



Estácio

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4Q09 & 2009 Results

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CEO

GROW WITH ESTÁCIO AND WRITE YOUR OWN STORY.



2009 Highlights

HIGHER PROFITABILITY EBITDA growth in a challenging economic scenario

- ◆ *Profitability Gains:* 21% **growth** in recurring EBITDA
- ◆ *Delinquency:* **reduction** in provision for doubtful debts to 4.3%
- ◆ *Receivables:* **control** of working capital (41 days of receivables)
- ◆ *Distance Learning:* **7,500 students** in 6 months
- ◆ *New Academic Model:* new programs with differentiated **quality** and cost **competitiveness**
- ◆ *Organizational Structure:* **streamlining** completed and **implementation** of Shared Services Center
- ◆ *Management Model:* new leaders oriented by **quality** and monitored by **results**

Highlights

RESULTS

EBITDA margin gain of 1.8 p.p. in 2009

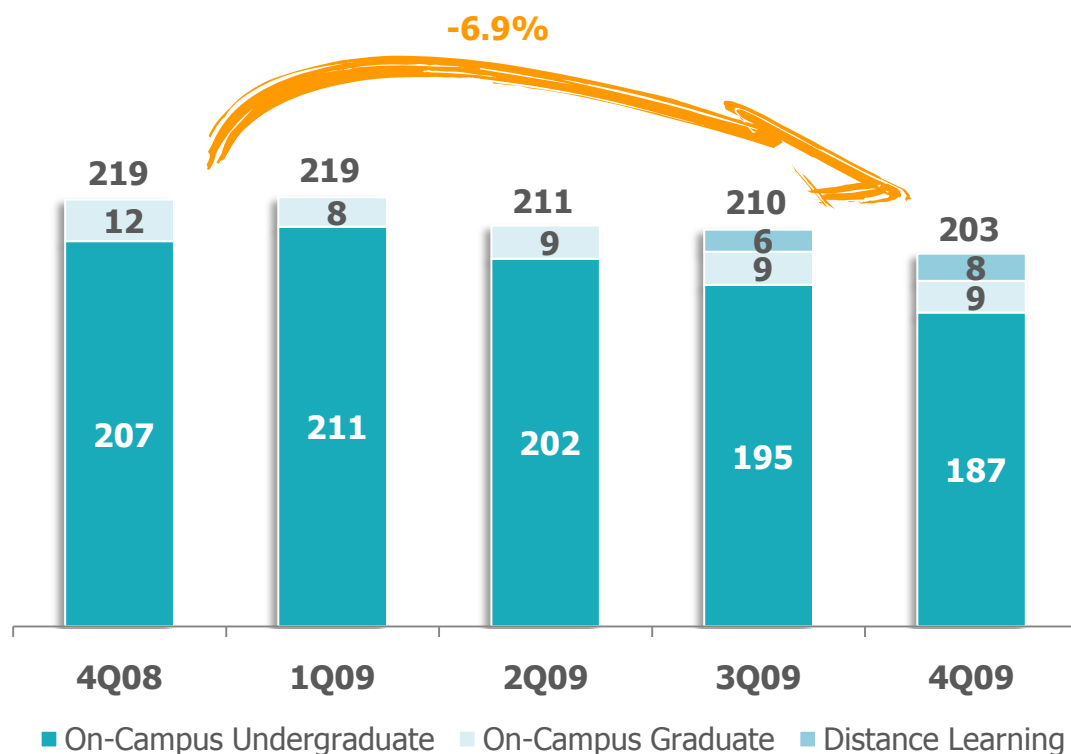


Main Indicators	4Q08	4Q09	Change	2008	2009	Change
Net Revenue (R\$ MM)	252.9	244.4	-3.4%	980.0	1,008.8	2.9%
EBITDA (R\$ MM)	1.3	22.2	N.A.	66.7	95.3	43.0%
Recurring EBITDA (R\$ MM)	14.6	25.8	77.2%	98.4	119.1	21.0%
Recurring EBITDA Margin	5.8%	10.6%	4.8 p.p.	10.0%	11.8%	1.8 p.p.
Net Income (R\$ MM)	(15.5)	11.2	N.A.	37.6	64.3	70.8%
Adjusted Net Income (R\$ MM)	(0.4)	12.7	N.A.	71.6	78.0	8.9%

Operating Performance

STUDENT BASE IMPROVEMENT Quality ahead of quantity

Student Base ('000)



◆ Year of “**Same shops**” operations

◆ Focus on **profitability**

- **Austerity** in renegotiation of past-due tuitions
- **Restriction** of discounts and scholarships levels

◆ Academic support pursuing higher **retention**

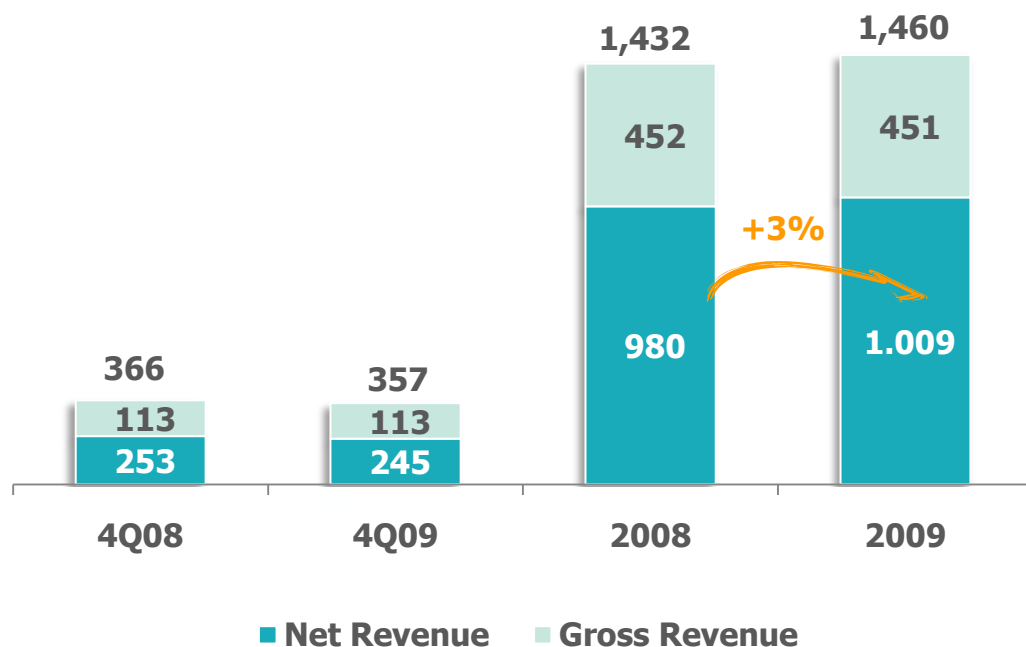
◆ **Organic growth** sustained by a **quality students base** and **continued improvement** of services

Operating Revenue

NET REVENUE GROWTH

3% Growth despite of the reduction of the students base

Operating Revenue (R\$ MM)



- ◆ Price **adjustments** by inflation
- ◆ **Control** of discounts
- ◆ Increase in **average ticket**:
R\$396 in 2009, vs. R\$381 in 2008
- ◆ **Distance learning** new revenue

Cost of Services

STABILITY OF PERSONNEL COST

Management of faculty costs offset the step-up of INSS and inflation

Vertical Analysis (% of Net Revenue)	4Q08	4Q09	Change	2008	2009	Change
Cost of Services	62.3%	59.4%	-2.9 p.p.	61.2%	61.5%	0.3 p.p.
Personnel	46.3%	44.3%	-2.0 p.p.	45.8%	45.8%	-0.1 p.p.
Salaries and Payroll Charges	43.0%	40.3%	-2.7 p.p.	42.3%	41.6%	-0.7 p.p.
Brazilian Social Security Institute (INSS) SESES	3.3%	4.0%	0.7 p.p.	3.5%	4.2%	0.7 p.p.
Rentals / Real Estate Taxes Expenses	9.3%	9.3%	0.1 p.p.	9.5%	9.7%	0.2 p.p.
Others	5.5%	5.4%	-0.1 p.p.	5.1%	5.3%	0.2 p.p.

Selling, General & Administrative Expenses (SG&A)

SIGNIFICANT REDUCTION IN SG&A

2.0 p.p. margin gain resulting from restructuring and better management

Vertical Analysis (% of Net Revenue)	4Q08	4Q09	Change	2008	2009	Change
Selling, General & Administrative Expenses (SG&A)	34.2%	31.2%	-3.0 p.p.	30.5%	28.5%	-2.0 p.p.
Selling Expenses	15.9%	8.6%	-7.4 p.p.	8.6%	7.3%	-1.2 p.p.
Provisions for Doubtful Debts	14.0%	8.2%	-5.8 p.p.	6.0%	4.3%	-1.7 p.p.
Marketing	2.0%	0.4%	-1.5 p.p.	2.5%	3.0%	0.4 p.p.
General and Administrative Expenses	18.3%	22.6%	4.3 p.p.	22.0%	21.2%	-0.8 p.p.
Personnel	7.8%	12.2%	4.4 p.p.	10.3%	11.3%	1.1 p.p.
Others	10.5%	10.4%	-0.1 p.p.	11.7%	9.9%	-1.8 p.p.

PDD and Receivables

CONTROL OF PDD AND RECEIVABLES

Rigid policy has already paid back

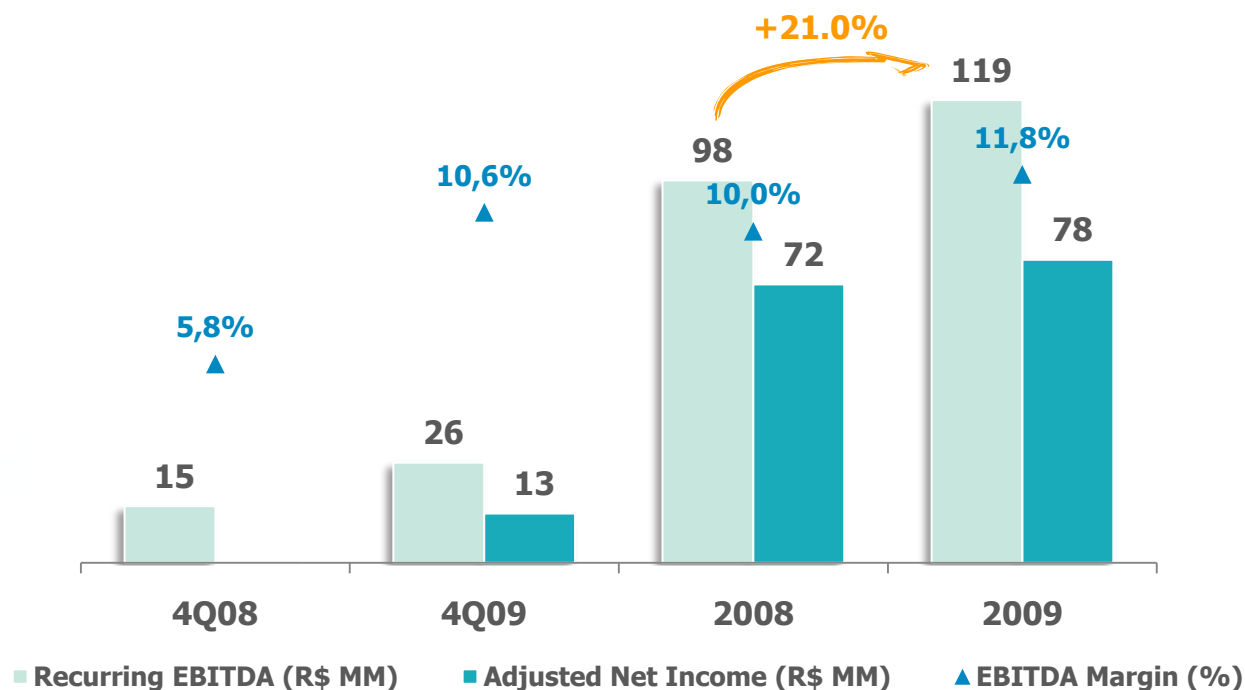
PDD Evolution	2008	2009	Change
PDD (R\$ MM)	58.9	43.8	-25.6%
% of Net Revenue	6.0%	4.3%	-1.7 p.p.

Accounts Receivable Evolution	2008	2009	Change
Accounts Receivable, Net (R\$ MM)	100.4	114.2	13.7%
Accounts Receivable, Days (Days)	37	41	N.A.

EBITDA and Net Income

MANAGEMENT'S COMMITMENT Higher profitability and EBITDA growth delivered

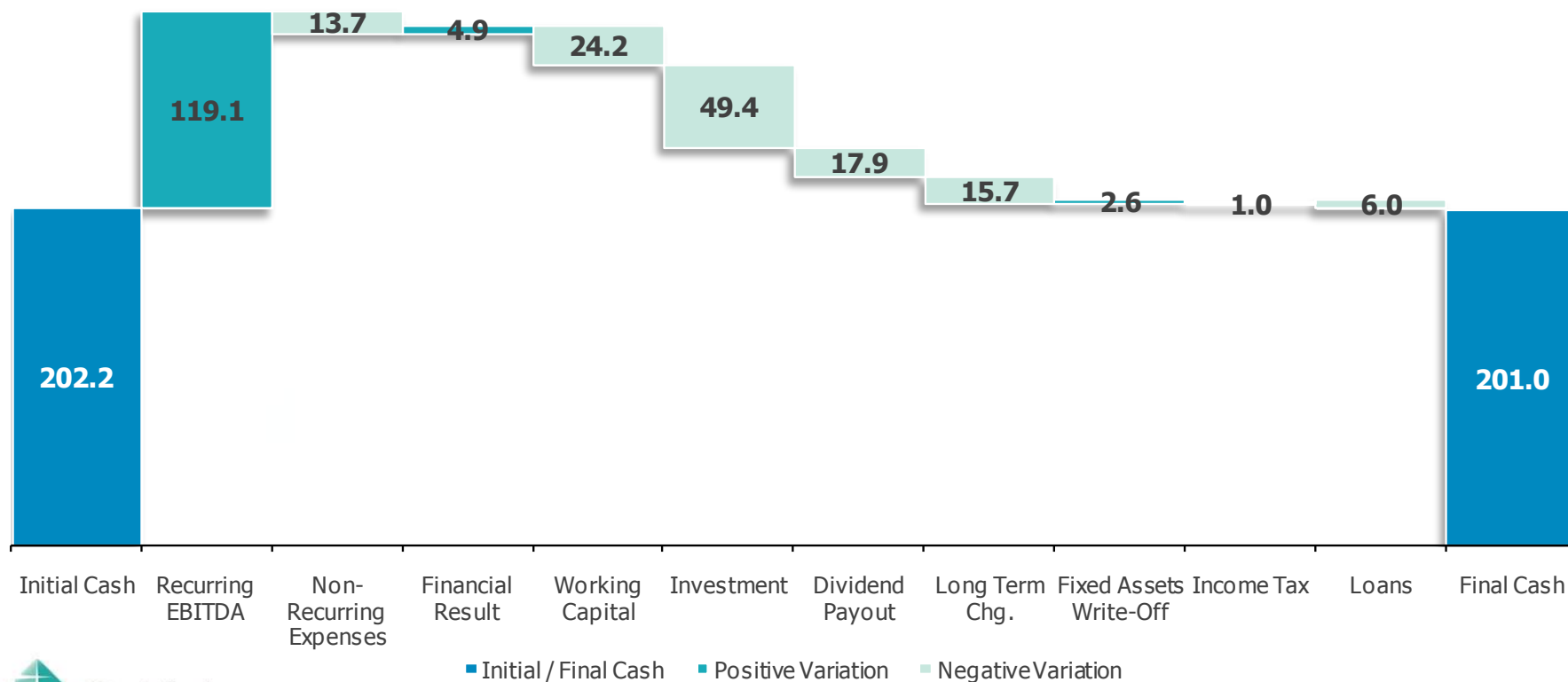
Recurring EBITDA, EBITDA Margin and Net Income



Cash Flow

KEEPING A SOLID BALANCE SHEET
Performance also measured by cash flow

Cash Flow (R\$ MM)



2010 Perspectives

ROBUST PLATFORM FOR GROWTH WITH PROFITABILITY Product, strategy and organization all set

- ◆ *Distance Learning*: important **avenue for future growth**
- ◆ *New Academic Model*: **better product** at a competitive costs
- ◆ *Textbooks included in tuitions*: **strong differential** for market share gain
- ◆ *M&A*: **team actively pursuing** acquisitions already targeted
- ◆ *Scalable organizational structure*: **dilution** of SG&A going forward

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