



Estácio announces 1Q08 Consolidated Results: Net Revenue up 8.9%, to R\$238 million; EBITDA of R\$38.5 million, with 16.2% margin.

1Q08 Results

May 8, 2008
(unaudited)

Considering that the Company was incorporated on March 31 2007, the information presented herein is for comparison purposes only, on a proforma unaudited basis, relative to the first quarter of 2007, as if the Company had been incorporated on January 1 2007. Additionally, information was presented on an adjusted basis, in order to reflect the payment of taxes on SESES, our largest subsidiary, which from February 2007, after becoming a for-profit company, is subject to the applicable taxation rules applied to corporations, except for the exemptions arising out of the PROUNI – University for All Program (“PROUNI”). Information presented for comparison purposes should not be considered as a basis for calculation of dividends, taxes or for any other corporate purposes.

Conference Calls

English

May 8, 2008
12:00 p.m. (US EST)
1:00 p.m. (Brasília)
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Rio de Janeiro, May 8, 2008 – Estácio Participações S.A. (Bovespa, *ESTC11*) announces its 1Q08 consolidated results, with the following highlights:

- Undergraduate student base of 197,970 as of March 31, 2008, representing growth of 8.9% year on year and of 11.2% versus the close of the 2007 academic year.
- Record enrollment of 52,000 students in the first academic semester of the 2008, with average renewal rate of 87% (86% in 2007).
- Acquisition of three undergraduate institutions in São Paulo, with a total of 3,800 students on March 31, 2008.
- Conclusion of the first phase of integration of our 67 units nationwide and startup of a shared services center, which will provide administrative and financial services to all of our units across Brazil.

Table 1 – Main Financial Indicators

R\$ million	1Q07	1Q08	Chg.%
Gross Revenue	321.5	348.2	8.3%
Net Revenue	218.1	237.5	8.9%
Gross Profit	87.5	95.5	9.1%
Gross Margin (%)	40.1%	40.2%	0.1 p.p.
EBITDA	42.4	38.5	-9.2%
EBITDA Margin (%)	19.4%	16.2%	-3.2 p.p.
EBITDA ex-rental	60.4	59.2	-2.0%
EBITDA Margin ex-rental (%)	27.7%	24.9%	-2.8 p.p.
Net Income	25.9	32.7	26.3%
Adjusted Net Income	33.7¹	34.5²	2.1%

(1) Adjusted to Income Tax and Social Contribution (PROUNI)

(2) Excluding goodwill amortization from acquisition

Table 2 – Main Operating Indicators

	1Q07	1Q08	Chg.%
Student Base (final) - thousand ¹	181	198	8.9%
Student Base (average) - thousand ²	168	186	10.5%
Renewal Rate	86%	87%	1.0 p.p.
Average Ticket (R\$) ³	431	425	-1.4%
Average Tuition (R\$) ⁴	461	458	-0.6%

(1) Includes full scholarship granted students (PROUNI and others)

(2) Excludes 3 recent acquisitions in São Paulo

(3) Net Revenue / Average Total Student Base (includes full scholarship)

(4) Net Revenue / Average Paying Student Base

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MESSAGE FROM THE MANAGEMENT

Focus on student enrollment and retention: 198 thousand students as of 3/31/08

Net Revenue: R\$238 million

EBITDA margin: 16.2%

Cash and cash equivalents: R\$275 million

Conclusion of first phase of national integration and Shared Service Center

Adjusted Net Income: R\$34.5 million

Investment: R\$35.7 million

Dividends: R\$13.6 million

Fiscal Council Installation

During the first quarter of 2008, together with efforts to improve and centralize management functions, Estácio focused its efforts on student enrollment and retention in the first semester of the 2008 academic year. All of our enrollment goals were exceeded, and we achieved very satisfactory renewal rates at all of our units. As a result, we had a total of 198 thousand students enrolled in our undergraduate programs at the start of the academic year, a figure that includes 3,800 students from institutions recently acquired in São Paulo. These numbers represent an annual growth of 8.9% and 11.2% relative to 2007 year end.

The Company's consolidated gross revenue totaled R\$348 million and net revenue was R\$238 million, with an additional R\$2.5 million in tax registered in relation to 1Q07, due to the transformation of Sociedade de Ensino Superior Estácio de Sá (SESES) into a for-profit company in February 2007. In addition to the higher revenue tax, the Company registered R\$3.5 million as INSS payroll charges at SESES. Despite the additional tax burden, already expected, the Company posted an EBITDA of R\$38.5 million, with 16.2% margin.

Based upon a solid financial situation, with a net cash position and low debt, the Company plans to expand its leading position in Brazil's post-secondary education sector. At the close of the quarter, cash and cash equivalents totaled R\$275 million.

The first phase of the national integration project was completed, extending the Company's corporate and academic management systems to all of our units. We also started the implementation of our shared-services center, to centralize our back office activities. These changes should bring important operational synergies, with conclusion expected until the end of this year.

Adjusted net income, in 1Q08, which excludes goodwill amortization was R\$34.5 million, 2.1% higher year on year. Adjusted net income in the last twelve months as a percentage of shareholders' equity was 18.2%, with a net margin of 14.5%.

In 1Q08, the Company invested R\$35.7 million, including R\$16.9 million with acquisitions and R\$18.8 million as organic Capex.

The Annual Shareholder's Meeting held on April 25, 2008 approved the payment of dividends in the amount of R\$13.6 million, equal to 50% of the Company's net income in 2007, or R\$0.17 per unit. The same Shareholders' Meeting approved the installation of the Fiscal Council and elected its members and alternate members, with installation of the members within 30 days of the meeting and term of office lasting until the next Annual Shareholder's Meeting in 2009.

ANALYSIS OF RESULTS – 1Q08

Due to the seasonality of our business, we have focused our analysis on year-on-year comparisons.

The summary of our Financial Statements are presented on pages 10 and 11.

REVENUE

Table 3 provides a breakdown of our revenue in the periods under analysis.

Table 3 – Revenue Breakdown

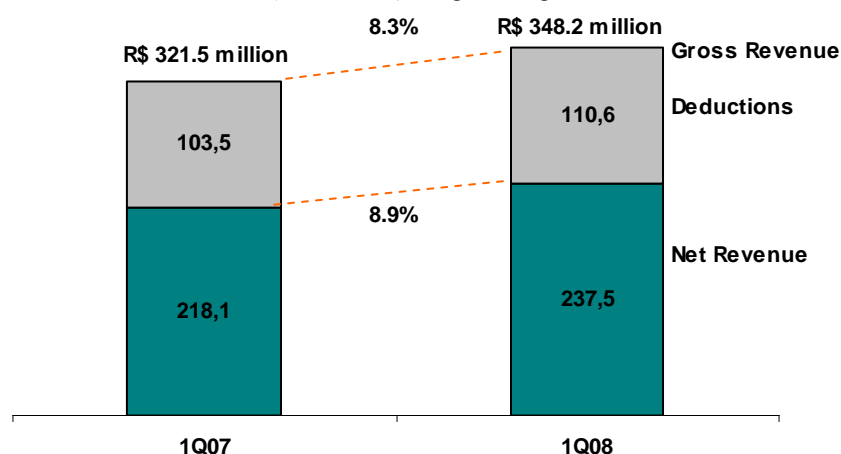
R\$ million	1Q07	1Q08	Chg.%
Monthly Tuition Fees	316.1	342.3	8.3%
Other	5.4	5.9	9.8%
Gross Revenue	321.5	348.2	8.3%
Deductions	(103.5)	(110.6)	7.0%
Gratuities – Scholarships	(86.8)	(88.3)	1.8%
Returned Fees and Charges	(1.1)	(1.1)	-
Allowances	(8.2)	(10.8)	32.3%
Taxes	(7.4)	(10.4)	39.0%
Net Revenue	218.1	237.5	8.9%

Gross revenue increased by R\$26.7 million (+8.3%), mainly driven by growth in our student base due to enrollment and retention improvements, as well as acquisitions.

In the gross revenue deductions line, we highlight following changes: a) the impact of taxes, given the conversion of SESES into a for-profit company in February of 2007, which means SESES registered taxes in 3 months in 1Q08, versus just 2 months in 1Q07 (+R\$2.5 million); b) stability in the gratuities and scholarships line; and c) a growth in allowances item due to the increased renegotiation of late tuition payments, which had a positive impact on student retention and control of delinquency.

The growth in net revenue was driven by the expansion in the average student base (+10.5%) and a decline in the average ticket (-1.4%), this latter due to the changes in the mix of programs and courses, with an increase in enrollment in our technical undergraduate programs - which have lower duration and lower tuition fees - and an increase in the number of scholarship students.

Chart 1 – Net Revenue (R\$ million) - 1Q07 x 1Q08



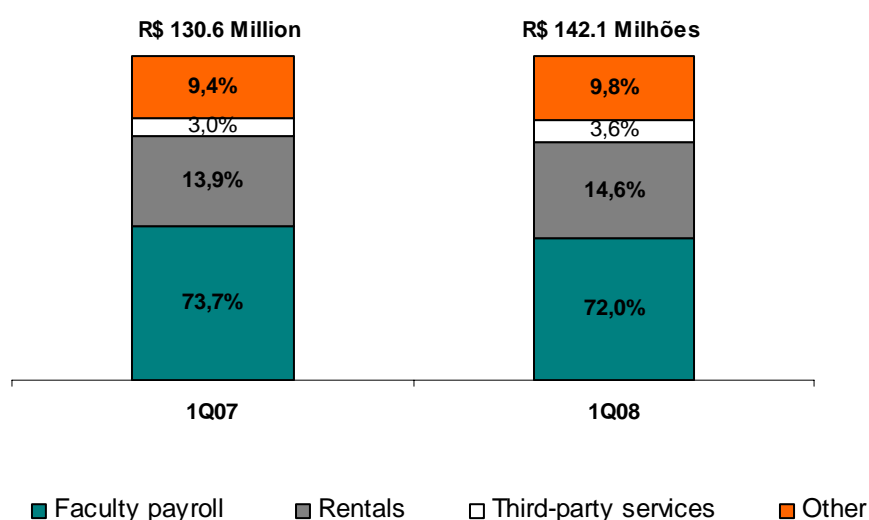
COST OF SERVICES

In 1Q08, cost of services totaled R\$142.1 million (+8.8%, of which approximately +2.0% reflects the increase in INSS charges on SESES faculty payroll).

Faculty costs (including payroll charges) accounted for 43.1% of net revenue, down from 44.1% in 1Q07, despite the payment of additional taxes equivalent to 1.6% of net revenue, reflecting the initiatives adopted to optimize the academic structure and reduce costs.

The main cost items are shown in the chart below.

Chart 2 – Cost of Services Breakdown - 1Q08 x 1Q07



GROSS PROFIT

Gross profit rose by 9.1% in the 1Q08, as shown in the table below.

Table 4 – Gross Profit

R\$ million	1Q07	1Q08	Chg.%
Net Revenue	218.1	237.5	8.9%
Cost of Services Rendered	(130.6)	(142.1)	8.8%
Gross Profit	87.5	95.5	9.1%
Gross Margin	40.1%	40.2%	0.1 p.p.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

In 1Q08, SG&A totaled R\$69.5 million, up 30.7% versus SG&A expenses in 1Q07 (R\$16.3 million), mainly due to the increase in third-party services (higher expenses with legal and accounting consulting and support for acquisitions), personnel (INSS payroll charges at SESES) and marketing expenses focus on student enrollment efforts.

Part of the increase is due to personnel expenses - higher social security taxes and acquisitions (R\$2.6 million) - holding company expenses (R\$1.5 million) and goodwill amortization (R\$1.8 million).

The main items in 1Q08 were expenses with administrative staff (12.0% of net revenue), third-party services (6.4%), provisions for doubtful accounts (1.5%), marketing (2.4%), and equipment rentals and leasing (1.4%).

DEPRECIATION AND AMORTIZATION

Depreciation and amortization amounted to R\$8.6 million in the quarter equivalent to 3.6% of net revenue. These figures include goodwill amortization of R\$1.8 million in 1Q08 related to acquisition.

NET FINANCIAL RESULT

The financial result increased R\$6.2 million from 1Q07 to 1Q08 as a result of higher cash and cash equivalents in the quarter.

Table 5 – Financial Result

R\$ million	1Q07	1Q08
Financial Revenue	4.2	10.8
Financial Expenses	(1.8)	(2.2)
Financial Result	2.4	8.6

EBITDA

The evolution in the Company's EBITDA, reconciled for operating income, is shown in the table below.

Table 6 – EBITDA

R\$ million	1Q07	1Q08	Chg. %
Operating Income	36.7	34.5	-6.0%
Depreciation and Amortization	5.4	8.6	59.1%
Financial Result ¹	0.2	(4.6)	-
EBITDA	42.4	38.5	-9.2%
EBITDA Margin	19.4%	16.2%	-3.2 p.p.
EBITDA Ex-rentals	60.4	59.2	-2.0%
EBITDA Margin Ex-rentals	27.7%	24.9%	-2.8 p.p.

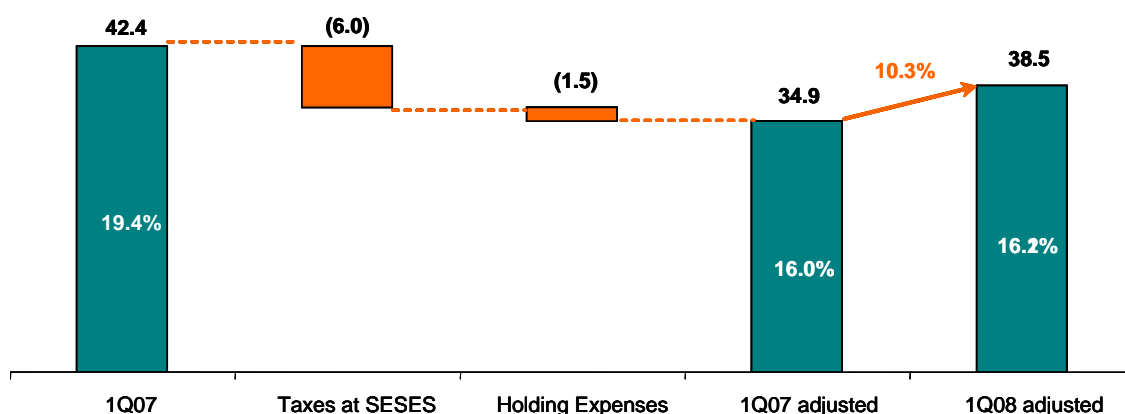
1. Excluding fines and banking charges

In the 1Q08, EBITDA came to R\$38.5 million, with 16.2% margin. In 1Q07, EBITDA was R\$42.4 million. The decrease in the period is explained by:

- Taxes: In 1Q07, revenue and payroll taxes at SESES related to only 2 months, since SESES became for-profit in February 2007 (R\$6.0 million)
- Holding company expenses: the holding company was incorporated only on March 31, 2007 (R\$1.5 million)

These impacts are shown on the chart below.

Chart 3 – EBITDA (R\$ million) and EBITDA Margin (%)



EBITDA ex-rental was R\$59.2 million, with a 24.9% margin.

NET INCOME

Net income in 1Q08 was R\$32.7 million, +26.3% over net income adjusted to Income Tax and Social Contribution (PROUNI) of 1Q07.

Excluding the impact of expenses with goodwill amortization, adjusted net income in 1Q08 was R\$34.5 million (+2.1%), with margin of 14.5%.

Adjusted net income in the last 12 months as a percentage of shareholders' equity (03/31/08) was equivalent to 18.2%.

Table 7 – Net Income

R\$ million	1Q07	1Q08	Chg.%
Net Income	25.9	32.7	26.3%
Adjustments:			
Social Contribution	2.1	-	-
Income Tax	5.7	-	-
Goodwill Amortization from Acquisition	-	1.8	-
Adjusted Net Income	33.7	34.5	2.1%
Net Margin	15.5%	14.5%	-1.1 p.p.

INDEBTEDNESS

The net cash position stood at R\$273.7 million at the close of 1Q08, as the following table shows.

Table 8 – Indebtedness

R\$ million	1Q07	4Q07	1Q08
Short-term indebtedness	3.4	0.2	1.1
Long-term indebtedness	0.7	0.0	0.0
Total	4.1	0.2	1.1
Cash and cash equivalents	46.8	229.2	274.8
Net cash	42.7	229.0	273.7

CAPITAL EXPENDITURES

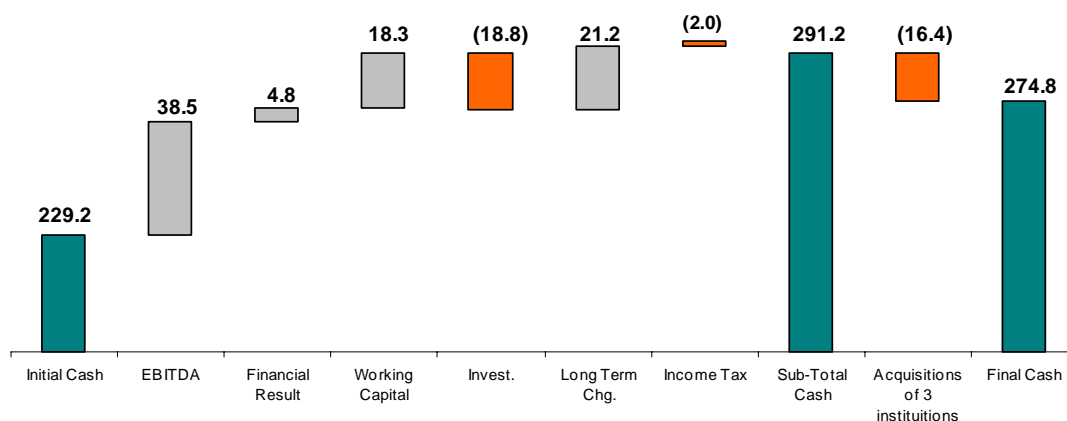
Organic Capex totaled R\$18.8 million in 1Q08, equivalent to 7.9% of net revenue, which was allocated to current operational investments, national integration project, restructuring, and expansion. Investments in acquisitions in the quarter totaled R\$16.9 million.

CASH FLOW

In 1Q08, the Company generated R\$62.0 million in cash from operations, despite the increase in taxes mainly on revenue and payroll.

The Company closed 1Q08 with a cash and cash equivalents of R\$274.8 million, of which R\$178.7 million originated from the IPO proceeds, already net of R\$89.5 million related to the acquisition of Centro Universitário Radial (R\$55.7 million in August 2007), the acquisition of the colleges European, Faculdade Interlagos and Faculdade Brasília (R\$16.4 million in February 2008) and IPO expenses (R\$17.4 million throughout 2007).

Chart 4 - Cash flow - 1Q08 (R\$ million)



CAPITAL MARKETS

From the date of the IPO (07/30/2007) to 05/05/2008, the “units” of Estácio Participações were down by 35.1% and the average traded volume was R\$2.8 million. In the same period, Ibovespa was up by 32.5%. To date in 2008, the average daily traded volume of ESTC11 was R\$2.1 million.

Price: R\$14.57/unit

Closing: 05/05/2008

Market Capitalization: R\$1,145 million

Average Daily Traded Volume since IPO: R\$2.8 million

Variation since IPO: -35.1%

Total number of Units: 78.6 million

Free Float: 25.3%

IMPORTANT NOTICE (CVM INSTRUCTION 358)

Estácio Participações advises its shareholders about compliance with the terms of article 12 of CVM Instruction 358, however it 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. It is worth highlighting that each “Unit” represents one common share and two preferred shares.

Table 9 – Ownership Breakdown (in thousand shares), as of 03/31/08

Shareholders	ON	%	PN	%	Total	%
João Uchôa Cavalcanti Netto	137,554	85.0	32,609	44.2	170,163	72.2
Marcel Cleófas Uchoa Cavalcanti	1,516	0.9	531	0.7	2,047	0.9
André Cleófas Uchoa Cavalcanti	1,500	0.9	500	0.7	2,000	0.8
Monique Uchôa Cavalcanti de Vasconcelos	1,500	0.9	500	0.7	2,000	0.8
Executive officers and Directors	7	0.0	14	0.0	21	0.0
UBS Pactual Asset Management	1,846	1.1	3,699	5.0	5,545	2.4
Other	17,995	11.1	35,984	48.7	53,979	22.9
Total	161,918	100.0	73,837	100.0	235,755	100.0

**Board of Directors members own 03 ON and 05 PN, except Mr. Marcel Cavalcanti*

OTHER EVENTS IN THE QUARTER

February 18: New Acquisitions in São Paulo

On February 18, Estácio announced the acquisition of three post-secondary educational institutions in São Paulo, with a total of more than 3,800 students, for a total investment of R\$16.9 million (average acquisition price of R\$4,400 per student): Faculdade Interlagos, Faculdade European and Faculdade Brasília.

ABOUT ESTÁCIO PARTICIPAÇÕES S.A.

Estácio Participações S.A. (BOVESPA: ESTC11), the largest private undergraduate institution in Brazil in terms of number of enrolled students, has 197,970 undergraduate students enrolled in its programs (03/31/2008), with a net revenue of R\$238 million in the first quarter of 2008 (1Q08).

We are a holding company, and our only assets are our interests in SESES, STB, SESPA, SESCE and SESPE, and we currently hold 99.9% of the capital stock of each of these subsidiaries. This report may contain forward-looking statements concerning the 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.

Balance Sheet (R\$ million)				
Assets	3/31/2007	12/31/2007	3/31/2008	12/31/2007 Chg. %
Current assets	131.5	349.1	395.7	13.3%
Cash	46.8	22.9	57.7	152.6%
Cash equivalents	-	206.4	217.1	5.2%
Accounts receivable	75.4	89.5	89.8	0.3%
Carry-forwards credit	3.3	3.7	2.3	-39.3%
Advance to employees / third parties	1.9	6.4	2.6	-58.8%
Related parties	1.3	13.9	14.4	3.4%
Prepaid expenses	-	0.6	5.4	818.4%
Other	2.8	5.8	6.5	11.9%
Long term receivables	8.1	1.2	2.0	59.9%
Advance for future capital increase	-	-	0.6	-
Related parties	7.3			
Prepaid expenses	-	0.9	1.0	4.5%
Judicial deposits	0.8	0.3	0.3	22.6%
Permanent assets	155.1	222.8	249.3	11.9%
Investments				
Goodwill, net	-	53.4	68.1	27.6%
Other	0.2	0.2	0.2	-
Fixed assets	154.8	165.5	174.2	5.3%
Deferred charges	0.1	3.6	6.7	87.5%
Total assets	294.8	573.1	647.0	12.9%
Liabilities and Shareholders' Equity	3/31/2007	12/31/2007	3/31/2008	12/31/2007 Chg. %
Current liabilities	142.3	142.4	161.6	13.5%
Loans and financings	3.4	0.2	1.1	549.7%
Suppliers	15.0	17.2	24.9	44.8%
Salaries and payroll charges	81.2	58.5	74.8	27.8%
Taxes payable	10.6	12.8	12.5	-2.5%
Prepaid monthly tuition fees	28.9	31.0	31.0	0.1%
Taxes paid in installments	1.1	0.5	0.3	-48.2%
Proposed dividends	-	13.6	13.6	0.0%
Commitments payable	-	5.7	-	-100%-
Other	2.1	2.8	3.4	21.0%
Non-current liabilities				
Long term liabilities	15.1	13.9	18.6	33.5%
Loans and financings	0.7	0.0	0.0	-100.0%
Provisions for contingencies	14.1	13.7	15.5	12.7%
Taxes paid in installments	0.3	0.2	3.1	1311.2%
Deferred revenues	13.8	11.4	28.6	151.2%
Advances under partnership agreement	13.8	11.4	28.6	151.2%
Shareholders' Equity	123.6	405.4	438.1	8.1%
Capital	27.1	295.2	295.2	0.0%
Capital reserve	96.5	96.5	96.5	0.0%
Earnings reserves	-	-	13.7	-
Retained earnings	-	13.7	32.7	139.7%
Total liability and shareholders' equity	294.8	573.1	647.0	12.9%

Income Statement (R\$ million)	1Q07	% VA	1Q08	% VA	Chg. %
Gross revenue	321.5	147.4	348.2	146.6%	8.3%
Tuition fees	316.1	145.0%	342.3	144.1%	8.3%
Other	5.4	2.5%	5.9	2.5%	9.8%
Deductions	(103.5)	-47.4%	(110.6)	-46.6%	7.0%
Gratuities/scholarships	(86.8)	-39.8%	(88.3)	-37.2%	1.8%
Monthly tuition fees and charges returned	(1.1)	-0.5%	(1.1)	-0.5%	-
Allowances	(8.2)	-3.8%	(10.8)	-4.6%	32.3%
Taxes	(7.4)	-3.4%	(10.4)	-4.4%	39.0%
Net revenue	218.1	100.0%	237.5	100.0%	8.9%
Cost of services rendered	(130.6)	-59.9%	(142.1)	-59.8%	8.8%
Gross profit	87.5	40.1%	95.5	40.2%	9.1%
Operating (expenses) revenue	(50.8)	-23.3%	(60.9)	-25.6%	20.0%
Selling, general and administrative expenses	(53.2)	-24.4%	(69.5)	-29.2%	30.7%
Financial revenue	4.2	1.9%	10.8	4.5%	153.6%
Financial expenses	(1.8)	-0.8%	(2.2)	-0.9%	20.4%
Operating income	36.7	16.9%	34.5	14.5%	-6.0%
EBITDA	42.4	19.4%	38.5	16.2%	-9.2%
Non operating net revenue (expenses)	(2.6)	-1.2%	0.3	0.1%	-111.4%
Income before social contribution and income tax	34.1	15.7%	34.8	14.7%	2.0%
Social contribution	(2.2)	-1.0%	(0.6)	-0.2%	74.5%
Income tax	(6.0)	-2.8%	(1.5)	-0.6%	74.5%
Net income	25.9	11.9%	32.7	13.8%	26.3%
Adjustments:					
Social contribution	2.1	1.0%	-	-	-
Income tax	5.7	2.6%	-	-	-
Goodwill amortization from acquisition	-	-	1.8	0.7%	-
Adjusted net income	33.7	15.5%	34.5	14.5%	2.1%