


Estácio

3Q09

Stock Price - ESTC3
R$24.95/per share
11/11/2009

No. Of Shares
78,585,066

Market Cap
R$ 1.961 million

Free Float
27%

Conference Calls:
11/12/2009

Portuguese
9:00 AM (Brasília)
6:00 AM (US EST)
Tel.: +55 (11) 4003-9004
Replay: +55 (11) 4003-9004
Code: Estácio

English
12:00 AM (Brasília)
9:00 AM (US EST)
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ESTC3 NOVO MERCADO BOVESPA BRASIL

ESTÁCIO: EBITDA OF R$92.6M IN 9M09 WITH 12.1% MARGIN. ADJUSTED NET INCOME COMES TO R$65.6M IN 9M09

Rio de Janeiro, November 12, 2009 – Estácio Participações S.A. (*Bovespa, ESTC3; Bloomberg, ESTC3.BZ; Reuters, ESTC3.SA*) announces its results for the third quarter of 2009 (3Q09). Except where otherwise stated, the operating and financial information in this release is presented in a consolidated form, in millions of Brazilian reais and pursuant to Brazilian Corporate Law.

FINANCIAL HIGHLIGHTS

Estácio's net revenues totaled R$251.3 million in 3Q09, a flat result over 3Q08. The launch of our distance learning undergraduate programs contributed with R$3.2 million to the quarter's revenues, offsetting a contraction in average ticket and on-campus student base in the period. For the 9M09, net revenues grew 5.1%, reaching R$764.4 million.

At the close of 3Q09, the Company had 201 thousand enrolled students, of which 195 thousand are on-campus students and 6 thousand are distance learning students. Comparing with 3Q08, Estácio's on-campus student base slid by 0.8%, reflecting the less benign market setting and the continued strict control over late payment students. In 3Q09, the enrollment process came to 38 thousand students, highlighting the roll-out of the distance learning undergraduate programs, which added 6 thousand students.

Recurring EBITDA totaled R$31.6 million in 3Q09 (12.6% margin), compared with R$34.3 million in 3Q08 (13.6% margin). In 9M09, EBITDA reached R$92.6 million (12.1% margin), up by 9% compared with R$85.3 million in 9M08 (11.7% margin). The main drivers behind the EBITDA performance were:

i) Relevant gains in general and administrative (G&A) expenses. G&A expenses, excluding personnel, recorded a gain of 2.1 p.p. of net revenues in 9M09 versus 9M08. This result derives primarily from efficient management and strict control of costs and expenses by means of the zero-based and matrix budget, as well as the streamlining of back-office processes in the Shared Services Center (SSC).

ii) Stronger commercial efforts. Commercial expenses totaled R$52.8 million (6.9% of net revenues) in 9M09, compared with R$43.5 million (6.0% of net revenues) in 9M08. This upturn derives from higher marketing investments (+1.1 p.p. of net revenues) due to the brand nationalization process and the distant learning launch, partially offset by an improvement in the PDD (provision for doubtful debts) account (-0.1 p.p. of net revenues).

iii) Strict control in the personnel expenses. To improve the quality of services offered to students, the Company reinforced the importance of its program coordination offices. This, coupled with the costs incurred in developing the new academic model and the higher tax burden stemming from INSS social security charges (1.1 p.p. of net revenues), led to a 0.4 p.p. increase in 9M09 personnel expenses.

Adjusted net income reached R$65.6 million in 9M09, compared with R$67.7 million in 9M08. The Company remains with a solid net cash position of R$229.2 million.

MESSAGE FROM THE CEO, Eduardo Alcalay

During the third quarter of 2009, Estácio successfully concluded the mid-year enrollment cycle for both existing and new students. Despite the unfavorable economic setting and continued strict tuition renegotiation policies, the Company's renewal rate reached 87% of its base, above the average recorded in prior periods. Enrollment for on-campus programs totaled 32 thousand new students.

The roll-out of the distance learning undergraduate programs came in above the Company's expectations, adding 6 thousand new students distributed across five undergraduate and associate undergraduate programs. Distance learning (DL) programs will have four enrollment cycles per year. For the fourth quarter, Estácio has already 2 thousand additional enrolled students. Reflecting the success of this new program, the Company expects an accelerated growth for its DL portfolio in the coming years.

At the close of 3Q09, Estácio's undergraduate base reached 201 thousand students, of which 195 thousand are on-campus and 6 thousand are DL. The program mix was relatively stable with 79% of undergraduate programs and 21% of associate undergraduate programs. Night-time programs account for 69% of the student base, followed by 26% of morning programs and 5% of afternoon programs.

The 3Q09 enrollment renewal cycle was important in reflecting the adoption of stricter policies in connection with overdue tuition renegotiations. We believe that such policies will provide for lower delinquency levels, higher profitability and efficient working capital management. In 9M09, the provision for doubtful debts totaled R$23.8 million (3.1% of net revenues), slightly lower than in 9M08, despite the effects from the economic slowdown. In terms of days, accounts receivable also improved compared with 2Q09, dropping to 40 days in 3Q09.

The activities of the Learning Center have reached their final stage for launching Estacio's new academic model. The curricula of our 41 major courses (representing 87% of our student base) were updated in line with current labor market demands and integrated on a nationwide basis. As part of this new academic model, we increased the number of disciplines to be lectured online or broadcast from our distance learning studios in Rio de Janeiro.

Another important element of this new model is the inclusion in the monthly tuition of customized text books, covering 100% of the disciplines in such programs. This was made possible through agreements with major educational publishers and printing houses, which will allow for the production and distribution of such content on a demand basis, according to our new students admission process.

We have been working hard on the formulation and structuring of this new model for the last 12 months. We are now ready to deploy it to our incoming students in the 1H10 for all regions, except for the Rio de Janeiro state, which implementation will occur in the 2H10. This represents a milestone in the quality level of our academic programs and services, which will play a key role in our competitiveness in the market, as well as, productivity and profitability levels.

At the close of the third quarter, Estácio was granted the Abrasca (Brazilian Association of Listed Companies) Creating Value award, as a standout in the education sector. Transparency, Corporate Governance, operating performance, management model and efficiency focus were some of the elements that made the Company the winner. This is the first time that the education sector is granted such award.

KEY OPERATING AND FINANCIAL INDICATORS

Table 1 – Key Operating and Financial Indicators

	3T08	3T09	Var.%	9M08	9M09	Var.%
Base de alunos Graduação Presencial (final) - mil	196	195	-0.8%	196	195	-0.8%
Ticket Médio (R$)[1]	427	425	-0.5%	412	435	5.5%
R$ milhões						
Receita Bruta	366.7	361.3	-1.5%	1,066.0	1,102.5	3.4%
Receita Líquida	251.5	251.3	0.0%	727.1	764.4	5.1%
Lucro Bruto Caixa Recorrente[2]	**103.3**	**99.9**	**-3.3%**	**290.0**	**296.6**	**2.3%**
Margem Bruta Recorrente (%)	*41.1%*	*39.7%*	*(1.3) p.p*	*39.9%*	*38.8%*	*(1.1) p.p*
EBITDA Recorrente[2]	**34.3**	**31.6**	**-7.9%**	**85.3**	**92.6**	**8.6%**
Margem EBITDA Recorrente (%)	*13.6%*	*12.6%*	*(1.1) p.p*	*11.7%*	*12.1%*	*0.4 p.p*
EBITDA Recorrente ex-aluguéis	**56.3**	**54.9**	**-2.6%**	**148.1**	**160.9**	**8.7%**
Margem EBITDA ex-aluguéis Recorrente (%)	*22.4%*	*21.8%*	*(0.6) p.p*	*20.4%*	*21.0%*	*0.7 p.p*
Lucro Líquido Ajustado[3]	**28.4**	**22.0**	**-22.5%**	**67.7**	**65.6**	**-3.2%**

Distance Learning Data

	3Q08	3Q09	Chg.%	9M08	9M09	Chg.%
R$ million						
Net Revenue		3.2			3.2	
Student Base (final) - thousand		6.2			6.2	
Average Ticket (R$)[1]		172			172	

(1) Net Revenues/Final Paying Student Base, excluding Distance Learning
(2) Adjusted for non-recurring expenses and Law 11,638 in 2008 and 2009
(3) Excluding goodwill amortization from acquisitions in 2008 and non-recurring expenses in 2009

ANALYSIS OF RESULTS – 3Q09

In view of the strong seasonality of the business, the comparisons were focused on the same period of 2008.

Tables containing the full income statement can be found on pages 17, 18 and 19 of this release.

REVENUES

Table 2 – Revenue Breakdown

R$ million	3Q08	3Q09	Chg.%	9M08	9M09	Chg.%
Monthly Tuition Fees	359.3	357.1	-0.6%	1,048.0	1,088.8	3.9%
Others	7.5	4.2	-44.1%	18.0	13.7	-23.8%
Gross Revenue	**366.7**	**361.3**	**-1.5%**	**1,066.0**	**1,102.5**	**3.4%**
Deductions	**(115.2)**	**(109.9)**	**-4.6%**	**(338.9)**	**(338.1)**	**-0.2%**
Gratuities - Scholarships	(92.1)	(92.9)	0.9%	(269.9)	(285.4)	5.7%
Monthly tuition fees and charges returned	(0.9)	(0.7)	-22.4%	(2.8)	(2.3)	-17.8%
Allowances	(11.4)	(5.6)	-51.1%	(34.1)	(17.9)	-47.6%
Taxes	(10.9)	(10.8)	-0.9%	(32.0)	(32.5)	1.6%
Net Revenue	**251.5**	**251.3**	**0.0%**	**727.1**	**764.4**	**5.1%**

Estácio's on-campus undergraduate base totaled 195 thousand students in 3Q09. As mentioned in the 2Q09 earnings release, the enrollment process during 2H09 was affected by the unfavorable economic setting due to the economic crisis at the end of 2008 and beginning of 2009 that affected the consumers´ confidence and credit conditions. In 2H09, 32 thousand new students were enrolled, compared with 41 thousand in 2H08. However, despite the adoption of stricter policies for overdue tuition renegotiations, the enrollment renewal rate reached 87% of the Company's base, which is above the result achieved in prior periods.

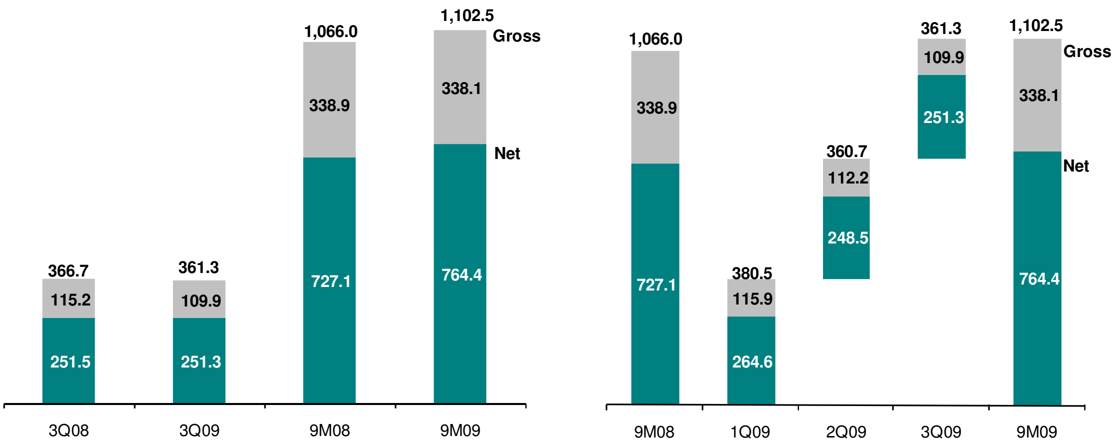
Additionally to on-campus enrollment, Estácio rolled out the distance learning programs in 3Q09, reaching an enrollment rate above the Company's expectations, adding 6 thousand students in its base. At the close of 3Q09, the Company had 201 thousand enrolled students, of which 195 thousand (97%) were on-campus students and 6 thousand (3%) were distance learning.

Estácio's gross revenues totaled R$361.3 million in 3Q09, reflecting a 1.5% drop compared with 3Q08. This result is explained by the relative maintenance of the on-campus student base, combined with the reduction in the gross average monthly tuition. However, such decline in gross revenues is almost fully offset by the decrease in the level of advance allowances for tuitions and stricter policies in granting scholarships/setting commercial partnerships. The taxes and refunds lines remained in line with the result posted in 3Q08. In 9M09, gross revenues reached R$1,102.5 million, up by 3.4% versus 9M08.

Estácio's net revenues came to R$251.3 million, versus R$251.5 million in 3Q08. Out of the total net revenues recorded in 3Q09, R$3.2 million derived from distance learning undergraduate programs, with the average ticket amounting to R$172. Excluding the DL effects, the quarter's net revenues were down by 1.3% against 3Q08. This difference was driven by the decrease in on-campus student base (0.8% decline) and slightly lower average ticket (down by

0.5%). In 9M09, however, net revenues (ex-DL) reached R$761.2 million, up by 4.7% over 9M08. The average ticket in 9M09 (ex-DL) came to R$435, reflecting a 5.5% improvement compared with 9M08 and 3.6% versus 2Q09.

Chart 1 – Revenue Evolution (R$ million)



COST OF SERVICES (COS)

Cash cost totaled R$156.8 million in 3Q09, including non-recurring items related to lay-offs amounting to R$5.4 million. On a recurring basis, cash cost reached R$151.5 million, up by 1.3 p.p. of net revenues over 3Q08. In 9M09, this upturn comes to 1.1 p.p. of net revenues, with cash cost representing 61.2% of net revenues, compared with 60.1% in 9M08.

The main cash cost variations were the following:

- **Faculty Costs**: recurring faculty costs reached R$113.1 million in 3Q09, versus R$111.5 million in 3Q08. As a percentage of net revenues, such costs moved up by 0.7 over 3Q08. This upturn derives mainly from the heavier working hours by program coordinators, so as to enhance service quality, from the higher INSS rate on payroll and costs incurred with the development of new standard curricula.

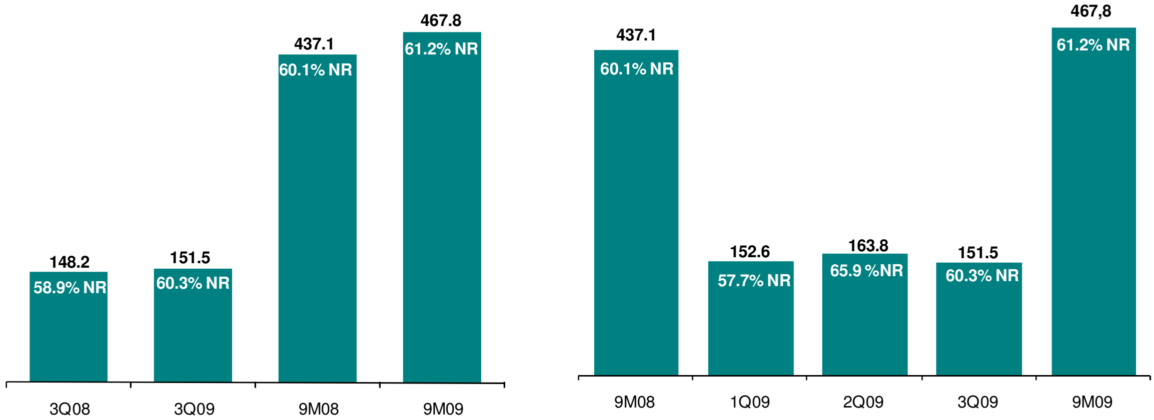
  The additional INSS charges on personnel costs totaled R$1.5 million in 3Q09, a 0.6 p.p. increase as a percentage of net revenues. Ignoring this impact, personnel costs would have reached just 0.1 p.p. higher than in 3Q08.

  In 9M09, faculty costs accounted for 46.2% of net revenues, versus 45.7% in 9M08, up by 0.6 p.p. of net revenues. Apart from the further INSS charges in 9M09 (R$6.4 million), faculty costs would have fallen by 0.2 p.p. over 9M08.

- **Rental (includes Real Estate Taxes and Expenses)**: rental expenses totaled R$25.4 million in 3Q09, compared with R$24.5 million in 3Q08, up by 3.7%. As a percentage of net revenues, rental expenses reached 10.1 p.p. in 3Q09, versus 9.8 p.p. in 3Q08. In 9M09, rental expenses totaled R$74.6 million, or 9.8 p.p. of net revenues, up by 0.2 p.p. against 9M08. This increase is mostly due to higher rental taxes in acquired companies (average of 11.9% in 9M09), compared with the other units of the group (average of 9.4% in 9M09).

- **Third-party Services/Other**: both accounts corresponded to 5.1% of net revenues in 3Q09, compared with 4.8% in 3Q08. The 0.3 p.p. upturn was also reflected in the comparison between 9M09 and 9M08. These accounts basically comprise cleaning services, security, electricity, water, gas and sewage. This increase is partially explained by costs derived from the termination of some contracts with suppliers, in line with the efforts to reduce such figures. The Company expects lower figures in upcoming quarters.

Chart 2 – Cost of Services (R$ million)



The following table shows the COS breakdown for the periods under analysis:

Table 3 – Cash cost evolution

R$ million	3Q08	3Q09	9M08	9M09
Cash Cost	**153.4**	**156.8**	**442.3**	**475.0**
Non Recurring Expenses	(5.2)	(5.4)	(5.2)	(7.2)
Recurring Cash Costs	**148.2**	**151.5**	**437.1**	**467.8**
Faculty Costs	**111.5**	**113.1**	**331.9**	**353.3**
- Faculty Payroll	102.9	103.1	305.5	320.4
- Social Security taxes	8.6	10.1	26.5	32.8
Rentals / Real Estate Taxes	**24.5**	**25.4**	**69.2**	**74.6**
Others	**12.1**	**12.9**	**35.9**	**40.0**
- Third-Part Services	5.3	6.1	15.5	18.3
- Others	6.9	6.8	20.4	21.7

GROSS PROFIT

In 3Q09, given net revenues stability and higher costs, recurring gross profit reached R$99.9 million (39.7% margin), compared with R$103.3 million (41.1% margin) in 3Q08. In 9M09, gross profit totaled R$296.6 million (38.8% margin), compared with R$290.0 million (39.9% margin) in 9M08.

Despite the focus on general and administrative expenses in 2009, the Company expects to achieve better results in its gross margin in upcoming quarters, in view of the measures taken to reduce each cost of services component.

Table 4 – Gross Profit

R$ million	3Q08	3Q09	Chg.%	9M08	9M09	Chg.%
Net Revenue	251.5	251.3	0.0%	727.1	764.4	5.1%
Recurring Cash Cost of Services	(148.2)	(151.5)	2.2%	(437.1)	(467.8)	7.0%
(+) Cash Cost of Services	(153.4)	(156.8)	2.3%	(442.3)	(475.0)	7.4%
(+) Non-recurring Expenses	5.2	5.4		5.2	7.2	
Recurring Cash Gross Profit	**103.3**	**99.9**	**-3.3%**	**290.0**	**296.6**	**2.3%**
Recurring Gross Margin	*41.1%*	*39.7%*	*(1.3) p.p*	*39.9%*	*38.8%*	*(1.1) p.p*

SELLING, GENERAL & ADMINISTRATIVE EXPENSES (SG&A)

On a cash basis, SG&A expenses totaled R$72.1 million in 3Q09, down by 6.4% over 3Q08. Non-recurring SG&A expenses reached R$1.3 million in the quarter, deriving from lay-offs.

Recurring SG&A expenses totaled R$70.8 million (28.2% of net revenues), below the R$71.4 million (28.4% of net revenues) in 3Q08. In 9M09, the reduction in SG&A expenses reached 1.4 p.p. compared with 9M08.

Selling Expenses: total selling expenses amounted to R$17.5 million (7.0% of net revenues) in 3Q09, compared with R$15.1 million (6.0% of net revenues) in 3Q08. This result derives mainly from:

- **Marketing:** marketing expenses came to R$9.4 million in 3Q09 (3.7% of net revenues), versus R$7.3 million in 3Q08 (2.9% of net revenues). The institutional campaign to strengthen the Estácio brand nationwide accounts for most marketing investments in 2009. Additionally, in 2H09, the Company enhanced its efforts in enrollment/renewal campaigns for on-campus students and also focusing on the launching of distance learning undergrad programs. In 9M09, these expenses totaled R$29.0 million (3.8% of net revenues), versus R$19.9 million in 9M08 (2.7% of net revenues).
- **Provision for Doubtful Debts (PDD)**: PDD expenses came to R$8.1 million in 3Q09, up by 0.1 p.p. of net revenues over 3Q08, resulting from the less benign economic setting. However, in 9M09, PDD expenses declined by 0.1 p.p. of net revenues, reaching R$23.8 million (3.1% of net revenues), against R$23.6 million (3.2% of net revenues) in 9M08. The Company maintains its more conservative approach towards renegotiations, emphasizing profitability, cash generation and lower PDD levels. The benefits from such initiatives can be noticed in 9M09, with positive effects on accounts receivable and PDD.

  At the close of 2008, the Company recognized R$17.9 million in non-recurring PDD expenses, in connection with renegotiations with students in default. This procedure derived from the implementation of a stricter credit policy, which changed the criteria to set up provisions for doubtful debts. In view of this more conservative approach, the Company recognized this additional PDD in 4Q08 relating to prior quarters. In 2009, said recognition has been gradually made during the year. Thus, the base to compare PDD during 2009 in relation to 9M08 is unfavorable to 2009 figures. The Company expects to close 2009 with PDD expenses corresponding nearly to 5% of net revenues.

General and Administrative Expenses: recurring general and administrative expenses totaled R$53.3 million (21.2% of net revenues) in 3Q09, compared with R$56.3 million (22.4% of net revenues) in 3Q08, down by 1.2 p.p. of net revenues. In 9M09, the decrease in G&A expenses came to 2.3 p.p. of net revenues.

The personnel line, corresponding to 51.1% of total, came to R$27.2 million (10.8% of net revenues), compared with R$26.7 million (10.6% of net revenues) in 3Q08.

However, in 9M09, the personnel expenses line declined by 0.2 p.p. of net revenues, reaching R$84.2 million (11.0% of net revenues), despite the higher INSS rate, corresponding to 0.3 p.p., versus 9M08.

The other administrative expenses line posted a significant decline of 12.0% when comparing 3Q09 with 3Q08, which corresponds to 1.4 p.p. of net revenues. This figure reflects the

Company's efforts to permanently reduce and control expenses by means of the Zero-Based and Matrix Budget, as well as the first results of the Shared Services Center (SSC).

In 9M09, it is worth noting that the reduction in SG&A expenses more than offset the higher costs of services, allowing for margin expansion in the period.

Chart 3 – SG&A (R$ million)

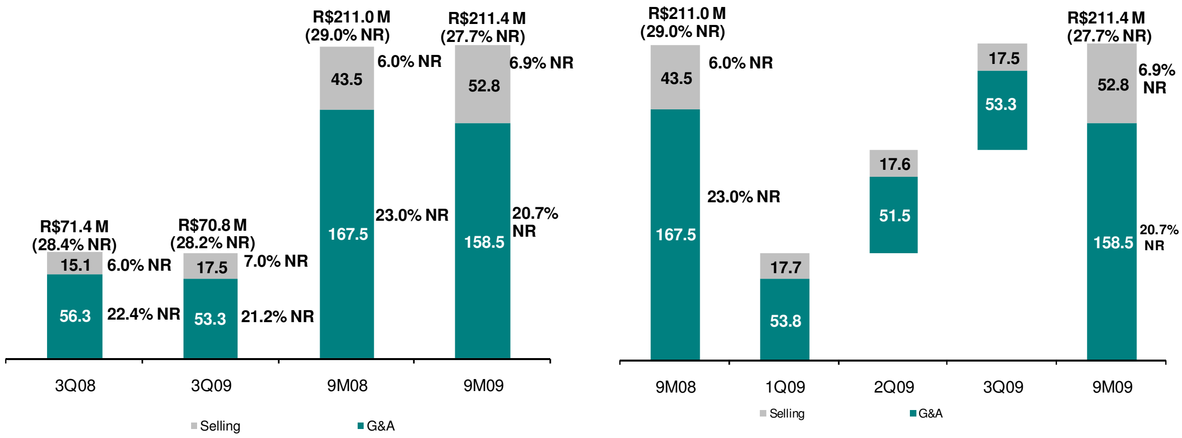


Table 5 – Breakdown of SG&A expenses

R$ million	3Q08*	% NR	3Q09	% NR	9M08*	% NR	9M09	% NR
Total Selling / Administative	**77.0**		**72.1**		**218.0**		**216.3**	
- Non-Recurring Expenses	(5.6)		(1.3)		(7.0)		(4.9)	
Recurring Selling/Administative	**71.4**	**28.4%**	**70.8**	**28.2%**	**211.0**	**29.0%**	**211.4**	**27.7%**
Selling	**15.1**	**6.0%**	**17.5**	**7.0%**	**43.5**	**6.0%**	**52.8**	**6.9%**
- Provisions for Bad Debts	7.8		8.1		23.6		23.8	
- Marketing	7.3		9.4		19.9		29.0	
Administrative Expenses	**56.3**	**22.4%**	**53.3**	**21.2%**	**167.5**	**23.0%**	**158.5**	**20.7%**
- Personnel	**26.7**		**27.2**		**80.7**		**84.2**	
- Personnel	25.1		24.1		74.4		75.5	
- Personnel charges (INSS SESES)	1.6		3.1		6.3		8.6	
- Others	**29.6**		**26.0**		**86.8**		**74.3**	

(*) Adjusted by Law 11.638, as per Income Statement (page 14)

FINANCIAL RESULT

The Company's financial result was affected by the changes required by Law 11.638. Equipment leasing expenses, which were previously booked in the general and administrative expenses line, are now accounted for in the financial result. Leasing financial expenses totaled R$0.6 million (0.2% of net revenues) in both 3Q09 and 3Q08.

Financial revenues totaled R$7.1 million in 3Q09, of which R$4.5 million derive from the Company's cash investments and R$2.6 million are related to interest and fines charged on overdue monthly tuitions (operating financial result).

Table 6 – Financial Result

R$ million	3Q08	3Q09	9M08	9M09
Financial Result	**8.7**	**3.2**	**21.7**	**11.5**
Financial Revenue	12.1	7.1	30.4	23.4
- Interest on Financial Instruments	9.6	4.5	24.1	16.0
- Operating Financial Result	2.4	2.6	6.3	7.5
Financial Expenses	(3.3)	(3.8)	(8.7)	(11.9)

DEPRECIATION AND AMORTIZATION

Depreciation charges reached R$10.0 million in 3Q09, compared with R$9.1 million in 3Q08. The 2008 amount has already been adjusted, pursuant to the changes in accounting practices introduced by Law 11.638. The Company capitalized the present value of equipment leasing expenses, generating an additional depreciation of R$1.2 million in 3Q09 and an adjustment of R$1.3 million in 3Q08 (0.5% of net revenues).

Table 7 – Depreciation and Amortization

R$ million	3Q08	3Q09	9M08	9M09
Depreciation	**(9.1)**	**(10.0)**	**(25.6)**	**(29.6)**
- Cost	(8.1)	(7.5)	(23.1)	(23.5)
- Expenses	(0.9)	(2.5)	(2.5)	(6.2)
Goodwill Amortization	**(2.6)**	**-**	**(6.8)**	**-**

EBITDA

The Company's recurring EBITDA totaled R$31.6 million in 3Q09, with 12.6% margin, versus R$34.3 million with 13.6% margin in 3Q08. In 3Q09, non-recurring costs and expenses arising from dismissals amounted to R$6.6 million, against R$10.8 million non-recurring expenses in 3Q08 (dismissal charges and restructuring expenses).

The lower EBITDA margin in 3Q09 (down by 1.1 p.p.) derives from:

(i) higher personnel expenses (Costs and SG&A, which represented 0.9 p.p. of net revenues), because of higher INSS charges (1.2 p.p. of net revenues), heavier working hours by program coordinators and rigid cost control;

(ii) reduction in other administrative expenses (1.4 p.p. of net revenues);

(iii) increase in the provision for doubtful debts (0.1 p.p. of net revenues);

(iv) higher marketing expenses (0.8 p.p. of net revenues), arising from brand consolidation campaign and Distance Learning roll-out;

(v) higher costs (rental/utilities/other), representing 0.7 p.p. of net revenues;

(vi) maintenance of operating financial result.

In 9M09, recurring EBITDA totaled R$92.6 million, with 12.1% margin, versus R$85.3 million in 9M08 (11.7% margin). The 0.4 p.p. margin upturn is due to:

(i) higher personnel expenses (Costs and SG&A, which represented 0.4 p.p. of net revenues), because of higher INSS charges (1.1 p.p. of net revenues), heavier working hours by program coordinators and rigid cost control;

(ii) reduction in other administrative expenses (2.1 p.p. of net revenues);

(iii) decrease in the provision for doubtful debts (0.1 p.p. of net revenues);

(iv) higher marketing expenses (1.1 p.p. of net revenues), arising from brand consolidation campaign and Distance Learning roll-out;

(v) higher costs (rental/utilities/other), representing 0.5 p.p. of net revenues;

(vi) increase in operating financial result (0.1 p.p. of net revenues).

Table 8 – EBITDA

R$ million	3Q08	3Q09	Chg. %	9M08	9M09	Chg. %
Cash Operating Income	**21.1**	**22.4**	**6.3%**	**66.8**	**73.1**	**9.4%**
Non-recurring expenses	10.8	6.6		12.2	12.1	
Operating Financial Result	2.4	2.6		6.3	7.5	
Recurring EBITDA	**34.3**	**31.6**	**-7.9%**	**85.3**	**92.6**	**8.6%**
Recurring EBITDA Margin	*13.6%*	*12.6%*	*(1.1) p.p*	*11.7%*	*12.1%*	*0.4 p.p*
Recurring EBITDA ex-rentals	**56.3**	**54.9**	**-2.6%**	**148.1**	**160.9**	**8.7%**
Recurring EBITDA	34.3	31.6		85.3	92.6	
- Rentals*	22.0	23.2		62.8	68.2	
Recurring EBITDA Margin Ex-rentals	*22.4%*	*21.8%*	*(0.6) p.p*	*20.4%*	*21.0%*	*0.7 p.p*

(*) Excludes real estate taxes and expenses

NET INCOME

In 9M09, recurring net income totaled R$65.6 million (8.6% net margin), down by 3.2% over 9M08. The financial result downturn and higher depreciation expenses were some of the drivers behind the lower net income.

Table 9 – Net Income

R$ million	3Q08	3Q09	Chg.%	9M08	9M09	Chg.%
Net Income	**15.0**	**15.4**	**2.5%**	**48.8**	**53.4**	**9.5%**
Non-recurring expenses	10.8	6.6		12.2	12.1	
Goodwill Amortization from Acquisitions	2.6	-		6.8	-	
Adjusted Net Income	**28.4**	**22.0**	**-22.5%**	**67.7**	**65.6**	**-3.2%**
Adjusted Net Margin (%)	*11.3%*	*8.8%*	*(2.5) p.p*	*9.3%*	*8.6%*	*(0.7) p.p*

CAPITALIZATION AND CASH

At the close of 3Q09, the Company's cash position amounted to R$236.0 million, conservatively invested in fixed-income instruments, pegged to the CDI rate, in government bonds and certificates of deposits at first-tier Brazilian banks.

The debts amounting to R$6.8 million in 3Q09 correspond to the capitalization of equipment leasing expenses as required by Law 11.638. Considering said debt amount, the Company's net cash position stood at R$229.2 million.

The Company carried on with its conservative policy towards management of receivables, so as to preserve cash and working capital, which is increasingly important to ensure investments in quality and the selective engagement in the sector's consolidation process.

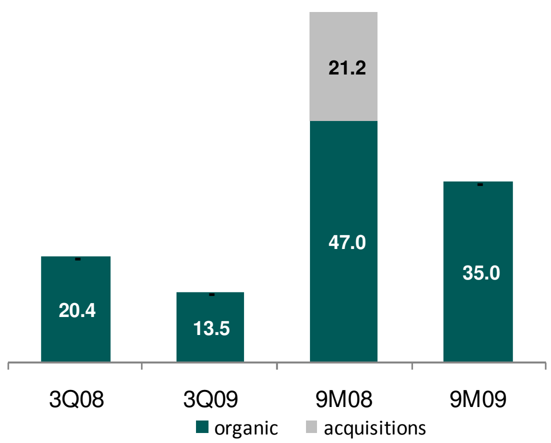
Table 10 – Capitalization and Cash

R$ million	06/30/2009	09/30/2009
Shareholders' Equity	460.6	476.7
Total indebtedness	8.1	6.8
Short-term indebtdeness	5.4	5.0
Long-term indebtdeness	2.8	1.8
Cash and cash equivalents	223.8	236.0
Net Cash	**215.6**	**229.2**

CAPITAL EXPENDITURES

In 3Q09, the Company's organic capex totaled R$13.5 million, equivalent to 5.4% of net revenues, and was assigned to current operating investments (R$6.6 million), and restructuring and expansion investments (R$6.9 million). Year to date, total organic capex reached R$35.0 million, which corresponds to 4.6% of net revenues.

Chart 4 – Investments (R$ million)



CASH FLOW

In 9M09, the Company's cash generation stood at R$86.7 million. After organic capex of R$35.0 million and dividend payment of R$17.9 million, a positive variation of R$33.8 million was generated, with the Company's cash position standing at R$236.0 million at the close of 3Q09.

Chart 5 – Cash Flow 9M09 (R$ million)

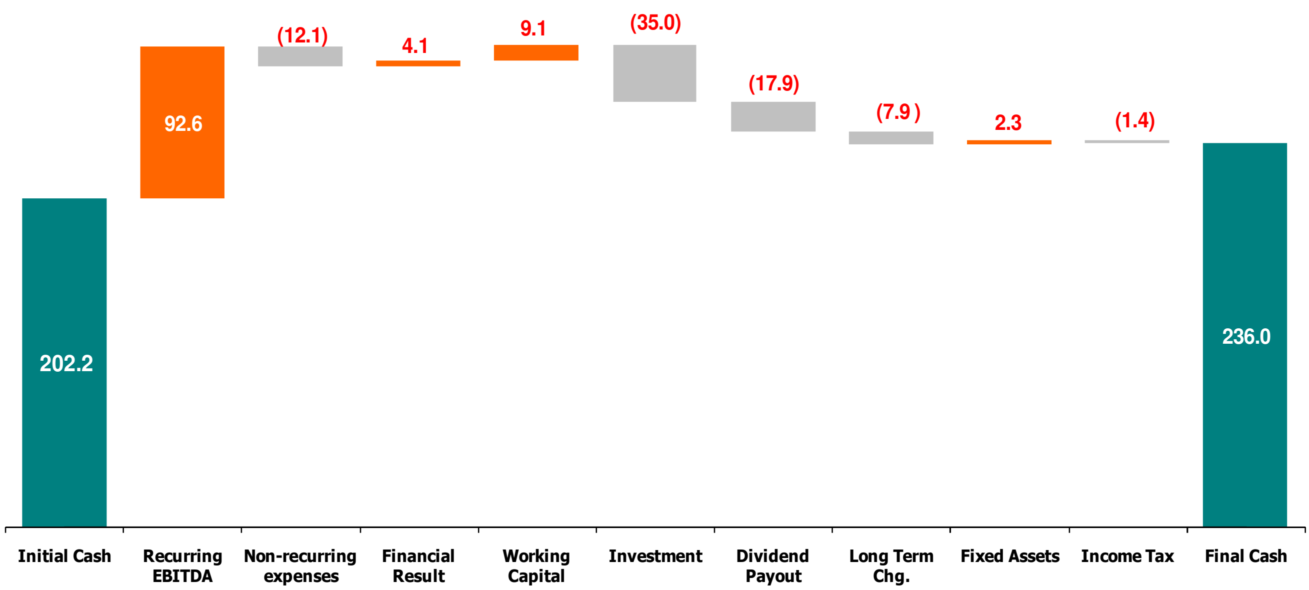


Table 11 – Accounts Receivable

R$ million	09/30/2008	06/30/2009	09/30/2009
Accounts Receivable - Net	100.1	121.0	112.4
Days of Accounts Receivable	36.0	42.0	40.0

OTHER EVENTS

- **Impacts from Law 11.638 and Provisional Measure 449/08**:

In view of the changes in Law 6.404/76, implemented by the Company in 2008, some balances for the nine-month period ended September 30, 2008 were reclassified and adjusted by Law 11.638/07 for purposes of comparison with 2009 quarters Information, as shown below:

	Holding Company		
	09/30/2008		
	Formerly Published	11.638/07 Adjustments	Currently Published
(Expenses) Revenues	54,837	(4,341) (i) / (ii)	50,496
Equity Pick-Up	52,569	(4,341)	48,228
Operational Income Before Income Tax and Social Contribution	**54,837**	**(4,341)**	**50,496**
Social Contribution Taxes	(450)	-	(450)
Income Taxes	(1,225)	-	(1,225)
Net Income in the Period	**53,162**	**(4,341)**	**48,821**

	Consolidated		
	09/30/2008		
	Formerly Published	11.638/07 Adjustments	Currently Published
Costs of Services Provided (COS)	(461,675)	(3,788)	(465,463)
Gross Profit	265,381	(3,788)	261,593
Operating (Expenses) Revenues	(204,860)	(553)	(205,413)
General and Administrative Expenses	(204,168)	1,488	(202,680)
Financial Expenses	(6,650)	(2,041)	(8,691)
Operational Income Before Income Tax and Social Contribution	**60,521**	**(4,341)**	**56,180**
Non-Opearating Revenues / (Expenses)	(1,164)	-	(1,164)
Social Contribution Taxes	(1,644)	-	(1,644)
Income Taxes	(4,551)	-	(4,551)
Net Income in the Period	**53,162**	**(4,341)**	**48,821**

Said reclassifications and adjustments derive from the adoption of the following accounting practices:

(i) Financial leasing

Leased assets were incorporated to fixed assets, on the transition date (January 1, 2008), at their fair value or, if lower, at the present value of the minimum payments of the lease, on the initial date of the contract, adjusted by accumulated depreciation up to the transition date. The net difference was recorded in the retained earnings account on the transition date.

(ii) Deferred assets

Pursuant to CVM Resolution 527/08, which approved CPC 13, the Company performed the write-off of the amounts recorded in deferred assets that were not reclassified to Intangible Assets.

IMPORTANT NOTICE (CVM INSTRUCTION 358)

Estácio Participações S.A. advises its shareholders about compliance with the terms of Article 12 of CVM Instruction 358. However, the Company is not responsible for disclosing information about the acquisition or sale, by third parties, of interest corresponding to 5% or more of the type or class of share representing its capital or rights over these shares and the remaining securities issued by the Company.

We are a holding company whose sole assets are our interests in SESES, STB, SESPA, SESCE, SESPE and Radial/IREP, and we currently hold 99.9% of the capital stock of each of these subsidiaries. This report contains forward-looking statements concerning industry's prospects and Estácio Participações' estimated financial and operating results. These are mere projections and, as such, are based solely on the Company management's expectations regarding the future of the business and its continuous access to capital to finance Estácio Participações' business plan. These considerations depend substantially on changes in market conditions, government rules, competitive pressures and the performance of the sector and the Brazilian economy, as well as other factors, and are, therefore, subject to changes without previous notice.

The Company's ownership structure is the following:

Table 12 – Ownership Breakdown – 09/30/09

Shareholders	ON	%
Founding Family	41,670,982	53%
GP Investments	15,717,013	20%
Executive Officers and Directors	45,207	0%
Others	21,151,864	27%
Total	**78,585,066**	**100%**

ABOUT ESTÁCIO PARTICIPAÇÕES

We are the largest private post-secondary education institution in Brazil in terms of number of enrolled students and have a nationwide presence in the country's major cities.

Our student profile is highly diversified and includes mostly young working adults from the middle and mid-low-income families. Since we were founded, 39 years ago, our growth has been mainly organic. We attribute a large part of our growth and market leadership to the high quality of our programs, the strategic location of our units, our competitive prices and our solid financial profile.

Our main strengths are innovative, diversified and flexible portfolio of academic programs; quality of education, faculty and facilities; leadership in the Rio de Janeiro market and scale gains; excellent track record; efficient management of the regulatory process; ability to offer our students internship programs and job opportunities; and management based on an "Asset Light" business model, under which approximately 90% of our campuses are leased through real estate partnerships.

Estácio has nearly 201 thousand undergraduate students enrolled in our nationwide education network and in Paraguay, consisting of 1 University (Rio de Janeiro), 2 University Centers (Bahia and São Paulo) and 27 Colleges, which combined represent 76 campuses distributed across 16 Brazilian states, of which 37 are in Rio de Janeiro, besides 1 University in Paraguay, with more than 2 thousand undergraduate students, as shown in the map below.

Table 13 – Income Statement

Income Statement (R$ million)	3Q08	Adjustments 11,638	3Q08 Adjusted	%VA	3Q09	%VA	9M08	Adjustments 11,638	9M08 Adjusted	%VA	9M09	%VA
Gross Revenue	**366.7**		**366.7**	**145.8%**	**361.3**	**143.7%**	**1,066.0**		**1,066.0**	**146.6%**	**1,102.5**	**144.2%**
Tuition fees	359.3		359.3	142.9%	357.1	142.1%	1,048.0		1,048.0	144.1%	1,088.8	142.4%
Others	7.5		7.5	3.0%	4.2	1.7%	18.0		18.0	2.5%	13.7	1.8%
Deductions	**(115.2)**		**(115.2)**	**-45.8%**	**(109.9)**	**-43.7%**	**(338.9)**		**(338.9)**	**-46.6%**	**(338.1)**	**-44.2%**
Gratuities - Scholarships	(92.1)		(92.1)	-36.6%	(92.9)	-37.0%	(269.9)		(269.9)	-37.1%	(285.4)	-37.3%
Monthly tuition fees and charges returned	(0.9)		(0.9)	-0.3%	(0.7)	-0.3%	(2.8)		(2.8)	-0.4%	(2.3)	-0.3%
Allowances	(11.4)		(11.4)	-4.5%	(5.6)	-2.2%	(34.1)		(34.1)	-4.7%	(17.9)	-2.3%
Taxes	(10.9)		(10.9)	-4.3%	(10.8)	-4.3%	(32.0)		(32.0)	-4.4%	(32.5)	-4.3%
Net Revenue	251.5		251.5	100.0%	251.3	100.0%	727.1		727.1	100.0%	764.4	100.0%
Recurring Net Revenue	251.5		251.5	100.0%	251.3	100.0%	727.1		727.1	100.0%	764.4	100.0%
Cost of services (Recurring / Cash)	**(148.2)**	**0.0**	**(148.2)**	**-58.9%**	**(151.5)**	**-60.3%**	**(437.0)**	**(0.1)**	**(437.1)**	**-60.1%**	**(467.8)**	**-61.2%**
- Faculty Payroll	(111.6)	0.0	(111.5)	-44.4%	(113.1)	-45.0%	(331.9)	(0.1)	(331.9)	-45.7%	(353.3)	-46.2%
- Rentals / Real State Taxes Expenses	(24.5)		(24.5)	-9.8%	(25.4)	-10.1%	(69.2)		(69.2)	-9.5%	(74.6)	-9.8%
- Third-Part Services	(5.3)		(5.3)	-2.1%	(6.1)	-2.4%	(15.5)		(15.5)	-2.1%	(18.3)	-2.4%
- Others	(6.9)		(6.9)	-2.7%	(6.8)	-2.7%	(20.4)		(20.4)	-2.8%	(21.7)	-2.8%
- Non-Recurring Expenses	(5.2)		(5.2)		(5.4)		(5.2)				(7.2)	
Cash Gross Profit	98.1	0.0	98.1	39.0%	94.5	37.6%	284.8	(0.1)	284.8	39.2%	289.3	37.9%
Recurring Cash Gross Profit	103.3	0.0	103.3	41.1%	99.9	39.7%	290.0	(0.1)	290.0	39.9%	296.6	38.8%
Recurring Cash Gross Margin (%)	*41.1%*		*41.1%*		*39.7%*		*39.9%*		*39.9%*		*38.8%*	
Selling, General and administrative (Recurring / Cash)	(71.6)	0.2	(71.4)	-28.4%	(70.8)	-28.2%	(212.5)	1.5	(211.0)	-29.0%	(211.4)	-27.7%
- Selling	**(15.1)**		**(15.1)**	**-6.0%**	**(17.5)**	**-7.0%**	**(43.5)**		**(43.5)**	**-6.0%**	**(52.8)**	**-6.9%**
- Provisions for Doubtful accounts	(7.8)		(7.8)	-3.1%	(8.1)	-3.2%	(23.6)		(23.6)	-3.2%	(23.8)	-3.1%
- Marketing	(7.3)		(7.3)	-2.9%	(9.4)	-3.7%	(19.9)		(19.9)	-2.7%	(29.0)	-3.8%
- General and administrative (Recurring/Cash)	**(56.5)**	**0.2**	**(56.3)**	**-22.4%**	**(53.3)**	**-21.2%**	**(169.0)**	**1.5**	**(167.5)**	**-23.0%**	**(158.5)**	**-20.7%**
- Non-recurring	**(5.6)**		**(5.6)**	-2.2%	**(1.3)**	-0.5%	(7.0)		(7.0)	-1.0%	(4.9)	-0.6%
Cash Operating Income	20.9	0.2	21.1	8.4%	22.4	8.9%	65.4	1.4	66.8	9.2%	73.1	9.6%
Recurring Cash Operating income	31.6	0.2	31.9	12.7%	29.1	11.6%	77.5	1.4	79.0	10.9%	85.2	11.1%
Net financial result	**9.4**	**(0.7)**	**8.7**	**3.5%**	**3.2**	**1.3%**	**23.8**	**(2.0)**	**21.7**	**3.0%**	**11.5**	**1.5%**
- Financial revenue	12.1		12.1	4.8%	7.1	2.8%	30.4		30.4	4.2%	23.4	3.1%
- Financial expenses	(2.6)	(0.7)	(3.3)	-1.3%	(3.8)	-1.5%	(6.7)	(2.0)	(8.7)	-1.2%	(11.9)	-1.6%
Depreciation	**(7.8)**	**(1.3)**	**(9.1)**	**-3.6%**	**(10.0)**	**-4.0%**	**(21.9)**	**(3.7)**	**(25.6)**	**-3.5%**	**(29.6)**	**-3.9%**
- COS	(6.8)	(1.3)	(8.1)	-3.2%	(7.5)	-3.0%	(19.4)	(3.7)	(23.1)	-3.2%	(23.5)	-3.1%
- G&A	(0.9)		(0.9)	-0.4%	(2.5)	-1.0%	(2.5)		(2.5)	-0.3%	(6.2)	-0.8%
Goodwill Amortization from Acquisition	**(2.6)**		**(2.6)**	**-1.0%**	**-**		**(6.8)**		**(6.8)**	**-0.9%**	**-**	
Non Operating Revenue (Expenses)	**(0.1)**		**(0.1)**	**0.0%**	**(0.0)**	**0.0%**	**(1.2)**		**(1.2)**	**-0.2%**	**(0.1)**	**0.0%**
Income before social contribution and income tax	19.8	(1.7)	18.1	7.2%	15.7	6.2%	59.4	(4.3)	55.0	7.6%	54.8	7.2%
Social Contribuition and Income Tax	(3.1)		(3.1)	-1.2%	(0.3)	-0.1%	(6.2)		(6.2)	-0.9%	(1.4)	-0.2%
Net Income	16.8	(1.7)	15.0	6.0%	15.4	6.1%	53.2	(4.3)	48.8	6.7%	53.4	7.0%
Adjusted Net Income (Godwill, One-off Expenses)	30.1	(1.7)	28.4	11.3%	22.0	8.8%	72.1	(4.3)	67.7	9.3%	65.6	8.6%
Adjusted Net Margin (%)	12.0%		11.3%		8.8%		9.9%		9.3%		8.6%	
EBITDA	3Q08		3Q08		3Q09		9M08		9M08		9M09	
Operating Income	20.9	0.2	21.1	8.4%	22.4	8.9%	65.4	1.4	66.8	9.2%	73.1	9.6%
Non Recurring Expenses	10.8		10.8	4.3%	6.6	2.6%	12.2		12.2	1.7%	12.1	1.6%
Operating Financial Result	2.4		2.4	1.0%	2.6	1.0%	6.3		6.3	0.9%	7.5	1.0%
Recurring EBITDA	34.1	0.2	34.3	13.6%	31.6	12.6%	83.9	1.4	85.3	11.7%	92.6	12.1%
Recurring EBITDA Margin (%)	***13.5%***		***13.6%***		***12.6%***		***11.5%***		***11.7%***		***12.1%***	

Table 14 – Balance Sheet

Balance Sheet (R$ milhões)	06/30/2009	09/30/2009
Current Assets	**373.7**	**376.2**
Cash	47.6	38.4
Cash Equivalents	176.2	197.6
Accounts Receivable	121.0	112.4
Carry-fowards Credits	2.1	0.7
Advance to Employees / Third Parties	3.6	3.8
Related Parties	0.4	0.2
Prepaid Expenses	6.7	5.0
Others	16.2	18.0
	-	-
Long term receivables	**6.5**	**10.4**
Prepaid Expenses	2.6	2.4
Related Parties	2.5	2.6
Judicial Deposits	1.4	5.4
Permanent Assets	**297.5**	**300.9**
Investments	0.2	0.2
Fixed Assets	185.4	187.0
Intangible	111.8	113.7
	-	-
Total Assets	**677.6**	**687.5**
	-	-
Liabilities and Shareholders' Equity	**06/30/2009**	**09/30/2009**
Current liabilities	**167.9**	**165.4**
Loans and financings	5.4	5.0
Suppliers	21.7	19.2
Salaries and payroll charges	95.1	95.3
Taxes payable	9.0	9.4
Prepaid monthly tuition fees	32.4	30.9
Taxes paid in installments	0.9	0.8
Commitments payable	1.5	1.5
Others	1.9	3.4
	-	-
Long term liabilities	**49.1**	**45.4**
Loans and financings	2.8	1.8
Provisions for contingencies	19.4	17.5
Advances under partnership agreement	25.1	24.4
Taxes paid in installments	1.8	1.7
	-	-
Shareholders' Equity	**460.6**	**476.7**
Capital	295.2	295.2
Capital Reserves	98.6	99.5
Earnings Reserves	29.0	29.0
Impairment	(0.2)	(0.4)
Acumulated Net Income	38.0	53.4
Total liability and shareholders' Equity	**677.6**	**687.5**

Table 15 – Cash Flow

Statement of cash flow (R$ million)	3Q08	3Q09	9M08	9M09
Cash flow from operating activities:				
Net income for the period	**15.0**	**15.4**	**48.8**	**53.4**
Adjustments - net income to cash generated by operating activities:				
Depreciation e amortization	9.0	10.0	25.7	29.6
Residual value of fixed asset disposals	3.6	0.0	5.1	2.3
Goodwill amortization	2.6	-	6.8	-
Provision for doubtful accounts	-	8.1	-	23.8
Stock Option	0.5	0.9	0.5	3.0
Provision for contingencies	-	1.7	-	4.4
Cash flow from operating activities	**30.7**	**36.2**	**86.9**	**116.6**
Changes in assets and liabilities:				
(Increase) in accounts receivable	3.9	0.4	(10.7)	(35.8)
(Increase) in other assets	2.6	1.0	(7.5)	2.4
Increase (decrease) in Suppliers	(0.7)	(2.5)	3.7	(5.2)
Increase (decrease) in tax payable	0.1	0.4	1.4	(7.4)
Increase in salaries and social charges	3.9	0.2	39.3	39.1
Increase in prepaid monthly tuition fees	1.1	(1.5)	1.8	1.7
Increase (decrease) in the provision for contingencies	(0.1)	(3.7)	3.5	(7.1)
Increase (decrease) in other liabilities	0.4	1.3	3.2	(3.3)
Increase (decrease) in advanced under partnership agreement	(0.7)	(0.7)	15.8	(2.1)
Changes in transactions with related parties:	-	-	-	-
(Increase) in accounts receivable	-	-	-	-
Increase (decrease) in accounts payable	-	-	-	-
(Increase) in non current assets	(0.6)	(3.7)	(7.5)	(6.5)
Net cash generated by (used in) operating activities	**40.4**	**27.3**	**129.8**	**92.3**
Cash flow from financing activities:				
Financial Investments	(30.0)	0.1	(28.2)	(12.0)
Goodwill on acquisitions	(2.1)	-	(22.9)	-
Fixed Assets	(22.0)	(9.9)	(43.7)	(26.5)
Intangible	-	(3.6)	-	(8.5)
Deferred Charges	(1.7)	-	(8.0)	-
Others	-	-	-	-
Net cash used in investing activities	**(55.8)**	**(13.3)**	**(102.8)**	**(47.0)**
Cash flow from financing activities:				
Dividends distributed	-	-	(12.6)	(17.9)
Loans and Financings acquisitions	0.8	-	0.8	-
Payment of Loans and Financings	(0.2)	(1.3)	(1.5)	(4.8)
Net cash used in financing activities	**0.5**	**(1.3)**	**(13.3)**	**(22.6)**
Increase (decrease) in cash				
At the beginning o period	51.7	47.6	22.9	38.1
At end of o period	36.9	59.9	36.9	59.9
Changes in net cash	**(14.8)**	**12.3**	**14.1**	**21.8**