	6.83%	4.68	212,123	187,882
	At	4/15/2021	R$ 4.97	R$ 13.20	63.99%	1.72%	6.83%	4.68	212,121	187,878
	At	4/14/2022	R$ 6.21	R$ 13.20	63.99%	1.72%	6.83%	4.68	212,121	187,878
	At	4/14/2023	R$ 7.12	R$ 13.20	63.99%	1.72%	6.83%	4.68	212,121	187,878
	At	4/14/2024	R$ 7.67	R$ 13.20	63.99%	1.72%	6.83%	4.68	212,121	187,878
Program 1P Sep/09	At	4/15/2020	R$ 7.12	R$ 20.10	56.75%	1.13%	5.64%	4.68	58,194	47,284
	At	4/15/2021	R$ 9.31	R$ 20.10	56.75%	1.13%	5.64%	4.68	58,179	47,270
	At	4/14/2022	R$ 10.77	R$ 20.10	56.75%	1.13%	5.64%	4.68	58,179	47,270
	At	4/14/2023	R$ 11.97	R$ 20.10	56.75%	1.13%	5.64%	4.68	58,179	47,270
	At	4/14/2024	R$ 12.64	R$ 20.10	56.75%	1.13%	5.64%	4.68	58,179	47,270
Program 1P Jan/10	At	4/15/2021	R$ 11.20	R$ 24.50	63.15%	0.93%	6.23%	4.68	29,705	16,976
	At	4/14/2022	R$ 13.66	R$ 24.50	63.15%	0.93%	6.23%	4.68	29,695	16,968
	At	4/14/2023	R$ 15.33	R$ 24.50	63.15%	0.93%	6.23%	4.68	29,695	16,968
	At	4/14/2024	R$ 16.60	R$ 24.50	63.15%	0.93%	6.23%	4.68	29,695	16,968
	At	4/14/2025	R$ 17.39	R$ 24.50	63.15%	0.93%	6.23%	5.26	29,695	16,968
Program 1P Mar/10	At	4/15/2021	R$ 9.47	R$ 22.50	62.20%	1.01%	6.21%	4.68	30,303	30,303
	At	4/14/2022	R$ 11.88	R$ 22.50	62.20%	1.01%	6.21%	4.68	30,303	30,303
	At	4/14/2023	R$ 13.49	R$ 22.50	62.20%	1.01%	6.21%	4.68	30,303	30,303
	At	4/14/2024	R$ 14.72	R$ 22.50	62.20%	1.01%	6.21%	4.68	30,303	30,303
	At	4/14/2025	R$ 15.48	R$ 22.50	62.20%	1.01%	6.21%	5.12	30,303	30,303
Program 2P Jul/10	At	4/15/2021	R$ 6.15	R$ 20.20	58.84%	1.52%	6.25%	4.68	43,234	27,088
	At	4/14/2022	R$ 8.61	R$ 20.20	58.84%	1.52%	6.25%	4.68	43,228	27,082
	At	4/14/2023	R$ 10.20	R$ 20.20	58.84%	1.52%	6.25%	4.68	43,228	27,082
	At	4/14/2024	R$ 11.39	R$ 20.20	58.84%	1.52%	6.25%	4.68	43,228	27,082
	At	4/14/2025	R$ 12.12	R$ 20.20	58.84%	1.52%	6.25%	4.68	43,228	27,082
Program 2P Nov/10	At	4/15/2021	R$ 10.08	R$ 25.20	57.60%	1.52%	5.88%	4.68	4,000	4,000
	At	4/14/2022	R$ 12.66	R$ 25.20	57.60%	1.52%	5.88%	4.68	4,000	4,000
	At	4/14/2023	R$ 14.39	R$ 25.20	57.60%	1.52%	5.88%	4.68	4,000	4,000
	At	4/14/2024	R$ 15.72	R$ 25.20	57.60%	1.52%	5.88%	4.68	4,000	4,000
	At	4/14/2025	R$ 16.55	R$ 25.20	57.60%	1.52%	5.88%	4.68	4,000	4,000
Program 3P Jan/11	At	4/15/2022	R$ 8.89	R$ 27.00	56.55%	1.14%	5.79%	4.68	65,287	53,419
	At	4/14/2023	R$ 11.98	R$ 27.00	56.55%	1.14%	5.79%	4.68	65,269	53,405
	At	4/14/2024	R$ 14.06	R$ 27.00	56.55%	1.14%	5.79%	4.68	65,269	53,405
	At	4/14/2025	R$ 15.67	R$ 27.00	56.55%	1.14%	5.79%	4.68	65,269	53,405
	At	4/14/2026	R$ 16.70	R$ 27.00	56.55%	1.14%	5.79%	4.68	65,269	53,405
Program 3P Apr/11	At	4/15/2022	R$ 6.44	R$ 23.40	54.94%	1.32%	6.20%	4.68	55,108	39,847
	At	4/14/2023	R$ 9.38	R$ 23.40	54.94%	1.32%	6.20%	4.68	55,080	39,827
	At	4/14/2024	R$ 11.33	R$ 23.40	54.94%	1.32%	6.20%	4.68	55,080	39,827
	At	4/14/2025	R$ 12.84	R$ 23.40	54.94%	1.32%	6.20%	4.68	55,080	39,827
	At	4/14/2026	R$ 13.79	R$ 23.40	54.94%	1.32%	6.20%	4.68	55,080	39,827
Program 4P Apr/12	At	4/15/2023	R$ 4.96	R$ 19.51	51.66%	1.65%	4.29%	4.68	102,000	91,000
	At	4/14/2024	R$ 7.01	R$ 19.51	51.66%	1.65%	4.29%	4.68	102,000	91,000
	At	4/14/2025	R$ 8.36	R$ 19.51	51.66%	1.65%	4.29%	4.68	102,000	91,000
	At	4/14/2026	R$ 9.40	R$ 19.51	51.66%	1.65%	4.29%	4.68	102,000	91,000
	At	4/14/2027	R$ 10.06	R$ 19.51	51.66%	1.65%	4.29%	4.68	102,000	91,000
Program 4P Jul/12	At	4/14/2023	R$ 8.40	R$ 24.30	50.78%	1.23%	4.29%	4.68	16,000	16,000
	At	4/14/2024	R$ 10.59	R$ 24.30	50.78%	1.23%	4.29%	4.68	16,000	16,000
	At	4/14/2025	R$ 12.09	R$ 24.30	50.78%	1.23%	4.29%	4.68	16,000	16,000
	At	4/14/2026	R$ 13.29	R$ 24.30	50.78%	1.23%	4.29%	4.68	16,000	16,000
	At	4/14/2027	R$ 14.07	R$ 24.30	50.78%	1.23%	4.29%	4.68	16,000	16,000
Program 4P Aug/12	At	4/15/2023	R$ 9.72	R$ 25.99	50.39%	1.15%	4.29%	4.68	6,000	6,000
	At	4/14/2024	R$ 11.91	R$ 25.99	50.39%	1.15%	4.29%	4.68	6,000	6,000
	At	4/14/2025	R$ 13.43	R$ 25.99	50.39%	1.15%	4.29%	4.68	6,000	6,000
	At	4/14/2026	R$ 14.66	R$ 25.99	50.39%	1.15%	4.29%	4.68	6,000	6,000
	At	4/14/2027	R$ 15.46	R$ 25.99	50.39%	1.15%	4.29%	4.69	6,000	6,000
Program 4P Nov/12	At	4/15/2023	R$ 21.56	R$ 39.39	49.44%	0.76%	3.50%	4.68	5,000	5,000
	At	4/14/2024	R$ 23.28	R$ 39.39	49.44%	0.76%	3.50%	4.68	5,000	5,000
	At	4/14/2025	R$ 24.73	R$ 39.39	49.44%	0.76%	3.50%	4.68	5,000	5,000
	At	4/14/2026	R$ 26.00	R$ 39.39	49.44%	0.76%	3.50%	4.68	5,000	5,000
	At	4/14/2027	R$ 26.88	R$ 39.39	49.44%	0.76%	3.50%	4.68	5,000	5,000

All amounts in thousands of reais unless otherwise stated

(*) Market price on the respective grant dates.

The assumptions used to determine each grant, based on the Binomial model, are described as follows:

Program	End of the grace period	Expiration date	Fair price in the granting	Price of the Base Asset (*)	Volatility expectation	Interest rate free of risk	Accelerated Exercise Proportion	Average of the leave after grace period	Estimated life (in years)	Number of shares/options granted	Number of shares/options available
Program 4P Jan/13	At 1/10/2014	1/10/2014	R$ 25.49	R$ 43.20	33.47%	3.90%	3	20.00%	11	53,400	53,400
	At 1/10/2015	1/10/2015	R$ 25.92	R$ 43.20	33.47%	3.90%	3	20.00%	12	53,400	53,400
	At 1/10/2016	1/10/2016	R$ 26.36	R$ 43.20	33.47%	3.90%	3	20.00%	13	53,400	53,400
	At 1/10/2017	1/10/2017	R$ 26.79	R$ 43.20	33.47%	3.90%	3	20.00%	14	53,400	53,400
	At 1/10/2018	1/10/2018	R$ 27.22	R$ 43.20	33.47%	3.90%	3	20.00%	15	53,400	53,400

(*) Market price on the respective grant dates.

Pursuant to the requirements of Technical Pronouncement CPC 10, share-based payments that were outstanding as of March 31, 2013 were measured and recognized by the Company.

The Company recognizes, on a monthly basis, the share options granted in a capital reserve account with a corresponding entry in the income statement, of R$ 1,379 for the period ended March 31, 2013 (R$ 4,538 for the year ended December 31, 2012).

The Company did not offer any other benefits to its management at March 31, 2013 in addition to the Share Option Plan.

The change in the number of share options outstanding and their related weighted average exercise prices is as follows:

Statutory Board

	At March 31, 2013		December 31, 2012	
	Average price per share	Options - thousands	Average price per share	Options - thousands
January 1	22.07	418,867	22.07	418,867
Granted	19.76	490,550	19.76	490,550
Exercised	19.43	206,006	19.43	206,006
Em 31 de dezembro/ 31 de março	22.06	703,411	22.06	703,411

Board of Directors

	At March 31, 2013		December 31, 2012	
	Average price per share	Options - thousands	Average price per share	Options - thousands
January 1	22.07	18,000	22.07	18,000
Granted	19.76	12,000	19.76	12,000
Exercised	24.00	20,000	24.00	20,000
At December 31/March 31	22.75	10,000	22.75	10,000

22 Earnings per share

In compliance with CPC 41 (IAS 33) (approved by CVM Rule No. 636 - Earnings per Share), the Company sets out below the information on earnings per share as at March 31, 2013.

Basic earnings per share are calculated by dividing the profit for the period attributable to common shareholders of the parent company by the weighted average number of common shares outstanding during the period.

Diluted earnings per share are calculated by dividing the profit attributable to common shareholders of the parent company by the weighted average number of common shares outstanding during the period plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

(a) Basic earnings per share

	March 31, 2013	March 31, 2012
Numerator		
Profit for the period before tax	66,642	39,917
Denominator (in thousands of shares)		
Weighted average number of outstanding shares	97,192,451	82,251,937
Basic earnings per share	0.00069	0.00049

(b) Diluted earnings per share

	March 31, 2013	March 31, 2012
Numerator		
Profit for the period before tax	66,642	39,917
Denominator (in thousands of shares)		
Weighted average number of outstanding shares	97,192,451	82,251,937
Potential increment in the number of shares due to the options plan	1,002,234	1,063,703
Adjusted weighted average number of outstanding shares	98,194,685	83,315,640
Diluted earnings per share	0.00068	0.00048

23 Net revenue of services rendered

	Consolidated	
	March 31, 2013	March 31, 2012
Gross operating revenue	613,786	481,154
Deductions from gross revenue	(200,532)	(150,602)
Grants - scholarships	(174,281)	(132,601)
Returned monthly tuition fees and charges	(3,778)	(1,152)
Discounts granted	(2,471)	(2,047)
Taxes	(18,425)	(14,802)
FGEDUC	(1,577)	
Net operating revenue	413,254	330,552

All amounts in thousands of reais unless otherwise stated

24 Services costs

	Consolidated	
	March 31, 2013	**March 31, 2012**
Payroll and related social charges	(179,422)	(143,861)
Electricity, water, gas and telephone	(7,166)	(6,457)
Rents, condominium fees and property taxes	(30,530)	(29,931)
Mailing and courier expenses	(465)	(1,864)
Depreciation and amortization	(11,569)	(7,618)
Educational material	(6,566)	(3,676)
Third party services - security and cleaning	(6,895)	(6,160)
Costs of services rendered	(242,613)	(199,567)

25 Other operating revenues

	Parent company		Consolidated	
	March 31, 2013	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**
Revenue with covenants	407	450	749	779
Rental revenues			2,493	1,487
Business agency			84	
Reversal of administrative provisions				164
Other operating income (expenses)			178	34
	407	450	3,504	2,464

All amounts in thousands of reais unless otherwise stated

26 Expenses by nature

	Parent company		Consolidated	
	March 31, 2013	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**
Provision for impairment of trade receivables			(14,802)	(14,044)
Advertising			(20,964)	(18,691)
Sales and marketing			(6,097)	(4,607)
Others			(1,079)	
Selling expenses			(42,942)	(37,342)
Payroll and related social charges	(381)	(668)	(25,447)	(20,914)
Third-parties' services	(851)	(1,158)	(12,816)	(12,172)
Machinery rent and leases			(493)	(609)
Consumables			(468)	(318)
Maintenance and repairs	(2)	(1)	(4,481)	(3,313)
Depreciation and amortization (*)	(815)	(591)	(6,470)	(3,995)
Education covenants			(1,478)	(1,089)
Travels and accommodation	(31)	(22)	(644)	(542)
Civil conviction	(2)		(2,510)	(474)
Institutional events			(177)	(148)
Provision for contingencies			(282)	(1,661)
Others	(745)	(481)	(6,913)	(4,530)
General and administrative expenses	(2,827)	(2,921)	(62,179)	(49,765)

(*) Includes the amortization of funding costs of R$ 183

27 Financial result

	Parent company		Consolidated	
	March 31, 2013	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**
Finance income				
Late payment fines and interest received			3,069	4,012
Income on short-term investments	7,413	3,665	8,212	4,243
Others	40	617	56	348
	7,453	4,282	11,337	8,603
Finance costs				
Bank expenses	(16)	(175)	(1,700)	(2,324)
Interest and financial charges	(5,436)	(7,361)	(6,094)	(7,839)
Financial discounts			(3,832)	(917)
Others	(67)	(406)	(1,391)	(1,576)
	(5,519)	(7,942)	(13,017)	(12,656)

Financial discounts refer to the discounts granted upon renegotiation of overdue monthly tuition fees.

All amounts in thousands of reais unless otherwise stated

28 Income tax and social contribution

Under Law 11096/2005, regulated by Decree 5493/2005 and Revenue Service Procedure 456/2004, in the terms of Article 5 of Provisional Executive Act 213/2004, college educational entities while participating in the PROUNI program are exempt from IRPJ and CSLL, among other taxes, and the taxes will be computed based on profit from operations benefiting from incentives ("lucro da exploração").

Reconciliation of income tax and social contribution determined at statutory rates and taxes recognized in the income statement for the periods ended March 31, 2013 and 2012 is as follows:

	Parent company		**Consolidated**	
	March 31, 2013	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**
Income before income tax and social contribution	66,642	39,917	67,344	42,263
Combined income tax and social contribution nominal rate - %	34%	34%	34%	34%
Income tax and social contribution at legal tax rates	(22,658)	(13,572)	(22,897)	(14,369)
Adjustments for calculation of the effective rate				
Adjustments arising from Law 11.638/2007			(34)	1,928
Equity in the results of subsidiaries	22,823	15,656		
Non-deductible expenses (a)	(67)	(201)	(431)	(318)
Provision for bonus (a)				(510)
Tax losses offset	(98)	(1,883)	(514)	(1,884)
Sale expenses			(123)	(123)
Provision for contingencies			(96)	(565)
Reversal of non-deductible PDD and monthly tuitions to cancel (b)			(2,720)	(1,122)
Rouanet Law			268	
Others			48	96
			(26,499)	(16,867)
Tax benefits from incentive operations - PROUNI			23,638	13,573
Income tax and social contribution on profit or loss for the period			(2,861)	(3,294)
Effective rate - %	0.00%	0.00%	(4.25)%	(7.80)%

(a) These primarily refer to expenses for sponsorships, donations and giveaways.

(b) Refers to non-deductible allowance for doubtful debts relating to students with payments overdue for less than 180 days, and the provision for cancellation of monthly payment advices.

All amounts in thousands of reais unless otherwise stated

The breakdown of income tax and social contribution expenses in the consolidated income quarterly information for the periods ended March 31, 2013 and 2012 is summarized below:

	Consolidated	
	March 31, 2013	**March 31, 2012**
Income tax and social contribution for the current period	(2,861)	(3,294)
Deferred income tax and social contribution for the current period	2,328	948
Income tax and social contribution previous periods	(169)	
	(702)	(2,346)

At March 31, 2013, subsidiaries SESES and IREP recorded net deferred tax assets on temporary differences in the amount of R$ 12,385. The breakdown of the tax effects of temporary differences which originated deferred tax assets and liabilities is summarized below:

	March 31, 2013	**December 31, 2012**
Provision for contingencies	10,564	10,419
Monthly tuition fees to be cancelled	3,159	523
Provision for decommissioning of assets	2,739	2,739
Goodwill amortization	(4,077)	(3,624)
	12,385	10,057
Assets	13,199	11,695
Liabilities	(814)	(1,638)
	12,385	10,057

Deferred tax assets on temporary differences recorded at March 31, 2013 will be realized as the provisions that originated them are utilized. Consequently, it is not currently possible to present expected annual realization, since the Company's management is not yet able to forecast the timing of the realization of the provision for contingencies and the provision for decommissioning of assets.

At March 31, 2013, subsidiary IREP accounted for deferred tax liability in the amount of R$ 4,077 due to the tax depreciation of goodwill generated upon acquisition of the companies merged into it.

On March 31, 2013, the Company has tax credits arising from tax loss and tax loss carryforward of social contribution in the amount of R$ 15,348. (R$ 15,249 on December 31, 2012) not yet book recorded, because is not possible to state that its realization is currently considered possible.

29 Subsequent events

On April 5, 2013, Estácio acquired through its indirect subsidiary Sociedade Educacional Atual da Amazônia Ltda. ("ATUAL"), the totality of the quotas of the Instituto de Ensino Superior Social e Tecnológico – IESST ("IESST"), sponsor of Faculdade de Ciências Sociais e Tecnológicas - FACITEC ("FACITEC"), institution headquartered in the Municipality of Taguatinga, Federal District, where its campus is located.

The investment amount in FACITEC was R$29.000, to be paid with financial fund and through the assumption of debts and obligations in general. The parties also agreed upon the additional payment of R$ 7,000, if FACITEC becomes an University Center up to December 31, 2014. FACITEC was founded in 2001 and has approximately 3,600 students and 8,500 vacancies and 120 teachers allocated in 1 campus, counting in its portfolio with 13 college courses and 24 post-graduation courses, besides the extension and free courses. The net average ticket of its courses is approximately R$ 426 (four hundred and twenty six reais). In 2012, the Ministry of Education assessed it with an Institutional Concept (CI) of 4 in a scale from 1 to 5. The business will mark the entrance of Estácio in the Federal District, strategic place for the classroom teaching and pole of Distance Education.

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