Quarterly Information (“ITR”)

Estácio Participações S.A.

March 31, 2010
with Independent Auditors’ Review Report

ESTÁCIO PARTICIPAÇÕES S.A.

Quarterly Information

March 31, 2010

Centro Empresarial Botafogo
Praia de Botafogo, 300
13º Andar - Botafogo
22250-040-040 – Rio de Janeiro, RJ, Brazil

Tel: (5521) 2109-1400
Fax: (5521) 2109-1600
www.ey.com.br

A free translation from Portuguese into English of Review Report of Independent Auditors on Quarterly Financial Information (Parent Company and Consolidated) prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), in conjunction with National Association of State Boards of Accountancy (CFC) and the International Financial Reporting Standards (IFRS) applicable to the preparation of Interim Financial Reporting Consolidated issued by the International Accounting Standards Board (IASB)

Independent auditors' review report

The Shareholders, Board of Directors and Executive Board
Estácio Participações S.A.
Rio de Janeiro - RJ

We have reviewed the accompanying Quarterly Information (ITR), Company and consolidated of Estácio Participações S.A. and subsidiaries for the quarter ended March 31, 2010, including the consolidated balance sheets and statements of income, statements of comprehensive income, cash flows and changes in shareholders' equity , report on the Company's performance and accompanying notes, prepared under management's responsibility.

We conducted our review in accordance with the specific standards established by the Brazilian Institute of Independent Auditors (IBRACON) and Brazil's National Association of State Boards of Accountancy (CFC), and consisted principally of: (a) inquiries of and discussions with officials responsible for the accounting, financial and operational areas of the Company and subsidiaries in respect to the main criteria adopted for the preparation of the Quarterly Information; and (b) review of information and subsequent events which have, or may have, significant effects on the financial position and operations of the Company and subsidiaries.

Based on our review, we are not aware of any material modification that should be made to the accounting data included in the Consolidated Quarterly Financial Information referred above for it to be in compliance with international accounting practices, applicable to the preparation of Interim Financial Reporting Consolidated ("IAS 34") issued by the International Accounting Standards Board - IASB.

Rio de Janeiro, November 11, 2010

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC - 2SP 015.199/O-6 - F - RJ

Fernando Alberto S. de Magalhães
Accountant CRC - 1SP 133.169/O-0 - S - RJ

Gláucio Dutra da Silva
Accountant CRC - 1RJ 090.174/O-4

ESTÁCIO PARTICIPAÇÕES S.A.

Balance Sheets
March 31, 2010 and 2009
(in thousands of reais)

	03/31/2010	12/31/2009
Assets		
Current assets		
Cash and cash equivalents	**85,486**	51,303
Marketable securities	**139,017**	149,730
Accounts receivable	**123,659**	117,982
Accounts recoverable - FIES Program	**875**	911
Advances to employees/third parties	**4,198**	11,201
Transactions with related parties	**331**	205
Prepaid expenses	**13,720**	4,220
Others	**14,190**	14,931
	381,476	350,483
Non-current assets		
Long-term receivables		
Prepaid expenses	**4,338**	2,195
Transactions with related parties	**2,772**	2,676
Court deposits	**23,462**	20,703
Others	**366**	359
	30,938	25,933
Investments		
In subsidiaries		
Others	**228**	228
	228	228
Property, Plant & Equipment	**191,883**	192,019
Intangible assets	**118,267**	117,655
	310,378	309,902
Total non-current assets	**341,316**	335,835
Total assets	**722,792**	686,318

	03/31/2010	12/31/2009
Liabilities and shareholders' equity		
Current assets		
Loans and financing	**4,238**	4,721
Suppliers	**17,278**	17,624
Payroll and related charges	**74,760**	59,128
Taxes payable	**14,073**	15,526
Prepaid monthly tuition fees	**26,388**	30,258
Taxes paid in installments	**404**	468
Dividends payable	**30,533**	30,533
Commitments payable	**1,321**	1,321
Others	**4,534**	3,564
	173,529	163,143
Non-current liabilities		
Long-term payables		
Loans and financing	**179**	849
Provision for Contingencies	**32,967**	33,274
Advance under agreements	**22,915**	23,573
Taxes paid in installments	**1,753**	1,778
Provision for changes in existing decommissioning, restoration, and similar liabilities	**12,595**	12,265
Others	**83**	3
	70,492	71,742
Shareholders' Equity		
Capital	**295,769**	295,237
Capital reserves	**101,786**	100,398
Income reserve	**56,098**	56,098
Equity valuation adjustments	**(320)**	(300)
Retained earnings	**25,438**	
	478,771	451,433
Total liabilities and shareholders' equity	**722,792**	686,318

ESTÁCIO PARTICIPAÇÕES S.A.

Statements of income
March 31, 2010 and 2009
(In thousand of reais)

	03/31/2010	03/31/2009
Gross operating revenue		
Graduation courses	**300,743**	309,211
Polytechnic courses	**52,993**	58,272
Specialization courses	**8,251**	9,023
Others	**3,438**	3,960
	365,425	380,466
Deductions from gross revenue		
Grants - scholarships	**(93,695)**	(97,885)
Return of monthly tuition fees and charges	**(557)**	(797)
Discounted granted	**(4,350)**	(5,913)
Taxes	**(10,800)**	(11,298)
	(109,402)	(115,893)
Net operating revenue	**256,023**	264,573
Direct costs of services provided	**(168,491)**	(176,530)
Gross profit	**87,532**	88,043
Operating income (expenses)		
Expenses with sales	**(21,304)**	(17,705)
General and administrative expenses	**(44,672)**	(43,930)
Equity pickup, net		
Financial revenue	**7,196**	9,007
Financial expenses	**(4,290)**	(5,358)
Other operating income	**1,637**	1,276
Income from discontinued activities	**12**	3
	(61,421)	(56,707)
Operating income before social contribution and income taxes	**26,111**	31,336
Social contribution tax	**(179)**	(504)
Income tax	**(494)**	(1,391)
Net income for the quarter	**25,438**	29,441

ESTÁCIO PARTICIPAÇÕES S.A.

Statements of changes in shareholders' equity
March 31, 2010
(In thousands of reais)

		Capital Reserve			Income reserve			
	Capital	**Share Premium**	**Options granted**	**Equity Valuation Adjustments**	**Legal**	**Profit Retention**	**Retained Earnings**	**Total**
On January 1st, 2009	295,237	96,482	-	397	3,023	25,936	-	421,075
Changes in accouting policies	-	-	-	-	-	(5,331)	-	(5,331)
On January 1st, 2009 – reissued	295,237	96,482	-	397	3,023	20,605	-	415,744
Cumulative translation adjustments	-	-	-	(173)	-	-	-	(173)
Net income for the period							29,441	29,441
Options granted	-	-	1,153	-	-	-	-	1,153
On March 31, 2009	295,237	96,482	1,153	224	3,023	20,605	29,441	446,165
On January 1st, 2009	295,237	96,482	3,916	(300)	6,237	56,469	-	458,041
Changes in accouting policies	-	-	-	-	-	(6,608)	-	(6,608)
On January 1st, 2010 – reissued	295,237	96,482	3,916	(300)	6,237	49,861	-	451,433
Capital increase	**532**	**-**	**-**	**-**	**-**	**-**	**-**	**532**
Cumulative translation adjustments	**-**	**-**	**-**	**(20)**	**-**	**-**	**-**	**(20)**
Net income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**25,438**	**25,438**
Options granted	**-**	**-**	**1,388**	**-**	**-**	**-**	**-**	**1,388**
On March 31, 2010	**295,769**	**96,482**	**5,304**	**(320))**	**6,237**	**49,861**	**25,438**	**-**

ESTÁCIO PARTICIPAÇÕES S.A.

Statements of Cash Flows
Semesters ended on March 31, 2010 and 2009
(In thousands of reais)

	03/31/2010	03/31/2009
Cash flow from operating activities		
Net income for the period	**25,438**	29,441
Adjustments to reconcile net income to cash generated from operating activities		
Depreciation and amortization	**7,385**	9,910
Net book value of PP&E	**-**	3
Provision for doubtful debtors	**5,046**	6,237
Options Granted	**1,388**	1,153
Provision for Contingencies	**55**	1,426
Interests on loans to subsidiaries	**(103)**	-
Equity pickup		
	39,209	48,170
Changes in assets and liabilities:		
(Increase) of accounts receivable	**(5,005)**	(10,764)
(Increase) reduction in other assets	**(7,446)**	6,694
Increase (decrease) in suppliers	**(346)**	844
(Reduction) in Taxes payable	**(1,453)**	(6,592)
Increase (decrease) in Payroll and related charges	**15,632**	17,150
Increase (decrease) in Prepaid monthly tuition fees	**(3,870)**	6,454
(Reduction) in the Provision for Contingencies	**(2,930)**	(1,484)
Provision for changes in existing decommissioning , restoration and similar liabilities	**330**	-
Increase (decrease) in others liabilities	**961**	(1,186)
(Reduction) advance under agreements	**(658)**	(722)
Changes in operations with related parties:		
(Increase) reduction of accounts receivable	**(127)**	(2)
(Increase) reduction in non-current assets	**(2,326)**	(233)
Net cash generated from operating activities	**31,971**	58,329
Cash flow from investment activities		
Short term Investments	**10,713**	(40,270)
Investments in subsidiaries		
Advance for future capital increase		
Property, Plant & Equipment	**(5,689)**	(4,355)
Costs with changes in existing decommissioning , restoration and similar liabilities	**(330)**	-
Intangible assets	**(1,841)**	(2,242)
Net cash from investment activities	**2,853**	(46,867)
Cash flow from financing activities		
Capital increase	**532**	
Increase (decrease) in loan	**(1,153)**	(1,842)
Net cash generated (invested) in the activities financing	**(621)**	(1,842)
Exchange variation on investment abroad	**(20)**	(173)
Increase (decrease) of cash	**34,183**	9,447
At the beginning of the period	**51,303**	38,130
At the end of the period	**85,486**	47,577
Change in cash balance	**34,183**	9,447

1. Operations

Estácio Participações S.A. (“Estácio” or “Company”) is a publicly-held corporation headquartered in the City and State of Rio de Janeiro, which was organized by means of a private placement of shares on March 31, 2007. The Company is primarily engaged in developing and/or managing activities and/or institutions in the areas of post-secondary education, professional education and/or other education-related areas, managing its own assets and businesses, and holding equity interest in other non-business or business companies, either as member or shareholder, in Brazil or abroad.

2. Presentation of Quarterly Information (ITR)

The consolidated quartely information of Company for the period ended March 31, 2010 and 2009, and for the period ended December 31, 2009 include the consolidated quartely information of the Company and its subsidiaries.

The consolidated quartely information were prepared based on the international accounting standards (International Financial Reporting Standards - IFRS), issued by the International Accounting Standards Board (IASB)

The Company adopted all Standards and standards and interpretations reviews, issued by IASB and applicable to the quarterly information ended March 31, 2010.

There are no other standards and interpretations issued and not yet adopted that might, in the management’s opinion, have a significant impact on the income or equity disclosured by the Company.

The Company’s Management authorized the completion of the preparation of the financial statements on November 10, 2010.

(In thousands of reais, except where otherwise stated)

2. Presentation of Quarterly Information (ITR)--Continued

The consolidated Quarterly Information includes the operations of the Company and of the following subsidiaries, with the direct ownership interest on the balance sheet date being summarized as follows:

	03/31/2010		03/31/2009	
	Direct	Indirect	Direct	Indirect
Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES")	100%	-	100%	-
Sociedade de Ensino Superior do Pará Ltda. ("SESPA")	100%	-	100%	-
Sociedade de Ensino Superior do Ceará Ltda. ("SESCE")	100%	-	100%	-
Sociedade de Ensino Superior de Pernambuco Ltda. ("SESPE")	100%	-	100%	-
Sociedade Tecnopolitana da Bahia Ltda. ("STB")	100%	-	100%	-
Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP")	100%	-	100%	-
Faculdade Radial de Curitiba Sociedade Ltda. ("RADIAL")	-	-	-	-
Sociedade Interlagos de Educação e Cultuta Ltda. ("FINTEC")	-	100%	-	100%
Instituto Euro-Latino-Americano de Cultura e Tecnologia Ltda. (EUROPAN")	-	100%	-	100%
Faculdade Brasília de São Paulo Ltda. ("Brasília")	-	100%	-	100%
União Cultural e Educacional Magister Ltda. ("UNICEM")	-	100%	-	100%
Sociedad de Enseñanza Superior S.A. ("SESSA")	100%	-	100%	-
Sociedade de Ensino Superior de Sergipe Ltda. ("SESSE")	100%	-	100%	-
Sociedade de Ensino Superior de Alagoas Ltda. ("SESAL")	100%	-	100%	-
Unidade Nacional de Educação e Cultura Ltda. ("UNEC")	100%	-	100%	-
Sociedade de Ensino Superior do Amapá Ltda. ("SESAP")	100%	-	100%	-
Maria Montessori Educação e Cultura Ltda. ("Montessori")	-	100%	-	100%
Cultura e Educação de Cotia Ltda. ("Cotia")	-	-	-	100%
Unidade de Ensino Superior Montessori de Ibiúna S/C ("Unissori")	-	-	-	100%

The period covered by the subsidiaries included in the consolidation, are compatible with the parent company and the accounting practices and policies were consistently applied over consolidated companies and in conformity with those applied in the previous year

The subsidiaries are included in consolidation since the acquisiton date, that corresponds to the date in which the Company got the control, and continue being consolidated until the date that ceases such control.

The main consolidation procedures are:

- Elimination of intercompany current accounts and other asset and liability balances;
- Elimination of the effects arising from significant intercompany transactions;
- Elimination of interest in capital, reserves and retained earnings of the consolidated companies; and
- Elimination of revenues and expenses arising from business transactions between consolidated companies.

3. New accounting practices first time adoption (IFRS)

The consolidated and parent company quarterly review information were disclosured according to Brazilian Accounting Standards, that held the changes introduced by Laws 11.638/07 and 11.641/09 complemented by the CPC pronouncements, approved through resolutions issued by the Federal Accounting Council - CFC and through rules issued by CVM until December 31, 2008, which included the adoption of COC number 1 to 14.

According to established on IFRS 1, the International Standards and/or the changes in the practices were implemented retroactive to January 1st, 2009. Therefore, the consolidated quarterly review information of the period or of the prior period, originally disclosed, were adjusted and they are being disclosured again according to new Standards for comparison.

a) Exemptions to retrospective adoption by the Company

During the preparation of the consolidated quarterly review information according to the new Brazilian Accounting Standards, the Company applied the relevant mandatory exemptions and some optional exemptions related to the completed retrospective application of the new accounting practices described below, according to prerogative from IFRS 1.

Exemptions to retrospective adoption:

- Business Combination – the Company applied the exemption related to business combination, and did not a new disclosure about business combination occurred before January 1st, 2009, transition date.

- Others exemptions included in IFRS 1, are not applicable to the Company because of the reasons described below:

  - Employee benefits - the Company does not sponsor pension plans and others post-employment benefits.

  - Leases – the Company opted to analyze the lease agreements considering the facts and circumstances on the transition date. No impacts were identified because the practices adopted previously by the Company and the IFRS were in compliance.

3. New accounting practices first time adoption (IFRS)—Continued

a) Exemptions to retrospective adoption by the Company—Continued

- Share based payment – the accounting treatment for the shares granted by the Company during prior periods did not have any impacts , because de accounting practices previously adopted was already in compliance to IFRS.

- Assets and liabilities from subsidiaries – the first time adoption was applied at the same time and consistently in all subsidiaries.

- Compound Financial instruments – there is not any operations involving this kind of financial instrument.

- Liabilities decurrent of deactivation included in the PP&E cost – there were not any specified changes on the liabilities decurrent of deactivation on date prior to the transition date and until the financial information's date.

- Financial assets and intangible assets registered according to IFRIC 12 - Concession agreement – the Company did not have concession agreement.

- Deemed cost – the Company opted for not to recalculate the fair value related the fixed assets on the transition date, adopting to keep the acquisition cost adopted in BRGAAP as fixed assets value.

At the same time which IFRS 1 forecast voluntary exemptions of adjustments, the IFRS 1 also forbids adjustments for some transactions on the first time adoption,
at time that the respective application in these areas would demand that the administration effected analyses of past conditions, after the result of the respective transactions. The exceptions obligations contemplate:

- Accounting for financial assets and liabilities write-offs:: The Company has not retrospectively adjusted its financial assets and liabilities.

(In thousands of reais, except where otherwise stated)

3. New accounting practices first time adoption (IFRS)--Continued

a) Exemptions to retrospective adoption by the Company--Continued

- Recording hedge operations: The Company had no hedge operations for on the transition date.
- Changes in estimates: The estimates adopted on the transition are in line with the estimates made based on the previous accounting standards.
- Discontinued operations: The Company had no discontinued operations on the transition date.

b) Reconciliation of the accounting practices adopted in the preparation of the financial information previously disclosed with the present quarterly information

In attendance to the disclosure requirements, the Company is presenting below one brief description and the corresponding values in the result and the equity referring to these effect:

	Net income		Shareholders' Equity	
	03/31/2010	**03/31/2009**	**03/31/2010**	**03/31/2009**
Balance before the effect of the new accounting practices	**23,089**	29,767	**483,030**	458,041
Depreciation – redefiniton of the useful life	**2,768**	-	**2,768**	-
Depreciation – provision for changes in existing decommissioning, restauration, and similar liabilities	**(362)**	(346)	**(7,328)**	(6,966)
Deferred Tax	**(57)**	20	**301**	358
Balance after the effect of the new accounting practices	**25,438**	29,441	**478,771**	451,433

(In thousands of reais, except where otherwise stated)

3. New accounting practices first time adoption (IFRS)--Continued

b) Reconciliation of the accounting practices adopted in the preparation of the financial information previously disclosed with the present quarterly information

b.1) Reconciliation of the consolidated balance sheet of the company on January 1st, 2009 ("Transition Date")

	BRGAAP	Adjustments	IFRS
Assets			
Current assets			
Cash and cash equivalent	38,130	-	38,130
Marketable securities	164,077	-	164,077
Accounts receivable	101,822	-	101,822
Accounts recoverable - FIES Program	2,253	-	2,253
Advances to employees/third parties	9,094	-	9,094
Transactions with related parties	176	-	176
Prepaid expenses	2,913	-	2,913
Other	14,454	-	14,454
	332,919	-	332,919
Noncurrent assets			
Long-term receivables			
Prepaid expenses	2,983	-	2,983
Court deposits (iv)	749	9,977	10,726
Others (ii)	-	252	252
	3,732	10,229	13,961
Investments			
In subsidiaries			
Others	233	-	233
	233	-	233
Property and equipment (i)	190,738	6,482	197,220
Intangible assets	106,863	-	106,863
	297,834	6,482	304,316
Total noncurrent assets	301,566	16,711	318,277
Total assets	634,485	16,711	651,196

(In thousands of reais, except where otherwise stated)

3. New accounting practices first time adoption (IFRS)--Continued

b) Reconciliation of the accounting practices adopted in the preparation of the financial information previously disclosed with the present quarterly information -- Continued

b.1) Reconciliation of the consolidated balance sheet of the company on January 1st, 2009 ("Transition Date") -- Continued

	BRGAAP	Adjustments	IFRS
Liabilities and shareholders' equity			
Current liabilities			
Loans and financing	6,735	-	6,735
Trade accounts payable	24,396	-	24,396
Payroll and related charges	56,205	-	56,205
Taxes payable	16,806	-	16,806
Prepaid monthly tuition fees	29,147	-	29,147
Taxes paid in installments	1,484	-	1,484
Dividends payable	17,866	-	17,866
Commitments payable	1,500	-	1,500
Other	3,782	-	3,782
	157,921	-	157,921
Noncurrent liabilities			
Long-term payables			
Loans and financing	4,838	-	4,838
Provision for contingencies (iv)	20,166	9,977	30,143
Advances under agreements	26,460	-	26,460
Taxes paid in installments	4,025	-	4,025
Provision for changes in existing decommissioning, restauration, and similar liabilities (i)		12,065	12,065
Total noncurrent liabilities	55,489	22,042	77,531
Shareholders' equity			
Capital	295,237	-	295,237
Capital Reserves	96,482	-	96,482
Income reserve (iii)	28,959	(5,331)	23,628
Equity valuation adjustments	397	-	397
	421,075	(5,331)	415,744
	634,485	16,711	651,196

(i) Record of provision for changes in existing decommissioning, restauration, and similar liabilities. On January 1st, 2009, the obligation related to the commitments of decommissioning amount R$ 12,065. The counterpart of this obligation was the fixed assets account related to the provision for changes in existing decommissioning, restauration, and similar liabilities that amount R$ 12,065 and the respective accumulated depreciation until January 1st 2009 amount R$ 5,583.

(ii) Record of tax effects related to the adjustments decurrent of the new accounting practices first time adoption. The tax effect was determined based on the effective tax rate that the management expect to be applicable to the Company when of the accomplishment of the existing differences between the accounting and tax basis.

(iii) All adjustments related to the new accounting practices first time adoption , as of described in (i), (ii) and (iv) above had the income reserves account as counterpart.

(iv) The court deposits related to claims recorded as provisions were disclosed separately.

(In thousands of reais, except where otherwise stated)

3. New accounting practices first time adoption (IFRS)--Continued

b) Reconciliation of the accounting practices adopted in the preparation of the financial information previously disclosed with the present quarterly information -- Continued

b.2) Reconciliation of the consolidated balance sheet of the company on December 31, 2009.

	Consolidated		
	12/31/2009 (previously disclosed)	Adjustments	12/31/2009
Assets			
Current assets			
Cash and cash equivalents	51,303	-	51,303
Marketable securities	149,730	-	149,730
Accounts receivable	117,982	-	117,982
Accounts recoverable - FIES Program	911	-	911
Advances to employees/third parties	11,201	-	11,201
Transactions with related parties	205	-	205
Prepaid expenses	4,220	-	4,220
Others	14,931	-	14,931
	350,483	-	350,483
Noncurrent assets			
Long-term receivables			
Prepaid expenses	2,195	-	2,195
Transactions with related parties	2,676	-	2,676
Court deposits (iii)	2,314	18,389	20,703
Other (ii)	-	359	359
	7,185	18,748	25,933
Investments			
In subsidiaries			
Other	228	-	228
	228		228
Property and equipment (i)	186,721	5,298	192,019
Intangible assets	117,655	-	117,655
	304,604	5,298	309,902
Total noncurrent assets	311,789	24,046	335,835
Total assets	662,272	24,046	686,318

(In thousands of reais, except where otherwise stated)

3. New accounting practices first time adoption (IFRS)--Continued

b) <u>Reconciliation of the accounting practices adopted in the preparation of the financial information previously disclosed with the present quarterly information</u> -- Continued

b.2) Reconciliation of the consolidated balance sheet of the company on December 31, 2009 -- Continued

	Consolidated		
	12/31/2009 (previously disclosed)	**Adjustments**	**12/31/2009**
Liabilities and shareholders' equity			
Current liabilities			
Loans and financing	4,721	-	4,721
Trade accounts payable	17,624	-	17,624
Payroll and related charges	59,128	-	59,128
Taxes payable	15,526	-	15,526
Prepaid monthly tuition fees	30,258	-	30,258
Taxes paid in installments	468	-	468
Dividends payable	30,533	-	30,533
Commitments payable	1,321	-	1,321
Other	3,564	-	3,564
	163,143	-	163,143
Noncurrent liabilities			
Long-term payables			
Loans and financing	849	-	849
Provision for contingencies (iii)	14,885	18,389	33,274
Advances under agreements	23,573	-	23,573
Taxes paid in installments	1,778	-	1,778
Provision for changes in existing decommissioning, restauration, and similar liabilities (i)	-	12,265	12,265
Other	3	-	3
Total noncurrent liabilities	41,088	30,654	71,742
Shareholders' equity			
Capital	295,237	-	295,237
Capital reserves	100,398	-	100,398
Income reserve (iv)	62,706	(6,608)	56,098
Equity valuation adjustments	(300)	-	(300)
	458,041	(6,608)	451,433
Total shareholders' equity	662,272	24,046	686,318

(i) Record of provision for changes in existing decommissioning, restoration, and similar liabilities. On January 1st, 2009, the obligation related to the commitments of decommissioning amount R$ 12,265. The counterpart of this obligation was the fixed assets account related to the provision for changes in existing decommissioning, restoration, and similar liabilities that amount R$ 12,265 and the respective accumulated depreciation until January 1st 2009 amounts R$ 6,967

(ii) Record of tax effects related to the adjustments made of the new accounting practices first time adoption. The tax effect was determined based on the effective tax rate that the management expect to be applicable to the Company when of the accomplishment of the existing differences between the accounting and tax basis.

(iii) The court deposits related to claims recorded as provisions were disclosed separately.

(iv) All adjustments related to the new accounting practices first time adoption , as of described in (i), (ii) and (iv) above had the income reserves account as counterpart.

(In thousands of reais, except where otherwise stated)

3. New accounting practices first time adoption (IFRS)--Continued

b) Reconciliation of the accounting practices adopted in the preparation of the financial information previously disclosed with the present quarterly information -- Continued

b.3) Reconciliation of the consolidated statement of income of the Company, for the period of nine months ended March 31, 2009.

	BRGAAP	Ajuste	IFRS
Gross operating revenue			
Graduation courses	309,211	-	309,211
Polytechnic courses	58,272	-	58,272
Specialization courses	9,023	-	9,023
Other	3,960	-	3,960
	380,466	-	380,466
Deductions from gross revenue			
Grants - scholarships	(97,885)	-	(97,885)
Returned monthly tuition fees and charges	(797)	-	(797)
Discounts granted	(5,913)	-	(5,913)
Taxes	(11,298)	-	(11,298)
	(115,893)	-	(115,893)
Net operating revenue	264,573	-	264,573
Direct costs of services rendered (i)	(176,319)	(211)	(176,530)
Gross profit	88,254	(211)	88,043
Operating income (expenses)			
Selling expenses	(17,705)	-	(17,705)
General and administrative expenses (i)	(43,795)	(135)	(43,930)
Financial income	9,007	-	9,007
Financial expenses	(5,358)	-	(5,358)
Other operating income	1,276	-	1,276
Income from discontinued activities	3	-	3
	(56,572)	(135)	(56,707)
Operating profit before income and social contribution taxes	31,682	(346)	31,336
Social contribution tax (ii)	(509)	5	(504)
Income tax (ii)	(1,406)	15	(1,391)
Net income for the quarter	29,767	(326)	29,441

(i) It represents the initial estimate of cost of dismount and removal of the equipment and leasehold improvement corresponding restoration of the place in which it is located.

(ii) The depreciation utilized to determine the tax profit (tax loss) is different of that utilized to determine the net income. The temporary difference is the difference between the book value of the asset and its tax base, represented for the original cost of the asset less all deductions related that asset allowed by the tax authorities to determine the tax profit of the periods current and previous. The temporary difference resulted in liability deferred tax, because of the tax acceleration of the depreciation when compared with countable depreciation.

4. Summary of main accounting practices

The main accounting practices adopted by the Company are summarized as follows:

a) Statement of income

The statement of income is calculated according to the accrual basis, as described below:

- The revenues from activities are recognized when the services are rendered;
- The cost related to the revenue are recognized when the services are rendered;
- Operating revenues and expenses are recognized when occurred.

b) Cash and cash equivalents

Cash and cash equivalents include cash, bank account balances and cash-equivalent short-term investments with low risk of change in market value, which are held to meet the Company's short-term commitments. These investments are stated at cost plus interest to the balance sheet date, and marked to market, with any related gains or losses being posted to P&L.

c) Marketable securities

The Company classifies its marketable securities as held for trading, considering the purpose for which the security was acquired.

Marketable securities held for trading are measured at fair value. Interest and monetary and foreign exchange variances are recognized in the income statement as incurred, when applicable.

4. Summary of main accounting practices--Continued

d) Accounts receivable and prepaid monthly tuition fees

Accounts receivable arise from the provision of educational services and do not include any amounts for 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 income statement for the period under the accrual basis of accounting.

Accounts receivable - FIES Program are represented by educational loans obtained by students from Caixa Econômica Federal (CEF), whereby the financed funds are transferred monthly by CEF to a specific bank account. This amount has been used exclusively to pay the social security taxes withheld from the Company's employees (INSS on salaries).

e) Allowance for doubtful accounts

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

f) Property and equipment

These are stated 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 8. The amortization over leasehold improvements is calculated based on the rental agreement's due date. The subsequent costs to the first recognition are incorporated over the asset's residual value or recognized as an specified item, when applicable, but only if the economic benefits related to that items are probable and the values are confident calculated. The residual value related to the replaced item are written off. Others repairs and maintenance are recognized at statements of operations when occurred.

4. Summary of main accounting practices--Continued

f) Property and equipment -- Continued

Property and equipment items are written off upon sale or when no future economic benefit is expected from their use or sale. Any gains or losses arising from the asset write-off (calculated as the difference between the net sale price and the residual value of the asset) are recorded in the income statement for the year in which the asset is written-off.

The residual value and the useful life are reviewed and adjusted, when applicable, at end of the period.

g) Intangible assets

These are stated at acquisition cost, less accumulated amortization and impairment losses, as applicable. Intangible assets comprise: (i) goodwill recorded upon acquisition of investments based on expected future profits and that has been amortized over the period and to the extent of projected results on which it was based until December 31, 2008; (ii) software and usage licenses, which are amortized based on an estimated useful life of 5 years; and (iii) intangible assets acquired separately, which are initially measured at acquisition cost and subsequently with the deduction of accumulated amortization and impairment, as applicable.

Intangible assets with finite useful life are amortized over their estimated useful life and subject to an impairment test if there is any indication of impairment. Intangible assets with an indefinite useful life are not amortized, but are subject to annual impairment testing.

4. Summary of main accounting practices--Continued

h) Impairment of assets

Management annually tests the net book value of assets with a view to determining whether there are any events or changes in economic, operating or technological circumstances that may indicate an impairment loss. To date, no evidence indicating that the net book value exceeds the recoverable amount was identified. Accordingly, no provision for impairment was required.

i) Lease

- Financial lease
  Finance lease agreements substantially transfer the PP&E's inherent risks and benefits to the Company. This agreements are considered as financial leases and the assets are recognized by the fair value or by the minimal payment's present value according to the agreement. The amounts recorded in PP&E are depreciated over the rates applicable as of Note 10. The financial interests related to the finance lease agreements are registered as expenses throughout period agreement, based on the method of amortization cost and the effective interest rate.

- Operating lease
  Operating leases are registered as expenses when de payments are done on a linear basis during period agreement, following the accrual.

4. Summary of main accounting practices--Continued

j) Provision for contingencies

The Company registered provisions involving considerable judgment made by the Administration, related to tax, labor and civil risks as of the past events, and it's probable that an exit of resources involving economic benefits is necessary to eliminate the obligation and a reasonable estimate can be made about the amount this obligation. The Company and its subsidiaries also are subject to legal, civil, and labor claims covering subjects related to the business operational activities. The judgment of the Company and its subsidiaries is based on the opinion of its legal consultants. The provisions are revised and adjusted to consider the circumstances such as applicable period of limitation, conclusions of fiscal inspections or identified additional expositions based on new subjects or court decisions. The real results can differ from the estimates.

k) Other current and non-current liabilities

Stated at known or calculable values, added, when applicable, by such charges and money value adjustments as incurred.

A provision is recognized when the Company has a legal or constructive obligation arising from past events, the settlement of which is expected to result in an outflow of financial resources. Certain liabilities entail uncertainty with respect to term and amount, and are estimated as incurred and recorded as a provision. Provisions are recorded reflecting the Administration's best estimates of the risk involved.

l) Taxation

Subsidiaries that joined the PROUNI (the "University for All" Program) 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 # 7689 dated December 15, 1988;
- Social Contribution Tax on Gross Revenue for Social Security Financing ("COFINS"), introduced by Supplementary Law # 70 dated December 30, 1991; and
- Social Contribution Tax on Gross Revenue for Social Integration Program ("PIS"), introduced by Supplementary Law # 7 dated September 7, 1970.

4. Summary of main accounting practices--Continued

l) Taxation -- Continued

The aforesaid exemptions are applicable to the amount of revenues earned from post-secondary education activities, derived from undergraduate and occupationally specific sequential courses. Also as a result of the change in the form of organization to business company, some subsidiaries and Sociedade de Ensino Superior Estácio de Sá LTDA. ("SESES") became subject to the following events as of October 2005 and February 2007, respectively:

(i) Loss of Service Tax ("ISS") immunity; and
(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 an escalated basis as defined under PROUNI legislation (20% in the first year, 40% in the second year and so on to 100% in the fifth year) – SESES.

Estácio Participações S.A. does not benefit from PROUNI-related exemptions and regularly computes its federal tax amounts payable.

IRPJ and CSLL

Current income and social contribution taxes were determined considering the criteria established by the Regulation enacted by the Brazilian IRS, with specific regard to PROUNI, whereby such taxes may fail to be paid on profits from regular undergraduate and technological educational activities and may be converted into an income reserve.

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 1.65% and to COFINS at 7.6%.

4. Summary of main accounting practices--Continued

(m) Deferred income tax and social contribution

Deferred income tax and social contribution are totally recognized over the differences the assets and recognized liabilities for fiscal ends and corresponding recognized values in the Quarterly Information. However, the deferred income tax and social contribution will not be recognized if generated at inicial register of the assets and liabilities in operations that do not affect the bases taxes, except in business combinations. Deferred income tax and social contribution are determined considering the taxes (and laws) effective in the date of preparation of the Quarterly Information and applicable when the respective income tax and social contribution will be carried through. Assets deferred income tax and social contribution are recognized only in the extension where it is probable that taxable base will exist positive for which the temporary differences can be used and fiscal damages can be compensated.

n) Stock-based compensation

The Company's managers and employees eligible to participate in the stock-based compensation program were granted stock options that may only be exercised after specific grace periods. Such options are calculated during their related grace periods, based on the option price, which is determined pursuant to the Black-Scholes valuation method on the dates when the compensation program is granted. The options are recorded in the operating result, as "recognized options granted", under general and administrative expenses, in accordance with the allowed periods to exercise the options as defined in the programs and described in Note 22(b).

4. Summary of main accounting practices--Continued

o) Use of estimates

In the elaboration of the quarterly information it is necessary to use estimates and judgments to enter certain assets, liabilities and other transactions. Amongst the premises and estimates with risk of material impact in asset and liabilities they are those related to the useful lives of the fixed assets, the return of the benefits to be gained with the intangible assets, the provisions for losses in accounts receivable from customers, provisions for contingencies, the measurement of the benefit granted through the plan of option of purchase of action, of the fair value of the financial instruments, the determination of provision for income tax and other similars. The estimates and the accounting judgments are continuously evaluated and are based on the historical experience and other factors, including expectations of future events, considered reasonable for the circumstances, which although to reflect the best estimate and possible judgment on the part of the controlled Administration of the Company and, can present effective variations in relation to the data and values, when carried through. Changes in the accounting estimates are recognized in the period where the estimate is revised.

p) Statements of cash flows

The statements of cash flows were prepared and are presented in accordance with CVM Rule No. 547 dated August 13, 2008, which approved Technical Pronouncement CPC 03 – Statements of Cash Flows, issued by CPC.

The statements of cash flows show changes in cash position that occurred during the fiscal periods, via the indirect method. The terms used in the statement of cash flow are the following:

- Operating activities: are the main revenue-generating activities of the Company and its subsidiaries, and any other activities excluding investment or financing activities;
- Investment activities: involve the acquisition and disposal of long-term assets and other investments that are not considered to be operating or financing activities; and
- Financing activities: are activities that alter the dimension and structure of the equity capital and loans obtained by the Company and its subsidiaries.

(In thousands of reais, except where otherwise stated)

4. Summary of main accounting practices--Continued

q) Earnings per share

According to International Accounting Standards 33 (IAS 33) the earning per share is calculated and disclosed at basic and diluted format, as of described on the Note 23.

5. Cash, cash equivalents and Marketable securities

	03/31/2010	12/31/2009	01/01/2009
Cash and banks	**40,569**	32,360	35,686
Financial investments	**44,917**	18,943	2,444
	85,486	51,303	38,130
Government Bonds (LFT)	**-**	15	62,731
Bank Deposit Certificates – CDB	**30,615**	32,240	69,320
Debentures in Financial Institutions	**73,004**	82,877	32,026
Term Deposits under Special Guarantee	**35,398**	34,598	
	139,017	149,730	164,077
Total	**224,503**	201,033	202,207

The exclusive investment fund and other short-term investments have daily liquidity and comprise Bank Deposit Certificates (22%), Debentures of Financial Institutions (53%) and Term Deposits with Special Guarantee (25%). The fund is managed by third parties that follow the investment policies defined by the Company. Yield ranges from 100% and 114% of Interbank Deposit Certificates (CDI). At March 31, 2010, the CDI rate was 8.61% p.a.

Based on the exclusive fund's financial statements prepared in accordance with the rules set forth by the Brazilian Securities Commission (CVM), these investments are classified as fund quotas backed by trading securities marked to market, with the related yield being reflected in financial income.

ESTÁCIO PARTICIPAÇÕES S.A.

Notes to consolidated quarterly information -- Continued
March 31, 2010
(In thousands of *reais*, except where otherwise stated)

6. Accounts Receivable

	03/31/2010	12/31/2009	01/01/2009
FIES	**4,559**	2,270	2,476
Tuition monthly fees	**184,318**	177,742	197,438
Checks receivable	**15,484**	16,257	13,002
Cards receivable	**1,060**	2,666	653
Fees receivable	**8,205**	881	798
Credits to be identified	**(4,821)**	(3,052)	(9,424)
Provision for bad debts	**(85,146)**	(78,782)	(103,121)
	123,659	117,982	101,822

The aging list of accounts receivable is as follows:

	03/31/2010	%	21/31/2009	%	01/01/2009	%
To mature	**4,559**	**2%**	2,270	1%	2,476	1%
Matured within 30 days	**49,991**	**23%**	22,770	12%	16,524	8%
Matured from 31 to 60 days	**31,961**	**15%**	29,094	15%	30,231	14%
Matured from 61 to 90 days	**18,753**	**9%**	18,720	9%	22,076	10%
Matured from 91 to 179 days	**2,177**	**1%**	17,492	9%	20,368	10%
Matured for more than 180 days	**25,250**	**12%**	33,641	17%	37,486	18%
To mature	**80,935**	**38%**	72,282	37%	83,755	39%
	213,626	**100%**	196,269	100%	212,916	100%

Prepaid monthly tuition fees, amounting to R$ 26,388 and R$ 30,258 at March 31, 2010 and December 31, 2009, respectively, are posted to income on the accrual basis.

Changes in the consolidated provision for bad debts were as follows:

Description	01/01/2009	Supplement To provision	Write-off	12/31/2009	Supplement To provision	Write-off	03/31/2010
Graduation courses monthly tuition fee	49,873	32,634	45,229	37,278	**6,220**	**(906)**	**42,592**
Polytechnic courses monthly tuition fee	16,211	12,947	17,204	11,954	**2,158**	**(122)**	**13,990**
Specialization courses monthly tuition fee	6,559	3,853	6,211	4,201	**1,408**	**(4)**	**5,605**
Mastership courses monthly tuition fee	251	88	174	165	**108**	**-**	**274**
Extension courses monthly tuition fee	319	321	370	270	**111**	**(2)**	**379**
Provision for handled debts	21,350	(732)		20,618	**304**	**(1,364)**	**19,558**
Provision for other debts	8,558	(2,917)	1,346	4,295		**(1,547)**	**2,748**
	103,121	46,194	70,534	78,781	**10,309**	**(3,945)**	**85,146**

(In thousands of reais, except where otherwise stated)

7. Transactions with related parties

Transactions with related parties were based on agreed-upon conditions and are described as follows:

Type of transaction	03/31/2010	03/31/2009	01/01/2009	Index
Current assets				
Loans				
Subsidiaries				
IREP			93	110% CDI
EUROPAN	**4**	-	-	110% CDI
	4	-	93	
Related persons (ii)	**327**	205	83	100% CDI
	331	205	176	
Prepaid expenses (i)	**2,596**	700	700	
	2,596	700	700	
Non-current assets				
Loans				
Fellow companies				
ESCUELA (iii)	**2,772**	2,676	-	CDI + 7,7% p,a,
	2,772	2,676	-	
Prepaid expenses (i)	**3,345**	992	1,692	
	3,345	992	1,692	
Current liabilities				
Subsidiaries				
SESES	**-**	2	-	
	-	2	-	

	Consolidated	
	31/03/2010	**31/03/2009**
Financial revenue		
Loan with members and fellow companies	**104**	-
General and administrative expenses – Consulting services (2c)	**(733)**	(699)

7. Transactions with related parties -- Continued

(i) On June 4, 2008, the Company entered into a Consulting Agreement ("Agreement") with Marone Consultoria e Participações Ltda. ("Marone"), a company controlled by Messrs. André Cleófas Uchôa Cavalcanti and Marcel Cleófas Uchôa Cavalcanti, holders of nearly 0.8% of common shares issued by the Company and members of the Shareholders' Agreement, executed on June 4, 2008. The Consulting Agreement involves the rendering of services relating to academic and post-secondary educational activities, as well as strategic planning and development of new businesses, in addition to defining the non-compete obligation on the part of Marone. This Agreement will be in effect for 48 (forty-eight) months as of the date of execution.

In return for the commitment to not perform activities in the education sector in the competition or in any way to not compete with the Company and its subsidiaries, and for the monthly services to be rendered under the Agreement, a total compensation in the amount of R$ 14,000 has been agreed and will be paid as follows: R$ 2,800, upon execution of the Agreement, as an advance payment to be diluted over the life of the Agreement, not subject to monetary restatement or financial charges, and 48 equal consecutive monthly installments in the amount of R$ 233, the first having matured on June 06, 2008. Moreover, the amount of these installments will be adjusted, in the shortest period allowed by legislation, based on the IGP-M/FGV rate or, in the absence thereof, based on an equivalent index, from the date of the Agreement until the effective payment date of each installment.

The non-compete obligation undertaken by Marone, its partners and any companies in which they might hold a controlling interest is valid throughout the Brazilian territory. However, the following controlling entities have been excluded from such obligation: SESSE, SESAL, SESAP, UNEC, SESSA, the controlling interest of which was transferred to the Company, as mentioned in Note 1, and Asociación de Enseñanza Superior de Las Américas ("AESA"), the controlling interest of which might be transferred to the Company, under the terms and conditions defined in the Memorandum of Understanding entered into on April 07, 2007 by and between the controlling shareholders of such entities, including Messrs. André Cleófas Uchôa Cavalcanti and Marcel Cleófas Uchôa Cavalcanti.

7. Transactions with related parties -- Continued

The Agreement may be terminated by either Party, upon a prior 60 (sixty) day notice to the other Party. In such case, all the implications set forth in the Agreement shall be observed, including the obligation to pay a lump-sum compensation to Marone, duly restated by the IGP-M/FGV rate, in an amount equivalent to the sum of installments payable until contract termination, should the Company decide to terminate it. In case Marone decides to terminate the Agreement, subject to the proper previous notice, no indemnification to the Company shall be paid.

The Board of Directors, in a meeting held on July 23, 2008, approved the execution of the said Consulting Agreement. On January 15, 2010, an Amendment to the Consulting Agreement was executed, whereby the amount of R$ 4,909 will be paid within the meaning of advance, representing a 30% discount on the total agreement value, which remains in full force regarding the non-competition clause and its recorded as prepaid expense.

(ii) In December 2008, April 2009 and March 2010, loan agreements were entered into with members of the Company's management for a total amount of R$ 315, maturing on June 22, 2010, April 5, 2010 and April 30, 2011, respectively. As of March 31, 2010 the adjusted amount totals R$ 327.

(iii) On May 28, 2009, a Private Loan Agreement was executed by and between Estácio Participações S.A. and Escuela de Informática S.R.L., an entity based in the City of Montevideo, Uruguay, owned by controlling shareholder João Uchoa Cavalcanti Netto, in the amount of US$ 1,200 thousand, equivalent to R$ 2,340. The amount adjusted by the contractual interest rate to March 31, 2010 totals R$ 2,772. The loan was intended for working capital adequacy and investments of Escuela de Informática S.R.L.

On the same date, a Share Purchase Option Agreement and Other Covenants was entered into by and between these entities, whereby Estácio Participações S.A. has the right to exercise the option to purchase 80% of the shares issued by Escuela de Informática S.R.L., within 60 days from the disclosure of its financial statements for the fiscal year 2011.

7. Transactions with related parties -- Continued

The exercise price of the purchase option is the amount obtained by applying the “strike price” formula based on indicators such as Ebitda, bank debt and contingencies.

On January 28, 2010, management approved the formal execution of an Amendment to this agreement, thereby authorizing the Company’s executive board to change the period for payment of compensation interest to the date of amortization of the principal of the loan.

(In thousands of reais, except where otherwise stated)

8. Property Plant & Equipment

													Adjustments		
	Lans	Buildings	Leasehold improvements	Furniture and fixtures	Computers and peripherals	Machinery and equipment	Physical Activities/Hospital Equipment	Library	Facilities	Others	Construction work in progress	Net before the effects of new accounting practices	Changes in existing decommissioning, restoration and similar liabilities	Useful life	Construction work in progress
Net on January 1st, 2009	21,483	54,129	16,101	17,945	21,789	11,851	6,762	25,508	3,763	4,672	6,735	190,738	6,482	-	197,220
Acquisitions	-	308	10,685	3,847	4,245	2,273	1,521	7,610	1,162	2,069	1,717	35,437	200	-	35,637
Write-offs	-	-	(217)	(1,525)	(188)	(604)	(139)	(42)	(5)	(2,553)	-	(5,273)	-	-	(5,273)
Transfers	-	1,179	(1,195)	-	(94)	(1)	(14)	4	(77)	198	-	-	-	-	-
Depreciation/Amortization	-	(3,700)	(7,796)	(3,413)	(8,131)	(2,122)	(2,523)	(4,957)	(638)	(901)	-	(34,181)	(1,384)	-	(35,565)
Net on December 31, 2009	21,483	51,916	17,578	16,854	17,621	11,397	5,607	28,123	4,205	3,485	8,452	186,721	5,298	-	192,019
Acquisitions	-	44	2,782	220	262	589	469	1,060	191	61	-	5,678	330	-	6,008
Write-offs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	29	(533)	128	851	52	225	-	(752)	-	-	-	-	-
Depreciation/Amortization	-	(956)	(1,911)	(837)	(2,024)	(545)	(565)	(1,316)	(170)	(227)	-	(8,551)	(362)	2,769	(6,144)
Net on March 31, 2010	21,483	51,004	18,478	15,704	15,987	12,292	5,563	28,092	4,226	2,567	8,452	183,848	5,266	2,769	191,883
Net on March 31, 2010															
Restated Cost	21,483	87,366	69,380	35,615	52,748	26,496	15,194	55,262	7,083	5,304	8,452	384,383	-	-	384,383
Accumulated depreciation	-	(36,362)	(50,902)	(19,911)	(36,761)	(14,204)	(9,631)	(27,170)	(2,857)	(2,737)	-	(200,535)	5,266	2,769	(192,500)
Net Value	21,483	51,004	18,478	15,704	15,987	12,292	5,563	28,092	4,226	2,567	8,452	183,848	5,266	2,769	191,883
Net on March 31, 2009															
Restated Cost	21,483	87,323	66,568	36,881	52,043	23,935	14,643	53,922	6,885	5,995	8452	378,130	-	-	378,130
Accumulated depreciation	-	(35,407)	(48,990)	(20,027)	(34,422)	(12,538)	(9,036)	(25,799)	(2,680)	(2,510)	-	(191,409)	5,298	-	(186,111)
Net Value	21,483	51,916	17,578	16,854	17,621	11,397	5,607	28,123	4,205	3,485	8,452	186,721	5,298	-	192,019
Net on January 1st, 2009															
Restated Cost	21,483	80,204	65,628	39,175	53,792	24,587	13,945	46,254	5,712	6,497	6,735	364,012	-	-	364,012
Accumulated depreciation	-	(26,075)	(49,527)	(21,230)	(32,003)	(12,736)	(7,183)	(20,746)	(1,949)	(1,825)	-	(173,274)	6,482	-	(166,792)
Net Value	21,483	54,129	16,101	17,945	21,789	11,851	6,762	25,508	3,763	4,672	6,735	190,738	6,482	-	197,220
Annual depreciation rates - %		1.67%	(i)	8.33%	25.00%	8.33%	6.67%	5.00%	8.33%	10% a 20%					

(In thousands of reais, except where otherwise stated)

8. Property Plant & Equipment --Continued

The Company's Management reviewed the Economic Useful Life of its main items of Property, Plant & Equipment, based on reports of external evaluators, which resulted in the following changes in rates:

	Old Average depreciation rate	New Average depreciation rate
Computers and peripherals	20%	25%
Buildings	4%	1.67%
Furniture and fixtures	10%	8.33%
Machinery and equipment	10%	8.33%
Vehicles	10%	20.00%
Library	10%	5%
Facilities	10%	8.33%
Systems, Applications and Software	20%	16.67%
Leasehold improvements	(i)	(i)
Physical Activities/Hospital Equipment	20%	6.67%
Filming, sound and photo equipment	10%	10%

(i) Leasehold improvements have been amortized over the life of the lease agreement, except where the useful life of these improvements is shorter than the life of the agreement.

This changes in the estimate of useful lives of these assets had their effects recognized as from January 1, 2010. For the period of three months ended March 31, 2010, the effect of reviewing the useful life of the assets represented a reduction of approximately R$ 2,760, that was recognized in the line of depreciation and amortization expenses of the statements of income.

Additionally, the Company chose not to evaluate their fixed assets at a fair value as deemed cost considering that: (i) the cost method, deducted of the provision for losses, is the best method to evaluate fixed assets of the Company, (ii) the Company's fixed assets are segregated in well defined classes and are related to its operational activities, (iii) the Company's management frequently reviews the recoverability and estimated useful lifes of its fixed assets, a procedure that has been applied consistently over the years and (iv) the Company has effective controls over its fixed assets what enables the identification of losses and changes in the estimated useful lifes.

8. Property, Plant & Equipment--Continued

The building of Rebouças Campus located at Rua do Bispo, 83, owned by SESES, was offered as collateral, in connection with a legal dispute in which the Municipality of Rio de Janeiro is charging the payment of the Municipal Real Estate Tax (IPTU) related to said building from SESES. According to information from its legal advisors, a favorable judgment has already been issued and SESES has been addressing with the municipal authorities the release of respective lien.

Additionally, as discussed in Note 10, certain assets acquired by means of financing were offered as guarantee for the respective agreements. The Company has not offered other guarantees consisting of its own assets for any other transaction performed.

Impairment of Assets

In accordance with IAS 36 "Impairment of Assets", the items of property, plant & equipment , showing signs that its costs outweigh its reported recovery values are reviewed to determine the need for a provision for reducing the balance sheet value to its fair value.
The Administration conducted an annual basis analysis of the corresponding operating and financial performance of its assets. On March 31, 2010, on 31 December 2009 and January 1, 2009 were not identified evidence of tangible assets with costs outweighing its reported recovery values

(In thousands of reais, except where otherwise stated)

9. Intangible Assets

	Goodwill	Software and usage licenses	Integration and Distance Learning Project	CSC Project	Learning Center	Relationship Center	Others	Total
Net on January 1, 2009	91,186	6,574	9,103	-	-	-	-	106,863
Additions	-	2,581	2,172	2,129	7,651	1871	93	16,497
Transfers	-	189	-	(189)	-	-	-	-
Exchange variance	(427)	-	-	-	-	-	-	(427)
Amortization	-	(3,300)	(1,736)	(239)	-	-	(3)	(5,278)
Net on December 31, 2009	**90,759**	**6,044**	**9,539**	**1,701**	**7,651**	**1,871**	**90**	**117,655**
Additions	**-**	**69**	**-**	**-**	**1,740**	**-**	**32**	**1,841**
Exchange variance	**(15)**	**-**	**-**	**-**	**-**	**-**	**-**	**(15)**
Depreciation/amortization	**-**	**(560)**	**(551)**	**(97)**	**-**	**-**	**(6)**	**(1,214)**
Net on March 31, 2010	**90,744**	**5,553**	**8,988**	**1,604**	**9,391**	**1,871**	**116**	**118,267**

	Consolidated							
	Goodwill	**Software and usage licenses**	**Integration and Distance Learning Project**	**CSC Project**	**Learning Center**	**Relationship Center**	**Others**	**Total**
Net on March 31, 2010								
Total Cost	**(6,924)**	**(22,819)**	**(2,407)**	**(336)**	**-**	**-**	**(9)**	**(32,495)**
Accumulated Amortization								
Net Value	**(6,924)**	**(22,819)**	**(2,407)**	**(336)**	**-**	**-**	**(9)**	**(32,495)**
Net on December 31, 2009								
Total Cost	97,683	28,303	11,395	1,940	7,651	1,871	93	148,936
Accumulated Amortization	(6,924)	(22,259)	(1,856)	(239)	-	-	(3)	(31,281)
Net Value	90,759	6,044	9,539	1,701	7,651	1,871	90	117,655
Net on December 01, 2009								
Total Cost	98,110	25,109	9,222	-	-	-	-	132,441
Accumulated Amortization	(6,924)	(18,535)	(119)	-	-	-	-	(25,578)
Net Value	91,186	6,574	9,103	-	-	-	-	106,863
Annual amortization rates - %	undefined	20% p,a,	20% p,a,	20% p,a,	25% p,a,	20% p,a,	20% p,a,	

On March 31, 2010, December 31 and January 1st, 2009, the goodwill generated on acquisitions of investments was represented as follows:

(In thousands of reais, except where otherwise stated)

9. Intangible Asstes--Continued

	03/31/2010			12/31/2009	01/01/2009	03/31/2010				12/31/2009	01/01/2009
	Cost	Accumulated Amortization	Net	Net	Net	Cost	Accumulated Amortization	Exchange Variance	Net	Net	Net
Goodwill on acquisitions of investments	43,941	(3,066)	40,875	40,875	40,875	43,941	(3,066)	-	40,875	40,875	40,875
RADIAL	5,960	(416)	5,544	5,544	5,544	5,960	(416)	-	5,544	5,544	5,544
FINTEC	-	-	-	-	-	6,213	(582)	-	5,631	5,631	5,631
Europan/Abaeté	-	-	-	-	-	8,398	(1,260)	-	7,138	7,138	7,138
Faculdade de Brasília	-	-	-	-	-	2,532	(190)	-	2,342	2,342	2,342
UNICEM	-	-	-	-	-	3,617	(362)	-	3,255	3,255	3,255
SESSA	-	-	-	-	-	2,097	-	(442)	1,655	1,669	2,096
SESSE	7,690	(384)	7,306	7,306	7,306	7,690	(384)	-	7,306	7,306	7,306
SESAL	3,730	(186)	3,544	3,544	3,544	3,730	(186)	-	3,544	3,544	3,544
UNEC	4,221	(151)	4,070	4,070	4,070	4,221	(151)	-	4,070	4,070	4,070
SESAP	1,161	(58)	1,103	1,103	1,103	1,161	(58)	-	1,103	1,103	1,103
MONTESSORI	-	-	-	-	-	3,249	(108)	-	3,141	3,141	3,141
COTIA	-	-	-	-	-	4,062	(135)	-	3,927	3,927	3,927
UNISSORI	-	-	-	-	-	1,240	(26)	-	1,214	1,214	1,214
	66,703	(4,261)	62,442	62,442	62,442	98,111	(6,924)	(442)	90,745	90,759	91,186

Regardless of existing an indication of the non-recovery of its balance sheet value, goodwill balance values generated from business combinations and intangible assets with undefined useful lifes, have its recovery tested at least once a year in accordance with IAS 36.

When the balance sheet net value of the asset exceeds its recoverable amount, the Company recognizes a reduction in the balance sheet value of the asset (impairment). The reduction in the recoverable amount is recorded in its income.

10. Loans and Financing

Type	Financial Charges	03/31/2010	12/31/2009	01/01/2009
Working Capital	1.70% per month and/or CDI + 0.25% per month	**178**	208	287
Lease agreements	IGPM + 12.3% p.a.	**3,749**	4,772	8,863
Lease agreements	11.8% to 22.1% p.a.	**490**	590	2,423
		4,417	5,570	11,573
Current liabilities		**4,238**	4,721	6,735
Non-current liability		**179**	849	4,838
		4,417	5,570	11,573

Promissory notes endorsed by members and leased assets were given in guarantee of the lease agreements.

(In thousands of reais, except where otherwise stated)

11. Payroll and related charges

	03/31/2010	12/31/2009	01/01/2009
Payroll and related charges payable	**44,265**	41,231	32,360
Accrued vacation pay	**20,988**	17,897	23,845
Provision for 13th month salary	**9,507**	-	-
	74,760	59,128	56,205

12. Tax payable

	03/31/2010	12/31/2009	01/01/2009
ISS payable	**3,950**	3,432	3,587
IRRF payable	**4,985**	5,181	3,786
IRPJ payable	**3,078**	4,165	6,504
CSLL payable	**1,212**	1,581	2,390
PIS and COFINS payable	**848**	1,167	539
	14,073	15,526	16,806

Composition of assets and liabilities of Differed income tax and social contribution (consolidated), made at nominal rates:

		Liabilities	
	03/31/2010	12/31/2009	01/01/2009
Redefinition of the asset's useful life	**(65)**	-	-
Provision for changes in existing decommissioning, restoration, and similar liabilities	**8**	107	252
	(57)	107	252

The recognized tax credits were based on temporary differences arising from adjustments to the initial adoption of new practices and are registered in the lines of other assets and other long term liabilities.

(In thousands of reais, except where otherwise stated)

13. Payment of Taxes in Installments

Items	03/31/2010	12/31/2009	01/01/2009
ISS	**159**	168	284
PIS	**14**	14	113
COFINS	**18**	18	376
INSS	**1,793**	1,834	4,317
IPTU	**173**	212	419
	2,157	2,246	5,509
Current liabilities	**404**	468	1,484
Non-current liability	**1,753**	1,778	4,025
	2,157	2,246	5,509

These refer to local, federal and social security taxes payable in installments. Monthly installments amount to nearly R$ 25, there remaining 53, 7 and 176 installment payments, which are expected to end in August 2014, October 2010 and November 2014, respectively.

2011	**239**
2012	**192**
2013	**150**
2014	**146**
2015	**146**
2016 a 2024	**880**
	1,753

14. Advance under agreements

On March 24, 2004, a partnership agreement was entered into between SESES and affiliates (including Controlling Entities) and Unibanco - União de Bancos Brasileiros S.A., effective until March 24, 2009. 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 return, Unibanco made an advance payment equivalent to R$ 4,000 to SESES and Controlling Entities to be offset on a monthly basis over the life of the agreement based on a method established by the parties.

14. Adiantamento de convênio –Continued

On August 3, 2006, a partnership agreement was entered into between SESES and affiliates (including Controlling Entities) 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 SESES and Controlling Entities a fixed amount of R$ 15,954, which has been posted to 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 agreement remains effective, Unibanco paid the Company an additional amount of R$ 18,000. At March 31, 2010, the balance related to amounts advanced in connection with the partnership agreement amounted to R$ 22,915 (R$ 23,573 - December 31, 2009, and R$26,460 on January 1st, 2009), recorded under noncurrent liabilities, which will be amortized over the life of the agreement.

15. Provision for Contingencies

Subsidiaries are involved in several civil, labor and tax proceedings at different court levels. Administration, based on the opinion of its external legal advisors, recorded a provision in an amount considered sufficient to cover potential losses arising from pending litigation.

(In thousands of reais, except where otherwise stated)

15. Provision for Contingencies --Continued

At March 31, 2010, December 31, 2009, and January 1st, 2009, the provision for contingencies, net of related court deposits, was as follows:

	Provision for Contingencies	Court Deposits
Net on March 31, 2010		
Civil	**6,857**	**3,493**
Labor	**18,813**	**12,929**
Tax	**7,297**	**7,040**
Total Net	**32,967**	**23,462**
Net on December 31, 2009		
Civil	8,516	3,499
Labor	17,444	10,125
Tax	7,314	7,079
Total Net	33,274	20,073
Net on January 1st, 2009		
Civil	9,862	2,085
Labor	11,570	2,321
Tax	8,711	6,320
Total Net	30,143	10,726

Changes in the provision for contingencies:

	Tax	Labor	Civil	Total
Net on January 1st, 2009	8,711	11,570	9,862	30,143
Addition	-	9,004	1,935	10,939
Reversal	(1,397)	(2,433)	(2,628)	(6,458)
Write-Off		(697)	(653)	(1,350)
Net on December 31, 2009	**7,314**	**17,444**	**8,516**	**33,274**
Addition	**-**	**2,825**	**762**	**3,587**
Reversal	**(17)**	**(1,378)**	**(2,137)**	**(3,532)**
Write-Off	**-**	**(78)**	**(284)**	**(362)**
Net on March 31, 2010	**7,297**	**18,813**	**6,857**	**32,967**

15. Provision for Contingencies --Continued

a) Civil Contingencies

Most proceedings mainly involve compensatory claims for material damages and pain and suffering arising from undue collections, late issuance of diplomas, failure to return summer course registration fees, among other matters of an operational and/or educational nature.

Our legal advisors gathered information, assessed and measured the civil-related proceedings and, in order to cover probable losses on such claims, management records a provision in the amount of R$ 6,857 at March 31, 2010 (R$ 8,516 at December 31, 2009).

The main lawsuit involving probable loss is related to a claim for damages that was filed in connection with an accident resulting from a stray bullet which shot a student at the Rebouças Campus. The trial court entered judgment against the Company, and the Court of Appeals of Rio de Janeiro, upon the appeal filed by the Company, sustained judgment partially, establishing: (a) monthly pension for life in the amount of a minimum salary plus labor charges (13th salary, vacation pay and Government Severance Indemnity Fund for Employees - FGTS); (b) continuous lease of an adapted real estate for plaintiff's abode; (c) capital formation ensuring the payment of unsettled liabilities; (d) aesthetic damages and pain and suffering, which at the time of the court deposit totaled approximately R$ 1,800; (e) refund of psychological treatment to the plaintiff's family; and (f) ongoing medical treatment, including home care. The average amount spent on a monthly basis by SESES for the plaintiff's medical treatment is approximately R$ 45. Without prejudice of decisions to be issued in connection with Appeals to the High Court of Justice and to the Supreme Court of Justice filed against the Court of Appeals of Rio de Janeiro judgment, still pending trial, the plaintiffs filed a request for provisional execution of judgment, and the amount of R$ 1,800 was deposited with the courts.

15. Provision for Contingencies --Continued

a) Civil Contingencies --Continued

Dentre as principais ações avaliadas por nossos consultores jurídicos externos classificadas com risco de perda possível, podemos destacar:

(i) Public class action, with request for interim relief, filed by the Federal Prosecution Service, regarding several post-secondary education institutions, the objective of which is to refrain the defendants from charging fee to issue the first copy of the diploma for completion of studies and the refund, in duplicate, of the fee charged from students already graduated. The case amount is estimated at R$ 1,000;

(ii) Claim for repossession filed by Seven Park Estacionamento Ltda., under an alleged breach of contract connected with the Rent Agreement for the parking used by one of the Company's units. The suit is currently at fact-finding stage, awaiting examination as well as testimonies and documentary evidence. The suit is estimated at R$ 1,000;

(iii) Suit for Collection of Lease Payments and Other Obligations under the Sublease Agreement for the property located at Rua Coronel Luiz Barroso, no. 566, currently Rua Dr. Antonio Bento, no. 509, entered into on January 1, 1998 and terminated on September 15, 2008, when the keys were surrendered. In summary, with this suit, the plaintiff claims that the defendants be sentenced to (i) pay a lease amount difference totaling R$ 496; (ii) pay the amount necessary to repair the property, defined at R$ 1,080, as duly established in three quotes obtained and presented unilaterally by the plaintiff; (iii) lease payments for the period in which the property has been/will be supposedly unavailable for use, in view of its allegedly poor state of repair, up to the time required for completion of repairs; (iv) fine equivalent to three months' lease, for alleged breach of the obligation to submit the property's documentation and to return the property in usable conditions. On February 3, 2009, hearing was held by the Grievance Settlement Department of the Central Court, but no agreement was reached. The case is currently at admission stage, specifically the production of expert evidence; and

15. Provision for Contingencies --Continued

a) Civil Contingencies –Continued

(iv) Claim for damages brought by Hudson José Roque Lima et al against the Company, seeking a diploma of the clinical lab technologist course, which has been extinguished by the Ministry of Education. The case is currently at fact-finding stage and its estimated amount is R$ 1,161.

(v) Public class action filed by the Rio de Janeiro State Prosecution Service against SESES seeking to declare the entity's standard form contract null and void, and to condemn the entity to cease to collect any amounts that include late payment interest above the legal limit of 1% (one per cent) per month, and fine in excess of 2% (two per cent), also when these are supposedly included in discounts for advance payment, and to adopt as compensation for its products and services that amount set for the related advance payment. The suit also seeks SESES repayment, in duplicate, of any amount inadequately received from its students. On April 9, 2010, the defense was presented. The case is at admission stage, pending a lower court decision. The amount assigned to the case is R$ 20.

No provision for contingencies was recorded in the consolidated financial statements for these cases due to their risk rating.

b) Labor Contingencies

(i) Main labor claims refer to overtime, unused vacation time, recognition of employment relationship, salary parity and salary differences arising from the decrease in the working hours of certain teachers. Our legal advisors gathered information, assessed and measured the labor-related claims and, in order to cover probable losses on such claims, Company's Administration records a provision in the amount of R$ 18,813 on March 31, 2010 (R$ 17,444 on December 31, 2009).

15. Provision for Contingencies --Continued

b) Labor Contingencies --Continued

Among the main labor claims rated as probable losses, we highlight:

(i) Labor claim filed by the Union of School Administrative Assistants of Espírito Santo State against SESES, seeking payment, in favor of SESES's administrative staff, of private pension amounts owed under Clause 10 of the Collective Labor Agreement, which establishes that 6% of the total payroll of administrative assistants should be paid to a private pension entity, to be equally allocated among the employees participating in the plan. Currently, the case is at execution stage and its estimated amount is R$ 1,178;

(ii) Labor claim brought by a former employee against SESES, seeking reinstatement to the position of teacher, alleging that his termination process was not properly submitted for prior evaluation of the then Departmental Council, an internal collegial body existing at the time the plaintiff was hired. Additionally, the plaintiff claims that the Company should be sentenced to pay the amount corresponding to double vacation pay plus legally ensured 1/3 vacation pay bonus, among other minor requests. Currently, the case is at execution stage and its estimated amount is R$ 740;

(iii) Labor claim brought by a former employee against SESES, seeking payment of salary differences for having departed from her original job tasks. She claims to have been hired as a lawyer guidance counselor to work at SESES' legal advice centers, where the entity's law students must undertake compulsory training, but in fact performed teaching-related tasks. Additionally, she seeks the payment of salary differences arising from the decrease in the number of in-class working hours, inherent to her job as a teacher, overtime, among other minor requests. Currently, the case is at execution stage and its estimated amount is R$ 645; and

15. Provision for Contingencies --Continued

b) Labor Contingencies --Continued

(iv) Labor claim filed by the Teachers' Union of Rio de Janeiro State against SESES, whereby the entity is charged for union dues, arguing that they were improperly paid to the Union of School Administrative Assistants in 1997, 1998 and 1999. Currently, the case is at execution stage and its estimated amount is R$ 438.

Our legal advisors gathered information, assessed and measured the various labor-related proceedings rated as possible losses in the amount of R$ 39,468 at March 31, 2010 (R$ 47,607 at December 31, 2009).

Among the main labor claims rated by our external legal advisors as possible losses, we highlight:

(v) Lawsuit filed by a former subcontractor's estate against SESPA, seeking compensation for damages and pain and suffering, in addition to monthly pension on grounds that the deceased had died on the Company's premises. In this case, the discussion involves who is the actual employer and responsible for compensation, because, although the death occurred at the Company's facilities, the deceased was an employee of a third party. On January 31, 2008, the labor court judge in charge of this case rendered judgment dismissing the plaintiff's claims. Currently, the appeal lodged by the estate is pending trial. The estimated amount of the case is R$ 1,638

(vi) Lawsuit filed by the Federal Labor Prosecution Office against SESES, challenging the legality of the amendment made by the Company in employment agreements executed with hourly-based teachers, with the consequent change in the calculation of salary payments, and the legality of the labor procedure of having teachers on its faculty with no classes, a situation where employment agreements may be tacitly and unilaterally interrupted. The case is temporarily off the trial calendar and its estimated amount is R$ 500;

15. Provision for Contingencies --Continued

b) Labor Contingencies --Continued

(vii) Labor claim brought by a former employee against SESES, seeking payment of salary differences for having departed from her original job tasks, claiming that she performed activities associated with the position of a Dean. Additionally, she claims the payment of transfer bonus, double vacation pay plus legally ensured 1/3 vacation pay bonus, punitive damages, among other minor requests. The case is currently at fact-finding stage, pending the hearing of witnesses, and its estimated amount is R$ 695;

(viii) Labor claim brought by a former employee against SESES, seeking vacation pay, return of amounts unduly discounted, pain and suffering, paid weekly rest, worked holidays and Sundays, compensation for civil liability for damages allegedly caused to his health and mental soundness and characterization of compensation in kind, 25% transfer bonus. The case is at admission stage and its estimated amount is R$ 1,353;

(ix) Lawsuit filed by a former employee who held the position of General Director of one of SESES academic units, and now seeks compensation for pain and suffering, on the grounds of alleged humiliation and embarrassment he endured during his tenure. The case is currently at admission stage and its estimated amount is R$ 500;

(x) Lawsuit filed by a former subcontractor against Magister, seeking acknowledgment of an employment relationship with the entity, and the payment of severance amounts associated with his employment, vacation pay, overtime, pain and suffering, among other minor requests. The appeal lodged by the entity is pending trial and the estimated amount in dispute totals R$ 857; and

15. Provision for Contingencies --Continued

b) Labor Contingencies --Continued

(xi) Lawsuit assigned by a former professor and coordinator of SESES' Law Course, seeking payment of salary differences arising from a decrease in salary due to the extinction of the position of Course Coordinator and related effects, vacation, 13th month salary, paid weekly rest and pain and suffering. The case is at fact-finding stage, and hearing is pending. The estimated amount of the case is R$ 517.

No provision for contingencies was recorded in the consolidated financial statements for these cases due to their risk rating.

c) Tax contingencies

Our legal advisors gathered information, assessed and measured the various tax-related proceedings and, in order to cover probable losses on such claims, Administration records a provision in the amount of R$ 7,297 on March 31, 2010 (R$ 7,314 - December 31, 2009).

Among the main tax claims, we highlight:

(i) SESES filed against the Federal Government an Action for Annulment of Tax Debt challenging the assessment referring to collection of FINSOCIAL (Social Security Funding Tax), considering the suspension, by the Brazilian Revenue Agency, of its tax immune condition, through Declaratory Statute no.14/96. Judgment was published on November 4, 2009 dismissing SESES' claims. A motion for clarification was filed by SESES and denied on November 11, 2009. We lodged an appeal on November 26, 2009. A period was set for the Federal Government to submit their brief. In connection with this case, court deposits totaling R$ 930 were made in 2005;

15. Provision for Contingencies --Continued

b) Tax contingencies –Continued

(ii) Declaratory Action and Claim for Tax Refund filed by SESES against the Federal Government, challenging the legal requirement to pay Social Contribution Tax on Gross Revenue for Social Integration Program (PIS). This suit aims at declaring the non-existence of a legal-tax relationship for purposes of payment of the PIS, once the Company held a Philanthropic Welfare Entity Certificate (CEBAS), in addition to recognition of the right to refund of amounts paid over the past ten years. The courts of first and second instances handed down favorable decisions to the Company, acknowledging its tax-immunity and tax credit for overpaid amounts. A special appeal filed by the Company in order to increase lawyers' fees and an extraordinary appeal lodged by the Federal Government seeking dismissal of the original plea are pending trial. On account of this suit, the amount of R$ 5,358, which would be due in the form of PIS (1% of payroll), has been deposited with the courts;

15. Provision for Contingencies --Continued

a) c) Tax contingencies –Continued

(iii) Common civil action filed by SESES against the Federal Government/National Treasury, seeking authorization to pay social security contributions on an escalated basis as defined by Article 13 of Law No. 11096/05 (“PROUNI Act”), with this escalation starting in the first month in which the general meeting that authorized its transformation into a for-profit entity was held, namely February 2007, resulting therefore in the following escalated payment of 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 PROUNI Act should start to be counted from the date of publication of this Act, which occurred in 2005. SESES also requests an interim relief so that the National Treasury refrains from refusing to issue a Tax Liability Certificate with Clearance Effects regarding amounts payable to the Social Security and Third Parties, as well as to perform any other acts intended to demand from SESES alleged debts included in “Consultation of Good Standing with the Social Security”, with their payment liability being suspended or even those arising from SESES interpretation of Article 13 of Law No. 11096/05. On August 28, 2009, a decision was handed down denying the request for interim relief. For this reason, a bill of review was filed against this decision. The case is currently at admission stage. Our external legal advisors rated this case as a possible loss and the amount involved is R$ 9,081. No provision was recorded in the quarterly information.

(iv) Assessment notice served by the Federal Revenue Office on SESES, regarding alleged debts of Social Contribution on Gross Revenue for Social Security Financing (COFINS) in fiscal year 1996, as it was understood that the entity did not meet all the legal criteria to qualify as a social welfare non-profit entity and its right to tax immunity. This assessment is still being discussed at the administrative level, namely at the Administrative Court of Tax Appeals. Our external legal advisors rated this case as a possible loss and the amount involved is R$ 2,278. No provision was recorded in the quarterly information.

15. Provision for Contingencies –Continued

a) Tax contingencies –Continued

(v) Action for Annulment filed by SESES against the Federal Government, seeking to reverse the tax credit dealt with in Payment Notice No. 86202/2008, based on the collection of social security contributions supposedly due in the period between Dec 2005 and Feb 2008. The case is currently at admission stage, awaiting an administrative decision of the lower court. Our external legal advisors rated this case as a possible loss and the amount involved is R$ 1,786. No provision was recorded in the quarterly information; and

(vi) INSS - Employer's Contribution

SESES was defined as a non-profit philanthropic entity until February 9, 2007. Thus, until such date, in the terms of article 150, item VI, subitem C, and article 195, paragraph 7 of the Federal Constitution, and articles 12 and 15 of Law No. 9532/97, it was entitled to tax immunity and exemption, being considered a public interest entity at the federal and state levels, through Decree No. 86072, of June 4, 1981, and Law No. 2536, of January 3, 1975, respectively.

In addition, SESES held the following certificates issued by government agencies: (a) certificate of registration with the Municipal Council of Social Welfare; (b) Declaratory Certificate of Good Standing at the State Level; and (c) Philanthropic Welfare Entity Certificate - CEBAS, issued by the National Council of Social Welfare - CNAS.

Article 55 of Law No. 8212/91, which was revoked by Provisional Executive Act No. 446/08 of November 11, 2008, set forth that the philanthropic welfare entity meeting the following requirements was exempt from its share of the payment to the INSS: (a) is considered a Federal, State and Municipal public interest entity; (b) holds the Certificate of Entity for Philanthropic Purposes - CEFF, issued by the National Council of Social Welfare, renewed every three years; (c) promotes exclusive free-of-charge philanthropic welfare services; (d) its officers, board members, members, establishers or benefactors do not receive compensation, advantages or benefits, under any circumstances; and (e) possible operating income is fully invested in maintenance and development of its institutional objectives.

15. Provision for Contingencies –Continued

c) Tax contingencies --Continued

Law No. 9732/98 also established the following: (a) educational non-profit entities that do not offer exclusive and free-of-charge services to needy people are exempt from the contribution taxes referred to in articles 22 (contribution to the INSS - employer) and 23 (CSLL and COFINS) of Law No. 8212/91, proportionally to the value of seats offered, full-time and free of charge, to needy people, provided the requirements set forth in article 55 of the referred Law are met; (b) the wording of article 55, revoked, of Law No. 8212/91, and article 4 of the mentioned Law, will be effective as from April 1999; and (c) as from April 1999, all and any exemptions from contributions to the INSS granted, whether generally speaking or under special circumstances, not complying with article 55 of Law No. 8212/91 or with article 4 of said Law, are cancelled.

As mentioned, at the time of its organization, SESES was defined as a non-profit entity and, as such, was entitled to exemption from payment of the INSS tax levied on payroll. Subsequent legal rulings maintained its condition as an exempt corporate entity until February 2007, occasion when SESES was transformed into a profit-oriented company.

SESES has been questioned by the INSS as to renewals of the CEBAS granted in 2000 and 2003. The Social Security Revenue Office filed appeals with the Ministry of Social Security for the purpose of eliminating the effects of the past two CEBAS renewals granted by CNAS. SESES, however, enrolled with PROUNI in December 2004, which grants the entities that adhere to and adopt its rules the right to restore the CEBAS and reestablish exemption from the social contribution tax, in the event the rejection or canceling of the exemption regarding the past two three-year periods was not based on non-compliance with the provisions established in items III, IV and V of article 55, revoked, of Law No. 8212/91, that is: (a) promote free-of-charge welfare services; (b) managing officers are not entitled to compensation; and (c) operating income is invested in the development of its institutional objectives. The questionings presented by the Social Security Revenue Office do not allege violation of the above provisions, which, in theory, would grant SESES the right to restore the CEBAS should it come to lose such right.

15. Provision for Contingencies –Continued

b) Tax contingencies –Continued

Considering that, from the tax authorities' viewpoint, CEBAS is mandatory in order to benefit from tax immunity/exemption benefits, in the event of its canceling in a given moment, all other social contribution taxes due by business companies may come to be required by tax authorities retroactively, increased by late payment charges, in addition to the INSS amounts under dispute.

As regards this matter, the Company's management informs that, a Class Action was filed by Luiz Claudio de Lemos Tavares against SESES and Estácio Participações, seeking to cancel the Philanthropic Welfare Entity Certificate (CEBAS), for the three year period 2001 to 2003 and, consequently, to compel SESES to reimburse the union coffers of unpaid taxes due to its tax immunity. On September 22, 2009, a decision was published recognizing Estácio Participações' inability to sue. The case is currently at admission stage. Our external legal advisors rated this case as a remote loss and the amount involved is R$ 140,000.

Additionally, the Company's management confirms that on December 23, 2008, 27 tax assessment notices, issued by the Brazilian Revenue Agency, were served on its subsidiary Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES"), regarding alleged debts of social security contributions for the years 2003, 2004 and 2005, in the total amount of R$ 484,462, as well as a list for controlling the estate assets of SESES, in accordance with the applicable tax legislation.

These notices contest mainly the fulfillment of the legal requirements for SESES to be recognized as a social welfare non-profit entity and its corresponding right to the exemption from social security contributions, a condition that it held up to February 9, 2007, when it was converted into a profit-oriented company.

15. Provision for Contingencies –Continued

c) Tax contingencies --Continued

The Company reinforces the remote probability of loss in these claims, based on the legal opinion of its legal advisors, who also understand that said notices are subject to invalidity in view of the inconsistencies found in the proceeding and the supporting facts of the tax assessment notices.

The main arguments highlighted by our legal advisors to contest such notices are the following:

(a) The Philanthropic Welfare Entity Certificates ("CEBAS") for SESES, corresponding to the three-year periods 2001-2003 and 2004-2006, remain in effect;

(b) The collection of social security contributions resulting from the non-compliance with legal requirements could only be made after the normal cancelling of CEBAS, by means of the applicable administrative procedure, established in the legislation, which was not followed in such case;

(c) Loss of the right, on the part of the Public Administration, to cancel CEBAS related to the three-year period 2001/2003 (certificate granted in 2000 - lapsing in 5 years);

(d) Non-compliance with applicable administrative procedure to discontinue the exemption granted to SESES;

(e) Art. 38 of Provisional Measure no. 446/08 established that the appeals connected with requests for CEBAS renewal were dismissed, as in the case of SESES;

(f) The remote cancellation of SESES immunity has only future effects;

(g) The lapsing of the tax assessments related to the period from January to November 2003;

15. Provision for Contingencies --Continued

c) Tax contingencies --Continued

(h) Compliance with the free-tuition requirement and the possibility of considering partial scholarships in determining the 20% (twenty percent) of free tuition, which was reinforced by CNAS Resolution 177/00 and Article 11 of Law No. 11096/05;

(i) Effects of adherence to PROUNI (December 2004), notably the legislative pardon related to refused CEBAS requests exclusively for the non-compliance with the free-tuition requirement, and the verification of free tuition, as from 2005, based on the criteria of Article 11 of PROUNI ruling;

(j) With regard to the equity reversal matter, SESES argues that its conversion from a nonprofit entity into a business company did not result in dissolution or settlement, pursuant to the terms of Article 1113 of the Civil Code. Therefore, the case did not encompass equity reversal to another public or philanthropic entity; and

(k) Concerning the alleged compensation payment to the controlling member of SESES, as a philanthropic entity, together with the contestations, all rent contracts and the related rent receipts were presented. Accordingly, such procedure goes against the authorities' allegation of compensation payment to said member.

The Company's management, based on the opinion of its legal advisors, does not expect an unfavorable outcome for such proceeding, classifying the likelihood of loss as remote; as such, no provision was recorded in the consolidated financial statements.

15. Provision for Contingencies --Continued

c) Tax contingencies --Continued

(vii) Transformation into profit-oriented business company

Some subsidiaries and SESES changed their form of business organization from civil non-profit companies to profit-oriented companies on September 30, 2005 and February 9, 2007, respectively. With such change, the subsidiaries and SESES are no longer entitled to the tax immunity/exemption benefits granted to non-profit entities, and are now subject to taxation rules applicable to the other corporate entities, excluding exemptions under the PROUNI rules.

Based on the opinion of its legal and tax advisors, management understands that the mere transformation of the Controlling Entities into profit-oriented companies is not a tax-triggering event, and that only profits, earnings, revenues and capital gains generated after such transformation are subject to taxation, except for tax benefits under the PROUNI rules. Accordingly, the surplus amounts generated during the period in which the Controlling Entities benefited from tax immunity and exemption were not and will not be subject to taxation, provided such amounts are not distributed to the entities' members and are reinvested in the institutions themselves, in other words, the amounts remain in the entities' corporate assets. Tax authorities, however, could question such transformation and require payment of the taxes levied on exempt profit earned to that date.

15. Provision for Contingencies --Continued

c) Tax contingencies --Continued

(viii) Assessment Notices - Service Tax (ISS) - City of Niterói

Assessment notices were served by the City of Niterói on SESES, demanding payment of ISS for the period from Jan 2004 to Jan 2007, considering the suspension of its tax immunity by the City Public Administration based on the supposed noncompliance with the requirements for entitlement to immunity as defined in article 14 of the National Tax Code (CTN), i.e. for having failed to present the tax and accounting bookkeeping as required by applicable law. The tax inspectors ignored the Special Regime for which SESES qualified in February 2005, whereby it was authorized to centralize the accounting bookkeeping of its subsidiaries based in Niterói in its older unit, which is why the documents requested by the inspection did not exist and therefore could not be submitted to the inspecting authority. Additionally, several fines for breach of ancillary obligations are required, some without any legal support and others that may have been imposed for the purpose of confiscation. Our objections were filed on September 29, 2009. A decision by the court of first instance is pending. The total amount assessed was R$ 7,793.

The Company's management, based on the opinion of its legal advisors, does not expect an unfavorable outcome for such proceeding, classifying the likelihood of loss as remote; as such, no provision was recorded in the consolidated quarterly information.

15. Provision for Contingencies --Continued

c) Tax contingencies --Continued

(ix) Assessment Notice - Service Tax (ISS) - City of Rio de Janeiro

An assessment notice was served by the Rio de Janeiro City Tax Department, indicating the following alleged violations: (i) nonpayment of ISS on the provision of post-secondary education services from January 2005 to January 2007 , for having transferred all of its assets in February 2007 to a "new limited liability company", (ii) nonpayment of ISS on the provision of post-secondary education services from February 2007 to July 2009, for failing to include the amount relating to scholarships awarded through PROUNI in the ISS tax base; and (iii) insufficient ISS amounts withheld and paid for services rendered by property security, surveillance, maintenance and cleaning firms from January 2005 to May 2009. Our objections were filed on February 22, 2010. A decision by the court of first instance is pending. The updated amount assessed is R$ 136,000.

The Company's management, based on the opinion of its legal advisors, does not expect an unfavorable outcome for such proceeding, classifying the likelihood of loss as remote; as such, no provision was recorded in the consolidated quarterly information.

(x) Assessment Notice - Service Tax (ISS) - City of Recife

An assessment notice was served by the Recife City Tax Department, seeking the payment of additional ISS amounts for the years 2006 and 2007 claiming insufficient payment of that tax. On December 23, 2009, an unfavorable administrative decision was issued to Sociedade de Ensino Superior de Pernambuco (SESPE), accepting the Tax Assessment. A voluntary appeal was lodged on January 29, 2010, and rejected by the Federal Board of Tax Appeals in an administrative decision issued on March 30, 2010. As a result of this decision, SESPE will file an action for annulment seeking reversal of the alleged tax debt. The total amount assessed was R$ 410.

15. Provision for Contingencies --Continued

c) Tax contingencies –Continued

The Company's management, based on the opinion of its legal advisors, does not expect an unfavorable outcome for such proceeding, classifying the likelihood of loss as remote; as such, no provision was recorded in the consolidated quarterly information.

(xi) Assessment Notice - Service Tax (ISS) - City of Salvador

An assessment notice was served by the Salvador City Tax Department on STB, seeking the payment of additional ISS amounts for the period February 2007 to July 2009, claiming nonpayment of ISS on the provision of post-secondary education services during that period, once the amount relating to scholarships awarded through PROUNI was not included in the ISS tax base. STB expressed its acknowledgment on February 8, 2010. A decision by the court of first instance is pending. The amount assessed was R$ 235.

The Company's management, based on the opinion of its legal advisors, does not expect an unfavorable outcome for such proceeding, classifying the likelihood of loss as possible; as such, no provision was recorded in the consolidated quarterly information.

d) Other contingent tax issues

With reference to the other taxes levied on the subsidiaries' activities, we highlight the following:

(i) CPMF (Provisional Contribution on Financial Transactions): SESES believed it was not subject to such tax, in the terms of Constitutional Amendment No. 21/99, in the same way as its legal advisors construe that said exemption was provided for in Law No. 9311/96 and applicable Revenue Procedures of the Brazilian Revenue Agency;

15. Provision for Contingencies –Continued

(ii) COFINS (Social Contribution on Gross Revenue for Social Security Financing): exemption from the mentioned tax, for tax-triggering events occurring after February 1, 1999, on revenues from own activities of educational and welfare institutions, referred to in article 12 of Law No. 9532/97. Furthermore, SESES, based on its legal advisors' opinion, construed that it is entitled to such exemption, once the effectiveness of the articles of Law No. 9732/98 was suspended by a Notice of Claim of Unconstitutionality (ADIN);

(iii) CSLL (Social Contribution Tax on Net Profits): SESES and its subsidiaries understood that, while under the non-profit regime and considering suspension of the effectiveness of the articles of Law No. 9732/98 by a Notice of Claim of Unconstitutionality, they were exempt from the referred tax, in the terms of article 15, paragraph 1 of Law No. 9532/97.

The Company's management and its legal advisors understand that the total exemption from the above taxes is ensured; accordingly, no provision was recorded in the consolidated quarterly information.

16. Shareholders' equity

a) Capital

Company's capital may be increased by Administrative Council, regardless of statutory changes, until the limit of 1,000,00,000 (one billion) shares. At March 31, 2010, Company's capital is represented by 78,617,187 common shares.

(In thousands of reais, except where otherwise stated)

16. Shareholders' equity --Continued

a) Capital --Continued

Company's shareholders composition at March 31, 2010, December 31, 2009 and January 1, 2009 is as follows:

	03/31/2010	%	12/31/2009	%	01/01/2009	%
Uchôa Cavalcanti Participações S,A,			28,702,835	36.5%	41,004,050	52.2%
João Uchôa Cavalcanti Netto	**28,702,835**	**36.5%**				
Moena Participações S,A,	**15,717,013**	**20.0%**	15,717,013	20.0%	15,717,013	20.0%
Magnoliophyta Participações S,A	**-**	**-**	8,200,810	10.5%	-	-
GPCP4 - Fundo de Investimento em Participações						
Marcel Cleófas Uchoa Cavalcanti	**4,442,521**	**5.7%**	342,566	0.4%	692,566	0.9%
André Cleófas Uchoa Cavalcanti	**4,424,321**	**5.6%**	324,366	0,4%	674,366	0.9%
Jade Empreendimentos Imobiliários e Participações S,A,	**4,100,405**	**5.2%**	4,100,405	5.2%		
Monique Uchoa Cavalcanti de Vasconcelos	**-**	**-**	-	-	666,666	0.8%
Administrators and Supervisory Board	**48,007**	**0.1%**	-	-	52,482	0.1%
Treasury						
Others	**21,182,085**	**26.9%**	21,197,071	27.0%	19,777,923	25,1%
	78,617,187	**100.0%**	78,585,066	100,0%	78,585,066	1000%

b) Capital share additions

Amount of book entry shares with no par value.

Changes in shares	
On January 1 and December 31, 2009	**78,585,066**
Common share issue, pursuant to the exercise of options granted - EGM 01.28.2010	**32,121**
On March 31, 2010	**78,617,187**

16. Shareholders' equity –Continued

c) Capital reserve

c.1) Share premium

Upon its initial organization, SESES was recognized as a non-profit entity and, therefore, was entitled to tax immunity and exemption, being recognized as an entity of public interest at the federal and state levels. On February 9, 2007, when its form of business organization changed to a for-profit entity, SESES became subject to the tax burden levied on business entities, except for exemptions in connection with the enrollment under the University for All ("PROUNI") Program. Similarly to SESES, although not philanthropic in nature, the controlling entities were also recognized as non-profit entities when they were established, being entitled to certain tax exemptions up to September 30, 2005, on which occasion their form of business organization changed to business entities.

Upon capital increase referred to above, the Company's members assigned the units of interest issue price at R$ 27,072, whereas assets used for capital subscription indicated that SESES' and the Controlling Entities' units of interest had a book value of R$ 123,554.

This capital increase (R$ 27,072) is equivalent to funds actually contributed by the controlling members, in the form of initial capital or capital increase through capitalization of profits and income reserves generated after SESES and the Controlling Entities became business entities. The difference (R$ 96,482) between the amount assigned to the assets by subscribing members and the book value of such assets was recorded by the Company under a specific capital reserve account (units of interest premium) and refers substantially to the remaining balance of retained earnings of subsidiary companies (SESES and the Controlling Entities) before their form of business organization changed from nonprofit entities to business entities.

16. Shareholders' equity --Continued

c) Capital reserve--Continued

c.2) Option grants

The Company established a Capital Reserve for Options Granted in the amount of R$ 1,388 during quarter ended on March 31, 2010, as mentioned in Note 23 (b). As required by the Technical Opinion, the fair value of options was determined on the grant date and has been recognized over the vesting period, by the date of this quarterly information.

d) Equity valuation adjustments

Pursuant to IAS 21, which establishes that foreign exchange gains and losses on investments abroad are to be directly recognized in the Company's members' equity of parent company. The Company records a negative balance of R$ 320 as Cumulative translation adjustments on March 31, 2010, referring to the translation of the quarterly information of its foreign subsidiary SESSA.

e) Income reserve

e.1) Legal reserve

The legal reserve is set up by appropriating 5% of net income for the year until its balance reaches 20% of the amount of realized capital, or 30% of capital increased by capital reserves. After this limit, such appropriation is no longer required. Capital reserve may only be used to increase capital or absorb accumulated losses.

e.2) Profit retention reserve

This reserve is intended to be used in capital investments, according to Article 196 of the Brazilian Corporate Law.

(In thousands of reais, except where otherwise stated)

17. Financial income (expenses)

	03/31/2010	03/31/2009
Financial income		
Late payment fines and interest received	**3,377**	3,219
Yield on short-term investments	**3,567**	5,490
Other	**252**	298
	7,196	9,007
Financial expenses		
Bank expenses	**(1,231)**	(1,572)
Interest and financial charges	**(415)**	(899)
Financial discounts	**(1,701)**	(2,324)
Other	**(943)**	(563)
	(4,290)	(5,358)

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

18. Income and social contribution taxes

Under Law no. 11096/2005, regulated by Decree No. 5493/2005 and Revenue Procedure No. 456/2004, on the terms of article 5 of Provisional Executive Act No. 213/2004, post-secondary educational entities while participating in the PROUNI program are exempt from IRPJ and CSLL, among others, and the tax computation shall be performed based on profit from tax incentive operations (“lucro da exploração”).

(In thousands of reais, except where otherwise stated)

18. Income and social contribution taxes--Continued

The reconciliation of taxes determined, at statutory rates, and the amount of taxes recorded for the quarters ended March 31, 2010 and 2009 are as follows:

	Consolidated	
	03/31/2010	**03/31/2009**
Income before income and social contribution taxes	**26,111**	31,336
Combined nominal rate - income and social contribution taxes	**34%**	34%
Income and social contribution taxes at statutory rates	**8,878**	10,654
Adjustments to derive effective rate		
Adjustments for Law No. 11638/2007	**586**	381
Equity pickup	**-**	-
Goodwill amortization	**-**	-
Nondeductible expenses (a)	**33**	38
Provision for bonus (a)	**(443)**	-
Compensation of tax loss	**(761)**	(340)
New accounting practices first adoption adjusts	**-**	98
Provision for contingencies	**19**	485
Reversal of nondeductible allowance for doubtful accounts and monthly tuition for cancellation (b)	**(526)**	282
Allowance for doubtful accounts	**-**	-
Unrecorded deferred tax credit (c)	**360**	395
Reversions of administrative provisions (d)		
Provision for loss in Property, Plant & Equipment	**129**	(70)
	8,274	11,923
Tax benefit – PROUNI	**(7,602)**	(10,028)
Income and social contribution taxes as per income statement for the period	**673**	1,895
Effective rate	**2,58%**	6,05%

((a) This refers basically to expenses on employee bonuses, sponsorships and gifts.

(b) Nondeductible allowance for doubtful accounts refers to unpaid tuition fees overdue within 180 days, and the provision for cancellation of tuition fees.

(c) This refers to tax credits on income and social contribution tax losses and temporary differences, as yet unrecorded.

On March 31, 2010, the Company has tax credits arising from income and social contribution tax losses amounting to R$ 3,038 (R$ 3,637 on December 31, 2009 and R$ 3,557 on January 1, 2009). This amount was not accounted for as it is not possible to ensure if its realization is likely to occur.

18. Income and social contribution taxes--Continued

The Company opted for the Transition Tax Regime (RTT) created by the Law No. 11941/2009, through which the calculation of income tax (IRPJ) and social contribution (CSLL), PIS contribution and tax for social security financing (COFINS), continue to be determined under the accounting methods and criteria defined by the Law No. 6404 of December 15, 1976, in force at December 31, 2007. Therefore, the deferred income tax and social contribution calculated over the adjusts as a result of the first time adoption of new accounting practices brought up by the Law No. 11941/09 were recorded in the consolidated quarterly information of the Company, when applicable. The Company consigned the referred option in the Declaration of Fiscal-Economic Information of Legal Person (DIPJ) in the year of 2009.

19. Financial instruments

The market value of its financial assets and liabilities was determined based on available market information and valuation methodologies deemed appropriate to each case. However, considerable judgment was required in interpreting market data to estimate the most appropriate realizable value. As a consequence, the estimates presented herein do not necessarily indicate amounts realizable in the current exchange market. The use of different market information and/or valuation methodologies may have a material effect on the amount relating to market value.

The Company's financial instruments under assets and liabilities on March 31, 2010 are recorded in the balance sheet accounts at amounts compatible with those observable in the market. The main financial instruments are described below, as well as the criteria, assumptions and limitations adopted for determining their market values:

a) Cash and cash equivalents

The amounts accounted for under this heading approximate market values due to these instruments' short-term maturities.

19, Instrumentos financeiros--Continuação

b) Related parties

Stated at book value, since there are no similar instruments in the market.

c) Loans and financing

These are classified as financial liabilities held to maturity, and are booked based on their contract value. The market value of these liabilities is equivalent to their book value.

d) Accounts receivable

They are classified as financial assets held to maturity, and are booked based on their contract value, which is equivalent to their market value.

e) Other financial instruments assets and liabilities

The estimated realizable values of the Company's financial assets and liabilities were determined based on available market information and appropriate valuation methodologies.

Risk factors

All the transactions of the Company and its subsidiaries are carried out with banks that have proven liquidity, thus minimizing their risks. Administration sets up an allowance for doubtful accounts in an amount deemed sufficient to cover possible risks underlying the realization of accounts receivable; accordingly, the risk of incurring losses on billed amounts has been measured and accounted for. Major market risk factors that affect the Company's business may be listed as follows:

(a) Credit risk

The Company's enrollment policy for preparation of this Quarterly Information is closely associated with the credit risk level tolerated by the entities in the course of their businesses.

19. Financial instruments--Continued

e) Other financial instruments assets and liabilities

(b) Interest rate risk

The interest rate risk to which the Company is exposed relates to its long-term debt and, to a lower extent, its short-term debt. The floating-interest-rate debt expressed in Brazilian reais is principally subject to the fluctuations in the Long-term Interest Rate (TJLP) and in the Interbank Deposit Certificate (CDI). Additionally, any increase in interest rates may raise the cost of educational loans, including those loans under FIES, and reduce the demand for courses.

(c) Exchange rate risk

The Company's net income is not subject to changes deriving from exchange rate volatility, as it does not have significant foreign-currency-denominated operations.

(d) Sensitivity analysis

The Company informs that it has no policy for the utilization of financial instruments. Accordingly, no risk arising from exposure to such instruments was identified.

20. Insurance

The Company and its controlling entities rely on a risk management program aimed to limit their risks, seeking coverage compatible with their size and operations. Insurance coverage was taken out at the amounts stated below, considered sufficient by Administration to cover any losses, based on the nature of its activity, the risks underlying its operations, and guidance from insurance expert advisors.

(In thousands of reais, except where otherwise stated)

20. Insurance--Continued

The Company and its subsidiaries had the following main insurance policies taken out from third parties:

	Sum insured		
	03/31/2010	**12/31/2009**	**01/01/2009**
Directors and officers liability	**75,000**	75,000	-
Fire - fixed assets	**25,000**	25,000	31,450
Third party liability	**5,000**	5,000	3,880
Fixed expenses	**5,000**	5,000	340
Electronic equipment	**400**	400	5,530
Aircraft fall	**-**	-	860
Other	**1,760**	1,760	3,058

The scope of our auditor's work does not include expressing an opinion on the sufficiency of the insurance cover, whose adequacy was determined and assessed by the Company's Administration.

21. Commitments

The controlling entities have several lease agreements on their facilities. The future commitments related to these agreements effective on March 31, 2010 will amount to R$ 94,000 on an yearly basis, for the next 5 years, considering that (i) their due dates will be renewed as usual and (ii) considering the amounts known at that date.

22. Administrators' compensation

a) Compensation

According to the Brazilian Corporate Law and Company's Statutory, it is shareholders' responsibility to establish the global annual amount of compensation to Administrators. The Administrator Council is in charge of distributing this amount among the Administrators. At the Ordinary General Meeting held on April 30, 2010, the amount of monthly compensation to Administrators (Administrator Council and Board of Directors) was established.

22. Administrators' compensation--Continued

a) Compensation--Continued

Throughout the period of nine months ended up at March 31, 2010 and March 31, 2009, the total amount of compensation to counselees (salaries and profit participation), directors and main executives of the Company figured R$ 2,850 and R$ 2,071, respectively, in accordance with the limits approved at the corresponding Shareholders' Meetings.

The Company and its controlling entities do not provide any post-employment benefits, rescission of contract benefits or any other sort of long-term benefits to its Administrators and employees (excepting by the stock options plan described in the Note 23.b).

b) Share purchase option plan

In the Extraordinary General Meeting held on June 13, 2008, members approved the Share Purchase Option Plan of the Company ("Plan"), designed for the Company's administrators, employees and service providers ("Beneficiaries"). The Plan is managed by the Plan Administration Committee, created by the Board of Directors for such purpose, in a meeting held on July 1, 2008. The Committee is responsible for periodically creating stock option programs, and granting the options to the list of beneficiaries (reviewed on a regular basis) as well as for creating specific applicable rules, pursuant to the general ruling of the Plan ("Program").

The volume of units of interest options is limited to 4.15% of the total units of interest of the Company's capital stock existing on the date each Program is approved. This limit may reach 5% provided that the Company, through repurchases on the market, buys units of interest of its own issue and cancels them at an amount equivalent or in excess of 0.85% of units of interest that may be issued in connection with Share Purchase Option Plan.

(In thousands of reais, except where otherwise stated)

22. Administrators' compensation--Continued

b) Share purchase option plan--Continued

The units of interest option is formally documented in an individual contract between the Company and each beneficiary. As a condition to acquire the right to purchase units of interest, the beneficiary shall make the payment for the price of the units of interest within thirty (30) days counted from the subscription or acquisition of units of interest related to the lot acquired and exercised. For the first Share Purchase Option Program, as approved by the Committee on July 15, 2008, the Exercise Price of the options shall be sixteen reais and fifty cents per unit of interest, restated by IGPM since July 11, 2008, less the amount of dividends and interest on equity per unit of interest that may be paid by the Company from the date of execution of individual contracts with the beneficiaries.

For the second Share Purchase Option Program, as approved by the Committee on April 20, 2010, the Exercise Price of the options shall be equivalent to average value of units of interest of the last thirty (30) floors of Stock Exchange of São Paulo prior to beneficiary inclusion in the second Program, duly restated by IGPM since beneficiary inclusion in the second Program, less the amount of dividends and interest on own equity per unit of interest that may be paid by the Company from the date of execution of individual contracts with the beneficiaries. In the event of inclusion of beneficiary in the second Program, Committee shall determine that a discount will be granted up to ten percent (10%) in Exercise Price.

On March 31, 2010, 31,121 options granted were exercised. The balance of unit of interest options is 2,446,968 units of interest.

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

Grant date	Spot price*	Annual volatility	Actual interest ratel	Exercise price	Average term (years)	Dividend Yield
07/11/2008	**23.50**	**57.49%**	**6.85%**	**16.50**	**4.68**	**0.97%**
09/30/2008	**14.05**	**56.00%**	**8.42%**	**16.50**	**4.68**	**1.62%**
10/02/2008	**14.60**	**55.87%**	**7.66%**	**16.50**	**4.68**	**1.56%**
11/10/2008	**14.65**	**64.90%**	**9.68%**	**16.50**	**4.68**	**1.55%**
01/13/2009	**13.20**	**63.99%**	**6.83%**	**16.50**	**4.68**	**1.72%**
8/10/2009	**24.05**	**58.14%**	**5.77%**	**16.50**	**4.68**	**0.95%**
9/29/2009	**20.10**	**56.75%**	**5.64%**	**16.50**	**4.68**	**1.13%**
1/11/2010	**24.50**	**63.15%**	**6.23%**	**16.50**	**4.68**	**0.93%**
3/1/2010	**22.50**	**62.20%**	**6.21%**	**16.50**	**4.68**	**1.01%**

* market price on the related grant dates

(In thousands of reais, except where otherwise stated)

22. Administrators' compensation--Continued

b) Share purchase option plan--Continued

Pursuant to the requirements of IFRS 3, unit of interest-based payments that were outstanding as on March 31, 2010 were measured and recognized by the Company.

The Company monthly recognizes the units of interest options granted as capital reserve with a matching entry in the income statement, having recorded the amount of R$ 1,388 for the quarter ended on March 31, 2010.

The Company did not offer any other benefits to its administrators until March 31, 2010 in addition to the Share Purchase Option Plan.

23. Earnings per share

The following tables re-conciliate the net profit to the amount used to calculate the basic and diluted earnings per share.

The basic earnings per share is computed by the division of the net profit by the weighted average of outstanding shares in the period. The calculation of the diluted earnings per share is made by including the stock option of executives and key-employees by using the treasury shares method when there is a diluting effect. The effect anti-diluting of all potential shares are ignored in the calculation of diluted earnings per share.

a) Basic earning per share

	03/31/2010	**03/31/2009**
Net profit in the period	**25,438**	29,441
Weighted average of the number of outstanding shares	**78,606,480**	78,585,066
Basic net income per share	**0,000323612**	0,000374639

(In thousands of reais, except where otherwise stated)

23. Earnings per share --Continued

b) Diluted earnings per share

	03/31/2010	03/31/2009
Net profit in the period	**25,438**	29,441
	78,606,480	78,585,066
Weighted average of the number of outstanding shares	**2,418,847**	2,418,847
Potential increase in the number of shares as a result of stock options	**81,025,327**	81,003,913
Adjusted weighted average of outstanding shares	**0.000313951**	0.000363452

24. Comprehensive Income Statement

	Consolidated	
	03/31/2010	03/31/2009
Net profit of the period	**25,438**	29,441
Exchange rate over foreign investments	**(20)**	(173)
Comprehensive income	**25,418**	29,268

25. Subsequent events

a) Public offering of primary and secondary common shares

At the Administrators Council Meeting held on August 11, 2010, approval was given to the offering of primary and secondary shares issued by the Company through a Public Offering of Shares.

25. Subsequent events--Continued

a) Public offering of primary and secondary common shares--Continued

On October 8, 2010, the process of Public Offering of Shares was concluded and finished. Price per share and the authorization for the Company to grant the Supplementary Lot Shares were approved on September 30, 2010. Common shares issued by the Company were offered, all of them nominative, book entry shares and with no par value, free of any encumbrance, being 32,803,240 shares owned by the seller shareholders, specified in the Public Offering of Shares Definitive Prospect and 3,280,324 shares of the Supplementary Lot in the price of R$ 19.00 per share, figuring the total amount of R$ 623,361.

The increase in Company's capital as a result of the exercise of the Supplementary Lot Option, excluding the preference rights of the current shareholders of the Company, in the terms of Article 172 of the Brazilian Corporate Law and Company's Statutory, within the limits of authorized capital defined in Company's Statutory, it was approved at the Administrators Council of the Company held on October 6, 2010.

The seller shareholders sold all the shares they owned and do not have any participation on the Estácio Participações' capital anymore.

b) Acquisition of Faculdade Atual da Amazônia

On October 18, 2010, the controlled company IREP acquired the Sociedade Educacional Atual da Amazônia Ltda., limited liability company, located at the city of Boa Vista, in the Estate of Roraima. The acquired entity is the subsidiary of Faculdade Atual da Amazônia – FAA ("FAA").