

KROTON EDUCACIONAL S.A.

Corporate Taxpayer ID (CNPJ/MF):

02.800.026/0001-40

Company Registry (NIRE):

31.300.025.187

Publicly Held Company

ESTÁCIO PARTICIPAÇÕES S.A.

Corporate Taxpayer ID (CNPJ/MF):

08.807.432/0001-10

Company Registry (NIRE):

31.300.282.050

Publicly Held Company

NOTICE TO THE MARKET

Kroton Educacional S.A. ("Kroton") and **Estácio Participações S.A.** ("Estácio", and, jointly with Kroton, the "Companies") announce that, on the date hereof, they presented to the Brazil's antitrust agency CADE (*Conselho Administrativo de Defesa Econômica*) the Act of Concentration for the business combination of the Companies ("Operation"), in accordance with the agreement and plan of merger of the shares of Estácio into Kroton, entered into on July 8, 2016 ("Merger Agreement") and announced through the Material Fact notices dated July 8, 2016 and July 14, 2016. The Companies will cooperate fully with CADE as needed so that the Autonomous Agency can issue its decision on the Operation.

The Companies will keep their shareholders and the market informed of further developments in this matter.

August 31, 2016

Carlos Alberto Bolina Lazar

Investor Relations Officer of Kroton
Educacional S.A.

Pedro Thompson

Investor Relations Officer of Estácio
Participações S.A.