1Q14 RESULTS

20 Miles at a Time

Eighth consecutive record intake: 135,000 new undergraduate students

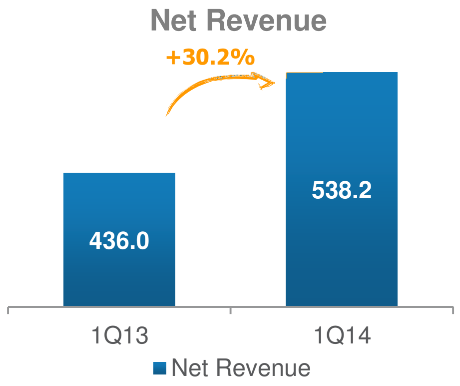
Student base records organic growth of 21%

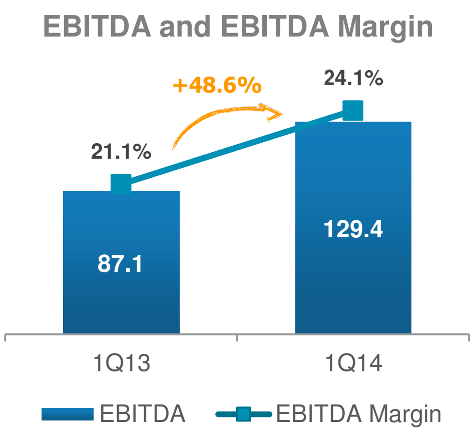
EBITDA of R$129.4 million, with an EBITDA margin of 24.1%

Rio de Janeiro, May 8, 2014 – **Estácio Participações S.A.** – "Estácio or "Company" (BM&FBovespa: ESTC3; Bloomberg: ESTC3.BZ; Reuters: ESTC3.SA; OTC: ECPCY) – announces its results for the first quarter of 2014 (1Q14) in comparison with the first quarter of 2013 (1Q13). The following accounting information is presented in accordance with International Financial Reporting Standards ("IFRS") and on a consolidated basis.

Quarter Highlights

(R$ million)





Highlights:

- Estácio closed 1Q14 with a **total base** of 394,500 students, 20.7% up on 1Q13, 316,100 of whom enrolled in on-campus programs (19.1% up year-on-year, including acquisitions) and 78,400 in distance learning programs (27.5% more than in 1Q13).
- **Net operating revenue** came to R$538.2 million in 1Q14, 30.2% more than in 1Q13, due to the significant expansion of the student base and the increase in the average ticket.
- **EBITDA** totaled R$129.4 million in 1Q14, 48.6% up on the same period last year, with a margin gain of 3.0 p.p.
- **Net income** came to R$125.8 million in 1Q14, 88.9% up on 1Q13, while **earnings per share** stood at R$0.43, up by 86%.
- **Operational cash flow** totaled R$22.2 million in 1Q14, already considering the delays in the FIES buyback auctions, which represents a R$13.5 million improvement over 1Q13.
- **Cash and cash equivalents** closed 1Q14 at R$758.1 million.

ESTC3
(On May 7, 2014)

Price: R$24.78/share
Number of Shares: 297,394,488
Market Cap: R$7.4 billion
Free Float: 98%

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ESTC3 NOVO MERCADO BM&FBOVESPA

Key Indicators

	Consolidated			Excluding acquisitions in the last 12 months		
Financial Highlights	1Q13	1Q14	Change	1Q13	1Q14	Change
Net Revenue (R$ million)	413.3	538.2	30.2%	413.3	531.1	28.5%
Gross Profit (R$ milllion)	170.6	229.5	34.5%	170.6	226.5	32.8%
Gross Profit margin	*41.3%*	*42.6%*	*1.3 p.p.*	*41.3%*	*42.6%*	*1.3 p.p.*
EBIT (R$ million)	69.0	109.9	59.3%	69.0	107.6	55.9%
EBIT Margin	*16.7%*	*20.4%*	*3.7 p.p.*	*16.7%*	*20.3%*	*3.6 p.p.*
EBITDA (R$ million)	87.1	129.4	48.6%	87.1	126.9	45.7%
EBITDA Margin	*21.1%*	*24.1%*	*3.0 p.p.*	*21.1%*	*23.9%*	*2.8 p.p.*
Net Income (R$ milllion)	66.6	125.8	88.9%	66.6	123.5	85.4%
Net Income Margin	*16.1%*	*23.4%*	*7.3 p.p.*	*16.1%*	*23.3%*	*7.2 p.p.*

Note: EBITDA calculated in accordance with CVM Instruction 527.

Message from Management

In the great book "Great by Choice", authors Jim Collins and Morten T. Hansen dedicate an entire chapter (the third) to describe what they consider to be one of the key factors found in companies that perform above market average for long periods of time: **the capacity to grow continuously, gradually, without major ups and downs, for many years.** The authors call this feature the "20-Mile March", making an analogy to the expeditions by Roald Amundsen and Robert Scott which tried to conquer the South Pole back in 1911, and include in the list of successful companies that used this strategy well-known cases such as Southwest Airlines, Intel, and Microsoft.

The authors say: "The 20-Mile March is more than a philosophy. It is a system that includes clear, concrete, intelligent, and rigorously pursued performance mechanisms to keep a business on track. **The 20-Mile March creates two types of self-imposed discomfort: (i) an unwavering commitment to high performance under difficult conditions; and (ii) restraint under favorable conditions".**

These have been Estácio's greatest challenges since the turnaround we started back in 2008, when we had to create management tools and then combine them with academic features to create a great Higher Education Institution. These years were hard in the beginning: we had to seek growth against all odds and adversities but, after we reached a relative level of success, we have been showing great discipline not to yield to temptations which arise from opportunities that invariably come by in contexts such as the one we are in. In this context, we are always looking to sustain an strong, consistent, gradual growth pace, with the eye on the long run but without losing our main focus, which is to pursue a continuous improvement of the service level we offer to our students and the society in general.

That said, it is with great pleasure that we announce yet another **record high intake cycle,** our eighth in succession. This time, we enrolled 134,700 students in our on-campus and distance learning undergraduate courses, increasing our same-shop on-campus undergraduate student base by 17.5% and our distance learning undergraduate base by 22.9%, resulting in a **total same-shop growth of 19.3%** over 1Q13.

We closed 1Q14 with 102,100 students using FIES, representing around 33.7% of our on-campus undergraduate student base. Our average **on-campus ticket** increased yet again, moving up by 10% over the previous year, while our **average distance learning ticket** remained stable. Thanks to the excellent performance of the student base and the average ticket, **1Q14 net revenue recorded substantial 30% growth** over 1Q13, reaching **R$538.2 million.**

First-quarter EBITDA totaled R$129.4 million, a hefty 49% more than in 1QQ13, with a margin of 24,1%, up by 3.0 percentage points. **Net income came to R$125.8 million**, 89% more than in the first quarter of 2013, while **earnings per share stood at R$0.43, an 86% improvement**. **Operational cash flow was a**

positive R$22.2 million, R$13.5 million higher than the previous year. We see these indicators evolving at the same pace as last year, enabling us to maintain our gradual and sustainable operational and profitability growth.

In addition, this quarter we successfully concluded **the assisted transfer process (PTA) of the Gama Filho and Univercidade students,** conducted by the Ministry of Education (MEC) following the disaccreditation of these institutions. By the end of the first semester enrollment process, 6,700 of these students had opted to transfer to Estácio, 1,700 of whom medical students and 5,000 in other courses. It is worth highlighting that Estácio may receive more students from these institutions in the second semester of 2014 through the PTA.

We also concluded the **Pronatec Program (*Bolsa Formação* modality) enrollment** resulting from the MEC bid for the first semester of 2014. Estácio won 100% of the requested seats (29,800), all of which in the state of Rio de Janeiro, and **enrolled 24,100 students, a conversion ratio of 81%.** Around 65% of the enrolled students will take morning courses, 30% afternoon courses, and 5% nighttime courses, allowing us to occupy idle capacity in our units. The most sought-after courses were Logistics, Radiology, Nursing, Aesthetics, Oil and Gas, Buildings, and Occupational Safety. Around 65% of the programs will have a duration of 18 months and 35% will last for 12 months. The first Pronatec classes began at the end of April and beginning of May.

We also moved ahead with our Strategic Projects, which should generate value in the long term, in line with our Strategic Plan. Having initiated operations of our Corporate University, which is already operating at full strength with on-campus and distance learning courses and training programs to all our people, we opened the "**Espaço NAVE**" in the same building in our installations in the port region of Rio de Janeiro. The NAVE is an innovation space for simulating and experimenting with the university of the future's new environments – enrollment rooms, classrooms and IT labs – as well as providing support for start-ups and other Innovation-related activities.

In short, **we have begun the year on a high note, maintaining an excellent operational pace,** after concluding yet another record intake cycle, which certainly opens up the possibility for more excellent results throughout the year. We keep working firmly to prepare Estácio for the future, through the execution of the actions set in our Strategic Plan, while we also keep our eyes open for opportunities that shall lead to relevant upsides for our shareholders. In this context, we firmly believe that 2014 will be yet another year of financial and non-financial achievements, as we continue to pursue the Equilibrium that is the basis of our strategy and long term view. After all, as authors Collins and Hansen say, "ultimately, we are responsible for improving our performance, and never throw the blame on circumstances, much less on the environment".

Student Base

Estácio ended 1Q14 with a base of 394,500 students (20.7% more than in 1Q13), 316,100 of whom enrolled in on-campus programs and 78,400 in distance learning programs. The same-shop student base (excluding acquisitions in the last 12 months) grew by 19.3% over the previous year.

Table 1 – Total Student Base*

'000	1Q13	1Q14	Change
On-Campus	**265.3**	**311.6**	**17.5%**
Undergraduate	253.9	298.3	17.5%
Graduate	11.4	13.3	16.7%
Distance Learning	**61.5**	**78.4**	**27.5%**
Undergraduate	59.4	73.0	22.9%
Graduate	2.1	5.4	157.1%
Student Base - same shops	**326.8**	**390.0**	**19.3%**
Acquisitions in the last 12 months	-	4.5	N.A.
Total Student Base	**326.8**	**394.5**	**20.7%**
# Campuses	76	80	5.3%
On-Campus Students per Campus	**3,491**	**3,895**	**11.6%**
# Distance Learning Centers	52	52	0.0%
Distance Learning Students per Center	**1,183**	**1,508**	**27.5%**

Note: Acquisitions in the last 12 months refer to students from FACITEC and ASSESC.
Acquisitions in 2012 have completed one year and are already included in the same-shop student base.

Estácio's **on-campus undergraduate base** totaled 302,800 students on March 31, 2014, 19.3% more than at the end of 1Q13. Same-shop growth, excluding the institutions acquired in the last 12 months (FACITEC and ASSESC), came to 17.5%.

On-campus undergraduate intake totaled 105,700 students, 23.9% more than in 1Q13, already including the 6,700 who transferred from Gama Filho and Univercidade this quarter. It is worth noting that these students had already part of their revenues booked in the first quarter, which contributed to our revenue growth. However, their revenues will only be fully booked in 2Q14, when we will have a better visibility of the impact of these transfers in our results.

The renewal ratio reached 86.6% in 1Q14, a 0.2 p.p. improvement over the same period last year, primarily due to the procedure change that anticipated student non-renewals in 4Q13, which offset the higher dropout level we expected due to the higher number of students in the 1st and 2nd semesters we currently have.

Table 2 – Evolution of On-Campus Undergraduate Student Base*

'000	1Q13	1Q14	Change
Students - Starting balance	**209.9**	**239.4**	**14.0%**
(+/-) Acquisitions in the last 12 months (until 4Q)	-	(4.5)	N.A.
(-) Graduates	(14.7)	(12.5)	-15.0%
Renewable Base	**195.2**	**222.4**	**13.9%**
(+) Enrollments	85.3	105.7	23.9%
(-) Not Renewed	(26.6)	(29.8)	12.0%
Students - same shops	**253.9**	**298.3**	**17.5%**
(+) Acquisitions in the last 12 months (until 1Q)	-	4.5	N.A.
Students - Ending Balance	**253.9**	**302.8**	**19.3%**

Our **distance learning undergraduate student base** grew by 22.9% over 1Q13 to 73,000 students. The distance learning intake in 1Q14 added 29,000 new students to our base, 21.8% up on the same period last year.

(*) This information was not revised by the auditors

We should highlight the 4.2 p.p. improvement in the distance learning renewal rate, which reached 81.8%. This gain comes in line with our expectations, basically because our student base is becoming more mature and also due to the procedure change we detailed in 4Q13, which anticipated non-renewals(remembering that, in terms of number of students, this impact was higher in the distance learning segment).

Table 3 – Evolution of Distance Learning Undergraduate Student Base*

'000	1Q13	1Q14	Change
Students - Starting Balance	**46.1**	**55.5**	**20.4%**
(-) Graduates	(0.2)	(1.7)	750.0%
Renewable Base	**45.9**	**53.8**	**17.2%**
(+) Enrollments	23.8	29.0	21.8%
(-) Dropouts	(10.3)	(9.8)	-5.0%
Students - Ending Balance	**59.4**	**73.0**	**22.9%**

Operating Revenue

Net operating revenue came to R$538.2 million in 1Q14, 30.2% up on 1Q13 due to the 20.7% expansion of the student base and the upturn in the on-campus average ticket.

Table 4 – Operating Revenue

R$ MM	1Q13	1Q14	Change
Gross Operating Revenue	**613.8**	**793.7**	**29.3%**
Monthly Tuition Fees	607.4	786.2	29.4%
Others	6.4	7.5	17.2%
Gross Revenue Deductions	**(200.5)**	**(255.5)**	**27.4%**
Scholarships and Discounts	(180.6)	(223.8)	23.9%
Taxes	(18.4)	(21.4)	16.3%
FGEDUC	(1.6)	(10.3)	543.8%
% Scholarships and Discounts/ Gross Operating Revenue	*29.4%*	*28.2%*	*-1.2 p.p.*
Net Operating Revenue	**413.3**	**538.2**	**30.2%**

In 1Q14, the **average on-campus ticket** grew by 10.0%, above expected 2014 inflation, reflecting our continuing capacity to increase prices in a sustainable manner. This quarter's upturn was due to our policy of passing inflation through and, among other factors, to the choice of more expensive courses by FIES students, notably in the fields of Engineering and Health.

Table 5 – Calculation of the Average Ticket in 1Q14– On-Campus

'000	1Q13	1Q14	Change
On-Campus Undergraduate Student Base	**253.9**	**302.8**	**19.3%**
(-) Dropouts	(8.2)	(11.0)	34.1%
(=) Revenue Generating On-Campus Undergraduate Student Base	**245.7**	**291.8**	**18.8%**
(+) On-Campus Graduate Student Base (average)	**11.4**	**13.3**	**16.7%**
(=) Revenue Generating On-Campus Student Base	**257.1**	**305.1**	**18.7%**
On-Campus Gross Revenue	**558.8**	**730.0**	**30.6%**
On-Campus Deductions	(180.9)	(236.7)	30.8%
On-Campus Net Revenue (R$ million)	**377.9**	**493.3**	**30.5%**
On-Campus Average Ticket (R$)	**490.0**	**538.9**	**10.0%**

Note: Calculation of the average ticket does not include revenue from Academia do Concurso.

The **average distance learning ticket** remained more-or-less flat in 1Q14, edging down by 0.4% due to the higher number of students choosing *"EAD Mais"* (an option which dilutes the course curriculum and, consequently, its value, over a further two semesters) and our policy to adjust distance learning prices in certain locations, in order to better suit local needs.

(*) This information was not revised by the auditors

Table 6 – Calculation of the Average Ticket in 1Q14 – Distance Learning

'000	1Q13	1Q14	Change
Distance Learning Undergraduate Student Base	59.4	73.0	22.9%
(-) Dropouts	(3.0)	(3.6)	20.0%
(=) Revenue Generating Distance Learning Undergraduate Student Base	56.4	69.4	23.0%
(+) Distance Learning Graduate Student Base (average)	2.1	5.4	157.1%
(=) Revenue Generating Distance Learning Student Base	58.5	74.8	27.9%
Distance Learning Gross Revenue	53.4	61.9	15.9%
Distance Learning Deductions	(19.4)	(18.6)	-4.1%
Distance Learning Net Revenue (R$ million)	34.0	43.3	27.3%
Distance Learning Average Ticket (R$)	193.7	192.9	-0.4%

Cost of Services

In 1Q14, **cash cost to net revenue ratio** recorded a 0.9 p.p. improvement over 1Q13, mainly thanks to gains in the following lines:

(i) 0.8 p.p. in third-party services, as a result of the insourcing of security and surveillance in our units, which began to benefit this line with a counterparty in the personnel, besides the improved management of third-party service contracts;

(ii) 0.5 p.p. in textbook materials.

The fact that the 0.2 p.p. gain in the salaries and payroll charges line was less than in recent quarters was due to the following three factors:

(i) The insourcing of security and surveillance in our units mentioned above, which impacted this line due to the hiring of personnel;

(ii) Initial costs from the hiring of new staff and faculty for the Pronatec vocational courses and to receive the students who transferred from Gama Filho and Univercidade, which had an impact in 1Q14 while these students did not have their revenues fully booked in the quarter; and

(iii) The increase in labor agreements, which climbed from around R$5 million in 1Q13 to approximately R$14 million in 1Q14, consuming 1.6 p.p. of margin. This increase reflects a more proactive approach in solving labor issues, which should extend throughout 2014, and then return to levels more in line with historical average from 2015 onwards, since there is a clear downward trend in convictions related to labor lawsuits.

The higher-than-normal rise in the rentals line can be basically explained by the four factors below:

(i) 5 new campuses in comparison to 1Q13 (two acquisitions, FACITEC and ASSESC; and three *greenfields*, Parangaba, Angra dos Reis and Teresópolis), for an amount of R$1.3 million;

(ii) The strategy to change variable contracts (pegged to revenues) to fixed contracts. In comparison to 1Q13, 9 relevant contracts suffered this alteration, which implied in an increase of R$2.8 million. In the medium and long terms, we believe these changes will bring significant margin gains, as we have been working hard to improve campus occupation through distance learning growth, new programs such as Pronatec, and more efficient academic planning;

(iii) Adjustment for period inflation as stipulated in contracts, for an amount of R$4.0 million;

(iv) The rental contracts which are pegged to revenues, that end up growing at a pace similar to the 30%-growth shown in the net revenue line.

Table 7 – Breakdown of Cost of Services

R$ MM	1Q13	1Q14	Change
Cost of Services	**(231.0)**	**(295.9)**	**28.1%**
Personnel	(179.4)	(232.1)	29.4%
Salaries and Payroll Charges	(147.7)	(191.4)	29.6%
Brazilian Social Security Institute (INSS)	(31.7)	(40.7)	28.4%
Rentals / Real Estate Taxes Expenses	(30.5)	(43.3)	42.0%
Textbooks Materials	(7.0)	(6.5)	-7.1%
Third-Party Services and Others	(14.1)	(14.0)	-0.7%

Table 8 – Vertical Analysis of Cost of Services

% of Net Operating Revenue	1Q13	1Q14	Change
Cost of Services	**-55.9%**	**-55.0%**	***0.9 p.p.***
Personnel	-43.4%	-43.1%	*0.3 p.p.*
Salaries and Payroll Charges	-35.7%	-35.5%	*0.2 p.p.*
Brazilian Social Security Institute (INSS)	-7.7%	-7.6%	*0.1 p.p.*
Rentals / Real Estate Taxes Expenses	-7.4%	-8.0%	*-0.6 p.p.*
Textbooks Materials	-1.7%	-1.2%	*0.5 p.p.*
Third-Party Services and Others	-3.4%	-2.6%	*0.8 p.p.*

Table 9 – Cost Reconciliation

R$ MM	1Q13	1Q14	Change
Cash Cost of Services	**(231.0)**	**(295.9)**	**28.1%**
(+) Depreciation	(11.6)	(12.9)	11.2%
Cost of Services	**(242.6)**	**(308.7)**	**27.2%**

Gross Income

Table 10 – Statement of Gross Income

R$ MM	1Q13	1Q14	Change
Net Operating Revenue	413.3	538.2	30.2%
Cost of Services	(242.6)	(308.7)	27.2%
Gross Profit	**170.6**	**229.5**	**34.5%**
(-) Depreciation	11.6	12.9	11.2%
Cash Gross Profit	**182.2**	**242.4**	**33.0%**
Cash Gross Margin	*44.1%*	*45.0%*	*0.9 p.p.*

Selling, General and Administrative Expenses

Selling expenses represented 9.0% of 1Q14 net revenue, generating a margin gain of 1.4 p.p. due to the 0.8 p.p. increase in the PDA/net revenue ratio, reflecting the organic improvement in this line as well as the benefits of the student base clean-up in 4Q13, and the 0.6 p.p. upturn in the marketing line.

It is worth noting that we have been consolidating the “Provisions for FIES” line under PDA since 4Q13, due to its decreasing importance with the organic growth of the FGEDUC base throughout 2013, and, especially, to the changes in the rules governing the contribution to the FGEDUC announced by the FNDE at the beginning of this year. As of February, the FIES default risk is covered by the FGEDUC, even for contracts with a guarantor (in the proportions between government and institutions already known). In exchange, we will be making a 5.63% contribution to all new students, with or without a guarantor, which has led to an increase in revenue deductions related to the FGEDUC.

At the close of 1Q14, FIES students were divided into 83% with FGEDUC and 17% with a guarantor. Further details on the way the provisions for students using this financing are recognized can be found in Exhibit I at the end of this release (page 25).

In 1Q14, **general and administrative expenses** corresponded to 12.0% of net revenue, 0.6 p.p. better than 1Q13, thanks to gains of 0.2 p.p. in personnel and 0.3 p.p. in third-party services, reflecting the gains of scale in these lines.

As we have been mentioning since 2Q13, it is worth noting that the personnel line has been impacted by the increase in the headcount, corresponding to investments in new areas that will generate significant revenue for the Company, such as the Continuing Education Department, so that this item may be more comparable in the next cycles. Besides, we moved further in the process of linearizing bonus provisioning in this account. Nevertheless, we have still managed to record efficiency gains.

Table 11 – Selling, General and Administrative Expenses

R$ MM	1Q13	1Q14	Change
Selling, General and Administrative Cash Expenses	**(95.1)**	**(113.0)**	**18.8%**
Selling Expenses	**(42.9)**	**(48.6)**	**13.3%**
Provisions for Doubtful Accounts	(15.9)	(16.4)	3.1%
Marketing	(27.1)	(32.2)	18.8%
General and Administrative Expenses	**(52.2)**	**(64.4)**	**23.4%**
Personnel	(25.4)	(31.4)	23.6%
Salaries and Payroll Charges	(22.1)	(27.4)	24.0%
Brazilian Social Security Institute (INSS)	(3.3)	(3.9)	18.2%
Others	(26.8)	(33.0)	23.1%
Third-Party Services	(12.8)	(15.2)	18.8%
Machinery rentals and leasing	(0.5)	(0.4)	-20.0%
Consumable Material	(0.5)	(0.4)	-20.0%
Provision for Contingencies	(0.3)	0.1	N.A.
Other Operating Renevue (expenses)	3.5	3.2	-8.6%
Others	(16.2)	(20.2)	24.7%
Depreciation	**(6.5)**	**(6.6)**	**1.5%**

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

% of Net Operating Revenue	1Q13	1Q14	Change
Selling, General and Administrative Cash Expenses	**-23.0%**	**-21.0%**	***2.0 p.p.***
Selling Expenses	**-10.4%**	**-9.0%**	***1.4 p.p.***
Provisions for Doubtful Accounts	-3.8%	-3.0%	*0.8 p.p.*
Marketing	-6.6%	-6.0%	*0.6 p.p.*
General and Administrative Expenses	**-12.6%**	**-12.0%**	***0.6 p.p.***
Personnel	-6.1%	-5.8%	*0.3 p.p.*
Salaries and Payroll Charges	-5.3%	-5.1%	*0.2 p.p.*
Brazilian Social Security Institute (INSS)	-0.8%	-0.7%	*0.1 p.p.*
Others	-6.5%	-6.2%	*0.3 p.p.*
Third-Party Services	-3.1%	-2.8%	*0.3 p.p.*
Machinery rentals and leasing	-0.1%	-0.1%	*0.0 p.p.*
Consumable Material	-0.1%	-0.1%	*0.0 p.p.*
Provision for Contingencies	-0.1%	0.0%	*0.1 p.p.*
Other Operating Renevue (expenses)	0.8%	0.6%	*-0.2 p.p.*
Others	-3.9%	-3.8%	*0.1 p.p.*
Depreciation	**-1.6%**	**-1.2%**	***0.4 p.p.***

EBITDA

EBITDA came to R$129.4 million in 1Q14, 48.6% up on 2012, with an **EBITDA margin** of 24.1%, up by 3.0 p.p, due to margin gains from both costs and SG&A expenses. We are continuing to grow our EBITDA and generate margin gains at a gradual and constant pace, thanks to gains in scale from the expansion of the student base, to our management model, and to our focus on the long term.

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

R$ MM	1Q13	1Q14	Change
Net Revenue	**413.3**	**538.2**	**30.2%**
(-) Cash Cost of Services	(231.0)	(295.9)	28.1%
(-) Selling, General and Administrative Cash Expenses	(95.1)	(113.0)	18.8%
EBITDA	**87.1**	**129.4**	**48.6%**
EBITDA Margin	*21.1%*	*24.1%*	*3.0 p.p.*

Under the same-shop concept, excluding acquisitions in the last 12 months (FACITEC and ASSESC), 1Q14 EBITDA totaled R$126.9 million, 45.7% up year-on-year, with an EBITDA margin of 23.9%, up by 2.8 p.p.

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

R$ MM	1Q13	1Q14 ex-acquisitions	Change
Net Revenue	**413.3**	**531.1**	**28.5%**
(-) Cash Cost of Services	(231.0)	(291.8)	26.3%
(-) Selling, General and Administrative Cash Expenses	(95.1)	(112.4)	18.2%
EBITDA	**87.1**	**126.9**	**45.7%**
EBITDA Margin	*21.1%*	*23.9%*	*2.8 p.p.*

Companies Acquired

The following chart shows the 1Q14 results of the companies acquired in the last 12 months (FACITEC and ASSESC). These details will be provided up to 12 months as of the acquisition date to enable follow-up of the Company's performance under the same-shop concept. The acquisitions in 2012 are already consolidated in our results, as are those acquired in 2011.

Table 15 – Key Indicators of Acquired Companies for 1Q14

R$ million	FACITEC	ASSESC	Total
Net Revenue	**5.6**	**1.5**	**7.1**
Gross Profit	**2.3**	**0.6**	**2.9**
Gross Margin	*41.1%*	*40.0%*	*40.8%*
EBITDA	**2.2**	**0.4**	**2.6**
EBITDA Margin	*39.3%*	*26.7%*	*36.6%*
Net Income	**2.0**	**0.3**	**2.3**
Income Margin	*35.7%*	*20.0%*	*32.4%*

Financial Result

Table 16 – Breakdown of the Financial Result

R$ MM	1Q13	1Q14	Change
Financial Revenue	**11.3**	**40.5**	**258.4%**
Fines and interest charged	3.1	4.8	56.4%
Investments income	8.2	18.8	128.9%
Other	0.1	16.9	30078.6%
Financial Expenses	**(13.0)**	**(15.2)**	**16.9%**
Bank charges	(1.7)	(1.8)	5.9%
Interest and financial charges	(6.1)	(8.5)	39.3%
Financial Discounts	(3.8)	(2.5)	-34.8%
Other	(1.4)	(2.4)	72.5%
Financial Result	**(1.7)**	**25.3**	**N.A.**

The 1Q14 financial result was positive by R$25.3 million, a R$27.0 million improvement over 1Q13, chiefly due to the R$10.6 million increase in income from financial investments as a result of the higher cash position, and the R$16.6 million booked in the “Other” line, related to the monetary restatement of retroactive PIS tax credits to be recovered, referring to the period between 1995 and 2005. On the expenses side, it is particularly worth noting the 34.8% decline in financial discounts.

Net Income

Table 17 – Reconciliation of EBITDA and Net Income

R$ MM	1Q13	1Q14	Change
EBITDA	**87.1**	**129.4**	**48.6%**
Financial Result	(1.7)	25.4	N.A.
Depreciation	(18.0)	(19.5)	8.3%
Social Contribution	(0.3)	(2.5)	733.3%
Income Tax	(0.4)	(7.0)	1650.0%
Net Income	**66.6**	**125.8**	**88.9%**

Estácio posted 1Q14 **net income** of R$125.8 million, a significant 88.9% increase over 1Q13, due to the more than 30% upturn in net revenue and efficiency gains in the cost and expense lines, which led to EBITDA growth of 49%. It is particularly worth highlighting the substantial improvement in the financial result, for the reasons mentioned in the item above, which made a considerable contribution to net income. On the other hand, this same rise in the financial result generated an increase in the social contribution and income tax lines due to the higher effective tax rate in the quarter, given that excess of financial revenues over financial expenses does not benefit from the same tax and contribution benefits applied to operating income.

In 1Q14, **earnings per share** came to R$0.43, 86% up year-on-year.

FIES

The FIES student base closed 1Q14 at 102,100, 108.8% up year-on-year and 34.2% more than in 4Q13, representing 33.7% of our on-campus undergraduate student base. In addition, at the end of March, we still had around 20,000 students in the process of obtaining financing.

A total of 26,100 freshmen adhered to FIES until the end of 1Q14, equivalent to 25% of the total intake, further underlining our commitment to using FIES in a responsible manner, recommending this type of financing to students with monthly tuition payment difficulties, making it an important tool for reducing the dropout rate and helping to ensure the long-term sustainability of the program. As we commented in previous cycles, for us

FIES has not been a primary driver for student attraction, so it has been much more natural to direct the program to students that, once they reach college, find out they might not be able to concluded their courses with their own resources.

Table 18 – FIES Student Base*

('000)	1Q13	2Q13	3Q13	4Q13	1Q14	Change
On-campus undergraduate students	253.9	238.8	259.2	239.4	302.8	19.3%
FIES Student Base	**48.9**	**61.1**	**72.6**	**76.1**	**102.1**	**108.8%**
% of FIES Students	19.3%	25.6%	28.0%	31.8%	33.7%	*14.4 p.p.*

Accounts Receivable and Average Receivable Days

The number of **receivables days** (tuition and agreements), including FIES receivables and FIES net revenue, averaged 84 days, one less than in 1Q13. Excluding FIES net revenue and FIES receivables, the average days receivables was 88 days, four days more than in 1Q13. It is worth noting that by the end of March we still had around 20,000 students in the process of contracting FIES.

Table 19 – Accounts Receivable and Average Receivable Days

Accounts Receivable (R$ MM)	1Q13	2Q13	3Q13	4Q13	1Q14
Gross Accounts Receivable	**428.5**	**439.7**	**440.9**	**423.8**	**528.4**
FIES	82.2	77.3	100.2	78.9	147.2
Tuition monthly fees	289.9	307.7	263.3	289.4	305.3
Credit Cards receivable	27.1	23.8	31.4	25.3	32.9
Renegotiation receivables	29.3	30.9	46.0	30.2	43.0
Credits to identify	(3.6)	(3.6)	(1.9)	0.8	(1.3)
Provision for bad debts	(77.6)	(90.2)	(83.9)	(90.0)	(92.0)
Net Accounts Receivable	**347.4**	**345.9**	**355.1**	**334.6**	**435.2**
Net Revenue (last twelve months)	**1,466.0**	**1,568.1**	**1,656.7**	**1,731.0**	**1,856.0**
Days Receivables	**85**	**79**	**77**	**70**	**84**
Net Revenue Ex. FIES (last twelve months)	**1,138.9**	**1,153.1**	**1,162.1**	**1,162.0**	**1,173.2**
Days Receivables Ex. FIES and FIES Revenue	**84**	**84**	**79**	**79**	**88**

Table 20 – Accounts Receivable and Average FIES Receivable Days

FIES Average Days Receivables	1Q13	2Q13	3Q13	4Q13	4Q14
FIES Receivables	82.2	77.3	100.2	78.9	147.2
FIES Carry-Forward Credits	0.4	0.5	0.3	0.4	0.5
FIES Revenue (last twelve months)	332.7	424.2	512.7	593.9	716.5
FGEDUC Deduction (last twelve months)	(5.6)	(9.2)	(18.1)	(24.9)	(33.7)
FIES Net Revenue (last twelve months)	327.1	415.0	494.6	569.0	682.8
FIES Days Receivables	**89**	**66**	**71**	**48**	**78**

Note: We made a change in tables 19 and 20 to consider the 5.63% contribution to FGEDUC in the "FIES Net Revenue" line, which was not previously accounted for given the low representation of this account. This change retroactively affected the FIES and Non-FIES days receivables calculation. Also, the table is adjusted for the delays in the FIES buyback auctions.

In 1Q14, **FIES accounts receivable** increased by R$68.3 million over the previous quarter to R$147.2 million, a natural result of the concentration of FIES contract amendments at the beginning of the semester, as well as the expansion of the FIES student base.

(*) This information was not revised by the auditors

FIES carry-forward credits increased by R$19.2 million to R$63.6 million, due to a further delay in the FNDE's buyback auction in March, which was normalized at the beginning of April. Adjusting for this delay, the average FIES days receivables falls to 78 days, 11 days less than in 1Q13. It is worth remembering that in January we received the R$44.0 million related to the delay in the buyback auction in December, besides the regular amount of the month.

Table 21 – Evolution of FIES Accounts Receivable*

FIES Accounts Receivable (R$ MM)	1Q13	2Q13	3Q13	4Q13	1Q14
Opening Balance	55.7	82.2	77.3	100.2	78.9
(+) FIES Net Revenue	103.1	152.2	167.2	171.4	225.7
(-) Transfer	74.7	153.2	135.3	180.9	146.5
(-) FIES PDA	2.0	4.2	9.4	11.1	10.8
(+) Acquisitions	0.0	0.3	0.4	-0.7	0.0
Ending Balance	82.2	77.3	100.2	78.9	147.2

Table 22 – Evolution of FIES Carry-Forward Credits*

FIES Carry-Forward Credits (R$ MM)	1Q13	2Q13	3Q13	4Q13	1Q14
Opening Balance	1.1	0.4	0.5	0.3	44.4
(+) Transfer	74.7	153.2	135.3	180.9	146.5
(-) Tax payment	44.7	59.9	52.2	50.7	40.5
(-) Repurchase auctions	30.6	93.2	83.3	86.2	86.8
Ending Balance	0.4	0.5	0.3	44.4	63.6

Table 23 – Aging of Total Gross Accounts Receivable

Breakdown of Accounts Receivable by Age (R$ million)	1Q13	%	1Q14	%
FIES	82.2	19%	147.2	28%
Not yet due	91.6	21%	130.7	25%
Overdue up to 30 days	88.8	21%	69.6	13%
Overdue from 31 to 60 days	26.6	6%	22.6	4%
Overdue from 61 to 90 days	13.7	3%	8.3	2%
Overdue from 91 to 179 days	48.0	11%	58.0	11%
Overdue more than 180 days	77.6	18%	92.0	17%
TOTAL	428.5	100%	528.4	100%

Table 24 – Aging of Agreements Receivable[1]

Breakdown of Agreements by Age (R$ million)	1Q13	%	1Q14	%
Not yet due	18.4	63%	28.7	55%
Overdue up to 30 days	2.8	10%	3.7	10%
Overdue from 31 to 60 days	1.0	3%	2.1	7%
Overdue from 61 to 90 days	0.6	2%	1.3	6%
Overdue from 91 to 179 days	2.1	7%	3.5	11%
Overdue more than 180 days	4.5	15%	3.7	11%
TOTAL	29.3	100%	43.0	100%
% over Accounts Receivable	7%		8%	

[1] Excludes credit card agreements

Our receivables portfolio remained healthy in 1Q14. Thanks to the continuation of our rigorous debt renegotiation policies, in this quarter only 8% of total receivables came from renegotiations with students. In addition, the percentage of receivables from renegotiations overdue by more than 60 days accounted for 28% of total agreements, or 1.6% of total accounts receivable.

Our criteria remain rigid, clear and objective, exemplified by the fact that we provision 100% of receivables overdue by more than 180 days, complemented by the FIES provisions. Tables 25 and 26 show how our PDA is constituted, and reconciles the balance sheet amounts with those in the income statement.

(*) This information was not revised by the auditors

Table 25 – Constitution of Provision for Doubtful Accounts in the Income Statement

R$ MM	12/31/2013	Gross increase in the provision for deliquency	Deliquency recover	Net provision effect	Write off	03/31/2014
Tuitions and fees	71.1	34.6	(19.6)	14.9	(11.8)	74.2
Acquired Companies	18.9	1.9	(1.3)	0.6	(1.7)	17.8
TOTAL	**90.0**	**36.4**	**(20.9)**	**15.5**	**(13.5)**	**92.0**

Table 26 – Reconciliation of the Provision for Doubtful Account Balances in the Balance Sheet

	03/31/2014
Additional Provision	15.5
Acquired companies at the time of acquisition	-
Total	**15.5**

Investments (CAPEX and Acquisitions)

Table 27 – CAPEX Breakdown

R$ million	1Q13	1Q14	Change
Total CAPEX	**13.8**	**37.2**	**169.6%**
Maintenance	**8.3**	**22.3**	**168.7%**
Discretionary, Expansion and Acquisitions	**5.5**	**14.9**	**170.9%**
Academic Model	1.9	1.8	-5.3%
New IT Architecture	1.5	1.9	26.7%
Integration Processes	-	0.1	N.A.
Tablet Project	2.1	5.4	157.1%
Expansion	-	4.9	N.A.
Acquisitions	-	0.8	N.A.

In 1Q14, **total CAPEX** came to R$37.2 million, 169.6% more than in 1Q13, when CAPEX was much lower than in the other quarters last year. Consequently, we had an increase in virtually all the investment lines. Besides the fact we have an exceptionally lower comparative base as mentioned above, it worth highlighting we are accelerating the expansion process to better accommodate our student base growth, while we are also looking to better distribute Maintenance CAPEX among quarters, so we do not see that many hikes in 4Q's.

Maintenance CAPEX totaled R$22.3 million in 1Q14, 168.7% up on 1Q13, mostly allocated to upgrading software and hardware, as well as the modernization of equipment, libraries and laboratories in our units. We also invested around R$1.8 million in the **Academic Model** (creation of content and distance-learning development and production); R$5.4 million in the Tablet Project and R$1.9 million in the acquisition of hardware and licenses for our IT architecture revision project, which will replace our legacy academic systems and prepare our hardware for the Company's growth.

Investments in expansion projects, as well as the revitalization and improvement of units, totaled R$4.9 million in 2013 and refer to investments in existing units and new rooms.

Capitalization and Cash

Table 28 – Capitalization and Cash

R$ MM	03/31/2013	12/31/2013	12/31/2014
Shareholders' Equity	1,371.3	1,517.6	1,647.1
Cash & Cash Equivalents	747.5	739.2	758.1
Total Gross Debt	(309.8)	(322.8)	(328.1)
Loans and Financing	(278.8)	(274.9)	(280.0)
Short Term	(14.0)	(36.7)	(43.7)
Long Term	(264.8)	(238.2)	(236.4)
Commitments to Pay	(22.8)	(39.5)	(40.0)
Taxes Paid in Installments	(8.1)	(8.4)	(8.0)
Cash / Net Debt	437.7	416.4	430.0

Cash and cash equivalents closed March at R$758.1 million, conservatively invested in fixed-income instruments pegged to the CDI interbank rate, government bonds and certificates of deposit with top-tier Brazilian banks. Bank **debt** of R$280.0 million corresponded mainly to the Company's first local bond issue totaling R$200 million, the loan from the IFC (first loan of R$48.5 million and withdrawal of around R$20 million from the second line of funding) and the capitalization of equipment leasing expenses in compliance with Federal Law 11638. We have also included the commitments for future payments related to acquisitions made, totaling around R$40.0 million, as well as taxes payable in installments, to determine our **gross debt**, which came to R$328.1 million at the end of the quarter, slightly up on 4Q13. Thus, the Company's **net cash** closed 1Q14 at R$430.0 million.

Cash Flow

This quarter, we changed our reporting methodology so the tables shown can be better compared to the quarterly financial information (ITR). The table below shows the main lines of our quarterly cash flow statement, considering the adjustment for the delays in the FIES buyback auctions, both in December (R$44.0 million) and March (R$63.1 million) as if they were accrued in the respective months.

Table 29 – Quarterly Cash Flow Statement

Cash Flow Statement (R$ million)	1Q13	1Q14
Profit before income taxes and social contribution	67.3	135.3
Adjustments to reconcile profit to net cash generated:	30.6	28.4
Result after reconciliation to net cash generated	97.9	163.7
Changes in assets and liabilities:	(75.4)	(105.1)
Net cash provided by (used in) operating activities:	22.5	58.6
CAPEX (Ex-Acquisitions)	(13.8)	(36.4)
Operational Cash Flow:	8.7	22.2
Other investing activities:	7.7	17.3
Net cash provided by (used in) investing activities	16.4	39.5
Cash flows from financing activities:	590.6	(1.6)
Net cash provided by (used in) financing activities	607.0	37.9
Cash and cash equivalents at the beginning of the period	140.5	783.2
Increase in cash and cash equivalents	607.0	37.9
Cash and cash equivalents at the end of the period	747.5	821.1

In 1Q14, we recorded a **positive operational cash flow** of R$22.2 million, R$13.5 million higher than in 1Q13. It is important to highlight that the negative variation in assets and liabilities is mainly due to the increase in Accounts Receivable, which is directly linked to the high number of students still contracting FIES by the end of March (around 20,000).

Operational cash flow before CAPEX came to R$58.6 million in 1Q14, R$36.2 million higher than in 1Q13.

Key Material Facts

Estácio among the 10 most-improved brands in 2013

The *BrandAnalytics* ranking of the most valuable brands in Brazil since 2006, published by *IstoÉ Dinheiro* magazine, is proof that our hard work and culture are gaining increasing market prestige and importance. The Estácio brand moved up nine places in relation to the previous ranking and we were among the ten most-improved brands in terms of growth, with a brand value of US$260 million. The ranking only considers companies traded on the BM&FBovespa.

New students choose Estácio: 24,000 Pronatec enrollments and 6,700 new students via the Assisted Transfer Process in Rio de Janeiro

On April 16, Estácio informed its shareholders and the market in general that it had successfully concluded the enrollment process for the Pronatec Program (Training Scholarship Modality) , as well as the Assisted Transfer Process for students from Gama Filho and Univercidade.

Around 24,100 students were enrolled in high-school-level vocational programs out of the 29,800 places originally granted for the Pronatec Program by the Ministry of Education.

The most sought-after courses were Logistics, Radiology, Nursing, Aesthetics, Oil and Gas, Buildings, and Occupational Safety. Around 65% of the programs will have a duration of 18 months and 35% will last for 12 months. The first Pronatec classes will begin as of May 2014 in the state of Rio de Janeiro only.

In regard to the students from Gama Filho and Univercidade, 6,700 opted to adhere to the Assisted Transfer Process, 1,700 of whom medical students and 5,000 in other courses. It is worth noting that Estácio may receive more students from these institutions in the second semester of 2014.

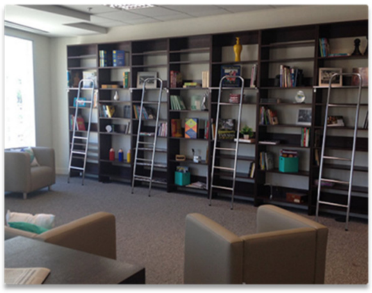
2014 Annual Corporate Event

In the end of March, we had our Annual Corporate Event, once again at Hotel Windsor Barra, in Rio de Janeiro, for approximately 500 employees. Besides presenting the 2013 results and discussing plans for 2014 with each Executive Officer and Regional Director, the event also aims to reinforce an special topic each year. In 2014, the year of the Culture, the theme of the event could not be other than our Organizational Culture, our greatest competitive advantage. The event was entirely thought to express what we want regarding our Culture, particularly with regard to how we treat each other and therefore our students.

The highlights of the event were the lectures by Luiza Trajano, CEO of Magazine Luiza, and by Brazil's former President Fernando Henrique Cardoso, who, on the next day, also gave a master class to open the semester for our students, in one of our campuses in Rio de Janeiro.

People teaching people: we launched our Corporate University

Named Educare, Estácio's Corporate University was created to contribute with the formation of our employees, promoting programs for technical and behavioral development of its teachers and staff, aiming to develop skills and disseminate our culture. Since the launch in March, when we officially opened Educare, we have already offered several training, both face-to-face, in the headquarters of Educare in our building in the port region of Rio de Janeiro, and distance learning.



Focus on Innovation: Espaço NAVE (Estácio Acceleration and Valuation Center) officially opens

Once again demonstrating its pioneering spirit, Estácio officially opened the Espaço NAVE, also in its installations in the port district of Rio de Janeiro. Students and employees can arrange visits to test our games, make presentations, exhibit works and give classes, among other activities, as well as visit our first exhibition, in homage to the 18 years of Estácio's Architecture and Urban Planning course.

The focus of the 800 m^2 floor with seven ambients is on encouraging the entrepreneurial spirit and simulating environments of the university of the future with tests of new technologies.:

- Future enrollment room
- Future classroom
- Future IT lab
- Entrepreneurial start-ups
- Gallery
- Eureka space
- Internal R&D lab

The idea behind the NAVE is to create a propitious environment for open and collaborative innovation based on:

- Mobility and flexibility
- Amplitude and collaboration

- Inspiration and experimentation
- Relaxation and relationships
- Innovation and sustainability

More Innovation: launch of Game Center and official opening of the Estácio National Game Olympics

Continuing with its pioneering approach to post-secondary educational games, Estácio launched the 2014 Game Center and the Estácio National Game Olympics.

The aim of the project is to create an educational game environment in order to implant and secure knowledge, reinforce learning and simulate job market conditions. In addition to rewarding the best students, the best managers and units will also receive recognition.

***Você Aprende Mais* portal exceeds 100 short-duration courses in its portfolio**

Estácio's short-duration course portfolio offered through the *Você Aprende Mais* (You Learn More) portal has been expanding rapidly. In the first half of April, the portal reached the mark of more than 100 short-duration courses on various subjects, with a focus on employability, geared towards the external public, as well as Estácio's students and employees.

Currently, the portal offers segmented courses in the following areas: Brazilian Bar Association exam preparatory course, Finance, Languages, Management and Business, Career Management and Technologies, among others.

"We plan to further expand our portfolio, seeking out and encouraging new areas of knowledge, respecting Estácio's DNA, and pursuing the consolidation of the market as a benchmark portal for short-duration courses," declared Clinger Moraes, Short-Duration Course Portfolio Manager.

Launched at the end of 2013, the *Você Aprende M*ais portal has already exceeded two million accesses.

Presidential candidates: series of debates on the future of Brazil

Estácio 'has a commitment to its students not only in regard to the democratization of access to higher education and the development of professional careers, but also to the promotion of active and responsible citizenship. With this in mind, we organized the first encounter of the Presidential Candidates Cycle, with the presence of Eduardo Campos, Governor of Pernambuco, to offer students, employees and faculty the chance to become familiar with the presidential candidates' different political platforms and management proposals. The next encounters will feature Senator Aécio Neves and President Dilma Rousseff.

GRI Model Sustainability Report

Estácio's first Sustainability Report for 2013 follows the international Global Reporting Initiative (GRI) guidelines. This methodology is used by major companies to report important issues and account for advances and challenges related to sustainability. Our report was divided into five spheres – social. economic, environmental, governance and post-secondary education – and details Estácio's trajectory in the pursuit of practices and values shared with our network of stakeholders.

Support for Brazilian Sport

- Estácio is the latest sponsor of the Flamengo basketball team

Underlining its support for Brazilian Olympic sport, Estácio has entered into a heavyweight partnership, becoming one of the official sponsors of the Flamengo Basketball Team, which was unbeaten in last year's Americas League, thereby giving added visibility to our brand during games.

In addition to the sponsorship, Estácio is providing study scholarships for the players.

- Estácio partners with the Future of Golf project

In April, Estácio launched the Future of Golf project in association with the Gávea Golf Club in Rio de Janeiro. The project supports 12 young golfers from different socio-economic backgrounds, all of whom show promise for the 2016 Rio Olympics. All participants will receive study scholarships.

"Seeing a project like this come to life greatly reinforces our belief in sport as a potential agent of change," declared Claudia Romano, Estácio's Strategic Partnerships Manager, Estácio believes that sport, like education, has the power to transform the lives of those who practice it for the better.

The project, organized by the Rio de Janeiro State Golf Federation, involves a development program for 12 talented youngsters hand-picked by renowned golf professionals. The initiative will be backed by a first-class professional structure and team and will follow international standards of sports learning, based on two pillars – sporting performance and educational achievement.

Results Conference Call

Conference Call (in Portuguese)	Conference Call (in English)
Date: May 9, 2014 (Friday)	Date: May 9, 2014 (Friday)
Time: 10:00 a.m. (Brasília) / 9:00 a.m. (US ET)	Time: 12:00 p.m. (Brasília) / 11:00 a.m. (US ET)
Connection Dial-in Brazil: +55 (11) 3127-4971 / 3728-5971	Connection Dial-in NY: +1 (412) 317-6776
Access Code: Estácio	Access Code: Estácio
Webcast: www.estacioparticipacoes.com.br/ri	Webcast: www.estacioparticipacoes.com.br/ir
Replay: available until May 16	Replay: available until May 20
Phone: +55 (11) 3127-4999	Phone: +1 (412) 317-0088
Access Code: 24273547	Access Code: 10044056

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 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 change without prior notice.

Income Statement in IFRS

R$ MM	Consolidated 1Q13	Consolidated 1Q14	Consolidated Change	Excluding acquisitions in the last 12 months 1Q13	Excluding acquisitions in the last 12 months 1Q14	Excluding acquisitions in the last 12 months Change
Gross Operating Revenue	**613.8**	**793.7**	**29.3%**	**613.8**	**784.8**	**27.9%**
Monthly Tuition Fees	607.4	786.2	29.4%	607.4	777.5	28.0%
Others	6.4	7.5	17.2%	6.4	7.3	14.1%
Gross Revenue Deductions	**(200.5)**	**(255.5)**	**27.4%**	**(200.5)**	**(253.7)**	**26.5%**
Scholarships and Discounts	(180.6)	(223.8)	23.9%	(180.6)	(222.2)	23.0%
Taxes	(18.4)	(21.4)	16.3%	(18.4)	(21.3)	15.8%
FGEDUC	(1.6)	(10.3)	543.8%	(1.6)	(10.3)	543.8%
Net Operating Revenue	**413.3**	**538.2**	**30.2%**	**413.3**	**531.1**	**28.5%**
Cost of Services	**(242.6)**	**(308.7)**	**27.2%**	**(242.6)**	**(304.6)**	**25.6%**
Personnel	(179.4)	(232.1)	29.4%	(179.4)	(229.2)	27.8%
Rentals / Real Estate Taxes Expenses	(30.5)	(43.3)	42.0%	(30.5)	(42.4)	39.0%
Textbooks Materials	(7.0)	(6.5)	-7.1%	(7.0)	(6.5)	-7.1%
Third-Party Services and Others	(14.1)	(14.0)	-0.7%	(14.1)	(13.7)	-2.6%
Depreciation	(11.6)	(12.9)	11.2%	(11.6)	(12.7)	9.5%
Gross Profit	**170.6**	**229.5**	**34.5%**	**170.6**	**226.5**	**32.8%**
Gross Margin	***41.3%***	***42.6%***	***1.3 p.p.***	***41.3%***	***42.6%***	***1.3 p.p.***
Selling, General and Administrative Expenses	**(101.6)**	**(119.6)**	**17.7%**	**(101.6)**	**(119.0)**	**17.1%**
Selling Expenses	**(42.9)**	**(48.6)**	**13.3%**	**(42.9)**	**(48.3)**	**12.6%**
Provisions for Doubtful Accounts	(15.9)	(16.4)	3.1%	(15.9)	(16.4)	3.1%
Marketing	(27.1)	(32.2)	18.8%	(27.1)	(32.0)	18.1%
General and Administrative Expenses	**(52.2)**	**(64.4)**	**23.4%**	**(52.2)**	**(64.0)**	**22.6%**
Personnel	(25.4)	(31.4)	23.6%	(25.4)	(31.1)	22.5%
Others	(26.8)	(33.0)	23.1%	(26.8)	(32.9)	22.8%
Depreciation	**(6.5)**	**(6.6)**	**1.5%**	**(6.5)**	**(6.6)**	**1.5%**
EBIT	**69.0**	**109.9**	**59.3%**	**69.0**	**107.6**	**55.9%**
EBIT Margin	***16.7%***	***20.4%***	***3.7 p.p.***	***16.7%***	***20.3%***	***3.6 p.p.***
(+) Depreciation	18.0	19.5	8.3%	18.0	19.3	7.2%
EBITDA	**87.1**	**129.4**	**48.6%**	**87.1**	**126.9**	**45.7%**
EBITDA Margin	***21.1%***	***24.1%***	***3.0 p.p.***	***21.1%***	***23.9%***	***2.8 p.p.***
Financial Result	(1.7)	25.4	N.A.	(1.7)	25.4	N.A.
Depreciation and Amortization	(18.0)	(19.5)	8.3%	(18.0)	(19.3)	7.2%
Social Contribution	(0.3)	(2.5)	733.3%	(0.3)	(2.5)	733.3%
Income Tax	(0.4)	(7.0)	1650.0%	(0.4)	(7.0)	1650.0%
Net Income	**66.6**	**125.8**	**88.9%**	**66.6**	**123.5**	**85.4%**
Net Income Margin	***16.1%***	***23.4%***	***7.3 p.p.***	***16.1%***	***23.3%***	***7.2 p.p.***

Balance Sheet in IFRS

R$ MM	03/31/2013	12/31/2013	03/31/2014
Short-Term Assets	**1,191.3**	**1,270.0**	**1,427.2**
Cash & Cash Equivalents	18.4	7.1	10.4
Short-Term Investments	729.1	732.1	747.7
Accounts Receivable	347.4	334.6	435.2
Carry-Forwards Credits	4.9	48.6	67.6
Advance to Employees / Third-Parties	24.1	33.4	33.8
Related Parties	0.3	0.3	0.3
Prepaid Expenses	37.2	57.5	48.2
Taxes and contributions	9.6	30.0	57.8
Others	20.4	26.3	26.2
Long-Term Assets	**730.4**	**868.7**	**897.4**
Non-Current Assets	**131.8**	**163.5**	**174.6**
Prepaid Expenses	2.5	2.6	3.0
Judicial Deposits	85.3	104.1	113.5
Taxes and contributions	22.7	25.6	25.7
Deferred Taxes and others	21.3	31.3	32.3
Permanent Assets	**598.5**	**705.1**	**722.9**
Investments	0.2	0.2	0.2
Fixed Assets	289.2	335.6	347.1
Intangible	309.1	369.3	375.5
Total Assets	**1,921.6**	**2,138.7**	**2,324.6**
Short-Term Liabilities	**211.5**	**290.1**	**344.8**
Loans and Financing	14.0	36.7	43.7
Suppliers	29.1	40.4	40.3
Salaries and Payroll Charges	93.9	79.7	124.7
Taxes Payable	25.2	34.0	44.7
Prepaid Monthly Tuition Fees	4.7	11.1	3.9
Advances under Partnership Agreement	2.9	2.9	2.9
Taxes Paid in Installments	2.0	1.5	1.4
Dividends Payable	26.1	58.1	58.1
Commitments Payable	11.2	22.2	22.3
Others	2.4	3.5	2.9
Long-Term Liabilities	**338.8**	**330.9**	**332.7**
Loans and Financing	264.8	238.2	236.4
Provisions for Contingencies	23.8	28.4	28.3
Advances under Partnership Agreement	11.3	9.1	8.4
Taxes Paid in Installments	6.1	6.9	6.7
Provision for asset retirement obligations	14.2	14.1	14.3
Deferred Taxes	0.8	8.4	11.4
Commitments Payable	11.6	17.3	17.8
Others	6.2	8.5	9.5
Shareholders' Equity	**1,371.3**	**1,517.6**	**1,647.1**
Capital	986.2	1,010.7	1,010.7
Share Issuance Expenses	(23.4)	(26.9)	(26.9)
Capital Reserves	115.7	121.0	124.7
Earnings Reserves	237.6	424.2	424.2
Retained Earnings	66.6	-	125.8
Treasury Stocks	(11.3)	(11.3)	(11.3)
Total Liabilities and Shareholders' Equity	**1,921.6**	**2,138.7**	**2,324.6**

Cash Flow Statement

Detailed cash flow statement with the adjustment for the delays in the FIES buyback auctions.

Cash Flow Statement (R$ million)	1Q13	1Q14
Profit before income taxes and social contribution	**67.3**	**135.3**
Adjustments to reconcile profit to net cash generated:	**30.6**	**28.4**
Depreciation and amortization	17.9	19.2
Amortization of funding costs (IFC and bonds)	0.2	0.3
Net book amount of property and equipment written-off	0.2	0.6
Provision for impairment of trade receivables	14.8	15.5
Options granted	1.4	3.7
Earnings on financial investments	(8.2)	(18.8)
Provision for contingencies	0.3	(0.1)
Appropriation of agreements	(0.7)	(0.7)
Interest on commitments payable	(0.8)	0.9
Interest on borrowings	5.4	7.5
Increase in provision for decommissioning of assets	0.2	0.2
Result after reconciliation to net cash generated	**97.9**	**163.7**
Changes in assets and liabilities:	**(75.4)**	**(105.1)**
(Increase) in accounts receivable	(82.5)	(116.0)
Decrease (increase) in other assets	(1.9)	0.1
Increase) decrease in advances to employees / third parties	1.8	(0.3)
(Increase) decrease in prepaid expenses	(6.2)	9.3
(Increase) decrease in taxes and contributions	(2.3)	(28.5)
Increase (decrease) in suppliers	(6.3)	(0.1)
Increase (decrease) in taxes payable	3.5	1.2
Increase (decrease) in payroll and related charges	28.2	45.0
(Decrease) in prepaid monthly tuition fees	(4.1)	(7.2)
Payment of civil claims	0.3	-
Provision for decommissioning of assets	-	(0.0)
Increase (decrease) in other liabilities	(0.5)	3.4
Decrease (increase) in taxes paid in installments	(0.5)	(0.4)
(Decrease) in non-current assets	(0.6)	(0.9)
Increase in judicial deposits	(2.0)	(9.4)
Interest paid on borrowings	(0.9)	(1.1)
IRPJ and CSLL paid	(1.2)	-
Net cash provided by (used in) operating activities:	**22.5**	**58.6**
	-	-
CAPEX (Ex-Acquisitions)	**(13.8)**	**(36.4)**
Operational Cash Flow:	**8.7**	**22.2**
Other investing activities:	**7.7**	**17.3**
Acquisitions	-	(0.8)
Amortization of funding costs (IFC and bonds)	(0.2)	(0.3)
Financial Applications	8.4	18.8
Commitments payable	(0.5)	(0.4)
Net cash provided by (used in) investing activities	**16.4**	**39.5**
	-	-
Cash flows from financing activities:	**590.6**	**(1.6)**
Capital increase	616.9	-
Expenditure on issuance of shares	(20.6)	-
Net increase in borrowings	(5.7)	(1.6)
Net cash provided by (used in) financing activities	**607.0**	**37.9**
Cash and cash equivalents at the beginning of the period	**140.5**	**783.2**
Increase in cash and cash equivalents	607.0	37.9
Cash and cash equivalents at the end of the period	**747.5**	**821.1**

Detailed cash flow statement without the adjustment for the delays in the FIES buyback auctions.

Cash Flow Statement (R$ million)	1Q13	1Q14
Profit before income taxes and social contribution	**67.3**	**135.3**
Adjustments to reconcile profit to net cash generated:	**30.6**	**28.4**
Depreciation and amortization	17.9	19.2
Amortization of funding costs (IFC and bonds)	0.2	0.3
Net book amount of property and equipment written-off	0.2	0.6
Provision for impairment of trade receivables	14.8	15.5
Options granted	1.4	3.7
Earnings on financial investments	(8.2)	(18.8)
Provision for contingencies	0.3	(0.1)
Appropriation of agreements	(0.7)	(0.7)
Interest on commitments payable	(0.8)	0.9
Interest on borrowings	5.4	7.5
Increase in provision for decommissioning of assets	0.2	0.2
Result after reconciliation to net cash generated	**97.9**	**163.7**
Changes in assets and liabilities:	**(75.4)**	**(124.1)**
(Increase) in accounts receivable	(82.5)	(116.0)
Decrease (increase) in other assets	(1.9)	(18.9)
Increase) decrease in advances to employees / third parties	1.8	(0.3)
(Increase) decrease in prepaid expenses	(6.2)	9.3
(Increase) decrease in taxes and contributions	(2.3)	(28.5)
Increase (decrease) in suppliers	(6.3)	(0.1)
Increase (decrease) in taxes payable	3.5	1.2
Increase (decrease) in payroll and related charges	28.2	45.0
(Decrease) in prepaid monthly tuition fees	(4.1)	(7.2)
Payment of civil claims	0.3	-
Provision for decommissioning of assets	-	(0.0)
Increase (decrease) in other liabilities	(0.5)	3.4
Decrease (increase) in taxes paid in installments	(0.5)	(0.4)
(Decrease) in non-current assets	(0.6)	(0.9)
Increase in judicial deposits	(2.0)	(9.4)
Interest paid on borrowings	(0.9)	(1.1)
IRPJ and CSLL paid	(1.2)	-
Net cash provided by (used in) operating activities:	**22.5**	**39.6**
	-	-
CAPEX (Ex-Acquisitions)	**(13.8)**	**(36.4)**
Operational Cash Flow:	**8.7**	**3.2**
Other investing activities:	**7.7**	**17.3**
Acquisitions	-	(0.8)
Amortization of funding costs (IFC and bonds)	(0.2)	(0.3)
Financial Applications	8.4	18.8
Commitments payable	(0.5)	(0.4)
Net cash provided by (used in) investing activities	**16.4**	**20.5**
	-	-
Cash flows from financing activities:	**590.6**	**(1.6)**
Capital increase	616.9	-
Expenditure on issuance of shares	(20.6)	-
Net increase in borrowings	(5.7)	(1.6)
Net cash provided by (used in) financing activities	**607.0**	**18.9**
Cash and cash equivalents at the beginning of the period	**140.5**	**739.2**
Increase in cash and cash equivalents	607.0	18.9
Cash and cash equivalents at the end of the period	**747.5**	**758.1**

Exhibit I – Provision for FIES

Below is a summary of the "Provision for FIES" line under selling expenses, which constitutes provisions for:

(i) FIES students with a guarantor (at 2.25%, as we have already been doing this year, conservatively assuming future losses of 15% from the FIES portfolio, which is approximately three times higher than historical losses from the student portfolio; the provision was constituted considering 15% of credit risk over 15% of delinquency);

(ii) FIES students with FGEDUC after April 2012 for uncovered FGEDUC risk under the current rule, i.e. provisions were constituted for the 10% not covered by FGEDUC. Over this amount, we constituted provisions for the 15% credit risk over estimated delinquency of 15% (0.225%);

(iii) FIES students with FGEDUC until March 2012 for uncovered FGEDUC risk under the former rule, i.e. provisions were constituted for the 20% not covered by FGEDUC. Over this amount, we constituted provisions for the 15% credit risk over estimated delinquency of 15% (0.450%);

(iv) FIES students with FGEDUC until March 2012, for losses on the balance of restricted deposits based on the 2% FGEDUC contribution under the former rule, recorded as Minimum Guarantee, on estimated delinquency of 15% (0.30%).

It is worth noting that items (i), (ii) and (iii) have counter entries under noncurrent liabilities in the "Provision for FIES risk line", while item (iv) has a counter entry as a noncurrent asset reducing account – "Provision for loss of FIES restricted deposits" – as an adjustment for the expected realization of the restricted deposits account, recorded based on the 2% FGEDUC contribution under the former rule.

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 groups. 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 our courses
- Widely recognized "Estácio" brand

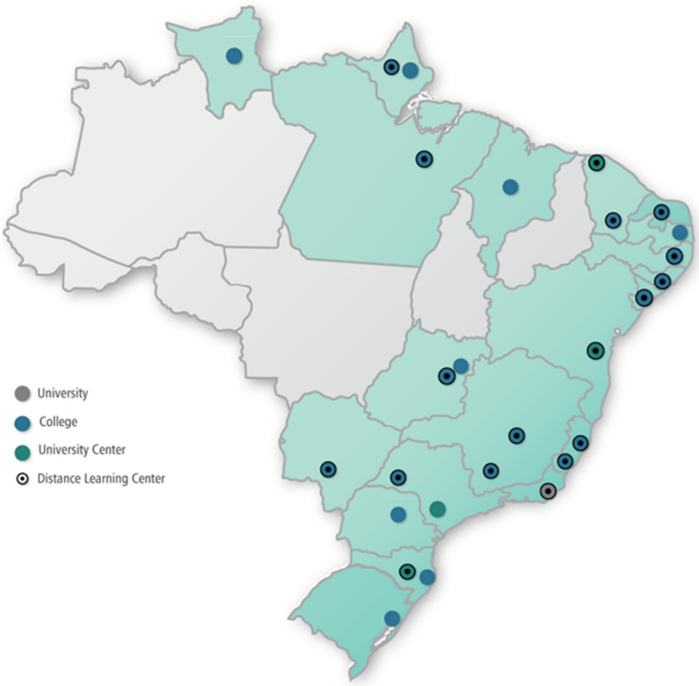
High Quality Learning Experience
- Nationally integrated syllabi
- Unique teaching methodology
- Full convergence between the On-Campus and Distance Learning models
- Highly qualified faculty

Professional and Integrated Operational Management
- Result-oriented management model
- Focus on educational quality

Scalable Business Model
- Growth with profitability
- Organic expansion and through acquisitions

Financial Solidity
- Strong cash reserves
- Capacity to generate and raise funds
- Control of working capital

Estácio closed 1Q14 with 394,500 undergraduate, graduate and distance-learning students enrolled in its nationwide educational network, which now operates in 20 states, as well as the Federal District, following the acquisitions in recent years, as shown in the map below:



(A free translation of the original in Portuguese)

Estácio Participações S.A.

Quarterly Information (ITR) at March 31, 2014
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. (the "Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2014, comprising the balance sheet as at that date and the statements of income, changes in equity and cash flows for the three-month period 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.

Estácio Participações S.A.

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 three-month period ended March 31, 2014. 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, 2014

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

Claudia Eliza Medeiros de Miranda
Contadora CRC 1RJ087128/O-0

Estácio Participações S.A.

Balance sheets

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

	Parent		Consolidated	
Assets	**March 31, 2014**	**December 31, 2013**	**March 31, 2014**	**December 31, 2013**
Current assets				
Cash and cash equivalents (Note 3)	134	160	10,443	7,132
Marketable securities (Note 3)	614,707	654,505	747,654	732,051
Accounts receivable (Note 4)			435,173	334,632
Accounts recoverable - FIES program (Note 29(a))			67,638	48,647
Advances to employees/ third parties	19	19	33,767	33,442
Related parties (Note 5)	1,427	1,074	259	259
Prepaid expenses (Note 6)	77	122	48,208	57,515
Dividends receivable (Note 8)	58,118	58,118		
Interest on capital receivable	1,275	1,275		
Taxes and contributions (Note 7)	1,666	651	57,790	30,004
Other	1,317	1,340	26,246	26,319
	678,740	717,264	1,427,178	1,270,001
Non-current assets				
Long-term receivables				
Prepaid expenses (Note 6)			3,012	2,554
Judicial deposits (Note 16)	2,576	2,169	113,499	104,058
Deferred taxes (Note 28)			17,571	16,999
Taxes and contributions (Note 7)	5,723	6,483	25,733	25,634
Other	566	586	14,749	14,262
	8,865	9,238	174,564	163,507
Investments				
In subsidiaries (Note 8)	1,303,884	1,127,596		
Other			228	228
	1,303,884	1,127,596	228	228
Intangible assets (Note 9)	359	401	375,535	369,301
Property and equipment (Note 10)	754	2,356	347,113	335,614
	1,304,997	1,130,353	722,876	705,143
	1,313,862	1,139,591	897,440	868,650
Total assets	1,992,602	1,856,855	2,324,618	2,138,651

	Parent		Consolidated	
Liabilities and equity	**March 31, 2014**	**December 31, 2013**	**March 31, 2014**	**December 31, 2013**
Current liabilities				
Trade accounts payable	42	483	40,295	40,429
Borrowings (Note 11)	38,484	31,246	43,658	36,692
Payroll and related charges (Note 12)	135	135	124,671	79,672
Taxes payable (Note 13)	3,816	2,156	44,700	34,022
Prepaid monthly tuition fees (Note 29(b))			3,917	11,090
Advances under exclusivity agreements (Note 17)	1,800	1,800	2,887	2,887
Taxes paid in installments (Note 14)			1,392	1,495
Related parties (Note 5)	4,192	4,218		
Dividends payable (Note 18)	58,118	58,118	58,118	58,118
Commitments payable (Note 15)			22,266	22,206
Other	4	5	2,942	3,498
	106,591	98,161	344,846	290,109
Non-current liabilities				
Long-term liabilities				
Borrowings (Note 11)	233,639	235,352	236,390	238,214
Provision for contingencies (Note 16)			28,327	28,380
Advances under exclusivity agreements (Note 17)	5,250	5,700	8,419	9,141
Taxes paid in installments (Note 14)			6,650	6,939
Deferred taxes (Note 28)			11,389	8,366
Provision for decommissioning of assets (Note 29(c))			14,274	14,095
Commitments payable (Note 15)			17,750	17,266
Other			9,451	8,499
	238,889	241,052	332,650	330,900
Equity (Note 18)				
Share capital	1,010,687	1,010,687	1,010,687	1,010,687
Share issue costs	(26,852)	(26,852)	(26,852)	(26,852)
Capital reserves	124,700	120,981	124,700	120,981
Treasury shares	(11,348)	(11,348)	(11,348)	(11,348)
Revenue reserves	424,174	424,174	424,174	424,174
Profit for the period	125,761		125,761	
	1,647,122	1,517,642	1,647,122	1,517,642
Total liabilities and equity	1,992,602	1,856,855	2,324,618	2,138,651

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

Estácio Participações S.A.

Statements of income
Periods ended March 31

All amounts in thousands of reais unless otherwise stated (A free translation of the original in Portuguese)

	Parent		Consolidated	
	2014	**2013**	**2014**	**2013**
Continuing operations				
Net operating revenue (Note 23)			538,205	413,254
Cost of services (Note 24)			(308,718)	(242,613)
Gross profit			229,487	170,641
Operating income (expenses)				
Selling expenses (Note 25)			(48,602)	(42,942)
General and administrative expenses (Note 25)	(2,212)	(2,827)	(74,180)	(62,179)
Equity in the results of subsidiaries (Note 8)	121,095	67,128		
Other operating income (Note 26)	449	407	3,218	3,504
Operating profit	119,332	64,708	109,923	69,024
Finance income (Note 27)	15,749	7,453	40,535	11,337
Finance costs (Note 27)	(7,672)	(5,519)	(15,174)	(13,017)
Finance income (costs), net	8,077	1,934	25,361	(1,680)
Profit before income tax and social contribution	127,409	66,642	135,284	67,344
Income tax (Note 28)	(1,210)		(7,000)	(443)
Social contribution (Note 28)	(438)		(2,523)	(259)
Profit for the period attributable to owners of the Company	125,761	66,642	125,761	66,642
Earnings per share - basic and diluted (Note 22)	0.00043	0.00023	0.00043	0.00023

The Company has not obtained other comprehensive income for the periods ended March 31, 2014 and 2013.

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

Estácio Participações S.A.

Statements of changes in equity

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

			Capital reserves		Revenue reserves				
	Share capital	Share issue costs	Share premium	Options granted	Legal	Profit retention	Treasury shares	Retained earnings	Total
At January 1, 2013	369,319	(2,819)	96,565	17,733	19,263	218,322	(11,348)		707,035
Public Offering of shares	616,858								616,858
Profit for the year								66,642	66,642
Options granted				1,379					1,379
Share issue costs		(20,578)							(20,578)
Treasury shares 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
Exercise of employee stock options	24,510								24,510
Profit for the year								178,065	178,065
Allocation of profit									
Transfer to reserves					12,235	174,354		(186,589)	
Proposed dividends								(58,118)	(58,118)
Options granted				5,304					5,304
Share issue costs		(3,455)							(3,455)
Treasury shares acquired							(200)		(200)
Share repurchase option							200		200
At December 31, 2013	1,010,687	(26,852)	96,565	24,416	31,498	392,676	(11,348)		1,517,642
Profit for the year								125,761	125,761
Options granted				3,719					3,719
At March 31, 2014	1,010,687	(26,852)	96,565	28,135	31,498	392,676	(11,348)	125,761	1,647,122

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		Consolidated	
	2014	**2013**	**2014**	**2013**
Cash flows from operating activities				
Profit before income tax and social contribution	127,409	66,642	135,284	67,344
Adjustments to reconcile profit to net cash generated				
Depreciation and amortization	632	632	19,184	17,856
Amortization of funding costs	334	183	334	183
Net book amount of property and equipment and intangible written-off	1,012		629	166
Provision for impairment of trade receivables			15,485	14,802
Options granted			3,719	1,379
Earnings on financial investments	(15,707)	(7,413)	(18,816)	(8,212)
Provision for contingencies			(53)	282
Appropriation of agreements	(450)	(450)	(722)	(722)
Interest on commitments payable			933	(817)
Interest on borrowings	7,528	5,436	7,528	5,436
Increase in provision for decommissioning of assets			192	207
Equity in results	(121,095)	(67,128)		
	(337)	(2,098)	163,697	97,904
Changes in assets and liabilities				
(Increase) in trade receivables			(116,026)	(82,510)
Decrease (increase) in other assets	21	(241)	(18,920)	(1,921)
(Increase) decrease in advances to employees/ third parties		5	(325)	1,810
(Increase) decrease in prepaid expenses	45	471	9,307	(6,229)
(Increase) decrease in taxes and contributions	(255)	(203)	(28,457)	(2,338)
Increase (decrease) in trade payables	(441)	(387)	(134)	(6,326)
Increase (decrease) in taxes payable	13	50	1,156	3,515
Increase (decrease) in payroll and related charges		(5)	44,999	28,179
(Decrease) in prepaid monthly tuition fees			(7,173)	(4,145)
Increase in Provision for contingencies				283
Provision for decommissioning of assets			(13)	
Increase (decrease) in other liabilities	(1)	3	3,419	(462)
(Decrease) in taxes paid in installments			(392)	(502)
(Decrease) in non-current assets	20	17	(945)	(636)
Increase in judicial deposits	(407)	(12)	(9,441)	(2,043)
	(1,342)	(2,400)	40,752	24,579
Interest paid on borrowings	(1,139)	(854)	(1,139)	(854)
IRPJ and CSLL paid				(1,246)
Net cash provided by (used in) operating activities	(2,481)	(3,254)	39,613	22,479
Cash flows from investing activities:				
Short-term investments	55,505	(559,031)	3,213	(598,544)
Property and equipment			(24,589)	(4,895)
Intangible assets		(4)	(12,957)	(8,861)
Intercompany loans	(379)	471		
Investments in subsidiaries	(14,999)	(55,845)		
Dividends received				
Commitments payable			(389)	(524)
Acquisition of subsidiaries, net of cash obtained on acquisition				
Advances for future capital increase	(36,475)	26,085		
Other				
Net cash provided by (used in) investing activities	3,652	(588,324)	(34,722)	(612,824)
Cash flows from financing activities				
Capital increase		616,858		616,858
Share issue costs		(20,578)		(20,578)
Net increase in borrowings	(1,197)	(4,725)	(1,580)	(5,672)
Net cash provided by financing activities	(1,197)	591,555	(1,580)	590,608
Increase (decrease) in cash and cash equivalents	(26)	(23)	3,311	263
Cash and cash equivalents at the beginning of the year	160	132	7,132	18,132
Cash and cash equivalents at the end of the year	134	109	10,443	18,395
(Decrease) increase in cash and cash equivalents	(26)	(23)	3,311	263

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		Consolidated	
	2014	**2013**	**2014**	**2013**
Revenue				
Educational services			555,564	428,364
Other income			4,073	3,314
Provision for impairment of trade receivables			(15,485)	(14,802)
Other commercial expenses			(953)	(1,080)
			543,199	415,796
Inputs acquired from third parties				
Materials, energy and outsourced services	(846)	(1,628)	(88,097)	(74,689)
Other			53	(282)
	(846)	(1,628)	(88,044)	(74,971)
Gross value added	(846)	(1,628)	455,155	340,825
Depreciation and amortization	(966)	(815)	(19,517)	(18,039)
Net value added generated by the Company	(1,812)	(2,443)	435,638	322,786
Value added received through transfer				
Equity in the results of investees	121,095	67,128		
Finance income	15,749	7,453	40,535	11,337
Other	448	450	3,218	3,504
	137,292	75,031	43,753	14,841
Total value added to distribute	135,480	72,588	479,391	337,627
Distribution of value added				
Personnel				
Direct remuneration	296	320	210,213	153,625
Benefits			5,923	5,272
Government Severance Indemnity Fund for Employees (FGTS)			13,908	10,964
	296	320	230,044	169,861
Taxes and contributions				
Federal	1,751	106	44,223	36,884
State			1	1
Municipal			22,922	19,806
	1,751	106	67,146	56,691
Remuneration of third-party capital				
Interest	7,672	5,520	15,174	13,017
Rental			41,266	31,416
	7,672	5,520	56,440	44,433
Remuneration of own capital				
Dividends		27,698		27,698
Retained profits	125,761	38,944	125,761	38,944
	125,761	66,642	125,761	66,642
Value added distributed	135,480	72,588	479,391	337,627

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

1 Operations

Estácio Participações S.A. ("Estácio" or the "Company") and its subsidiaries (together, the "Group") have as their 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 stockholder, in other limited companies in Brazil.

The Company is a corporation headquartered at Avenida Embaixador Abelardo Bueno, 199, in the Municipality and State of Rio de Janeiro, incorporated by the private subscription of shares on March 31, 2007, and currently listed on the New Market.

The Group has fifteen companies, including the Estácio Participações: twelve of them are maintainers of college institutions, incorporated as limited liability companies, and has one University, four University Centers and thirty-five colleges, distributed in twenty States of the country and in the Federal District.

The Company's Board of Directors, in a meeting held on May 07, 2014, authorized the disclosure of this interim accounting information.

2 Summary of significant accounting policies

The main accounting policies applied in the preparation of this quarterly information are set out below. These policies have been consistently applied in the years 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to 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 provision for impairment of trade receivables, as well as assessment of other risks to determine other provisions, including provisions for contingencies (Nota 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 in the estimation process. The Company reviews its estimates and assumptions periodically, at least annually.

The consolidated quarterly information was prepared in accordance with CPC 21 (R1)/IAS 34, Interim Financial Reporting. 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's quarterly information was prepared in accordance with CPC 21 (R1), Interim Financial Reporting, and is disclosed together with the consolidated quarterly information.

In the parent company financial statements, subsidiaries are recorded based on the equity accounting method. The accounting practices adopted in Brazil applicable to the parent company financial statements differ from IFRS applicable to separate financial statements only in relation to the measurement of investments in subsidiaries based on the equity accounting method, instead of cost or fair value in accordance with IFRS.

The information relating to the annual financial statements for the year ended December 31, 2013, presented together with the quarterly information for comparison purposes, was prepared in accordance with accounting practices 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, 2013.

For a better comparison of the quarterly information for March 31, 2013, the Company reclassified the amounts referring to tax liabilities and income tax (IRPJ) and Social Contribution (CSLL) paid in the statement of cash flows, without changing the results from operating operations.

The accounting standards CPC 36 (R3)/ IFRS 10, Consolidated financial statements, CPC 40 (R1)/ IFRS 7, Financial instruments Disclosures, CPC 45/ IFRS 12, Disclosure of Interests in Other Entities, and CPC 46/IFRS 13, Fair Value Measurement, applicable to the Company and effective for the year started on January 1, 2013, did not have relevant impact on the Company's quarterly information.

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 instruments 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.

All amounts in thousands of reais unless otherwise stated

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:

		Direct - %
	March 31, 2014	**December 31, 2013**
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. ("NACP")	100	100
Estácio Editora ("EDITORA")	100	100

		Indirect - %
	March 31, 2014	**December 31, 2013**
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. ("IDEZ")	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
Instituto de Ensino Superior Social e Tecnológico Ltda. ("FACITEC")	100	100
Associação de Ensino de Santa Catarina ("ASSESC")	100	100

The reporting periods of the quarterly information of the subsidiaries included in 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

The Company did not carry out any purchases or entered into commitments to make purchases during the quarter ended March 31, 2014. The acquisitions and purchase commitments made in 2013 are as follows:

(i) Faculdade de Ciências Sociais e Tecnológicas ("FACITEC")

On April 5, 2013, the Group acquired all the quotas of Faculdade de Ciências Sociais e Tecnológicas ("FACITEC"), which has its headquarters and campus in the city of Taguatinga, in the Federal District. The deal amounted to R$ 29,000, including payments to partners and assumption of the company's liabilities.

All amounts in thousands of reais unless otherwise stated

An additional payment of R$ 7 million is foreseen if FACITEC becomes a University Center up to December 31, 2014.

At the acquisition date, FACITEC had approximately 3,600 students in 13 undergraduate courses and 24 graduate courses, in addition to extension and free courses.

(ii) Associação de Ensino de Santa Catarina ("ASSESC")

On November 30, 2013, the Group acquired all the quotas of Associação de Ensino de Santa Catarina ("ASSESC"), which has its headquarters and campus in the city of Florianópolis, State of Santa Catarina. The deal amounted to R$ 6,771, including payments to partners and assumption of the company liabilities.

ASSESC was established in 1987 and has approximately 915 students for a total capacity of 4,970. ASSESC has a portfolio of 10 undergraduate courses registered with the Ministry of Education (MEC) and an average monthly fee of about R$ 570. It received the courses general index of 3 by MEC.

(iii) União dos Cursos Superiores SEB Ltda. ("UNISEB")

On September 12, 2013, Estácio Participações S.A. entered into a purchase commitment ("operation") to acquire all the shares of TCA Investimentos e Participações Ltda. ("TCA"), a limited liability company to be transformed in a corporation before the completion of the operation. TCA has its headquarters and campus in the city of Ribeirão Preto, State of São Paulo, and is the holding company of UNISEB - União dos Cursos Superiores SEB Ltda. ("UNISEB").

Goodwill recognized on the operation is not expected to be deductible for income tax purposes. The consideration paid and the values of acquired assets and contracted liabilities recognized at the dates of the acquisitions, which were carried out in 2013, are summarized in the table below:

	FACITEC	ASSESC	Total
Acquisition value			
Cash	18,000	5,316	23,316
Commitments payable	9,884	1,413	11,297
Contingent consideration (present value)	5,770		5,770
Total consideration	33,654	6,729	40,383
Identifiable assets acquired and liabilities assumed	(1,120)	(1,225)	(2,345)
Goodwill	32,534	5,504	38,038
Goodwill allocation			
Brand FACITEC	5,199	586	5,785
Operation license	433	397	830
Students portfolio	3,278	199	3,477
Goodwill	26,654	4,724	31,378
Deferred income tax	(3,030)	(402)	(3,432)

All amounts in thousands of reais unless otherwise stated

	FACITEC	ASSESC	Total
Cash and cash equivalents	232	654	886
Trade receivables	1,462	464	1,926
Taxes and contributions recoverable	3	78	81
Property and equipment	1,815	895	2,710
Intangible assets	21	5	26
Borrowings	(180)		(180)
Trade payables	(525)	(75)	(600)
Salaries and social charges	(204)	(258)	(462)
Tax obligations	(96)	(25)	(121)
Prepaid monthly tuition fees	(130)		(130)
Amounts payable in installments	(704)		(704)
Provisions	(574)	(512)	(1,086)
Other trade payables		(1)	(1)
Net assets acquired	1,120	1,225	2,345

2.4 Recognition of revenues, costs and expenses

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

(a) Services revenue

Revenue comprises the fair value of the consideration received or receivable for the provision of educational services in the ordinary course of the Group's activities. Revenue is shown net of taxes, 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 for interest on financing, gains and losses stated at fair value, according to the classification of the note, besides net exchange and monetary variations.

Interest income is recognized on the accrual basis, using the effective interest rate 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 elapses, 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 entity operates ("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 year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognized in the statement of income.

2.6 Cash and cash equivalents

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

2.7 Marketable securities

At initial recognition, the Company classifies its marketable securities in the following categories, depending on the purpose for which the securities were acquired:

- held for trading - they are bought for the purpose of sale in the near term and are measured at fair value. Interest, monetary variation and fair value changes are recognized in profit or loss;

- held to maturity - they are purchased with the intention and ability to hold them to maturity, and are recognized and measured at amortized cost using the effective interest method, with earnings allocated to profit or loss; and

- available for sale - they are non-derivative instruments that are either designated in this category or not classified in any of the previous categories. They are measured at fair value and interest and monetary variations are charged to profit or loss, while the fair value changes are recorded in equity under the heading of carrying value adjustments and transferred to profit or loss for the year upon the settlement of the security.

At March 31, 2014 and December 31, 2013, all of the Company's marketable securities are classified as "held for trading".

2.8 Trade receivables and prepaid monthly tuition fees

These receivables arise mainly from the rendering of educational activity services and do not include 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 statement of income for the year 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 Provision for impairment of trade receivables

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

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

Investments in subsidiaries are accounted for using the equity method. In the parent company quarterly information, the goodwill based on the expected future profitability of the acquired companies is presented in the investment account.

2.11 Property and equipment

Property and equipment are measured at acquisition or construction 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 statement of income when incurred.

Property and equipment items are written off when sold or when no future economic benefit is expected to arise from its use or sale. Any gain or loss resulting from the asset disposal (calculated as the difference between net sales value and the carrying amount of the asset) is included in the statement of income for the year in which the asset was written-off.

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 after the purchase price allocation over the net fair value of assets and liabilities of the acquired entity. If negative goodwill is determined, the amount is recorded as a gain in profit or loss for the year on the date of acquisition. Goodwill is tested for impairment on an annual basis.

Goodwill is stated 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 student relationships acquired in a business combination are recognized at fair value at the acquisition date. The contractual student 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) Software

Computer software licenses purchased 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 of 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 recorded 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 (CGUs)). 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 estimating an asset's value in use, estimated future cash flows are discounted to present value, using a pre-tax discount rate reflecting the weighted average cost of capital for the industry in which the cash generating unit operates. The net sales price is determined, whenever possible, based on firm sale contracts in a transaction on an arm's length basis, between well informed and willing parties, adjusted by expenses attributable to the asset sale, or, when there is no firm sale contract, based on the price in an active market, or the most recent transaction price with 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 provided for in bylaws. 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 statement of income over the lease term, based on the amortized cost and effective interest method.

Operating leases

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

2.15 Borrowings

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 rate 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 stockholders is recognized as a liability in the Group's financial statements at year-end based on the Company's bylaws. Any amount that exceeds the minimum required is only provided on the date it is approved by the stockholders in 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 the 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 reliably estimated, with the contra entry of a provision recorded in liabilities. Interest incurred on this provision is classified as finance costs. 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 the time elapses is recognized as interest expense.

2.19 Taxation

Subsidiaries that enrolled in the "University for All" Program (PROUNI) 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.
- 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 began to pay 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 and may be subsequently transferred to a reserve account.

PIS and 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%.

Deferred income tax and social contribution

Deferred tax are recognized for all deductible temporary differences, carryforward 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 carryforward 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.

- Over deductible tax temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is likely that temporary differences will be reversed in the near future and the taxable income will be available against which the temporary differences may be used.

The carrying amount of the deferred tax assets is revised at each balance sheet date and written down to the extent that it is no longer probable that taxable income will be available to permit the use of all or part of the deferred tax assets. Written off deferred tax assets are reviewed at each balance sheet date and reinstated to the extent that it becomes likely that future taxable income will allow the deferred tax assets to be realized. Deferred tax assets and liabilities are measured at the tax rates expected to be applicable in the year when the asset will be realized or the liability will be settled, based on the tax rate (and tax law) in effect on the balance sheet date.

Deferred taxes relating to items recognized directly in equity are also recognized in equity and not in the statement of income. 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 payment

The Company grants to its main executives 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 stockholders 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 the profit refers, according to Technical 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 Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity attributable to the Company's stockholders 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 stockholders.

2.24 Critical 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 related to these assumptions and estimates could lead to results that would require a significant adjustment to the carrying amount of the respective asset or liability 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) 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, 2013
Average gross margin (i)	41.5
Growth rate (ii)	5
Discount rate (iii)	14.6

(i) Budgeted average 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 share-based payments to employees based on the fair value of the equity instruments on the grant date. The estimate of the fair value of the share-based payments requires the determination of the most adequate assessment model for the grant of equity instruments, which depends on the grant terms and conditions. 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 contingencies

The Company recognizes provisions for civil, tax and labor cases. The assessment of the likelihood of loss includes the evaluation of the available evidence, the hierarchy of laws, available case law, recent court decisions and their significance in the legal system, as well as the opinion of outside legal advisors. The provisions are reviewed and adjusted to account for changes in circumstances, such as the applicable statute of limitations, completion of tax inspections, or additional exposures identified on the basis of new matters 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 statement of income based on the remaining useful life of the asset.

2.25 Statements 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

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 period. As required by Brazilian corporate law, this statement is an integral part of the parent company quarterly information 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 provision for impairment of trade receivables), inputs acquired from third parties (cost of sales and purchases of materials, electric power and outsourced services, including taxes levied upon acquisition, effects of impairment and recovery of assets, depreciation and amortization), and value added received from third parties (equity in the results of subsidiaries, finance and other income). The second part of the statement of value added shows how this wealth is distributed among personnel, taxes, charges 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 and cash equivalents, marketable securities, accounts receivable, judicial deposits, accounts payable, debentures, borrowings and financing. 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. 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 (costs), 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, 2014 and December 31, 2013, 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 and interpretations to existing standards were issued by IASB are not effective for 2013. Early adoption of standards, although encouraged by the IASB, is not permitted in Brazil, by the Accounting Pronouncements Committee (CPC).

- IFRIC 21 - "Levies", addresses when an entity should recognize a liability to pay a government levy (other than income taxes) according to the law. The liability should be recognized as a result of a past event. This interpretation is mandatory from January 1, 2014. This standard has no effect on the quarterly information of the Company.

- IFRS 9 - "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010 and replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is currently assessing the total impact of IFRS 9. The standard is applicable as of January 1, 2015.

All amounts in thousands of reais unless otherwise stated

There are no other IFRS 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		Consolidated	
	March 31, 2014	**December 31, 2013**	**March 31, 2014**	**December 31, 2013**
Cash and banks	134	160	10,443	7,132
Cash and cash equivalents	134	160	10,443	7,132
Bank Deposit Certificates (CDB)	95,277	100,846	99,428	107,692
Investment funds	151,866	145,184	159,420	153,825
Repurchase agreements	367,564	408,475	488,806	470,534
Marketable securities	614,707	654,505	747,654	732,051
	614,841	654,665	758,097	739,183

Bank Deposit Certificates (CDB) earn interest at rates varying from 90.0% to 103.0% of Interbank Deposit Certificates (CDI) at March 31, 2014 (December 31, 2013 - 94.2% to 101.6%).

Repurchase agreements backed by first-tier debentures are recorded at fair value, bearing interest at 75% to 104.0% of CDI at March 31, 2014 (December 31, 2013 - 75% to 105.7% of CDI).

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 (2014 - 10.40%; 2013 - 7.25%). None of these financial assets is either past due or impaired.

The investment in an exclusive fund is backed by financial allocations in private credit fund quotas, CDBs, and repurchase agreements with first-tier banks and issuers.

The Company has a Financial Investments and Derivatives Policy that stipulates that investments must be in low risk marketable securities with highly-rated financial institutions. At March 31, 2014, the operations earn interest based on the variation of the Interbank Deposit Certificate (CDI) rate.

At March 31, 2014 and December 31, 2013, all Company marketable securities are classified as "held for trading".

All amounts in thousands of reais unless otherwise stated

4 Accounts receivable

	Consolidated	
	March 31, 2014	December 31, 2013
Monthly tuition fees	277,719	261,670
FIES (a)	147,233	78,885
Agreements and exchanges	27,596	27,762
Receivables on credit cards (b)	32,935	25,281
Renegotiated receivables	42,957	30,226
	528,440	423,824
Receivable identifiable	(1,271)	797
Provision for impairment of receivables (c)	(91,996)	(89,989)
	435,173	334,632

The aging of accounts receivable is as follows:

	Consolidated			
	March 31, 2014	%	December 31, 2013	%
FIES	147,233	28	78,885	19
Not yet due	130,692	25	81,179	19
Overdue for up to 30 days	69,614	13	45,683	11
Overdue from 31 to 60 days	22,639	4	39,169	9
Overdue from 60 to 90 days	8,304	2	29,897	7
Overdue from 91 to 179 days	57,962	11	59,022	14
Overdue for more than 180 days	91,996	17	89,989	21
	528,440	100	423,824	100

The aging of agreements receivable is as follows:

	Consolidated			
	March 31, 2014	%	December 31, 2013	%
Not yet due	28,693	67	16,732	55
Overdue for up to 30 days	3,712	9	3,157	10
Overdue from 31 to 60 days	2,141	5	2,055	7
Overdue from 61 to 90 days	1,257	3	1,866	6
Overdue from 91 to 179 days	3,484	8	3,225	11
Overdue for more than 180 days	3,670	8	3,191	11
	42,957	100	30,226	100

All amounts in thousands of reais unless otherwise stated

(a) Trade receivables from the Student Financing Fund (FIES) are represented by educational loans obtained by students from Caixa Econômica Federal (CEF) and the National Education Development Fund (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. This receivables grew by 87% on March 31, 2014 compared to December 31, 2013, explained by the expected concentration of the contract addition process at the beginning of the semester, besides the increasing of the students base.

In 2014, trade receivables from FIES are presented net of estimated losses, as follows:

(i) For FIES students with guarantor, a provision was recognized for 2.25% of the accounts receivable with this characteristic, considering the assumptions of 15% of the credit risk on 15% of default.

(ii) For the uncovered risk of FGEDUC a provision, with accession held from April 2012, was recognized for 10% of the receivables under the 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, with accession held until March 2012, a provision was recognized for 20% under the 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%.

(b) A substantial part of the credit card receivables arises from the negotiation of overdue fees.

(c) Changes in the consolidated provision for impairment of receivables were as follows:

Description	December 31, 2013	Gross increase in provision for impairment of receivables	Recovered amounts	Net effect of provision	Write-offs	March 31, 2014
Monthly tuition and fees	71,128	34,550	(19,630)	14,920	(11,818)	74,230
Acquired	18,861	1,861	(1,296)	565	(1,660)	17,766
	89,989	36,411	(20,926)	15,485	(13,478)	91,996

For the period ended March 31, 2014 and for the year 2013, expenses for the provision of impairment of receivables (Note 25), recognized in the statement of income as "selling expenses", consist of the following:

	March 31, 2014	March 31, 2013
Increase in provision (i)	15,485	18,003
Unidentified deposits and collections written-off		(2,561)
Other		(640)
	15,485	14,802

(i) In order to facilitate understanding and to allow a direct reconciliation of the provision for impairment of receivables between the balance sheet and statement of income of the period, 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.

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 Technical Pronouncement CPC 05 and are as follows:

	Parent		Consolidated		
	March 31, 2014	**December 31, 2013**	**March 31, 2014**	**December 31, 2013**	**Interest**
Current assets					
Loan					
SESES	1,159	912			110% of CDI
Nova Academia do Concurso	1	1			110% of CDI
FAL	2	1			110% of CDI
Fatern	3	2			110% of CDI
IREP	214	138			110% of CDI
Atual	8	4			110% of CDI
Seama	21	3			110% of CDI
Editora	6	6			110% of CDI
FARGS	3	1			110% of CDI
São Luís	5	3			110% of CDI
Idez	1	0			110% of CDI
Facitec	4	3			110% of CDI
Subsidiaries	1,427	1,074			
Related individuals			259	259	100% of CDI
	1,427	1,074	259	259	
Investment fund (i)			9,019	5,511	
			9,019	5,511	
Non-current assets					
Advance for future capital increase - Investments					
IREP	6,607	27,918			
Nova Academia	300	1,450			
SESES	35,000	500			
	41,907	29,868			

All amounts in thousands of reais unless otherwise stated

	Parent		Consolidated		
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013	Interest
Current liabilities					
Subsidiaries					
SESES	4,114	4,140			110% of CDI
IREP	65	65			110% of CDI
Atual	3	3			110% of CDI
Nova Academia	3	3			110% of CDI
FAL	1	1			110% of CDI
Fatern	2	2			110% of CDI
Seama	4	4			110% of CDI
	4,192	4,218			

Statement of income

	March 31, 2014	March 31, 2013
Result of loan operations		
Interest paid	1	
Net result at March 31	1	

(i) At March 31, 2014, the Company has R$ 9,019 invested in the BRZ Renda Fixa Fundo de Investimento CP, whose quotas were acquired by the Fundo Exclusivo de Investimento Estapart of BTG Pactual bank. GP Investimentos, which was a Company's stockholder until September 20, 2013, has a 90.6% interest in the share capital of BRZ Investimentos, manager of BRZ Fund. The Board of Directors members, Mr. Eduardo Alcalay, Marcelo Cunha Ribeiro and Eduardo Romeu Ferraz, have, as Directors or Partners, relationship with GP Investimentos.

6 Prepaid expenses

	Parent		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Insurance	77	122	1,820	2,073
Property tax (IPTU)			5,993	
Educational material (i)			24,063	12,932
Advances - vacation and related charges			15,093	41,920
Registration fee - Ministry of Education (MEC)			2,552	2,573
Other prepaid expenses			1,699	571
Total	77	122	51,220	60,069
Current assets	77	122	48,208	57,515
Non-current assets			3,012	2,554
	77	122	51,220	60,069

(i) It refers to the costs incurred for copyright, printing and postage for the production of education material to be used both in the current and future period. They are recorded as prepaid expenses and allocated during the period of utilization.

All amounts in thousands of reais unless otherwise stated

7 Taxes and contributions

	Parent		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Corporate Income Tax (IRPJ/IRRF)	6,165	6,119	24,609	21,066
Social Contribution (CSLL)	1,031	828	6,132	4,600
Social Integration Program (PIS) (i)	4	3	28,138	253
Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	6	1	939	848
Service Tax (ISS)	77	77	18,442	17,601
National Institute for Social Security (INSS)			4,694	11,112
Government Severance Indemnity Fund for Employees (FGTS)			454	46
Tax on Financial Transactions (IOF)	106	106	115	112
	7,389	7,134	83,523	55,638
Current assets	1,666	651	57,790	30,004
Non-current assets	5,723	6,483	25,733	25,634
	7,389	7,134	83,523	55,638

(i) At March 31, 2014, the Company recorded a PIS credit related to the Declaratory Action and Undue Payments issued by Federal Government to its subsidiary SESES , regarding the years 1995 to 2005, representing the total amount of R$ 27,867, adjusted by Selic rate.

All amounts in thousands of reais unless otherwise stated

8 Investments in subsidiaries

	Parent	
	March 31, 2014	December 31, 2013
Sociedade de Ensino Superior Estácio Sá Ltda. - SESES	738,211	626,935
IREP-Sociedade de Ensino Superior Médio e Fundamental Ltda.	549,204	484,405
Nova Academia de Concurso - Cursos Preparatórios Ltda.	16,495	16,280
Estácio Editora e Distribuidora Ltda.	(26)	(24)
	1,303,884	1,127,596

The subsidiaries' information is as follows:

	2014							
	Interest	Number of quotas	Total assets	Total liabilities	Equity	Advance for future capital increase	Goodwill	Equity in results of subsidiaries
Seses	100%	356,077	928,045	224,834	703,211	35,000		57,558
Irep	100%	233,487	719,690	239,535	480,155	6,607	62,442	63,624
Nova Academia de Concurso	100%	6,705	4,406	2,229	2,177	300	14,018	(85)
Estácio Editora Distribuidora Ltda.	100%	250	41	72	(31)		5	(2)
Total - March 31, 2014			1,652,182	466,670	1,185,512	41,907	76,465	121,095

	2013							
	Interest	Number of quotas	Total assets	Total liabilities	Equity	Advance for future capital increase	Goodwill	Equity in results of subsidiaries
Seses	100%	340,577	774,453	148,018	626,435	500		106,000
Irep	100%	211,000	630,238	236,193	394,045	27,918	62,442	133,953
Nova Academia de Concurso	100%	6,370	4,425	3,613	812	1,450	14,018	(1,510)
Estácio Editora Distribuidora Ltda.	100%	250	42	71	(29)		5	(6)
Total - December 31, 2013			1,409,158	387,895	1,021,263	29,868	76,465	238,437

The global changes in the investments in subsidiaries in the period and year ended March 31, 2014 and December 31, 2013, respectively are as follows:

Investments in subsidiaries December 31, 2012	818,052
Equity in the results of subsidiaries	238,437
Capital increase	38,975
Advance for future capital increase	29,868
Dividends	(58,118)
Profit retention reserve (i)	53,699
Options granted	6,683
Investments in subsidiaries December 31, 2013	1,127,596
Equity in the results of subsidiaries	121,095
Capital increase	14,999
Advance for future capital increase	36,475
Options granted	3,719
Investments in subsidiaries March 31, 2014	1,303,884

All amounts in thousands of reais unless otherwise stated

(i) During the year ended December 31, 2012, subsidiaries IREP and SESES proposed the distribution of dividends of R$ 93,699. The Annual and Extraordinary General Meeting held on June 17, 2013 approved the payment of dividends of R$ 40,000 from this proposed amount, of which R$ 26,000 and R$ 14,000 were paid on June 26, and October 30, 2013, respectively. The remaining R$ 53,699 was allocated to the profit retention reserve.

The accounting information of the subsidiaries used for application of the equity method of account was prepared as of March 31, 2014.

9 Intangible assets

Intangible assets - Parent company

		December 31, 2012		March 31, 2013
		Cost	**Additions**	**Cost**
Cost				
Software licenses		7	**4**	11
Students portfolio		818		818
Total		**825**	**4**	**829**
	Amortization rates	**Amortization**	**Additions**	**Amortization**
Depreciation				
Software licenses	20% p.a.	(2)	(1)	(3)
Students portfolio	20% p.a.	(273)	(41)	(314)
Total		**(275)**	**(42)**	**(317)**
Net book value		**550**	**(38)**	**512**

	December 31, 2013		March 31, 2014
	Cost	**Additions**	**Cost**
Cost			
Software licenses	28		28
Students portfolio	818		818
Total	**846**		**846**

All amounts in thousands of reais unless otherwise stated

	Amortization rates	Amortization	Additions	Amortization
Depreciation				
Software licenses	20% p.a.	(8)	(1)	(9)
Students portfolio	20% p.a.	(437)	(41)	(478)
Total		**(445)**	**(42)**	**(487)**
Net book value		**401**	**(42)**	**359**

All amounts in thousands of reais unless otherwise stated

Intangible assets - Consolidated

		December 31, 2012				March 31, 2013
		Cost	**Additions**	**Write-offs**	**Transfers**	**Cost**
Cost						
Goodwill on investment acquisition		204,190				204,190
Software licenses		70,565	3,713	(2,331)		71,947
EAD and Integração		14,656				14,656
CSC		1,940				1,940
Learning Center		46,837	1,886			48,723
Relationship Center		2,348				2,348
Student portfolio		17,133				17,133
Brands and patents		2				2
Other		19,796	,.261			23,057
Total		**377,467**	**8,860**	**(2,331)**	**-**	**383,996**
	Amortization rates	**Amortization**	**Additions**	**Write-offs**	**Transfers**	**Amortization**
Depreciation						
Goodwill investment acquisition	Indefinite	(6,924)				(6,924)
Software licenses	20% p.a.	(39,515)	(2,629)			(42,144)
EAD and Integração	20% p.a.	(9,118)	(713)			(9,831)
CSC	20% p.a.	(1,403)	(97)			(1,500)
Learning Center	5% p.a.	(6,425)	(467)			(6,892)
Relationship Center	20% p.a.	(939)	(117)			(1,056)
Student portfolio	20% p.a.	(4,627)	(857)			(5,484)
Brands and patents		(2)				(2)
Other	20% p.a.	(616)	(424)			(1,040)
Total		**(69,569)**	**(5,304)**	**-**	**-**	**(74,873)**
Net book value		**307,898**	**3,556**	**(2,331)**	**-**	**309,123**

All amounts in thousands of reais unless otherwise stated

Intangible assets - Consolidated

		December 31, 2013				March 31, 2014
		Cost	**Additions**	**Write-offs**	**Transfers**	**Cost**
Cost						
Goodwill on investment acquisition		236,959		(524)		236,435
Software licenses		90,353	7,635		59	98,047
EAD and Integração		15,303	71			15,374
CSC		1,940				1,940
Learning Center		54,154	1,833			55,987
Relationship Center		2,348				2,348
Student portfolio		26,429	795			27,224
Other		35,504	2,623			38,127
Total		**462,990**	**12,957**	**(524)**	**59**	**475,482**
	Amortization rates	**Amortization**	**Additions**	**Write-offs**	**Transfers**	**Amortization**
Depreciation						
Goodwill investment acquisition	Indefinite	(6,924)				(6,924)
Software licenses	20% p.a.	(50,162)	(4,440)		(59)	(54,661)
EAD and Integração	20% p.a.	(11,851)	(359)			(12,210)
CSC	20% p.a.	(1,791)	(97)			(1,888)
Learning Center	5% p.a.	(8,420)	(577)			(8,997)
Relationship Center	20% p.a.	(1,409)	(117)			(1,526)
Student portfolio	20% p.a.	(10,797)	(84)			(10,881)
Other	20% p.a.	(2,335)	(525)			(2,860)
Total		**(93,689)**	**(6,199)**	**-**	**(59)**	**(99,947)**
Net book value		**369,301**	**6,758**	**(524)**	**-**	**375,535**

All amounts in thousands of reais unless otherwise stated

At March 31, 2014 and December 31, 2013, goodwill on acquisition of investments was comprised of the following:

	Consolidated	
	March 31, 2014	**December 31, 2013**
Goodwill on investment acquisition (Note 2.3)		
IREP	89,090	89,090
ATUAL	15,503	15,503
Seama	18,035	18,035
Idez	2,047	2,047
Uniuol	956	956
Fargs	8,055	8,055
São Luis	27,369	27,369
Facitec	26,654	27,124
Assesc	4,724	4,778
FAL	8,076	8,076
FATERN	14,979	14,979
Nova Academia	14,018	14,018
Estácio Editora	5	5
	229,511	230,035

The Company carries out annual analyses for impairment purposes, the last being for the year ended December 31, 2013, 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 statement of income.

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

		December 31, 2012			March 31, 2013
		Cost	**Additions**	**Write-offs**	**Cost**
Cost					
Computers and peripherals		9,079			9,079
Total		**9,079**	**-**		**9,079**
	Depreciation rates	**Depreciation**	**Additions**	**Write-offs**	**Depreciation**
Depreciation					
Computers and peripherals	25% p.a.	(5,372)	(591)	1	(5,963)
Total		**(5,372)**	**(591)**	**1**	**(5,963)**
Net book value		**3,707**	**(591)**	**(1,012)**	**3,116**

		December 31, 2013			March 31, 2014
		Cost	**Additions**	**Write-offs**	**Cost**
Cost					
Computers and peripherals		10,090		(1,013)	9,077
Total		**10,090**	**-**	**(1,013)**	**9,077**
	Depreciation rates	**Depreciation**	**Additions**	**Write-offs**	**Depreciation**
Depreciation					
Computers and peripherals	25% p.a.	(7,734)	(590)	1	(8,323)
Total		**(7,734)**	**(590)**	**1**	**(8,323)**
Net book value		**2,356**	**(590)**	**(1,012)**	**754**

All amounts in thousands of reais unless otherwise stated

Property and equipment - Consolidated

	December 31, 2012 Cost	Additions	Write-offs	Transfers	March 31, 2013 Cost
Cost					
Land	19,480				19,480
Buildings	84,610	58			84,668
Leasehold improvements	101,081	30		158	101,269
Furniture and fittings	52,035	614	(15)		52,634
Computers and peripherals	82,590	60	(7)		82,643
Machinery and equipment	64,181	157	(34)		64,304
Physical exercise / hospital equipment	25,523	138	(6)		25,655
Library	78,792	220			79,012
Facilities	12,526	121			12,647
Tablets	18,701	2,052			20,753
Other	6,457	236	(9)		6,684
Construction in progress	24,328	1,209	(95)	(158)	25,284
Decommissioning	12,060				12,060
Total	**582,364**	**4,895**	**(166)**	**-**	**587,093**

	Depreciation rates	Depreciation	Additions	Write-offs	Transfers	Depreciation
Depreciation						
Buildings	1.67% p.a.	(38,159)	(284)			(38,443)
Leasehold improvements	11.11% p.a.	(65,217)	(2.207)			(67,424)
Furniture and fittings	8.33% p.a.	(27,347)	(865)			(28,212)
Computers and peripherals	25% p.a.	(53,826)	(3,022)			(56,848)
Machinery and equipment	8.33% p.a.	(37,906)	(1,504)			(39,410)
Physical exercise / hospital equipment	6.67% p.a.	(11,390)	(292)			(11,682)
Library	5% p.a.	(33,077)	(764)			(33,841)
Facilities	8.33%p.a.	(4,911)	(245)			(5,156)
Tablets	20.00%p.a.	(1,718)	(546)			(2,264)
Other	14.44% p.a.	(3,253)	(126)			(3,379)
Decommissioning		(10,900)	(365)			(11,265)
Total		**(287,704)**	**(10,220)**		**-**	**(297,924)**
Net book value		**294,660**	**(5,325)**	**(166)**	**-**	**289,169**

All amounts in thousands of reais unless otherwise stated

Property and equipment - Consolidated

		December 31, 2013				March 31, 2014
		Cost	**Additions**	**Write-offs**	**Transfers**	**Cost**
Cost						
Land		19,480				19,480
Buildings		89,993	358	(450)	498	90,399
Leasehold improvements		131,673	4,420		2,829	138,922
Furniture and fittings		62,766	1,919	(70)		64,615
Computers and peripherals		93,131	1,734	(255)		94,610
Machinery and equipment		73,535	782	(98)		74,219
Physical exercise / hospital equipment		32,147	1,292	(30)		33,409
Library		96,448	1,744			98,192
Facilities		17,516	1,583			19,099
Tablets		32,126	5,248	(2)		37,372
Other		10,020	86	(26)		10,080
Construction in progress		11,131	5,423		(3,327)	13,227
Decommissioning		11,650		(12)		11,638
Total		**681,616**	**24,589**	**(943)**	**-**	**705,262**
	Depreciation rates	**Depreciation**	**Additions**	**Write-offs**	**Transfers**	**Depreciation**
Depreciation						
Buildings	1.67% p.a.	(39,204)	(309)	67		(39,446)
Leasehold improvements	11.11% p.a.	(79,860)	(2,844)			(82,704)
Furniture and fittings	8.33% p.a.	(33,498)	(1,002)	58		(34,442)
Computers and peripherals	25% p.a.	(69,383)	(3,548)	285		(72,646)
Machinery and equipment	8.33% p.a.	(46,694)	(2,028)	278		(48,444)
Physical exercise / hospital equipment	6.67% p.a.	(12,772)	(393)	28		(13,137)
Library	5% p.a.	(39,679)	(901)			(40,580)
Facilities	8.33%p.a.	(6,098)	(363)			(6,461)
Tablets	20.00%p.a	(3,918)	(1,127)			(5,135)
Other	14.44% p.a.	(4,906)	(185)	8		(5,083)
Decommissioning		(9,990)	(195)	114		(10,071)
Total		**(346,002)**	**(12,985)**	**838**	**-**	**(358,149)**
Net book value		**. 335,614**	**11,604**	**(105)**	**-**	**347,113**

All amounts in thousands of reais unless otherwise stated

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

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

		December 31, 2013			March 31,2014
		Cost	Additions	Write-offs	Cost
Cost					
Capitalized finance leases		48,392			48,392
Total		**48,392**	**-**	**-**	**48,392**
Depreciation	**Taxa de depreciação**	**Depreciação**	**Adições**	**Baixas**	**Depreciação**
Capitalized finance leases	25%p.a.	(35,625)	(1,418)		(37,043)
Total		**(35,625)**	**(1,418)**	**-**	**(37,043)**
Net book value		**12,767**	**(1,418)**	**-**	**11,349**

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 Technical Pronouncement CPC 01 (IAS 36), Impairment of Assets, property and equipment items that present evidence that their recorded costs exceed their recoverable value (market value) will be reviewed to determine the need for 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, 2014 and December 31, 2013, there was no need to record any provision for impairment of property and equipment.

All amounts in thousands of reais unless otherwise stated

11 Borrowings

		Parent		Consolidated	
Type	**Financial charges**	**March 31, 2014**	**December 31, 2013**	**March 31, 2014**	**December 31, 2013**
In local currency					
Working capital	1.70% p.m. and/or CDI (*)+ 0.25% p.m.			228	228
Lease agreements	IGP-M (**) + 12.3% p.a.		1,010		1,010
Lease agreements - Colortel	INPC (***) + 0.32% p.a.			4,637	5,721
Lease agreements - Assist				486	653
Lease agreements - CIT				1,010	0
Lease agreements - Total Service				86	113
Aymoré Financiamentos	1.78% p.m.				
IFC loan	CDI +1.53% p.a.	65,220	64,395	65,220	64,395
Issue of debentures	CDI +1.60% p.a.	206,869	201,159	206,869	201,159
Share repurchase option Banco Itaú (Note 18(d))		34	34	34	34
Borrowing - Banco do Brasil					
Borrowing - FEE BNB	3% p.a.			1,478	1,593
		272,123	266,598	280,048	274,906
Current liabilities		38,484	31,246	43,658	36,692
Non-current liabilities		233,639	235,352	236,390	238,214
		272,123	266,598	280,048	274,906

(*) IGP-M - General Market Price Index
(**) CDI - Interbank Deposit Certificate
(***) INPC - National Consumer Price Index

Funding costs amount to R$ 3,380 at March 31, 2014, being R$ 2,437 related to borrowings from IFC (R$ 537 of the 1st borrowing and R$ 1,900 of the 2nd borrowing) and R$ 943 to the debentures. The annual effective interest rate of the debentures (TIR) is 11.49%.

The maturity of amounts recorded in non-current liabilities at March 31, 2014 and December 31, 2013 is as follows:

	Parent		Consolidated	
	March 31, 2014	**December 31, 2013**	**March 31, 2014**	**December 31, 2013**
2015	47,291	49,118	48,336	51,310
2016	68,646	68,613	70,022	69,067
2017	88,646	88,613	88,976	88,829
2018	8,875	8,863	8,875	8,863
2019	8,875	8,863	8,875	8,863
2020	8,876	8,863	8,876	8,863
2021	2,430	2,419	2,430	2,419
Non-current liabilities	233,639	235,352	236,390	238,214

The borrowed funds are used to finance the expansion of the Company including, but not limited to, acquisition of other enterprises in the industry and/or organization of new campuses.

The share repurchase conditions are detailed in Note 21.

All amounts in thousands of reais unless otherwise stated

(a) Lease agreements

Promissory notes endorsed by stockholders and leased assets, in the amount of R$ 48,392, were given to guarantee the lease agreements.

(b) IFC borrowing

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

These borrowings contain restrictive covenants that require the borrower to maintain certain financial ratios within preset limits. In the quarterly information of March 31, 2014, the Company and its subsidiaries are compliant with all contractually required ratios.

(c) Debentures

Just as the borrowing agreements with IFC, the debentures also contain restrictive covenants that require maintenance of certain financial ratios within preset limits. In the quarterly information of March 31, 2014, the Company and its subsidiaries are compliant with all contractually required ratios.

Debentures were issued in the holders name and recorded in the books without certificates being issued. They are subordinated, simple, non-convertible debentures. The current issue did not have a renegotiation clause. The debentures pay interest of 100% of Interbank Deposit Certificate rate (CDI) 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 indenture. Interest is paid every six months (May and November).

The debentures payment flow is as follows:

	March 31, 2014
2014	27,555
2015	39,771
2016	59,771
2017	79,772
	206,869

The fair value of the current portion of 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 12.31% (2013 - 11.52%).

The Group's borrowings are denominated in Brazilian reais (R$).

All amounts in thousands of reais unless otherwise stated

12 Payroll and social charges

	Parent		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Salaries and related charges	135	135	83,411	64,956
Provision for vacation pay			31,200	14,716
Provision for 13th month salary			10,060	
	135	135	124,671	79,672

13 Tax obligations

	Parent		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
ISS payable	5	4	16,695	13,212
IRRF payable	22	40	6,176	6,282
PIS and COFINS payable	22	(7)	729	759
IOF			384	384
	49	37	23,984	20,637
IRPJ payable	2,760	1,551	15,057	9,660
CSLL payable	1,007	568	5,659	3,725
	3,767	2,119	20,716	13,385
	3,816	2,156	44,700	34,022

14 Taxes paid in installments

	Consolidated	
	March 31, 2014	December 31, 2013
IRPJ	67	67
CSLL	107	107
FGTS	12	12
ISS	1,039	1,008
PIS	85	85
COFINS	322	323
INSS	6,410	6,832
	8,042	8,434
Current liabilities	1,392	1,495
Non-current liabilities	6,650	6,939
	8,042	8,434

All amounts in thousands of reais unless otherwise stated

Monthly, the amount of installments is adjusted based on the Special System for Settlement and Custody (SELIC) rate.

These refer basically to taxes and social security contributions payable in installments to Municipalities, the Brazilian IRS and Social Security and the payment flow is as follows:

	Consolidated	
	March 31, 2014	**December 31, 2013**
2015	488	777
2016	777	777
2017	777	777
2018 to 2027	4,608	4,608
	6,650	6,939

15 Commitments payable

	Consolidated	
	March 31, 2014	**December 31, 2013**
Fal	535	785
Fatern	1,565	1,529
Seama	2,054	2,011
Idez	222	217
Fargs	1,133	1,108
Uniuol	472	461
Facitec	19,663	19,032
São Luis	13,161	12,848
Assesc	1,211	1,481
	40,016	39,472
Current liabilities	22,266	22,206
Non-current liabilities	17,750	17,266
	40,016	39,472

All amounts in thousands of reais unless otherwise stated

These basically refer to the amount payable to the former owners for the acquisition of related companies, subjected monthly to the following rates: SELIC or IPCA (Amplified 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.

At March 31, 2014 and December 31, 2013, the provision for contingencies was comprised of the following:

				Consolidated
	March 31, 2014		**December 31, 2013**	
	Provision for contingencies	**Judicial deposit**	**Provision for contingencies**	**Judicial deposit**
Civil	2,876	17,960	3,250	17,491
Labor	25,451	80,821	25,130	78,319
Tax	-	14,718	-	8,248
	28,327	113,499	28,380	104,058

The changes in the provision for contingencies were as follows:

				Consolidated
	Tax	**Labor**	**Civil**	**Total**
At December 31, 2013		25,130	3,250	28,380
Additions		3,513	415	3,928
Reversals		(3,192)	(789)	(3,981)
At March 31, 2014		25,451	2,876	28,327

During the period ended March 31, 2014, the expense for the provision for contingencies, recognized in the statement of income as "general and administrative expenses", was as follows:

	March 31, 2014	March 31, 2013
Statement of income		
Additions	3,928	10,139
Reversals	(3,981)	(9,575)
Reversal of liability of former quotaholders		(1,212)
Other		(70)
General and administrative expenses (Note 25)	(53)	282

(a) Civil

Most proceedings mainly involve claims for indemnity for moral and property 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 provisions recognized for civil lawsuits are due to the following:

Matters	All amounts in thousands of reais
Indemnity for moral damages	2,022
Incorrect collection	489
Prevention of enrollment/ reenrollment	60
Discipline-related problems	41
Return of fees	40
Delay in issuance of diploma	31
Other*	193
	2,876

(*) These arise from other operating and/or academic problems, civil class actions, actions for review and other suits for damages.

(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 professors.

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

All amounts in thousands of reais unless otherwise stated

Matter	R$ thousands
Salary differences + reduction of working time + Labor Collective Agreement (CCT) fine + FGTS + Notice	5,495
Fines (article 467 of the Consolidation of the Labor Laws (CLT), article 477 CLT and CCT/ACT)	4,049
Overtime + Supression Inter + Intra	3,568
Moral/Property damage/Moral harassment	2,799
Correction of Work and Social Security card (CTPS) + Indirect repeal + Recognition of employment relationship	1,541
Vacation	1,445
Allowances (health hazards/night shift pay/improvement/length of service/risk premium)	963
Deviation of function and parity	868
Other *	4,723
	25,451

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

(c) Tax

The Company's legal advisors reviewed, assessed and quantified the tax proceedings and, considering that there are no proceedings assessed as probable losses, management considered not necessary the recognition of a provision for such proceedings.

(d) Possible losses not reflected in the balance

The Company has tax, civil and labor actions, involving risk of loss classified by management as possible, based on its legal advisors opinion, for which no provision has been recorded, as follows:

	Consolidated	
	March 31, 2014	December 31, 2013
Tax	349,880	348,689
Civil	89,331	89,038
Labor	68,642	71,309
	507,853	509,036

Among the main proceedings not provided for in the quarterly information, we highlight:

(i) 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 defenses are pending judgment by the Special IRS Office for the Largest Taxpayers of the State of Rio de Janeiro (DEMAC/RJO). In August 2012, an administrative lower court sentence was rendered, 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. The Company filed appeals, which are waiting judgment by the Board of Tax Appeals. The total amount involved, disregarding the effects of the extinguishment of right, is R$ 190,046. According to the opinion of the external legal advisors, the possibility of loss in these cases remains possible.

(ii) In 2009, SESES filed a common civil action against the Federal Government/Federal Tax Authorities, through which it claims authorization to pay the social security contributions, according to the graduation provided by Article 13 of Law 11,096/05 ("PROUNI Act"), 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, in 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 Stockholders' Meeting that changed the legal nature of SESES and not the publication date of the Prouni Act. Currently, the suit is awaiting 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.

(iii) Given the divergence of understanding of article 13 of Law No. 11.096/05 ("PROUNI"), as mentioned in item (ii) above, Tax Foreclosures were issued by the National Treasury aimed at judicial recovery of debts related the alleged differences in payments of social security contributions. Embargoes were imposed on these executions, which are still being tried. The total amount involved is R $ 68,623. According to our legal counsel opinion, the risk of loss in these cases is possible.

17 Advances under exclusivity agreements

On August 3, 2006, an agreement was entered into between the Company's 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, 2014, the balance related to amounts advanced in connection with the agreement amounted to R$ 11,306 (December 31, 2013 - R$ 12,028), being R$ 2,887 classified in 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, 2014, capital is represented by 295,212,146 common shares.

The Company's shareholding structure at March 31, 2014 and December 31, 2013 is as follows:

	Common shares			
Stockholders	**March 31, 2014**	**%**	**December 31, 2013**	**%**
Officers and directors	3,362,331	1.1	3,379,507	1.2
Treasury	1,796,700	0.6	1,796,700	0.6
Other (*)	290,053,115	98.3	290,035,939	98.2
	295,212,146	100.0	295,212,146	100.0

(*) Free float.

During 2013, the Company made a public offering and, as a result, its share capital were increased by R$ R$ 616,858 corresponding to 44,061,300 shares. Also in 2013, the Company's share capital was increased by R$ 24,510, corresponding to 3,634,793 shares, as a result of exercise of stock options.

At the Annual General Meetings of April 15, May 2, August 29 and November 28, 2013, the stockholders approved the private issuance of 2,106,747; 14,214; 1,397,436 and 116,396 registered common shares, respectively, with no par value, with the consequent increase of the Company's capital in the amounts of R$ 14,306, R$ 105, R$ 9,409 and R$ 826, within the limit of the authorized capital in order to meet the exercise of the options granted to the beneficiaries of the share option plan.

At the Extraordinary General Meeting held on May 21, 2013, the stockholders approved a 3-for-1 stock split. This stock split resulted in a change in the number of shares which compose the Company's capital.

On September 20, 2013, Estácio Participações S.A. following article 12, paragraph 4th of the CVM instruction 358, issued on January 3, 2002, changed by CVM instruction 449, issued on March 16, 2007, submitted a press release communicating that Management was advised by "Private Equity Partners C, LLC" and "GPCP4- Fundo de Investimento em participações", which, as informed to the Company, on September 19, 2013, the aforementioned investors sold all of their shares on Company's capital on September 23, 2013.

At March 31, 2014, the Company's capital is represented by 295,212,146 registered common shares.

All amounts in thousands of reais unless otherwise stated

(b) Changes in shares

December 31, 2012 (after split)	247,516,053
Issue of common shares due to the public offer of shares - Material fact notice on January 24, 2013	38,314,176
Issue of common shares due to the public offer of shares - Board of Directors minutes of meeting of January 31, 2013	5,747,124
Issue of common shares due to exercise of granted options - Extraordinary General Meeting of April 15, 2013	2,106,747
Issue of common shares due to exercise of granted options - Board of Directors minutes of meeting of May 2, 2013	14,214
Issue of common shares due to exercise of granted options - Board of Directors minutes of meeting of August 29, 2013	1,397,436
Issue of common shares due to the exercise of granted options - Board of Directors minutes of meeting of November 28, 2013	116,396
March 31, 2014 (*)	295,212,146

The share capital is composed of shares with no par value.

(*) No changes in capital shares occurred during the quarter ended March 31, 2014.

The cost for issuing public offering shares in 2013 was R$ 24,033.

(c) Treasury shares

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

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

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

Complementing the 2nd Repurchase Program, the Company's Board of Directors, in a meeting held on September 27, 2011, approved the repurchase of its own shares by entering into call and put options (collectively "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, pursuant to 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 share repurchase program was closed on July 13, 2012, the Company began to exercise the options of the repurchase program with derivatives, and the first call was exercised on September 17, 2012.

All amounts in thousands of reais unless otherwise stated

The program ended on April 15, 2013 after the exercise of the last call. The Company exercised a call option to acquire 1,007,700 shares (after split) at an average cost of R$ 21.27 (R$ 7.09 after split).

	Amount	Average cost	Balance
Treasury shares at March 31, 2014	1,796,700	6.32	11,348

(d) Capital reserves

(d.1) Share premium

The share premium reserve refers to the difference between the subscription price that the stockholders 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 amount of the share premium in the quarterly information for the period ended at March 31, 2014 and year ended at December 31, 2013 is as follows:

	Parent	
	March 31,2014	**December 31, 2013**
Tax reserve	3	3
Undistributed profits (i)	96,477	96,477
Special reserve for goodwill on merger	85	85
	96,565	96,565

(i) Profits earned in periods previous to the Company's conversion into a profit-oriented company.

(d.2) Option grants

The Company recorded the Capital Reserve for Share Options granted in the amount of R$ 3,719 during the quarter ended March 31, 2014 (R$ 6,683 during the year ended December 31, 2013), 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 this parent company and consolidated quarterly information.

(e) Revenue reserves

(e.1) Legal reserve

The Brazilian legislation requires that 5% of the profit for the year must be allocated to the legal reserve until this reserve equals 20% of the 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, 2013, from the results accumulated by the Company, R$ 174,354 was for retained earnings reserve (2012 - R$ 78,152), in order to realize the investments expected in the Company's capital budget, prepared by management. The Annual Shareholders' Meeting was held on April 30, 2014.

19 Financial instruments and sensitivity analysis of financial assets and liabilities

The fair value of financial assets and liabilities was determined based on available market information and appropriate valuation methodologies for each situation. However, considerable judgment was required in the interpretation of the market data to estimate the fair value of each operation. Consequently, the estimates presented do not necessarily indicate the amounts that could be realized in the current market. The use of different market information and/or estimation methodologies may have a material effect on the estimated market value amounts.

The Company's financial assets and liabilities at March 31, 2014 and December 31, 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 fair values and their limitations:

(a) Cash and cash equivalents and marketable securities

The carrying amounts approximate fair values due to the short-term maturity of these instruments.

(b) Borrowings

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

(c) Trade 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

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 minimize risks. Management records a provision for impairment of receivables at an amount considered sufficient to cover possible losses on the collection of receivables; therefore the risk of incurring losses on billed amounts is duly measured and recorded. The main market risk factors that affect the Group's business are as follows:

(a) Credit risk

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

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

All amounts in thousands of reais unless otherwise stated

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

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

(b) Interest rate risk

The Group is exposed to fluctuations in the Interbank Deposit Certificate (CDI) rate, which is used to adjust the balance of its short-term investments and 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 meet its financial commitments due to the different settlement terms of its 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 flows 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, 2014 compared to December 31, 2013.

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, 2014				
Trade payables	40,295			
Borrowings	60,337	76,453	203,348	23,014
Finance lease obligations	4,492		1,728	
Commitments payable	22,266	4,245	16,227	
At December 31, 2013				
Trade payables	40,429			
Borrowings	57,071	74,401	200,896	24,549
Finance lease obligations	4,763		1,725	
Commitments payable	22,206	4,420	12,846	

All amounts in thousands of reais unless otherwise stated

(e) Sensitivity analysis

CVM Resolution 550, of October 17, 2008, establishes that publicly-held companies must disclose, in a specific note, qualitative and quantitative information on all their financial instruments, recognized or not 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 are recorded at cost plus interest earned or incurred, which at March 31, 2013 and December 31, 2013 approximate fair value.

The main risks to the Group's operations refer to changes in the Interbank Deposit Certificate (CDI) 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 carrying amount approximates their fair value.

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

For purposes of verifying the sensitivity of the index in the financial investments to which the Company was exposed on the base date of December 31, 2013, three different scenarios were defined. The most recent benchmark rate (SELIC) determined by the Brazilian Central Bank's Monetary Policy Committee at its February 26, 2014 meeting (10.75% 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 base date used for the portfolio was March 31, 2014, with projections for one year and verification of the sensitivity of the CDI for each scenario.

				CDI increase scenario
	Risk	**Probable scenario (I)**	**Scenario (II)**	**Scenario (III)**
Operations				
Financial investments	CDI	10.65%	13.31%	15.98%
R$ 747,654		79,625	99,531	119,438
Debentures	CDI+1.60	10.65%	13.31%	15.98%
R$ (207,812)		(25,811)	(31,433)	(37,054)
IFC I	CDI+1.53	10.65%	13.31%	15.98%
R$ (47,200)		(5,826)	(7,102)	(8,378)
IFC II	CDI+1.69	10.65%	13.31%	15.98%
R$ (20,457)		(2,561)	(3,115)	(3,669)
Net position		45,427	57,881	70,337

All amounts in thousands of reais unless otherwise stated

		CDI decrease scenario		
	Risk	**Probable scenario (I)**	**Scenario (II)**	**Scenario (III)**
Operations				
Financial investments	CDI	10.65%	7.99%	5.33%
R$ 747,654		79,625	59,719	39,813
Debentures	CDI+1.60	10.65%	7.99%	5.33%
R$ (207,812)		(25,811)	(20,190)	(14,568)
IFC I	CDI+1.53	10.65%	7.99%	5.33%
R$ (47,200)		(5,826)	(4,550)	(3,274)
IFC II	CDI+1.69	10.65%	7.99%	5.33%
R$ (20,457)		(2,561)	(2,007)	(1,453)
Net position		45,427	32,972	20,518

All amounts in thousands of reais unless otherwise stated

(f) Capital management

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

	Consolidated	
	March 31, 2014	**December 31, 2013**
Total liabilities	677,496	621,009
(-) Cash and cash equivalents	(10,443)	(7,132)
Net debt	667,053	613,877
Equity	1,647,122	1,517,642
Net debt on equity	0.40	0.40

(g) Fair value of financial instruments

At March 31, 2014 and December 31, 2013, the carrying values of the Company's financial instruments approximate their fair values.

The Group's financial instruments were classified as loans and receivables or other financial liabilities, except marketable securities (Note 3), classified as securities held for trading (Level 2).

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.

(h) Offsetting financial instruments

There were no significant assets or liabilities subjected to offset during the period and year ended March 31, 2014 and December 31, 2013.

All amounts in thousands of reais unless otherwise stated

20 Insurance coverage (not reviewed)

The Company and its subsidiaries have a risk management program to limit risks, seeking coverage in the market compatible with its size and operations. Insurance was contracted at the amounts indicated below, being considered sufficient by management to cover possible losses, in accordance with the nature of activity, risks involved in operations and the guidelines of insurance advisors.

The Company and the subsidiaries had the following main insurance policies with third-party insurers:

	Amounts insured	
	March 31, 2014	**December 31, 2013**
D&O insurance	80,000	80,000
Fire insurance for fixed assets	53,876	53,876
Civil liability	10,000	10,000
Fixed expense	5,000	5,000
Electronic equipment	200	200
Group life	354,120	353,160
Other lines	2,720	2,720

21 Management compensation

(a) Compensation

According to Brazilian Corporation Law and the Company's bylaws, stockholders 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.

In the periods ended March 31, 2014 and March 31, 2013, total compensation (salaries and profit sharing) paid to the Company's directors, officers and main executives amounted to R$ 1,560 and R$ 1,331, 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) Stock option plan

The Extraordinary General 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 option programs and granting to the Beneficiaries (reviewed from time to time) the options and the specific applicable rules, always observing the Plan's ("Program") general rules.

The volume of stock options is limited to 5% of the total shares of the Company's share capital 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 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 per share, adjusted by reference to the IGP-M index since July 11, 2008, less the amount of dividends and interest on capital 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, equivalent to the average price of the shares over the last thirty trading days on the São Paulo Stock Exchange prior to the date the beneficiary joins the 2nd program, adjusted by reference to the IGP-M index from the date the beneficiary is included in the 2nd program, less the amount of dividends and interest on capital 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% on 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, to be increased based on the variation of the IGP-M index from January 3, 2011 until the date of the actual option is exercised.

On April 2, 2012, upon termination of the 3rd program, the creation of the 4th program was approved, with an issue price of shares to be acquired of R$ 19.00, to be increased based on the variation of the IGP-M index from April 2, 2012 until the date of the actual option is exercised.

On March 1, 2013 upon termination of the 4th program, the creation of the 5th program was approved, with an issue price of shares to be acquired of R$ 40.00, to be increased based on the variation of the IGP-M index from March 1, 2013 until the date of the actual option is exercised.

On October 2, 2013, upon termination of the 5th program, the creation of the 6th program was approved, with an issue price of shares to be acquired of R$ 15.67, to be increased based on the variation of the IGP-M index from October 2, 2013 until the date of the actual option is exercised.

As mentioned in Note 18, a 3-for-1 share split was approved at the Extraordinary General Meeting on May 21, 2013. At December 31, 2013, capital is represented by 295,212,146 registered common shares.

At December 31, 2013, 5,090,856 options granted had been exercised. The balance of shares represented by options is 12,021,154.

As from 2013, the Company started to use, for the calculation of the fair value of the options of each grant, the Binomial model, but the Company did not change the old grants, according to the standards established by Technical 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 Value	Price of the underlying assets (*)	Expected annual volatility	Expected dividends	Risk-free interest rate	Estimated life (in years)	Number of options granted	Number of lapsed options
Program 1P Jul/08	4/15/2009	4/15/2019	R$ 3.35	R$ 7.83	57.49%	0.97%	6.85%	11	727,668	521,100
	4/15/2010	4/15/2020	R$ 4.14	R$ 7.83	57.49%	0.97%	6.85%	12	727,626	550,176
	4/15/2011	4/15/2021	R$ 4.68	R$ 7.83	57.49%	0.97%	6.85%	13	727,626	564,720
	4/14/2012	4/14/2022	R$ 5.36	R$ 7.83	57.49%	0.97%	6.85%	14	727,626	564,720
	4/14/2013	4/14/2023	R$ 4.70	R$ 7.83	57.49%	0.97%	6.85%	15	727,626	564,720
Program 1P Sep/08	4/15/2009	4/15/2019	R$ 1.06	R$ 4.68	56.00%	1.62%	8.42%	11	663,645	-
	4/15/2010	4/15/2020	R$ 1.71	R$ 4.68	56.00%	1.62%	8.42%	12	663,633	399,999
	4/15/2011	4/15/2021	R$ 2.14	R$ 4.68	56.00%	1.62%	8.42%	13	663,633	399,999
	4/14/2012	4/14/2022	R$ 2.37	R$ 4.68	56.00%	1.62%	8.42%	14	663,633	399,999
	4/14/2013	4/14/2023	R$ 2.67	R$ 4.68	56.00%	1.62%	8.42%	15	663,633	399,999
Program 1P Jan/09	4/15/2010	4/15/2020	R$ 1.02	R$ 4.40	63.99%	1.72%	6.83%	11	636,369	18,180
	4/15/2011	4/15/2021	R$ 1.66	R$ 4.40	63.99%	1.72%	6.83%	12	636,363	72,729
	4/14/2012	4/14/2022	R$ 2.07	R$ 4.40	63.99%	1.72%	6.83%	13	636,363	72,729
	4/14/2013	4/14/2023	R$ 2.37	R$ 4.40	63.99%	1.72%	6.83%	14	636,363	72,729
	4/14/2014	4/14/2024	R$ 2.56	R$ 4.40	63.99%	1.72%	6.83%	15	636,363	72,729
Program 1P Sep/09	4/15/2010	4/15/2020	R$ 2.37	R$ 6.70	56.75%	1.13%	5.64%	11	174,582	-
	4/15/2011	4/15/2021	R$ 3.10	R$ 6.70	56.75%	1.13%	5.64%	12	174,537	32,727
	4/14/2012	4/14/2022	R$ 3.59	R$ 6.70	56.75%	1.13%	5.64%	13	174,537	32,727
	4/14/2013	4/14/2023	R$ 3.99	R$ 6.70	56.75%	1.13%	5.64%	14	174,537	32,727
	4/14/2014	4/14/2024	R$ 4.21	R$ 6.70	56.75%	1.13%	5.64%	15	174,537	101,814
Program 1P Jan/10	4/15/2011	4/15/2021	R$ 3.73	R$ 8.17	63.15%	0.93%	6.23%	11	89,115	10,914
	4/14/2012	4/14/2022	R$ 4.55	R$ 8.17	63.15%	0.93%	6.23%	12	89,085	38,181
	4/14/2013	4/14/2023	R$ 5.11	R$ 8.17	63.15%	0.93%	6.23%	13	89,085	38,181
	4/14/2014	4/14/2024	R$ 5.53	R$ 8.17	63.15%	0.93%	6.23%	14	89,085	52,725
	4/14/2015	4/14/2025	R$ 5.80	R$ 8.17	63.15%	0.93%	6.23%	15	89,085	52,725
Program 1P Mar/10	4/15/2011	4/15/2021	R$ 3.16	R$ 7.50	62.20%	1.01%	6.21%	11	90,909	-
	4/14/2012	4/14/2022	R$ 3.96	R$ 7.50	62.20%	1.01%	6.21%	12	90,909	-
	4/14/2013	4/14/2023	R$ 4.50	R$ 7.50	62.20%	1.01%	6.21%	13	90,909	-
	4/14/2014	4/14/2024	R$ 4.91	R$ 7.50	62.20%	1.01%	6.21%	14	90,909	-
	4/14/2015	4/14/2025	R$ 5.16	R$ 7.50	62.20%	1.01%	6.21%	15	90,909	-
Program 2P Jul/10	4/15/2011	4/15/2021	R$ 2.05	R$ 6.73	58.84%	1.52%	6.25%	11	129,702	39,063
	4/14/2012	4/14/2022	R$ 2.87	R$ 6.73	58.84%	1.52%	6.25%	12	129,684	39,063
	4/14/2013	4/14/2023	R$ 3.40	R$ 6.73	58.84%	1.52%	6.25%	13	129,684	48,438
	4/14/2014	4/14/2024	R$ 3.80	R$ 6.73	58.84%	1.52%	6.25%	14	129,684	48,438
	4/14/2015	4/14/2025	R$ 4.04	R$ 6.73	58.84%	1.52%	6.25%	15	129,684	48,438
Program 2P Nov/10	4/15/2011	4/15/2021	R$ 3.36	R$ 8.40	57.60%	1.52%	5.88%	11	12,000	-
	4/14/2012	4/14/2022	R$ 4.22	R$ 8.40	57.60%	1.52%	5.88%	12	12,000	-
	4/14/2013	4/14/2023	R$ 4.80	R$ 8.40	57.60%	1.52%	5.88%	13	12,000	-
	4/14/2014	4/14/2024	R$ 5.24	R$ 8.40	57.60%	1.52%	5.88%	14	12,000	-
	4/14/2015	4/14/2025	R$ 5.52	R$ 8.40	57.60%	1.52%	5.88%	15	12,000	-
Program 3P Jan/11	4/15/2012	4/15/2022	R$ 2.96	R$ 9.00	56.55%	1.14%	5.79%	11	195,861	10,170
	4/14/2013	4/14/2023	R$ 3.99	R$ 9.00	56.55%	1.14%	5.79%	12	195,807	35,592
	4/14/2014	4/14/2024	R$ 4.69	R$ 9.00	56.55%	1.14%	5.79%	13	195,807	51,072
	4/14/2015	4/14/2025	R$ 5.22	R$ 9.00	56.55%	1.14%	5.79%	14	195,807	51,072
	4/14/2016	4/14/2026	R$ 5.57	R$ 9.00	56.55%	1.14%	5.79%	15	195,807	51,072
Program 3P Apr/11	4/15/2012	4/15/2022	R$ 2.15	R$ 7.80	54.94%	1.32%	6.20%	11	165,324	12,717
	4/14/2013	4/14/2023	R$ 3.13	R$ 7.80	54.94%	1.32%	6.20%	12	165,240	45,759
	4/14/2014	4/14/2024	R$ 3.78	R$ 7.80	54.94%	1.32%	6.20%	13	165,240	61,011
	4/14/2015	4/14/2025	R$ 4.28	R$ 7.80	54.94%	1.32%	6.20%	14	165,240	61,011
	4/14/2016	4/14/2026	R$ 4.60	R$ 7.80	54.94%	1.32%	6.20%	15	165,240	61,011
Program 4P Apr/12	4/15/2013	4/15/2023	R$ 1.65	R$ 6.50	51.66%	1.65%	4.29%	11	306,000	33,000
	4/14/2014	4/14/2024	R$ 2.34	R$ 6.50	51.66%	1.65%	4.29%	12	306,000	42,000
	4/14/2015	4/14/2025	R$ 2.79	R$ 6.50	51.66%	1.65%	4.29%	13	306,000	42,000
	4/14/2016	4/14/2026	R$ 3.13	R$ 6.50	51.66%	1.65%	4.29%	14	306,000	42,000
	4/14/2017	4/14/2027	R$ 3.35	R$ 6.50	51.66%	1.65%	4.29%	15	306,000	42,000
Program 4P Jul/1.2	4/15/2013	4/15/2023	R$ 2.80	R$ 8.10	50.78%	1.23%	4.29%	11	48,000	-
	4/14/2014	4/14/2024	R$ 3.53	R$ 8.10	50.78%	1.23%	4.29%	12	48,000	-
	4/14/2015	4/14/2025	R$ 4.03	R$ 8.10	50.78%	1.23%	4.29%	13	48,000	-
	4/14/2016	4/14/2026	R$ 4.43	R$ 8.10	50.78%	1.23%	4.29%	14	48,000	-
	4/14/2017	4/14/2027	R$ 4.69	R$ 8.10	50.78%	1.23%	4.29%	15	48,000	-
Program 4P Nov/12	4/15/2014	4/15/2024	R$ 7.19	R$ 13.13	49.44%	0.76%	3.50%	12	15,000	-
	4/15/2015	4/15/2025	R$ 7.76	R$ 13.13	49.44%	0.76%	3.50%	13	15,000	-
	4/15/2016	4/15/2026	R$ 8.24	R$ 13.13	49.44%	0.76%	3.50%	14	15,000	-
	4/15/2017	4/15/2027	R$ 8.67	R$ 13.13	49.44%	0.76%	3.50%	15	15,000	-
	4/15/2018	4/15/2028	R$ 8.96	R$ 13.13	49.44%	0.76%	3.50%	16	15,000	-

(*) Market price on the respective grant dates.

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

All amounts in thousands of reais unless otherwise stated

Program	End of the grace period	Expiration date	Fair Value	Price of the underlying assets (*)	Expected annual volatility	Expected dividends	Risk-free interest rate	Estimated life (in years)	Number of options granted	Number of lapsed options
Program 4P Jan/13	1/10/2014	1/10/2024	R$ 8.50	R$ 14.40	33.47%	0.00%	3.90%	11	160,200	7,200
	1/10/2015	1/10/2025	R$ 8.64	R$ 14.40	33.47%	0.00%	3.90%	12	160,200	7,200
	1/10/2016	1/10/2026	R$ 8.79	R$ 14.40	33.47%	0.00%	3.90%	13	160,200	7,200
	1/10/2017	1/10/2027	R$ 8.93	R$ 14.40	33.47%	0.00%	3.90%	14	160,200	7,200
	1/10/2018	1/10/2028	R$ 9.07	R$ 14.40	33.47%	0.00%	3.90%	15	160,200	7,200
Program 5P 3	3/1/2014	3/1/2024	R$ 8.01	R$ 16.16	39.85%	0.00%	11.02%	11	144,000	-
	3/1/2015	3/1/2025	R$ 8.70	R$ 16.16	39.85%	0.00%	11.02%	12	144,000	-
	3/1/2016	3/1/2026	R$ 9.30	R$ 16.16	39.85%	0.00%	11.02%	13	144,000	-
	3/1/2017	3/1/2027	R$ 9.84	R$ 16.16	39.85%	0.00%	11.02%	14	144,000	-
	3/1/2018	3/1/2028	R$ 10.32	R$ 16.16	39.85%	0.00%	11.02%	15	144,000	-
Program 6P Oct/13	4/10/2014	4/10/2024	R$ 6.41	R$ 16.82	28.80%	0.00%	11.99%	11	265,000	-
	4/10/2015	4/10/2025	R$ 7.22	R$ 16.82	28.80%	0.00%	11.99%	12	265,000	-
	4/10/2016	4/10/2026	R$ 7.92	R$ 16.82	28.80%	0.00%	11.99%	13	265,000	-
	4/10/2017	4/10/2027	R$ 8.56	R$ 16.82	28.80%	0.00%	11.99%	14	265,000	-
	4/10/2018	4/10/2028	R$ 9.13	R$ 16.82	28.80%	0.00%	11.99%	15	265,000	-

(*) 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, 2014 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 statement of income, of R$ 3,719 for the period ended March 31, 2014 (R$ 6,683 for the year ended December 31, 2013).

The Company did not offer any other benefits to its management at March 31, 2014 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

	March 31, 2014		December 31, 2013	
	Average exercise price per share	Options - thousands	Average exercise price per share	Options - thousands
January 1	7.00	570,141	22.07	2,110,233
Transferred to CA			6.58	1,250,472
Granted			6.63	734,214
Exercised			7.00	1,023,834
Total	7.00	570,141	7.00	570,141

Board of Directors

	March 31, 2014		December 31, 2013	
	Average exercise price per share	Options - thousands	Average exercise price per share	Options - thousands
January 1	6.67	30,000	22.07	30,000
Transferred from D.E			6.58	1,250,472
Granted			6.32	725,454
Exercised			6.67	1,975,926
Total	6.67	30,000	6.67	30,000

22 Earnings per share

In compliance with CPC 41 (IAS 33) (approved by CVM Rule 636 - Earnings per Share), the Company sets out below the information on earnings per share as at March 31, 2014.

The calculation of basic earnings (loss) per share is made by dividing the profit (loss) for the year, attributed to the holders of common shares of the parent company, by the weighted average number of common shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit attributable to common stockholders 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, considering that the information for the period ended March 31, 2013 has been restated due to the split of shares detailed in Note 18 (a):

(a) Basic earnings per share

	March 31, 2014	March 31, 2013
Numerator		
Profit for the year	125,761	66,642
Denominator (in thousands of shares)		
Weighted average number of shares outstanding	295,212,146	291,577,353
Basic earnings per share	0.00043	0.00023

(b) Diluted earnings per share

	March 31, 2014	March 31, 2013
Numerator		
Profit for the year	125,761	66,642
Denominator (in thousands of shares)		
Weighted average number of shares outstanding	295,212,146	291,577,353
Potential increase in the number of shares relating to the stock option plan	78,109	3,006,702
Adjusted weighted average number of shares outstanding	295,290,255	294,584,055
Diluted earnings per share	0.00043	0.00023

23 Net operating revenue

	Consolidated	
	March 31, 2014	March 31, 2013
Gross operating revenue	793,732	613,786
Deductions	(255,527)	(200,532)
Grants - scholarships	(218,540)	(174,281)
Return of monthly tuition fees and charges	(3,893)	(3,778)
Discounts granted	(1,379)	(2,471)
Taxes	(21,432)	(18,425)
FGEDUC	(10,283)	(1,577)
Net operating revenue	538,205	413,254

24 Cost of services

	Consolidated	
	March 31, 2014	March 31, 2013
Payroll and related charges	(232,087)	(179,422)
Electricity, water, gas and telephone	(6,315)	(7,166)
Rents, condominium fees and property taxes	(43,252)	(30,530)
Mailing and courier expenses	(499)	(465)
Depreciation and amortization	(12,910)	(11,569)
Education material	(6,010)	(6,566)
Outsourced services - security and cleaning	(7,645)	(6,895)
Cost of services	(308,718)	(242,613)

All amounts in thousands of reais unless otherwise stated

25 Expenses by nature

	Parent		Consolidated	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for impairment of trade receivables			(15,485)	(14,802)
Advertising			(23,707)	(20,964)
Sales and marketing			(8,457)	(6,097)
Other			(953)	(1,079)
Selling expenses			(48,602)	(42,942)
Payroll and related charges	(355)	(381)	(31,375)	(25,447)
Outsourced services	(575)	(851)	(15,223)	(12,816)
Machinery rents and leases			(400)	(493)
Consumption material			(398)	(468)
Maintenance and repairs	(7)	(2)	(6,168)	(4,481)
Depreciation and amortization (i)	(966)	(815)	(6,607)	(6,470)
Educational agreements	(68)		(1,836)	(1,478)
Travel and lodging	(29)	(31)	(2,145)	(644)
Civil conviction	(9)	(2)	(3,689)	(2,510)
Institutional events			(554)	(177)
Provision for contingencies			53	(282)
Other	(203)	(745)	(5,838)	(6,913)
General and administrative expenses	(2,212)	(2,827)	(74,180)	(62,179)

(i) Includes the amortization of funding costs of R$ 334.

26 Other operating income

	Parent		Consolidated	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Income from agreements	450		752	749
Rental income			1,915	2,493
Business agency				84
Other operating income (expenses)	(1)		551	178
	449		3,218	3,504

All amounts in thousands of reais unless otherwise stated

27 Finance result

	Parent		Consolidated	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Finance incomes				
Late payment fine and interest			4,796	3,069
Earnings from financial investments	15,707	7,413	18,816	8,212
Active monetary variation (i)		11	16,879	12
Other	42	29	44	44
	15,749	7,453	40,535	11,337
Finance costs				
Bank expenses	(32)	(16)	(1,762)	(1,700)
Interest and financial charges	(7,528)	(5,436)	(8,508)	(6,094)
Financial discounts (ii)			(2,509)	(3,832)
Other	(112)	(67)	(2,395)	(1,391)
	(7,672)	(5,519)	(15,174)	(13,017)

(i) This value corresponds to the update of recoverable taxes. The active monetary variation grew in the quarter ended March 2014 compared to March 31, 2013 31, mainly explained by the recognition of PIS, as mentioned in Note 7.

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

28 Income tax and social contribution

Under Law 11,096/2005, regulated by Decree 5,493/2005 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.

Reconciliation of income tax and social contribution determined at statutory rates and taxes recognized in the statement of income for the periods ended March 31, 2014 and 2013 is as follows:

	Parent		Consolidated	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Profit before income tax and social contribution	127,409	66,642	135,284	67,344
Combined income tax and social contribution statutory rate - %	34	34	34	34
Income tax and social contribution at statutory rates	(43,319)	(22,658)	(45,997)	(22,897)

All amounts in thousands of reais unless otherwise stated

	Parent		Consolidated	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Adjustments for calculation of effective rate				
Adjustments arising from Law 11,638/2007			(52)	(34)
Equity in results	41,171	22,823		
Amortization of goodwill	(14)		2,362	
Non-deductible expenses (a)	(201)	(67)	(2,367)	(431)
Tax losses offset	709	(98)	709	(514)
Decommissioning expenses				(123)
Initial adjustments upon adoption of the new accounting practices			(30)	
Provision for contingencies			29	(96)
Reversal of non-deductible provision for impairment of trade receivables and cancellable monthly tuitions (b)			4,423	(2,720)
Reversal of administrative provisions				
Rouanet Law				268
Other	6		(115)	48
	(1,648)		(41,038)	(26,499)
Tax incentives - PROUNI			33,696	23,638
Income tax and social contribution on the profit for the period	(1,648)		(7,342)	(2,861)
Effective rate - %	(1.29)		(5.43)	(4.25)

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

(b) Refers to non-deductible provision for impairment of receivables relating to students with payments overdue for less than 180 days, and the provision for cancellation of monthly tuition fees.

	Parent		Consolidated	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Current income tax and social contribution	(1,648)		(7,342)	(2,861)
Deferred income tax and social contribution			(2,181)	2,328
Income tax and social contribution for prior periods				(169)
	(1,648)		(9,523)	(702)

At March 31, 2014, the subsidiaries SESES and IREP recorded deferred tax assets on temporary differences in the amount of R$ 6,182. The breakdown of the tax effects of temporary differences which originated the deferred tax assets is summarized below:

All amounts in thousands of reais unless otherwise stated

	March 31, 2014	December 31, 2013
Provision for contingencies	11,545	11,532
Monthly tuition fees to be cancelled	4,200	2,273
Monthly tuition fees to be billed	(2,602)	
Provision for decommissioning of assets	3,394	3,424
Amortization of goodwill	(9,018)	(8,596)
Other assets	72	
Other liabilities	(1,409)	
	6,182	8,633
Assets	17,571	16,999
Liabilities	(11,389)	(8,366)
	6,182	8,633

The realization of the tax effect deferred on temporary differences recorded at March 31, 2014 is linked to the realization of the provision which gave rise to this credit. 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, 2014, the subsidiary IREP accounted for a deferred tax liability in the amount of R$ 9,019 due to the tax depreciation of goodwill generated upon acquisition of the companies merged into it.

At March 31, 2014, the Company has tax credits arising from tax loss carryforwards in the amount of R$ 13,623 (December 31, 2013 - R$ 14,332) that are not yet accounted for, because it is not possible to state at this time that their realization is considered probable.

Provisional Measure (MP) 627 was issued in November 2013. This Transitional Tax System (RTT) and introduced changes in the tax rules. The Company and its subsidiaries, assisted by its tax consultants, have analyzed the provisions of this MP, the implications on its early adoption and the impacts that they may have on the interim accounting information for the quarter ended March 31, 2014. The conclusion was that no significant effects on this quarterly information arise from such provisions.

The Company and its subsidiaries are waiting for the completion of probable legislative changes to be made to this MP before electing a tax option for year 2015. Management will review the analysis once the law is enacted, as its final wording may include adjustments or amendments.

29 Other information

a) Accounts recoverable - FIES program - in current assets, refer to available amounts from the Student Finance Program for future compensation with federal taxes or, in case of option, cash withdraw.

b) Prepaid monthly tuition fees, in current liabilities, refer to amounts received in advance from students as part of a negotiation for discounts. They are recognized in the income statement according to the services provided to the student by the Company.

c) Provision for decommissioning of assets, in non-current liabilities, refers to expenditures to be incurred on decommissioning of leased educational units for recovering or putting them on their original attributes (before leasing). This amount is calculated by engineers and takes into consideration the leasing terms.

30 Subsequent events

On April 22, 2014 the Company approved the private placement of 2,182,342 common shares with no par value, with the consequent increase of the share capital of the Company in the amount of R$ 17,365,412.41.

The authorization to increase the Company's capital within the authorized capital limit laid down in its charter was approved by the Board of Directors Special Meeting.

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