2Q12 RESULTS

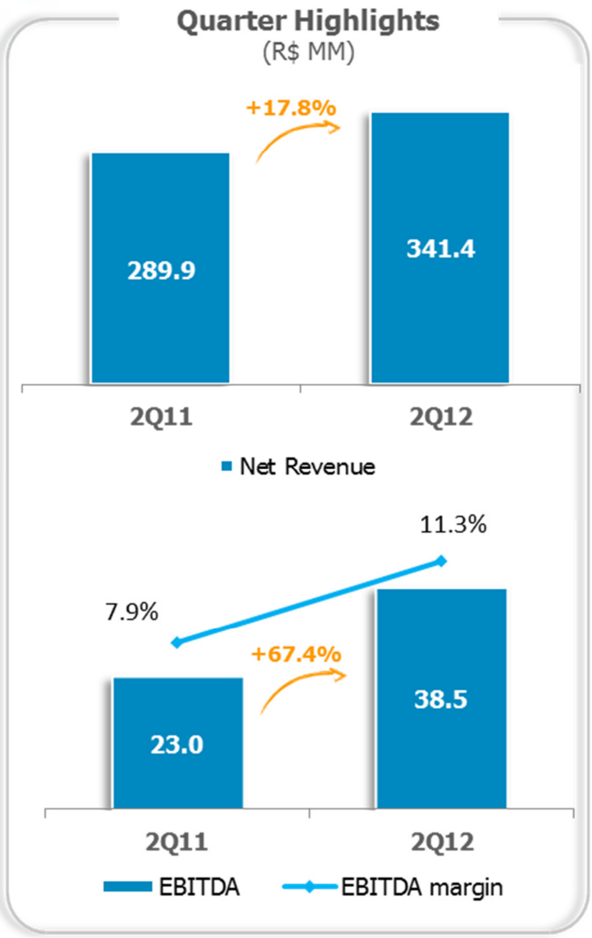
Growing with Cash Generation

67.4% EBITDA growth and 3.4 p.p. margin gain

Rio de Janeiro, August 8, **Estácio Participações S.A.** – "Estácio" or "Company" (BM&FBovespa: ESTC3; Bloomberg: ESTC3.BZ; Reuters: ESTC3.SA; OTC: ECPCY) announces its results for the second quarter of 2012 (2Q12) in comparison with the same period of the previous year (2Q11). Except where stated otherwise, the following financial and operating information is presented in accordance with the International Financial Reporting Standards ("IFRS") and on a consolidated basis.

Highlights

- Estácio closed 2Q12 with a student base of **260,800 students,** 9.3% higher than in 2Q11, of which 212,400 students were enrolled in on-campus programs and 45,300 in distance-learning programs (33.2% more than in 2Q11).
- **Net operating revenue** came to R$341.4 million in 2Q12, an increase of 17.8% year on year, due to the growth of both the student base and the average ticket.
- Consolidated **EBITDA** reached R$38.5 million in 2Q12, up 67.4% year on year, while margin increased by 3.4 p.p. over 2Q11.
- **Net income** totaled R$15.1 million in 2Q12, up 91.1% over 2Q11. **Earnings per share** stood at R$0.18, an increase of 100% over 2Q11.
- **Operating cash flow** in the period was R$24.7 million, compared to a negative R$31.9 million in 2Q11.
- At the end of 2Q12, Estácio had **cash and cash equivalents** of R$167.7 million.



ESTC3
(August 7, 2012)

Price: R$26.52/share
Number of Shares: 82,434,559
Market Cap: R$2.1 billion
Free Float: 80%

IR Contacts:

Flávia de Oliveira
IR Manager
+55 (21) 3311-9789
ri@estacioparticipacoes.com

ESTC3 NOVO MERCADO BM&FBOVESPA

Key Indicators in the Quarter

	Consolidated			Excluding Acquisitions		
Financial Highlights	**2Q11**	**2Q12**	**Change**	**2Q11**	**2Q12**	**Change**
Net Revenue (R$ million)	289.9	341.4	17.8%	289.9	336.5	16.1%
Gross Profit (R$ million)	86.5	114.9	32.8%	86.5	113.7	31.4%
Gross Profit margin	*29.8%*	*33.7%*	*3.9 p.p.*	*29.8%*	*33.8%*	*4.0 p.p.*
EBIT (R$ million)	12.6	20.7	64.3%	12.6	20.3	61.1%
EBIT Margin	*4.3%*	*6.1%*	*1.8 p.p.*	*4.3%*	*6.0%*	*1.7 p.p.*
EBITDA (R$ million)	23.0	38.5	67.4%	23.0	37.9	64.8%
EBITDA Margin	*7.9%*	*11.3%*	*3.4 p.p.*	*7.9%*	*11.3%*	*3.4 p.p.*
Net Income (R$ million)	7.9	15.1	91.1%	7.9	14.6	84.8%
Net Income Margin	*2.7%*	*4.4%*	*1.7 p.p.*	*2.7%*	*4.3%*	*1.6 p.p.*

Note: Adjusted EBITDA with the addition of the Operating Financial Result (Revenue from Fines and Interest over Monthly Fees).
The ex-acquisitions figures exclude SEAMA's and iDez's results; the 2011 acquisitions are already consolidated in the results.

Message from the Management

The 2Q12 results once again proved the effectiveness of the growth model planned by Estácio over the past few years and reinforced our commitment to reach the EBITDA margin of 20% in 2014. We are pleased that this series of excellent results (this is the 6th consecutive quarter of margin growth) are coming in exactly the same manner as we wanted: healthy, solid and sustainable. We have no doubt that our growth – almost exclusively organic and hence with a high ROIC – reflects the recognition from our students regarding our competitive advantages: academic quality, excellence in infrastructure, access to the job market, and efficiency in services. With an increased sales volume, our business model based on efficiency and scalability is working perfectly, diluting costs and expenses, resulting in a 3.4 p.p. gain in our EBITDA margin this quarter alone.

Net revenue in 2Q12 totaled R$341.4 million, up 17.8% year on year. Although more students dropped out in the quarter, our average ticket grew 10%. Note that this increase in student dropouts was the result of our initiatives to prepare increasingly "responsible students", who pay their bills on time and maintain a clean credit history. In other words, as we tighten the reins in order to improve fee collection from our active students, the number of dropouts increases. On the other hand, we expect a better renewal rate and a better controlled PDA in the future, as our student base will be healthier.

As expected, we have recorded significant margin gains (4.2 p.p.) in personnel costs, mainly due to the better management of our faculty costs, with more profitable and efficient class formation and the ongoing implementation of our academic model. As a result, we closed the quarter with a cash gross margin of 37.1%, up 5.3 p.p. over 2Q11.

Our EBITDA came to R$38.5 million in 2Q12, a 67.4% increase year on year, despite the impact of our provision for doubtful accounts, which corresponded to 8.8% of the 2Q12 net operating revenue. Due to the considerable increase in delinquency levels last year, and based on our policy of provisioning receivables overdue for more than 180 days, our PDA was negatively impacted in the first half of 2012. On the other hand, the more efficient collection measures we took, through both collection agencies and internal campaigns, started showing their effects on delinquency levels in the first half of 2012, and should positively impact cash generation and PDA in the second half.

Net income moved up by 91.1%, totaling R$15.1 million in 2Q12, while the net margin of 4.4% was 1.7 p.p. higher than in 2Q11. Earnings per share in 2Q12 stood at R$0.18, up 100% from R$0.09 in 2Q11.

As widely commented in recent quarters, every quarter we have increased our efforts and moved our organization towards efficient cash management. This quarter, FIES management deserves special mention: we managed to convert our FIES receivables into certificates, thus reducing our FIES receivables by R$18.9 million, despite having added 7,300 students to our base. We have also managed to resolve the issue of obtaining the Debt Clearance Certificate (CND) for SESES and thus to participate actively in programs for repurchasing FIES certificates, in addition to using them to pay federal taxes. Carry-Forwards Credits dropped by R$5.7 million in the quarter to reach their lowest level since December 2010, with the conversion of R$110 million worth of FIES certificates into cash in the first half, whether in payment of taxes or repurchase auctions. The FIES average days receivables in 2Q12 stood at 88 days, our best result since the launch of the program.

At the same time, we continue to improve our management of ex-FIES receivables, adopting stricter policies towards our active students (with impact on student dropouts, as commented above), improving our average days payable and closely managing our CAPEX. As a result, we generated an operational cash flow of R$24.7 million in the quarter, versus a negative result of R$31.9 million in 2Q11, an evolution of R$56.6 million.

Operational cash generation in the first half of 2012 was R$38.5 million, versus a negative result of R$38.0 million in the same period last year – an upturn of R$76.2 million. This improvement leads us to three conclusions: (a) our management model is already mature enough to allow us to direct the Company's efforts to any indicator we consider important, and to obtain significant results in a relatively short period of time for such a complex organization; (b) as our EBITDA grows in accordance with our plan, and we better control our working capital, our operational cash generation grows proportionally, since the need for CAPEX (excluding acquisitions) does not increase at the same pace, which clearly defines a very promising trend for the coming years; and (c) our operational cash generation has been sufficient for honoring our debt and investing in expansion, as well as in small- and mid-size acquisitions. In other words, our increasing operational cash flow should be sufficient for us to maintain or even accelerate our current growth pace, thus enabling Estácio to continue offering the best ROIC in the sector and increasingly generate value for its shareholders.

Value Creation (Economic Value Added)

As part of our commitment and discipline to create value to our shareholders, at the end of 2011, we carried out the project to adopt the EVA methodology (Economic Value Added). This methodology takes into account the capital employed in our activities (particularly working capital and fixed assets), and seeks to measure our capability to generate return on capital, to which it is assigned an average cost. In this context, we consider the EVA metric the fairest and most comprehensive in terms of performance evaluation, since it encompasses all capital allocation decisions and clearly reflects the ability to do more with less.

In the first half of 2012, we presented a positive EVA of R$15.8 million, which means we were once again capable to generate a return on invested capital (ROIC) higher than the cost of capital (WACC) employed in our activities, creating value to our shareholders in the most strict meaning of the word, besides showing improvement ('positive delta EVA') when compared to the same period last year.

	1H11	1H12	Change
Net revenues (R$ million)	565.7	667.5	*18.0%*
NOPAT (R$ million)	55.6	76.4	*37.4%*
NOPAT Margin	9.8%	11.4%	*1.6 p.p.*
Average Capital (R$ million)	573.0	819.0	*42.9%*
Working capital (x)	1.0	0.8	
ROIC	9.7%	9.3%	*-0.4 p.p.*
WACC	7.4%	7.4%	
EVA® (R$ million)	13.2	15.8	*19.7%*

** NOPAT: Net Operating Profit After Tax*

Student Base

Estácio closed 2Q12 with a **student base** of 260,800 (9.3% more than in 2Q11), of which 212,400 were enrolled in on-campus courses and 45,300 in distance-learning programs. Under the 'same shops' concept, the student base grew 9.3% in relation to the same period in the previous year (disregarding the acquisitions made in 2012 and the 3,000 students from the sale of the Paraguay Unit). The 4,000 students from the acquisition of Fac. São Luís, announced in July, will be consolidated into our 3Q12 results.

Table 1 – Total Student Base

'000	2Q11	2Q12	Change
On-Campus	**201.7**	**212.4**	**5.3%**
Undergraduate	188.6	198.0	5.0%
Graduate	13.1	14.4	9.9%
Distance Learning	**34.0**	**45.3**	**33.2%**
Undergraduate	31.4	43.4	38.2%
Graduate	2.6	1.9	-26.9%
Student Base - same shops	**235.7**	**257.7**	**9.3%**
Operation in Paraguay	3.0	-	N.A.
Acquisitions in 2012	-	3.1	N.A.
Total Student Base	**238.7**	**260.8**	**9.3%**
# Campuses	72	71	-1.4%
On-Campus Students per Campus	**2,801**	**2,992**	**6.8%**
# Distance Learning Centers	52	52	0.0%
Distance Learning Students per Center	**654**	**871**	**33.2%**

Note: The Acquisitions made in 2011 have already been incorporated into the total student base for on-campus undergraduate students.

At the end of 2Q12, Estácio's on-campus undergraduate base totaled 201,100 students, 5.0% more than in 2Q11. Growth under the 'same shops' concept, excluding the Paraguay unit sale and the acquisitions in the year, would have been 6.8%.

Table 2 – Evolution of On-Campus Student Base (undergraduate)

'000	2Q11	2Q12	Change
Students - Starting balance	**200.5**	**219.4**	**9.4%**
(-) Operation in Paraguay	(3.0)	-	N.A.
Renewable Base	**197.5**	**219.4**	**11.1%**
(-) Dropouts	(8.8)	(17.0)	93.2%
(-) Students not enrolled in class	(3.3)	(4.4)	33.3%
Students - same shops	**185.4**	**198.0**	**6.8%**
(+) Operation in Paraguay	3.0	-	N.A.
Students - ex-acquisitions	**188.4**	**198.0**	**5.1%**
(+) Acquisitions in the year	3.2	3.1	-3.1%
Students - Ending balance	**191.6**	**201.1**	**5.0%**

The increase in student dropouts in the quarter was the initial result of the change in our approach towards delinquent students. Our previous campaigns focused only on former students, but since the first half of 2012, our collection agents have started working on active students as well, who started to be blacklisted and, in many cases, ended up dropping out before the end of the semester. We believe this impact will diminish over time, as we implement this new culture throughout the organization, and we also expect better renewal rates and collections results and a lower PDA in the next half.

Our **distance-learning undergraduate student base** grew 38.2% year on year to reach 43,400 students. The increase in dropouts was also a result of our change in attitude towards delinquent students, in the same way we did in the on-campus segment.

Table 3 – Evolution of Distance Learning Student Base (undergraduate)

'000	2Q11	2Q12	Change
Students - Starting Balance	**28.2**	**46.3**	**64.2%**
(+) Enrollments	7.2	8.4	16.7%
(-) Dropouts	(4.0)	(11.3)	182.5%
Students - Ending Balance	**31.4**	**43.4**	**38.2%**

Operating Revenue

Net operating revenue totaled R$341.4 million in 2Q12, up 17.8% over 2Q11, due to the 9.3% growth in the student base and the increase in the average ticket in the period.

Table 4 – Operating Revenue

R$ MM	2Q11	2Q12	Change	1H11	1H12	Change
Gross Operating Revenue	**407.8**	**484.8**	**18.9%**	**806.0**	**966.0**	**19.9%**
Monthly Tuition Fees	399.5	477.8	19.6%	794.0	954.6	20.2%
Others	8.3	7.0	-15.7%	12.0	11.3	-5.8%
Gross Revenue Deductions	**(117.9)**	**(143.4)**	**21.6%**	**(240.3)**	**(294.0)**	**22.3%**
Scholarships and Discounts	(105.2)	(127.2)	20.9%	(216.3)	(263.1)	21.6%
Taxes	(12.7)	(16.2)	27.6%	(24.1)	(31.0)	28.6%
% Scholarships and Discounts/ Gross Operating Revenue	*25.8%*	*26.2%*	*0.4 p.p.*	*26.8%*	*27.2%*	*0.4 p.p.*
Net Operating Revenue	**289.9**	**341.4**	**17.8%**	**565.7**	**672.0**	**18.8%**

The **on-campus average ticket** climbed by 10.2%, once again reflecting our ability to increase our prices to reflect the economic scenario, which is possible only with the increasing perception of quality and service level among our students.

Table 5 – Calculation of the Average Ticket – On-Campus

'000	2Q11	2Q12	Change
On-Campus Undergraduate Student Base	**191.6**	**201.1**	**5.0%**
(+) On-Campus Graduate Student Base	**13.1**	**14.4**	**9.9%**
(=) Revenue Generating On-Campus Student Base	**204.7**	**215.5**	**5.3%**
On-Campus Gross Revenue	**380.0**	**442.8**	**16.5%**
On-Campus Deductions	(109.3)	(128.7)	17.7%
On-Campus Net Revenue (R$ million)	**270.7**	**314.1**	**16.0%**
On-Campus Average Ticket (R$)	**440.9**	**485.8**	**10.2%**

Note: The calculation of average ticket does not include Academia do Concurso's revenues.

The **average ticket from distance learning** went up 10.0% in 2Q12, also reflecting the factors related to the on-campus average ticket.

Table 6 – Calculation of Average Ticket – Distance Learning

'000	2Q11	2Q12	Change
Distance Learning Undergraduate Student Base	**31.4**	**43.4**	**38.2%**
(+) Distance Learning Graduate Student Base	**2.6**	**1.9**	**-26.9%**
(=) Revenue Generating Distance Learning Student Base	**34.0**	**45.3**	**33.2%**
Distance Learning Gross Revenue	**25.7**	**39.9**	**55.3%**
Distance Learning Deductions	(8.3)	(14.4)	73.5%
Distance Learning Net Revenue (R$ million)	**17.4**	**25.5**	**46.6%**
Distance Learning Average Ticket (R$)	**170.6**	**187.7**	**10.0%**

Cost of Services

In 2Q12, the **ratio of cash cost to net revenue** registered a margin expansion of 5.2 p.p. over 2Q11, mainly due to: (i) the significant reduction in personnel costs (3.6 p.p. gain), once again reflecting the increasing efficiency in the control of faculty costs; (ii) the gain in the INSS line (+0.7 p.p.), resulting from the end of the labor tax (INSS) step-up; and (iii) the gains of 0.8 p.p. in rentals and of 0.4 p.p. in third-party services, which more than offset the increase in textbook material costs (-0.3 p.p.).

Table 7 – Cost of Services

R$ MM	2Q11	2Q12	Change	1H11	1H12	Change
Cost of Services	**(197.5)**	**(214.9)**	**8.8%**	**(371.9)**	**(406.9)**	**9.4%**
Personnel	(148.2)	(160.1)	8.0%	(284.1)	(303.9)	7.0%
Salaries and Payroll Charges	(121.5)	(131.4)	8.1%	(232.7)	(249.4)	7.2%
Brazilian Social Security Institute (INSS)	(26.6)	(28.6)	7.5%	(51.4)	(54.5)	6.0%
Rentals / Real Estate Taxes Expenses	(25.9)	(27.6)	6.6%	(51.0)	(57.6)	12.9%
Textbooks Materials	(9.6)	(12.4)	29.2%	(12.7)	(18.0)	41.7%
Third-Party Services and Others	(13.8)	(14.8)	7.2%	(24.1)	(27.4)	13.7%

Table 8 – Vertical Analysis of Costs of Services

% of Net Operating Revenue	2Q11	2Q12	Change	1H11	1H12	Change
Cost of Services	**-68.1%**	**-62.9%**	***5.2 p.p.***	**-65.7%**	**-60.6%**	***5.1 p.p.***
Personnel	-51.1%	-46.9%	*4.2 p.p.*	-50.2%	-45.2%	*5.0 p.p.*
Salaries and Payroll Charges	-41.9%	-38.5%	*3.4 p.p.*	-41.1%	-37.1%	*4.0 p.p.*
Brazilian Social Security Institute (INSS)	-9.2%	-8.4%	*0.8 p.p.*	-9.1%	-8.1%	*1.0 p.p.*
Rentals / Real Estate Taxes Expenses	-8.9%	-8.1%	*0.8 p.p.*	-9.0%	-8.6%	*0.4 p.p.*
Textbooks Materials	-3.3%	-3.6%	*-0.3 p.p.*	-2.2%	-2.7%	*-0.5 p.p.*
Third-Party Services and Others	-4.8%	-4.3%	*0.5 p.p.*	-4.3%	-4.1%	*0.2 p.p.*

Table 9 – Reconciliation of Cost

R$ MM	2Q11	2Q12	Change	1H11	1H12	Change
Cash Cost of Services	**(197.5)**	**(214.9)**	**8.8%**	**(371.9)**	**(406.9)**	**9.4%**
(+) Depreciation	(5.8)	(11.6)	100.0%	(11.3)	(19.2)	69.9%
Cost of Services	**(203.3)**	**(226.5)**	**11.4%**	**(383.2)**	**(426.1)**	**11.2%**

Gross Income

Table 10 – Statement of Gross Income

R$ MM	2Q11	2Q12	Change	1H11	1H12	Change
Net Operating Revenue	289.9	341.4	17.8%	565.7	672.0	18.8%
Cost of Services	(203.3)	(226.5)	11.4%	(383.2)	(426.1)	11.2%
Gross Profit	**86.5**	**114.9**	**32.8%**	**182.4**	**245.9**	**34.8%**
(-) Depreciation	5.8	11.6	100.0%	11.3	19.2	69.9%
Cash Gross Profit	**92.3**	**126.5**	**37.1%**	**193.7**	**265.1**	**36.9%**
Cash Gross Margin	*31.8%*	*37.1%*	*5.3 p.p.*	*34.2%*	*39.4%*	*5.2 p.p.*

Selling, General and Administrative Expenses

In the second quarter of 2012, **general and administrative expenses** represented 12.0% of net revenue, for a margin gain of 1.3 p.p. mainly due to: (i) the 0.4 p.p. gain in the third-party services line; (ii) the 0.5 p.p. improvement in the provision for contingencies line, which benefited this quarter from a reversal resulting from our performance in lawsuits; and (iii) the 0.4 p.p. increase in other operating revenues.

Selling expenses represented 14.2% of the 2Q12 net revenue, causing a margin reduction (-3.2 p.p.) from 2Q11, mainly due to the 2.8 p.p. increase in the PDA/net revenue ratio, reflecting the scenario of delinquency in the second half of last year and captured through our strict and transparent provisioning criteria. Moreover, the beginning of provisioning for FIES receivables, explained in the 1Q12 results, caused an increase in this account, since it anticipates the provision for these students, as our standard provision criteria would wait 180 days to constitute provisions for these students.

Table 11 – Selling, General and Administrative Expenses

R$ MM	2Q11	2Q12	Change	1H11	1H12	Change
Selling, General and Administrative Cash Expenses	**(70.4)**	**(89.4)**	**27.0%**	**(134.2)**	**(170.1)**	**26.8%**
Selling Expenses	**(31.8)**	**(48.4)**	**52.2%**	**(60.8)**	**(85.8)**	**41.1%**
Provisions for Doubtful Debts	(17.5)	(30.0)	71.4%	(22.8)	(44.0)	93.0%
Marketing	(14.3)	(18.4)	28.7%	(38.0)	(41.7)	9.7%
General and Administrative Expenses	**(38.6)**	**(41.0)**	**6.2%**	**(73.4)**	(84.3)	**14.9%**
Personnel	(16.5)	(20.8)	26.1%	(32.8)	(41.7)	27.1%
Salaries and Payroll Charges	(14.2)	(17.9)	26.1%	(26.9)	(35.8)	33.1%
Brazilian Social Security Institute (INSS)	(2.3)	(2.9)	26.1%	(5.9)	(5.9)	0.0%
Others	(22.1)	(20.2)	-8.6%	(40.6)	(42.6)	4.9%
Third-Party Services	(10.1)	(10.5)	4.0%	(20.4)	(22.6)	10.8%
Machinery rentals and leasing	(0.3)	-	-100.0%	(1.4)	(0.6)	-57.1%
Consumable Material	(0.4)	(0.4)	0.0%	(0.8)	(0.7)	-12.5%
Provision for Contingencies	(0.5)	1.1	N.A.	2.7	(0.6)	-122.2%
Other Operating Renevue (expenses)	2.3	4.1	78.3%	4.1	6.6	61.0%
Others	(13.2)	(14.6)	10.6%	(24.9)	(24.7)	-0.8%
Depreciation	**(3.5)**	**(4.7)**	**34.3%**	**(7.2)**	**(8.7)**	**20.8%**

Table 12 – Vertical Analysis of Selling, General and Administrative Expenses

% of Net Operating Revenue	2Q11	2Q12	Change	1H11	1H12	Change
Selling, General and Administrative Cash Expenses	**-24.3%**	**-26.2%**	***-1.9 p.p.***	**-23.7%**	**-25.3%**	***-1.6 p.p.***
Selling Expenses	**-11.0%**	**-14.2%**	***-3.2 p.p.***	**-10.7%**	**-12.8%**	***-2.1 p.p.***
Provisions for Doubtful Debts	-6.0%	-8.8%	*-2.8 p.p.*	-4.0%	-6.5%	*-2.5 p.p.*
Marketing	-4.9%	-5.4%	*-0.5 p.p.*	-6.7%	-6.2%	*0.5 p.p.*
General and Administrative Expenses	**-13.3%**	**-12.0%**	***1.3 p.p.***	**-13.0%**	**-12.5%**	***0.5 p.p.***
Personnel	-5.7%	-6.1%	*-0.4 p.p.*	-5.8%	-6.2%	*-0.4 p.p.*
Salaries and Payroll Charges	-4.9%	-5.2%	*-0.3 p.p.*	-4.8%	-5.3%	*-0.5 p.p.*
Brazilian Social Security Institute (INSS)	-0.8%	-0.8%	*0.0 p.p.*	-1.0%	-0.9%	*0.1 p.p.*
Others	-7.6%	-5.9%	*1.7 p.p.*	-7.2%	-6.3%	*0.9 p.p.*
Third-Party Services	-3.5%	-3.1%	*0.4 p.p.*	-3.6%	-3.4%	*0.2 p.p.*
Machinery rentals and leasing	-0.1%	0.0%	*0.1 p.p.*	-0.2%	-0.1%	*0.1 p.p.*
Consumable Material	-0.1%	-0.1%	*0.0 p.p.*	-0.1%	-0.1%	*0.0 p.p.*
Provision for Contingencies	-0.2%	0.3%	*0.5 p.p.*	0.5%	-0.1%	*-0.6 p.p.*
Other Operating Renevue (expenses)	0.8%	1.2%	*0.4 p.p.*	0.7%	1.0%	*0.3 p.p.*
Others	-4.6%	-4.3%	*0.3 p.p.*	-4.4%	-3.7%	*0.7 p.p.*
Depreciation	**-1.2%**	**-1.4%**	***-0.2 p.p.***	**-1.3%**	**-1.3%**	***0.0 p.p.***

EBITDA

In 2Q12, **EBITDA** was R$38.5 million, 67.4% up on 2Q11, with an EBITDA margin of 11.3%, up 3.4 p.p. over the previous year, mainly due to the better management of personnel costs and expenses and the increased net revenue, which offset the expected increase in textbook material costs and PDA expenses.

Table 13 – Statement of Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

R$ MM	2Q11	2Q12	Change	1H11	1H12	Change
Net Revenue	**289.9**	**341.4**	**17.8%**	**565.7**	**672.0**	**18.8%**
(-) Cash Cost of Services	(197.5)	(214.9)	8.8%	(371.9)	(406.9)	9.4%
(-) Selling, General and Administrative Cash Expenses	(70.4)	(89.4)	27.0%	(134.2)	(170.1)	26.8%
(+) Operating Financial Result	1.1	1.5	36.4%	6.9	5.5	-20.3%
EBITDA	**23.0**	**38.5**	**67.4%**	**66.5**	**100.5**	**51.1%**
EBITDA Margin	*7.9%*	*11.3%*	*3.4 p.p.*	*11.8%*	*15.0%*	*3.2 p.p.*

Under the 'same shops' concept, excluding the acquisitions made in the first half of 2012 (SEAMA and iDez), EBITDA totaled R$37.9 million in 2Q12, an increase of 64.7% over 2Q11, with a margin gain of 3.4 p.p. Note that the acquisitions made in 2011 have already completed one year and have been consolidated into our results.

Table 14 – Statement of Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) – Same shops

R$ MM	2Q11	2Q12 ex-acquisitions	Change
Net Revenue	**289.9**	**336.5**	**16.1%**
(-) Cash Cost of Services	(197.5)	(211.3)	7.0%
(-) Selling, General and Administrative Cash Expenses	(70.4)	(88.7)	26.0%
(+) Operating Financial Result	1.1	1.4	30.7%
EBITDA	**23.0**	**37.9**	**64.7%**
EBITDA Margin	*7.9%*	*11.3%*	*3.4 p.p.*

Companies Acquired

The following chart shows the results of the companies acquired in 2012. These details will be provided for up to 12 months from the date of acquisition to enable follow-up of the Company's performance under the 'same shops' concept. After this period, the results of acquired companies will be included in the consolidated results, as it has been done with the companies acquired in 2011 (Atual, FAL, FATERN and Academia do Concurso). The table below shows the result of the first company acquired in 2012 – SEAMA, in Amapá. Faculdade iDez, in Paraíba, had a short period of its operations recognized in our results (only since 06/26/2012) and so we will present its detailed results in 3Q12, which will include a full quarter of this acquisition.

Table 15 – Key Indicators of Acquired Companies in 2Q12

R$ million	SEAMA
Net Revenue	**4.9**
Gross Profit	**1.2**
Gross Margin	*24.5%*
EBITDA	**0.7**
EBITDA Margin	*14.3%*
Net Income	**0.5**
Income Margin	*10.2%*

Financial Result

Table 16 – Breakdown of the Financial Result

R$ MM	2Q11	2Q12	Change	1H11	1H12	Change
Financial Revenue	**3.2**	**5.5**	**71.9%**	**12.7**	**14.1**	**11.0%**
Fines and interest charged	1.1	1.5	36.4%	6.9	5.5	-20.3%
Income of financial applications	1.7	3.1	82.4%	5.0	7.3	46.0%
Other	0.4	0.9	125.0%	0.8	1.3	62.5%
Financial Expenses	**(5.3)**	**(12.5)**	**135.8%**	**(13.1)**	**(25.2)**	**92.4%**
Bank charges	(1.2)	(1.1)	-8.3%	(2.3)	(3.4)	47.8%
Interest and fianancial charges	(1.3)	(6.6)	407.7%	(1.8)	(14.4)	700.0%
Debt relief	-	-	N.A.	(3.3)	-	-100.0%
Financial Discounts	(2.3)	(4.2)	82.6%	(3.9)	(5.1)	30.8%
Other	(0.5)	(0.7)	40.0%	(1.8)	(2.3)	27.8%
Financial Result	**(2.1)**	**(7.1)**	**238.1%**	**(0.4)**	**(11.1)**	**N.A.**

In 2Q12, the **financial result** was negative by R$7.1 million, as the result of the R$7.2 million increase in financial expenses. This result was mainly due to the increase of R$5.3 million in interest and financial expenses on account of the payment of debt taken in 2011, in particular the credit line from IFC and the issuance of bonds.

Net Income

Table 17 – Reconciliation of EBITDA and Net Income

R$ MM	2Q11	2Q12	Change	1H11	1H12	Change
EBITDA	**23.0**	**38.5**	**67.4%**	**66.5**	**100.5**	**51.1%**
Operating Financial Result	(1.1)	(1.5)	36.4%	(6.9)	(5.5)	-20.3%
Financial Result	(2.1)	(7.1)	238.1%	(0.4)	(11.1)	2675.0%
Depreciation	(9.3)	(16.3)	75.3%	(18.5)	(27.9)	50.8%
Non-operating result	(0.2)	-	-100.0%	-	-	N.A.
Social Contribution	(0.6)	0.4	-166.7%	(1.0)	(0.2)	-80.0%
Income Tax	(1.7)	1.0	-158.8%	(2.9)	(0.7)	-75.9%
Net Income	**7.9**	**15.1**	**91.1%**	**36.7**	**55.0**	**49.9%**

In the second quarter of 2012, **net income** came to R$15.1 million, a 91.1% increase year on year, mainly due to the 17.8% increase in the net revenue and the efficiency gains in the cost lines, especially Personnel, which resulted in the 67.4% EBITDA growth that more than compensated for the worse financial result.

Depreciation increased by R$7.0 million in the quarter, due to the higher investments in maintenance and expansion, and the retroactive depreciation of goodwill from FAL and FATERN, which was adjusted with the closing of these acquisitions.

Earnings per share in 2Q12 was R$0.18, up 100% on the R$0.09 recorded in 2Q11.

FIES

The FIES student base grew significantly over the past 12 months, totaling 30,300 students at the end of 2Q12, which represents 15.1% of our on-campus undergraduate base. Estácio has been maintaining the strategy of using FIES as a tool for students with difficulties in honoring their financial commitments, but as more students learn about the program, FIES financing grows exponentially.

We must bear in mind that, in June, the eligibility of our student base for FIES increased substantially, reaching 94.7%, since we gained clearance to offer FIES for the Business Administration and Law programs in Rio de Janeiro.

Table 18 – FIES Student Base

('000)	1H11	2H11	1H12	Change
On-campus undergraduate students	191.6	189.9	201.1	5.0%
FIES Student Base	**10.2**	**15.2**	**30.3**	**197.1%**
% of FIES Students	5.3%	8.0%	15.1%	*9.7 p.p.*

Of the 30,300 FIES students in Estácio's base, approximately 55% contracted the loan through the FIES Guarantee Fund (FGEDUC), 41% with a guarantor and 4% are still under the previous FIES. The increase in students resorting to FGEDUC shows the evolution of the program, marked by greater consonance with the profile of undergraduate students in the lower income brackets.

Table 19 – Breakdown of the FIES Student Base

FIES Students ('000)	1H11	2H11	1H12	%
FGEDUC	5.5	6.5	16.7	55%
With Guarantor	0.6	5.8	12.4	41%
Previous FIES	4.1	2.9	1.2	4%
TOTAL	**10.2**	**15.2**	**30.3**	**100%**

Accounts Receivable and Average Receivable Days

The number of **days receivables from students** (tuitions and agreements) decreased by 1 day in 2Q12 to 66 days, versus 67 days in the previous quarter. The reduction in Accounts Receivable reflects the greater efficiency in the process of contract amendments, transfer and repurchase of FIES certificates in the second quarter, as well as the reduction in delinquency among active students when compared to the second half of 2011.

Table 20 – Accounts Receivable and Average Receivable Days

Accounts Receivable (R$ MM)	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	2Q12 ex-acquisitions
Gross Accounts Receivable	**234.4**	**273.1**	**283.2**	**320.8**	**358.5**	**350.9**	**347.0**
FIES	21.2	25.4	31.0	36.5	55.4	36.5	36.5
Tuition monthly fees	164.6	198.7	195.0	241.4	246.6	261.7	258.2
Credit Cards receivable	12.8	10.8	16.4	12.2	21.9	20.0	19.6
Renegotiation receivables	31.7	32.4	35.5	26.4	33.7	32.8	32.7
Fees receivables	4.1	5.7	5.3	4.4	0.8	(0.0)	(0.0)
Credits to identify	(5.5)	(6.8)	(5.2)	(7.4)	(6.1)	(5.7)	(5.7)
Provision for bad debts	(49.9)	(55.8)	(56.0)	(69.3)	(73.9)	(77.2)	(76.6)
Net Accounts Receivable	**179.0**	**210.5**	**221.9**	**244.1**	**278.5**	**268.0**	**264.7**
(-) FIES	(21.2)	(25.4)	(31.0)	(36.5)	(55.4)	(36.5)	(36.5)
Net Accounts Receivable Ex. FIES	**157.8**	**185.0**	**190.9**	**207.6**	**223.0**	**231.5**	**228.2**
Net Revenue (last twelve months)	**1,288.4**	**1,119.3**	**1,106.5**	**1,148.4**	**1,203.2**	**1,254.7**	**1,249.8**
Days Receivables Ex. FIES	**44**	**60**	**62**	**65**	**67**	**66**	**66**

Note: The 'ex-acquisitions' figures exclude only the results from acquired companies in 2012 (SEAMA and iDez) in 2Q12.

Following with our commitment to transparency in the disclosure of results, we once again publish the calculation of the average days of receivables of FIES and the calculation of the gross average receivables, which uses gross accounts receivables (including FIES and without discounting PDA), given that this indicator has a direct impact on the working capital and operating cash generation by the Company.

Table 21 – Accounts Receivable and Average FIES Receivable Days

FIES Average Days Receivables	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12
FIES Receivables	15.3	21.2	25.4	31.0	36.5	55.4	36.5
FIES Carry-Forward Credits	14.5	22.6	18.2	7.8	13.7	8.1	2.3
FIES Net Revenue (last twelve months)	37.4	49.8	67.6	82.7	101.4	117.7	157.8
FIES Days Receivables	**287**	**317**	**233**	**169**	**178**	**194**	**88**

Note.: The Carry-Forward Credits figures for 3Q11, 4Q11 and 1Q12 presented above were adjusted to show only Carry-Forward Credits related to FIES (previously the calculation included other Carry-Forward Credits), which resulted in a reduction of the FIES Average Days Receivables presented in previous releases.

FIES Accounts Receivable declined by R$18.9 million from 1Q12, mainly due to the conclusion of the contract amendment processes and the obtaining of the Debt Clearance Certificate (CND) for SESES, which allows it to participate in repurchase auctions of certificates, which, in turn, led to the reduction in the number of FIES days receivables. At the same time, we centralized several processes related to FIES at our Shared Services Center (SSC) and implemented several improvements in the processes already used in our management model, which naturally brought FIES receivables to a much more controlled level than that seen in previous quarters. Thus, the average days receivables for FIES dropped from 194 to 88 days, with direct impact on operational cash generation in the quarter.

We consider the level of our FIES Accounts Receivable, around R$36 million, or 1.5 to 2 times the monthly FIES net revenue, is adequate to the sustainable expansion of FIES in our operation.

Table 22 – Evolution of FIES Accounts Receivable

FIES Accounts Receivable (R$ MM)	1Q12	2Q12
Opening Balance	**36.5**	**55.4**
(+) FIES Net Revenue	42.4	60.7
(-) Transfer	21.1	75.6
(-) FIES PDA	2.3	4.1
Ending Balance	**55.4**	**36.5**

FIES Carry-Forward Credits dropped by R$5.7 million, due to our increased participation in repurchase auctions of FIES certificates and use of the certificates for tax payment, in addition to the factors mentioned in the previous paragraph.

Table 23 – Evolution of FIES Carry-Forward Credits

FIES Carry-Forward Credits (R$ MM)	1Q12	2Q12
Opening Balance	**13.7**	**8.0**
(+) Transfer	21.1	75.6
(-) Tax payment	22.3	33.0
(-) Repurchase auctions	4.5	50.2
(+) Acquisitions	0.0	1.9
Ending Balance	**8.0**	**2.3**

The **provisioning for eventual delinquency of FIES students** will be as follows:

(i) 2.25% for students with a guarantor (conservatively assuming that the future loss of the FIES portfolio will be 15%, which is approximately three times higher than the historical loss of the ex-FIES student portfolio; the provision was constituted considering 15% of credit risk over 15% of delinquency);
(ii) 7% for students who are part of the FIES Guarantee Fund (FGEDUC) until March 2012;
(iii) 5.63% for students who are part of the FIES Guarantee Fund (FGEDUC) after April 2012.

It is worth mentioning that our PDA is negatively impacted by the adoption of this new procedure, since we recognize this provision right away, anticipating something that would normally wait for 180 days according to Estácio's criterion. Nevertheless, we decided to adopt such criteria in order to keep our conservative policy regarding PDA.

Gross accounts receivable, presented in the table below, takes both FIES and gross accounts receivable into consideration, without discounting PDA. As shown, this amount is higher than the receivable days usually presented (as indicated in Table 20 – Accounts Receivable and Average Receivable Days), as PDA balance is not discounted and FIES receivables are also included.

Table 24 – Gross Accounts Receivable and Average Receivable Days

Average Days Receivables	2Q11	3Q11	4Q11	1Q12	2Q12
Gross Accounts Receivable	273.1	283.2	320.8	358.5	350.9
Net Revenue (last twelve months)*	1,119.3	1,106.5	1,148.4	1,203.2	1,254.7
Gross Days Receivables	**88**	**92**	**101**	**107**	**101**
Gross Days Receivables Ex. FIES	**80**	**82**	**89**	**91**	**90**

As we foresaw in 1Q12, with the return to normality of the FIES contracts amendments and the effects of the Company's greater focus on the control of ex-FIES receivables, gross days receivables returned to 4Q11 levels and decreased by 6 days in relation to the previous quarter, falling to 101 days.

Table 25 – Gross Total Aging of Accounts Receivable

Breakdown of Accounts Receivable by Age (R$ million)	2Q11	%	2Q12	%
FIES	25.4	9%	36.5	10%
Not yet due	62.4	23%	76.2	22%
Overdue up to 30 days	35.9	13%	43.9	13%
Overdue from 31 to 60 days	27.9	10%	29.0	8%
Overdue from 61 to 90 days	27.9	10%	33.6	10%
Overdue from 91 to 179 days	37.8	14%	54.6	16%
Overdue more than 180 days	55.8	20%	77.2	22%
TOTAL	**273.1**	**100%**	**350.9**	**100%**

Table 26 – Aging of Agreements Receivable

Breakdown of Agreements by Age (R$ million)	2Q11	%	2Q12	%
Not yet due	19.1	59%	14.1	43%
Overdue up to 30 days	4.8	15%	6.5	20%
Overdue from 31 to 60 days	1.5	5%	1.6	5%
Overdue from 61 to 90 days	1.4	4%	1.5	5%
Overdue from 91 to 179 days	2.4	8%	3.4	10%
Overdue more than 180 days	3.1	10%	5.7	17%
TOTAL	**32.4**	**100%**	**32.8**	**100%**
% over Accounts Receivable	**12%**		**9%**	

Our receivables portfolio remains healthy. Thanks to the rigorous policies on debt renegotiation, in 2Q12 only 9% of the total receivables came from renegotiations with students. In addition, the percentage of receivables overdue more than 60 days represents 32% of all agreements, or 3.0% of our accounts receivable.

Our criteria remain strict, clear and objective, as we provision for 100% of receivables overdue for more than 180 days, now complemented by the provisioning for FIES receivables. The tables 27 and 28 demonstrate how our PDA is recorded, and reconciles the balance with the amounts that pass through the result.

Table 27 – Constitution of Provision for Doubtful Accounts in the P&L

R$ MM	12/31/2011	Gross increase in the provision for deliquency	Deliquency recover	Net provision effect	Write off	06/30/2012
Tuitions and fees	56.8	73.5	(31.8)	41.8	(26.7)	71.9
Acquired Companies	12.5	7.5	(5.6)	1.9	(9.1)	5.3
TOTAL	**69.3**	**81.0**	**(37.3)**	**43.7**	**(35.8)**	**77.2**

Table 28 – Reconciliation of the Provision for Doubtful Balances in the Balance Sheet

	06/30/2012	06/30/2011
Additional Provision	38.7	25.0
Credit Risk - FIES	6.2	0.2
Write off of charges and unidentified deposits	(1.5)	(2.4)
Others	0.6	-
Total	**44.0**	**22.8**

Investments (CAPEX and Acquisitions)

Table 29 – CAPEX Breakdown

R$ million	2Q11	2Q12	Change
Total CAPEX	**68.8**	**47.4**	**-31.1%**
Maintenance	**17.0**	**17.3**	**1.8%**
Discretionary, Expansion and Acquisitions	**51.8**	**30.1**	**-41.9%**
Academic Model	4.4	4.3	**-2.3%**
New IT Architecture	6.1	1.2	-80.3%
Tablet Project	-	1.7	N.A.
Computers	4.2	-	N.A.
Expansion	3.3	1.7	-48.5%
Acquisitions	33.8	21.2	-37.3%

Total CAPEX in 2Q12 fell by 31.1% from 2Q11, mainly due to lower investments in acquisitions this quarter (R$33.8 million versus R$21.2 million in 2Q11), and also because of the substitution of the computer network that took place in 2011 did not happen again.

Maintenance CAPEX totaled R$17.3 million in 2Q12, allocated mainly to the upgrade of software and hardware, as well as to the modernization of equipment, libraries and laboratories in our units. Maintenance CAPEX remained in line with the 2Q11 amount. Approximately R$4.3 million was invested in the **Academic Model** (creation of content and development and production of distance-learning products), R$1.7 million in the Tablet Project and R$1.2 million to acquire hardware and licenses for our IT architecture replacement project, which will replace our legacy academic systems and prepare our hardware to sustain the growth envisioned by Estácio.

Investments in expansion projects, as well as revitalization and improvements of units totaled R$1.7 million in 2Q12 and include the investments made in units to be launched in 2012.

Capitalization and Cash

Table 30 – Capitalization and Cash

R$ MM	06/30/2011	03/31/2012	06/30/2012
Shareholders' Equity	**604.8**	**659.6**	**679.1**
Cash & Cash Equivalents	**68.2**	**182.7**	**167.7**
Total Gross Debt	**(72.1)**	**(273.9)**	**(272.2)**
Loans and Financing	(59.1)	(265.3)	(258.4)
Short Term	(4.1)	(15.5)	(7.7)
Long Term	(54.9)	(249.8)	(250.6)
Commitments to Pay	(7.7)	(4.1)	(9.5)
Taxes Paid in Installments	(5.3)	(4.5)	(4.4)
Cash / Net Debt	**(3.9)**	**(91.2)**	**(104.5)**

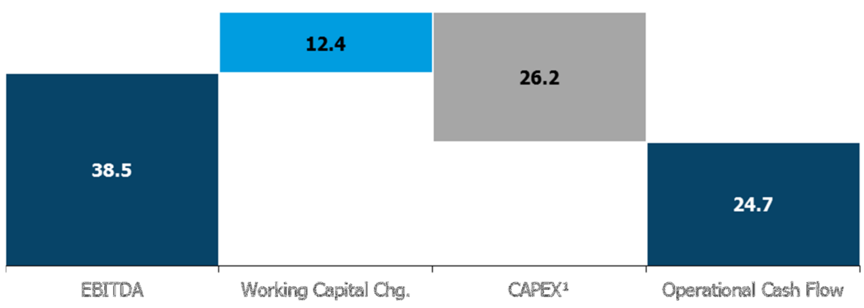
At the end of 2Q12, **cash** totaled R$167.7 million, which was conservatively invested in fixed-income instruments pegged to the CDI rate, in government bonds and in certificates of deposits at first class Brazilian banks. The **debt** balance of R$258.4 million corresponds to the Company's first local bond issuance amounting to R$200 million, the R$48.5 million loan taken from the IFC and the capitalization of equipment leasing expenses in accordance with Federal Law 11,638. We have also included the commitments for future payments related to acquisitions made, of around R$9.5 million, as well as taxes payable in installments, to determine our **gross debt**, which totaled R$272.2 million at the end of 2Q12. Thus, the Company's **net debt** at the end of 2Q12 stood at R$104.5 million.

Cash Flow

In 2Q12, the working capital improvement of R$12.4 million, together with the CAPEX of R$26.2 million (excluding acquisitions), consumed R$13.8 million of our EBITDA, generating a **positive operational cash flow** of R$24.7 million, in comparison with the negative cash flow of R$31.9 million in 2Q11.

The **working capital change** is basically due to the R$10.5 million decrease in accounts receivable in 2Q12, as explained in previous sections, resulting in a positive operational cash flow prior to CAPEX of R$50.9 million in the second quarter.

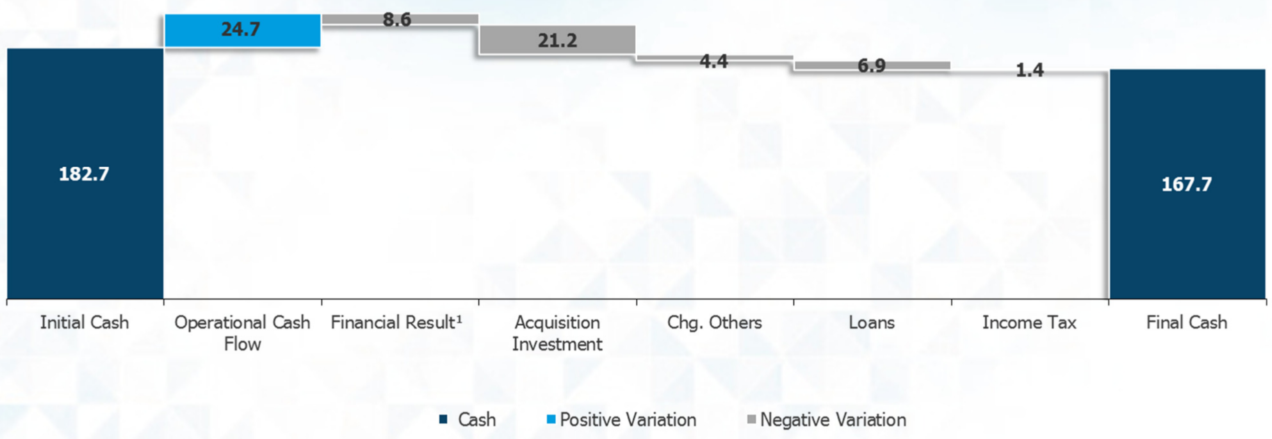
Graph 1 – Operational Cash Flow (R$ million) – Quarter



[1]CAPEX excluding Acquisitions.

In 2Q12, the positive operational cash flow was consumed by the negative financial result (R$8.6 million) and by investments in acquisitions (R$21.2 million), contributing to the reduction of R$15.0 million in our cash balance, which closed the period at R$167.7 million.

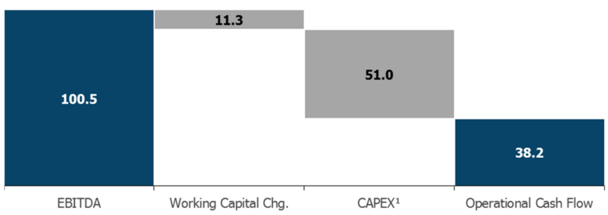
Graph 2 – Cash Flow (R$ million) – Quarter



¹ Financial Result excluding the Operating Financial Result

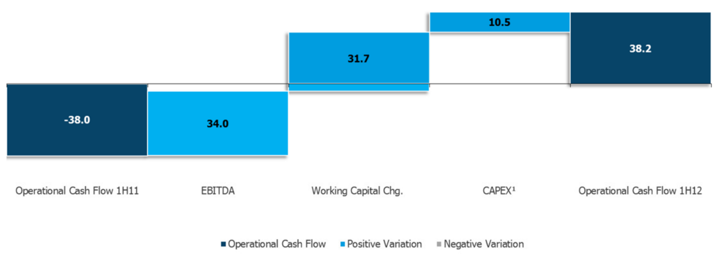
In 1H12, our operational cash flow was positive by R$38.2 million, in comparison with a negative cash flow of R$38.0 million in 1H11. The evolution of R$76.2 million is the direct result not only of the significant increase in our EBITDA, but also of the better management of cash and FIES processes, showing our capacity to generate cash to finance our growth plans.

Graph 3 – Operational Cash Flow (R$ million) – Semester



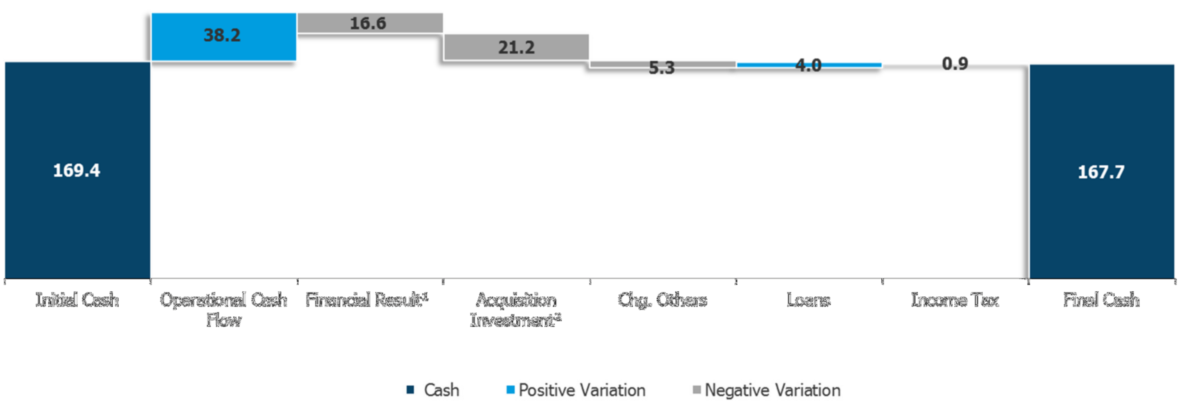
[1]CAPEX excluding acquisitions

Graph 4 – Evolution of Operational Cash Flow (R$ million) year on year



[1]CAPEX excluding acquisitions

Graph 5 – Cash Flow (R$ million) – Semester



¹ Financial Result excluding the Operating Financial Result

Key Material Facts in 2Q12

Acquisitions

iDez

On June 25th, Estácio announced the acquisition of Idez Empreendimentos Educacionais Sociedade Simples LTDA (iDez), which runs Faculdade de Tecnologia IBRATEC de João Pessoa (UNIBRATEC), an institution with headquarters and campus in the city of João Pessoa, state of Paraíba, for R$2.8 million. iDez was founded in 2008 and has approximately 500 students enrolled in its courses. In 2011, iDez was evaluated by MEC, which issued an Institutional Concept of 3 (on a scale of 1 to 5).

FACSÃOLUÍS

On May 28th, Estácio announced its commitment to acquire UB Unisãoluís Educacional S.A. (FACSÃOLUÍS), which runs Faculdade de Ciências Humanas e Sociais Aplicadas, an institution with headquarters and campus in the city of São Luís, state of Maranhão. In case the operation is concluded, the investment will be R$28.0 million. FACSÃOLUÍS was founded in 2001 and has approximately 4,000 students enrolled in its courses. In 2011, FACSÃOLUÍS was evaluated by MEC, which issued an Institutional Concept of 3 (on a scale of 1 to 5).

FARGS

On July 27th, Estácio announced the acquisition of Sociedade Educacional do Rio Grande do Sul S.S. Ltda (FARGS), which runs Faculdades Riograndenses, an institution with headquarters and campus in the city of Porto Alegre, state of Rio Grande do Sul, for R$9.3 million. FARGS was founded in 1990 and has approximately 1,100 students enrolled in its courses. In 2011, FARGS was evaluated by MEC, which issued an Institutional Concept of 3 (on a scale of 1 to 5).

UNIUOL

On July 27th, Estácio announced the acquisition of UNIUOL Gestão de Empreendimentos Educacionais e Participações S.A. (UNIUOL), which runs Faculdade de Tecnologia do Uniuol, an institution with headquarters and campus in the city of João Pessoa, state of Paraíba, for R$1.7 million. UNIUOL was founded in 2001 and has approximately 300 students enrolled in its courses. In 2011, UNIUOL was evaluated by MEC, which issued an Institutional Concept of 3 (on a scale of 1 to 5).

These acquisitions mark Estácio's entry in three more Brazilian states: Maranhão, Paraíba and Rio Grande do Sul, consolidating its position as the leading post-secondary educational institution in northeast Brazil, in addition to strengthening our presence in the south.

Loan from the International Finance Corporation (IFC)

In July, we received from IFC a sum of R$20.3 million (US$10 million), which is the first tranche of the second loan from IFC amounting to US$70 million. The loan matures in ten years, i.e. on September 15, 2021, with a grace period of three years. The cost of this loan will be denominated in reais, at the CDI rate + 1.69% p.a., with payment of interest and principal on a half-yearly basis.

Estácio will deliver 15,000 tablets all over Brazil in the second half of 2012

Estácio begins another cycle of tablet delivery to its students. Approximately 15,000 tablets will be distributed in 59 campuses.

This initiative takes place simultaneously for students enrolled in the 2nd period of the second semester of 2012 of the following courses: Law, Engineering, Architecture, Gastronomy, and Hospitality. They will receive, free of charge, the digital educational platform containing Estácio's entire academic model in STi and Positivo tablets.

In addition to the national expansion of the tablets, new applications and resources that will transport the academic relations to the digital world will be made available to students, making studying more dynamic and efficient.

- ***New Textbook Material*** *– Automatic download of chapters, possibility of including notes and annotations in the books.*
- ***Didátic@*** *– A network for sharing educational content, where students and professors can share their notes and annotations made in the books.*
- ***Estácio Store*** *– A store with hundreds of applications for Android, including the applications developed by Estácio.*
- ***Binder*** *– The digital notebook will allow students to enter text, images, sounds or any other media – all automatically organized by subject.*
- ***Professor's Folder*** *– Using this application, students can easily access from their tables the files made available in the system by the professor.*
- ***Attendance List*** *– Professors will be able to take attendance through the tablet based on the course schedule and disciplines.*

E Day

Academics, professors, employees, students and corporate managers of Estácio participated in a nationwide community service campaign. The 'E Day' – People Teaching People – was held on May 9, in which approximately 9,000 Estácio employees came together for a single goal: to create a better Estácio. Needy communities across the country were provided health services, vocational counseling, as well as legal and human resources orientation.

Conference Calls Relating to 2Q12 Results

Conference Call (in Portuguese with Simultaneous Translation into English)
Date: August 9, 2012 (Thursday)
Time: 10:00 (Brasília) / 9:00 (NY)
Connection Dial-in Brazil: +55 (11) 3127-4971
Connection Dial-in NY: +1 (516) 300-1066
Access Code: Estácio
Webcast: www.estacioparticipacoes.com.br/ir
Replay: available until August 16, 2012
Access Dial-in: +55 (11) 3127-4999
Access Code Portuguese: 94193128 | Access Code English: 98743649

The statements included in this report related to the prospects of the business, estimates of operating and financial results, as well as those relating to Estácio's growth prospects, are merely projections and as such are based exclusively on the Management's expectations regarding the future of the business. These statements depend substantially on changes in market conditions and the performance of the Brazilian economy, the industry and international markets and therefore are subject to changes without prior notice.

Income Statement in IFRS

R$ MM	Consolidated 2Q11	Consolidated 2Q12	Consolidated Change	Excluding Acquisitions in 2012 2Q11	Excluding Acquisitions in 2012 2Q12	Excluding Acquisitions in 2012 Change
Gross Operating Revenue	**407.8**	**484.8**	**18.9%**	**407.8**	**479.2**	**17.5%**
Monthly Tuition Fees	399.5	477.8	19.6%	399.5	472.1	18.2%
Others	8.3	7.0	-15.7%	8.3	7.0	-15.7%
Gross Revenue Deductions	**(117.9)**	**(143.4)**	**21.6%**	**(117.9)**	**(142.7)**	**21.0%**
Scholarships and Discounts	(105.2)	(127.2)	20.9%	(105.2)	(126.8)	20.5%
Taxes	(12.7)	(16.2)	27.6%	(12.7)	(15.9)	25.2%
Net Operating Revenue	**289.9**	**341.4**	**17.8%**	**289.9**	**336.5**	**16.1%**
Cost of Services	**(203.3)**	**(226.5)**	**11.4%**	**(203.3)**	**(222.8)**	**9.6%**
Personnel	(148.2)	(160.1)	8.0%	(148.2)	(157.0)	5.9%
Rentals / Real Estate Taxes Expenses	(25.9)	(27.6)	6.6%	(25.9)	(27.2)	5.0%
Textbooks Materials	(9.6)	(12.4)	29.2%	(9.6)	(12.4)	29.2%
Third-Party Services and Others	(13.8)	(14.8)	7.2%	(13.8)	(14.7)	6.4%
Depreciation	(5.8)	(11.6)	100.0%	(5.8)	(11.5)	98.3%
Gross Profit	**86.5**	**114.9**	**32.8%**	**86.5**	**113.7**	**31.4%**
Gross Margin	***29.8%***	***33.7%***	***3.9 p.p.***	***29.8%***	***33.8%***	***4.0 p.p.***
Selling, General and Administrative Expenses	**(73.9)**	**(94.2)**	**27.5%**	**(73.9)**	**(93.4)**	**26.4%**
Selling Expenses	**(31.8)**	**(48.4)**	**52.2%**	**(31.8)**	**(48.3)**	**51.9%**
Provisions for Doubtful Debts	(17.5)	(30.0)	71.4%	(17.5)	(29.9)	70.9%
Marketing	(14.3)	(18.4)	28.7%	(14.3)	(18.4)	28.7%
General and Administrative Expenses	**(38.6)**	**(41.0)**	**6.2%**	**(38.6)**	**(40.5)**	**4.9%**
Personnel	(16.5)	(20.8)	26.1%	(16.5)	(20.8)	26.0%
Others	(22.1)	(20.2)	-8.6%	(22.1)	(19.7)	-10.9%
Depreciation	**(3.5)**	**(4.7)**	**34.3%**	**(3.5)**	**(4.7)**	**34.3%**
EBIT	**12.6**	**20.7**	**64.3%**	**12.6**	**20.3**	**61.1%**
EBIT Margin	***4.3%***	***6.1%***	***1.8 p.p.***	***4.3%***	***6.0%***	***1.7 p.p.***
(+) Depreciation	9.3	16.3	75.3%	9.3	16.2	74.2%
(+) Operating Financial Result	1.1	1.5	36.4%	1.1	1.4	27.3%
EBITDA	**23.0**	**38.5**	**67.4%**	**23.0**	**37.9**	**64.8%**
EBITDA Margin	***7.9%***	***11.3%***	***3.4 p.p.***	***7.9%***	***11.3%***	***3.4 p.p.***
Operating Financial Result	(1.1)	(1.5)	36.4%	(1.1)	(1.4)	27.3%
Financial Result	(2.1)	(7.1)	238.1%	(2.1)	(7.0)	233.3%
Depreciation and Amortization	(9.3)	(16.3)	75.3%	(9.3)	(16.2)	74.2%
Non-operating result	(0.2)	-	N.A.	(0.2)	-	N.A.
Social Contribution	(0.6)	0.4	-166.7%	(0.6)	0.4	-166.7%
Income Tax	(1.7)	1.0	-158.8%	(1.7)	1.0	-158.8%
Net Income	**7.9**	**15.1**	**91.1%**	**7.9**	**14.6**	**84.8%**
Net Income Margin	***2.7%***	***4.4%***	***1.7 p.p.***	***2.7%***	***4.3%***	***1.6 p.p.***

Balance Sheet in IFRS

R$ MM	06/30/2011	03/31/2012	06/30/2012
Short-Term Assets	**351.6**	**545.1**	**520.5**
Cash & Cash Equivalents	61.5	6.7	17.9
Short-Term Investments	6.7	176.0	149.7
Accounts Receivable	210.6	278.5	268.0
Carry-Forwards Credits	18.2	11.0	6.2
Advance to Employees / Third-Parties	12.9	14.8	20.3
Related Parties	0.3	0.3	0.3
Prepaid Expenses	10.6	19.1	12.8
Taxes and contributions	-	16.9	18.6
Others	30.9	21.9	26.7
Long-Term Assets	**522.4**	**591.9**	**630.5**
Non-Current Assets	**63.1**	**86.8**	**94.4**
Prepaid Expenses	0.9	0.7	0.7
Related Parties	-	-	-
Judicial Deposits	50.3	69.9	78.8
Deferred Taxes	11.9	16.2	15.0
Permanent Assets	**459.3**	**505.0**	**536.1**
Investments	0.2	0.2	0.2
Fixed Assets	243.5	269.2	275.9
Intangible	215.6	235.6	260.0
Total Assets	**874.1**	**1137.0**	**1151.0**
Short-Term Liabilities	**143.1**	**159.7**	**154.2**
Loans and Financing	4.1	15.5	7.7
Suppliers	14.2	18.2	20.7
Salaries and Payroll Charges	90.4	78.7	83.6
Taxes Payable	12.4	14.8	8.9
Prepaid Monthly Tuition Fees	9.0	5.3	7.2
Advances under Partnership Agreement	-	2.9	2.9
Taxes Paid in Installments	0.3	0.2	0.2
Dividends Payable	-	16.7	16.7
Commitments Payable	7.7	4.1	3.5
Others	5.1	3.3	2.9
Long-Term Liabilities	**126.1**	**317.7**	**317.6**
Loans and Financing	54.9	249.8	250.6
Provisions for Contingencies	33.5	33.3	27.0
Advances under Partnership Agreement	19.2	14.2	13.5
Taxes Paid in Installments	5.0	4.3	4.2
Provision for asset retirement obligations	13.4	13.9	13.7
Deferred Taxes	-	2.3	2.7
Commitments Payable	-	-	6.0
Others	0.1	-	-
Shareholders' Equity	**604.8**	**659.6**	**679.1**
Capital	364.4	364.4	367.8
Share Issuance Expenses	(2.8)	(2.8)	(2.8)
Capital Reserves	107.7	110.7	111.8
Earnings Reserves	100.5	153.9	153.9
Retained Earnings	36.7	39.9	55.0
Addicional Proposed Dividend	-	-	-
Retained Translation Adjustments	(0.2)	-	-
Treasury Stocks	(1.3)	(6.5)	(6.5)
Total Liabilities and Shareholders' Equity	**874.1**	**1137.0**	**1151.0**

About Estácio

Estácio is one of the largest **private sector post-secondary educational institutions** in Brazil in number of students enrolled, with a nationwide presence, in the country's major cities. Its student base has a highly diversified profile and includes mostly young working adults from the middle and lower-middle income brackets. Its growth and market leadership are due to the quality of its programs, the strategic location of its units, its competitive prices and its solid financial position.

Estácio's strengths are:

Strong Positioning to Explore the Market's Growth Potential

- Nationwide presence, with units in the country's largest urban centers
- Broad portfolio of academic programs
- Managerial and financial capacity to innovate and improve the academic programs
- The broad recognition of the "Estácio" brand

High Quality Learning Experience

- Nationally integrated syllabi
- Unique teaching methodology
- Full convergence between On-Campus and Distance Learning Models
- Highly qualified faculty

Professional and Integrated Operational Management

- Result-oriented management modelFocus on educational quality

Scalable Business Model

- Growth with profitability
- Organic expansion and through acquisitions

Financial Solidity

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

At the end of the second quarter of 2012, Estácio had 260,800 students enrolled in its undergraduate, graduate and distance learning education network with nationwide coverage which, after the acquisitions in recent months, started operating in three more states, as the map shows: