

## NOTICE TO THE MARKET

**Estácio Participações S.A.** ("Estácio" or "Company" - BM&FBOVESPA: ESTC3; OTCQX: ECPCY) hereby informs its shareholders and the market in general of S&P's positioning regarding Estácio's ratings after the decision by the Brazilian Antitrust Authority (Cade), transcribed below:

### "Estácio's ratings remain unaltered after CADE's veto on the merger with Kroton"

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São Paulo (S&P Global Ratings), June 29, 2017 – S&P Global Ratings announced today that the ratings granted to Estácio Participações S.A. ("Estácio"; brAA-/CW Neg./--) were not affected after the Brazilian Antitrust Authority (Cade) vetoed the merger between the Company and Kroton Educacional S.A. ("Kroton"; not evaluated). Our base scenario did not consider the merger between the companies, given that the operation depended on regulatory approvals and we were not sure of its potential approval or any remedies that the antitrust authority could apply.

As a result, Estácio's ratings are still reflecting the Company's solid positioning in Brazil's private higher-education sector and its comfortable capital structure. At the same time, the CreditWatch listing with negative implications reflects the situation of Brazil's sovereign rating, based on our opinion that the Company's cash sources would not be enough to honor its short-term obligations in a hypothetical scenario of sovereign default given its exposure to the FIES government program."

Rio de Janeiro, July 3, 2017.

**Pedro Thompson**

CEO and Investor Relations Officer  
Estácio Participações S.A.