

4Q10 AND 2010 RESULTS

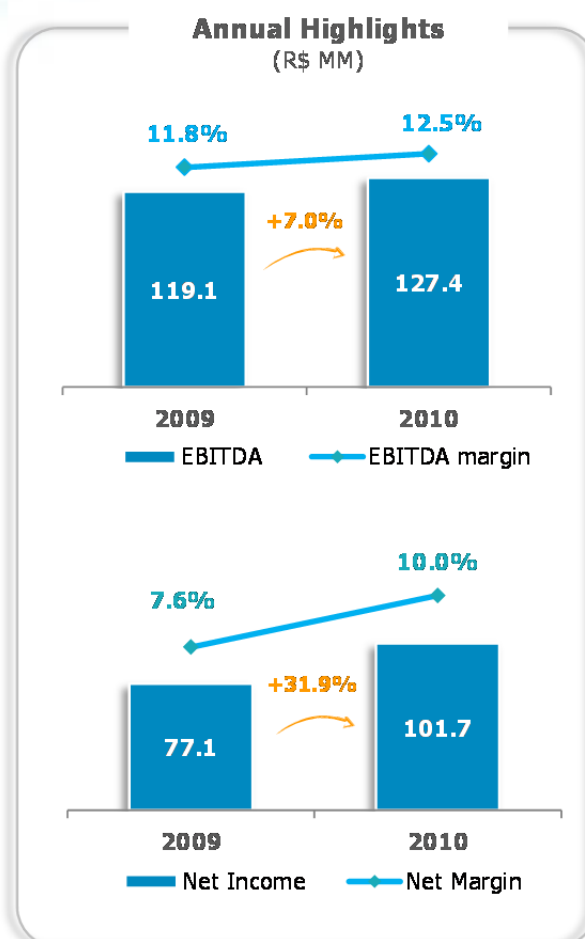
NET REVENUE of R\$1 billion;

Recurring EBITDA of R\$127.4 million and NET INCOME of R\$101.7 in 2010

Rio de Janeiro, March 17, 2011 – **Estácio Participações S.A.** - "Estácio" or "Company" (BM&FBovespa: ESTC3; Bloomberg: ESTC3.BZ; Reuters: ESTC3.SA) announces its results for the fourth quarter of 2010 and the full year 2010 (4Q10 and 2010) in comparison with the same period in the previous year (4Q09 and 2009). The following financial and operating data are provided on a consolidated basis and, except where indicated otherwise, are presented in accordance with the International Financial Reporting Standards ("IFRS").

Highlights

- ◆ Estácio ended 2010 with a **total students base** of 210.0 thousand, 2.1% higher than 2009, of which 183.8 thousand students were enrolled in **on-campus programs** and 26.2 thousand in **distance learning programs**.
- ◆ **Net operating revenue** totaled R\$1,016.1 million in 2010, stable over 2009. The highlights are the 5.3% increase in the **On-campus average ticket** and the 356.7% increase in the distance learning revenue.
- ◆ **Recurring EBITDA** was R\$127.4 million in 2010, 7.0% higher than 2009, due to the efficiency gains of R\$12.5 million in general and administrative expenses, and R\$9.7 million in personnel expenses, which offset the R\$11.4 million increase in advertising expenses.
- ◆ **Recurring net income** in 2010 amounted to R\$101.7 million, 31.9% higher than the R\$77.1 million in 2009.



ESTC3

(March 16, 2011)

Stock Price: R\$26.54 / share
 Number of Shares: 82,038,041
 Market cap: R\$2.2 billion
 Free Float: 77%

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Message from Management

2010 was a year of important events for Estácio: the launch of the New Academic Model, the 40th anniversary of our foundation, and the successful public equity offering in September, among others. Nonetheless, we prefer to focus on facts and data, and being accountable to our shareholders on the most transparent manner.

We are celebrating our 40th year of operations looking to the future and transforming ourselves to ensure sustainable growth of our business with profitability. We launched our New Academic Model aiming to devise and deliver great quality education on a nationwide scale and cost-efficiently. With that, we strengthen our differential as a provider of quality education at accessible prices for the growing and underserved working adults segment. Over 70,000 students have already been included in this new model. We started to see gains through greater efficiency in faculty costs and to sustain our policy of increasing average tuitions, thus offsetting the costs incurred with textbooks provided to students under the new model.

We consolidated our position among the leaders in the distance learning segment, totaling 26,200 students at the end of the year, after just 18 months of operations. This new growth avenue was a fundamental driver of the overall performance in 2010.

We also strengthened our management system and the scalable business model. We were able to generate savings in our general and administrative expenses and now have a platform that is ready for accelerated growth through consolidation, which we have already put into practice through the acquisition of Faculdade Atual in Boa Vista and Faculdade de Natal at the beginning of 2011.

Despite numerous successes, we failed in an important point in 2010: we did not reach our enrollment target for the first half of the year, which affected our growth. The 48,900 on-campus students enrolled in the first half of the year (down 8.9% from 2009), combined with our renewed enrollment base that decreased in 2009 due to the elimination of delinquent students and those with high discounts, affected our on-campus student base during the year. However, thanks to our successful commercial and marketing strategy, we recovered strongly in the second half, growing 20.1% over the same period in 2009. Yet this was not enough to compensate for the losses in the first half of the year.

As a result, our consolidated net revenue remained stable, at R\$1,016.1 million. The growth in distance learning revenue (356.7%) and on the average on-campus ticket (5.3%) offset the 7.6% decrease in the average on-campus students base.

In this scenario, the efficiency gains from the faculty, as well as in support and administrative personnel, combined with the improvements in our general and administrative expenses, slightly contributed to our EBITDA and EBITDA margin, which totaled R\$127.4 million and 12.5%, respectively.

Recurring net income was up 31.9% to R\$101.7 million in 2010, thanks to better fiscal management and the implementation of IFRS accounting standards.

We remain firmly oriented to preserve our working capital and financial strength. Days of accounts receivable stand at 50, up from 2009, due to measures that actually improved the quality of our working capital (FIES receivables and credit cards, and the elimination of discounts for early payments). We still have the lowest term for receivables in the sector, with no vendor or negotiation whatsoever.

We increased our CAPEX to R\$70.5 million, mainly on improvements and expansions of our units and on renewing the IT equipment for our students.

Based on our comfortable financial situation and the net income growth, we are proposing at the next annual shareholders' meeting dividends of R\$38.3 million (R\$0.46703 per shares).

Looking forward, we are confident about the future results of our management efforts. Regarding growth, as mentioned earlier, the recovery started in the second half of 2010 already, with 20.1% more enrollments than in the previous year. This trend is evident in the first half of 2011. We are growing our network with the 2 acquisitions (*Faculdade Atual and Faculdade de Natal*), and the 4 new organic units to become operational during 2011. We are also actively working on potential acquisitions to add to our scalable platform. With this, we believe that we will strongly advance towards accelerated growth and profitability gains.

The quality of human talent is crucial to any enterprise, and even more so to the education business. We take great care of our performance today and its sustainability in the long run. That is done through solid planning, clear guidelines and top quality personnel, duely trained, motivated and well-oriented. We take efforts on a daily basis to strengthen our human capital: nearly 300 employees are currently in our performance-based variable compensation program, while over 40 key professionals are part of our stock option plan, thereby becoming partners in the Company. We disseminate and practice meritocracy, guide the recognition and growth of our employees at all levels based on their contribution to strengthening the company, which is measured through the indicators we consider to be most valuable: quality of education, students satisfaction and productivity gains.

We thank all our students, their families and the communities where we operate for their confidence in our services; our employees, faculty and administrators, our partners, suppliers and government institutions for the joint effort in building an increasingly better Estácio, and, a better higher education in Brazil.

Annual Financial Indicators

Financial Highlights	2009	2010	Change
Net Revenue (R\$ million)	1,008.8	1,016.1	0.7%
Recurring Gross Profit (R\$ million)	320.5	332.7	3.8%
<i>Recurring Gross Profit margin</i>	<i>31.8%</i>	<i>32.7%</i>	<i>0,9 p.p.</i>
Recurring EBIT	77.5	94.6	22.1%
<i>Recurring EBIT Margin</i>	<i>7.7%</i>	<i>9.3%</i>	<i>1,3 p.p.</i>
Recurring EBITDA	119.1	127.4	7.0%
<i>Recurring EBITDA Margin</i>	<i>11.8%</i>	<i>12.5%</i>	<i>0.7 p.p.</i>
Recurring Net Income (R\$ million)	77.1	101.7	31.9%
<i>Recurring Net Income Margin</i>	<i>7.6%</i>	<i>10.0%</i>	<i>2.4 p.p.</i>

Operating Indicators

Estácio ended 2010 with a **students base** of 210 thousand (2.1% higher than 2009), of which 183.8 thousand were in on-campus programs and 26.2 thousand in distance learning programs.

The 2.1% increase was mainly due to the increase in **distance learning** programs, which registered 26.2 thousand students in just 18 months of operations, already positioning the company among the leaders in this segment.

Despite the higher enrollments in the second half (20.1% higher than the same period of 2009) the **on-campus students base** decreased by 6.3%, mainly from: (i) the lower number of students in the beginning of 2010; (ii) lower than expected enrollments in the first semester (as mentioned in previous press release) and (iii) the 20.6% increase in the number of students graduating in 2010 over 2009.

Table 1 – Student Base

'000	4Q09	4Q10	Change
Total Student Base	205.7	210.0	2.1%
On-Campus	196.1	183.8	-6.3%
Undergraduate	186.9	173.1	-7.4%
Graduate	9.2	10.7	16.3%
Distance Learning	9.6	26.2	172.9%
Undergraduate	7.5	23.7	216.0%
Graduate	2.1	2.5	19.0%

Table 2 – Evolution of On-Campus Undergraduate Student Base (undergraduate and graduate students)

'000	4Q09	1Q10	2Q10	3Q10	4Q10	Change
Students - Starting Balance	204.1	196.1	200.1	193.9	191.4	-6.2%
Graduates	(0.9)	(20.4)	(0.9)	(18.1)	(1.5)	66.7%
Renewable Base	203.2	175.7	199.2	175.8	189.9	-6.5%
Non-Payment / Non-Renewals	(8.2)	(24.4)	(7.7)	(23.4)	(7.5)	-8.5%
<i>Droupouts Rate</i>	<i>4.0%</i>	<i>13.9%</i>	<i>3.9%</i>	<i>13.3%</i>	<i>3.9%</i>	<i>-0.1 p.p.</i>
Enrollment Renewals	195.0	151.3	191.5	152.4	182.4	-6.5%
Enrollments	1.1	48.9	2.4	39.1	1.4	27.3%
Students - Ending Balance	196.1	200.1	193.9	191.4	183.8	-6.3%

Table 3 – Evolution of Distance Learning Base (undergraduate and graduate students)

'000	4Q09	1Q10	2Q10	3Q10	4Q10	Change
Students - Starting Balance	7.8	9.6	16.4	20.9	24.7	216.7%
Graduates	-	-	-	(0.1)	(0.2)	N.A.
Renewable Base	7.8	9.6	16.4	20.8	24.5	214.1%
Non-Payment / Non-Renewals	(1.1)	(3.4)	(2.6)	(7.2)	(2.9)	163.6%
<i>Droupouts Rate</i>	<i>14.1%</i>	<i>35.4%</i>	<i>15.8%</i>	<i>34.6%</i>	<i>11.8%</i>	<i>-230.0%</i>
Enrollment Renewals	6.7	6.2	13.8	13.6	21.6	222.4%
Enrollments	2.9	10.2	7.0	11.1	4.6	58.6%
Students - Ending Balance	9.6	16.4	20.9	24.7	26.2	172.9%

Operating Revenue

Table 4 – Breakdown of Operating Revenue

R\$ MM	4Q09	4Q10	Change	2009	2010	Change
Gross Operating Revenue	357.2	356.3	-0.3%	1,459.7	1,454.3	-0.4%
Monthly Tuition Fees	361.9	351.2	-3.0%	1,443.5	1,435.7	-0.5%
Others	2.5	5.1	104.0%	16.2	18.6	14.8%
Gross Revenue Deductions	(112.8)	(103.8)	-8.0%	(450.9)	(438.2)	-2.8%
Scholarships and Discounts	(102.3)	(94.3)	-7.8%	(407.8)	(396.5)	-2.8%
Taxes	(10.6)	(9.6)	-9.4%	(43.1)	(41.7)	-3.2%
<i>% Deductions / Gross Operating Revenue</i>	<i>31.6%</i>	<i>29.1%</i>	<i>-2.5 p.p.</i>	<i>30.9%</i>	<i>30.1%</i>	<i>-0.8 p.p.</i>
Net Operating Revenue	244.4	252.5	3.3%	1,008.8	1,016.1	0.7%

Net operating revenue in 4Q10 amounted R\$252.5 million, up 3.3%, mainly due to the 2.5 p.p. gain with lower discounts and scholarships, as a consequence of the strategy to increase the average ticket.

Fiscal year **net operating revenue** amounted R\$1,016.1 million, 0.7% over 2009, mainly due to the R\$11.3 million increase in distance learning gross revenue, which offset the decline in on-campus revenue. The better management of discounts and scholarships also contributed for the performance of the year.

In 4Q10, the **average on-campus ticket** was R\$432.2, a 7.4% increase over 4Q09. Meanwhile, **average distance learning ticket** declined by 13.3% year over year, due to the introduction of new courses in 2010 with lower average tuitions.

Table 5 – On-Campus Average Ticket

R\$ MM*	4Q09	4Q10	Change	2009	2010	Change
Gross Revenue - On-Campus	350.0	337.8	-3.5%	1,445.7	1,390.9	-3.8%
Deductions - On-Campus	(110.8)	(98.1)	-11.5%	(446.6)	(419.0)	-6.2%
Net Revenue - On-Campus	239.2	239.7	0.2%	999.1	971.9	-2.7%
On-Campus Students - Total (000)	198.2	184.8	-6.8%	196.1	181.2	-7.6%
Average Ticket - On-Campus (R\$)	402.4	432.2	7.4%	424.5	446.9	5.3%

* Unless otherwise stated.

Table 6 – Distance Learning Average Ticket

R\$ MM*	4Q09	4Q10	Change	2009	2010	Change
Gross Revenue - Distance Learning	7.2	18.5	156.9%	14.0	63.5	353.6%
Deductions - Distance Learning	(2.0)	(5.7)	185.0%	(4.3)	(19.2)	346.5%
Net Revenue - Distance Learning	5.2	12.8	146.2%	9.7	44.3	356.7%
Distance Learning Students - Total (000)	9.2	26.5	188.0%	4.0	20.3	407.5%
Average Ticket - Distance Learning (R\$)	186.4	161.5	-13.3%	203.8	182.0	-10.7%

* Unless otherwise stated.

Cost of Services

Table 7 – Breakdown of Cost of Services

R\$ MM	4Q09	4Q10	Change	2009	2010	Change
Cost of Services	(161.2)	(177.8)	10.3%	(696.4)	(696.9)	0.1%
Personnel	(116.7)	(121.1)	3.8%	(506.0)	(496.3)	-1.9%
Salaries and Payroll Charges	(99.5)	(100.9)	1.4%	(431.7)	(413.4)	-4.2%
Brazilian Social Security Institute (INSS)	(17.2)	(20.2)	17.4%	(74.3)	(82.9)	11.6%
Rentals / Real Estate Taxes Expenses	(22.8)	(30.3)	32.9%	(97.4)	(102.4)	5.1%
Textbooks Materials	(0.4)	(6.9)	N.A.	(1.0)	(16.5)	N.A.
Third-Party Services and Others	(12.7)	(10.3)	-18.9%	(52.1)	(48.4)	-7.1%
Non-Recurring Costs	(0.9)	(3.4)	277.8%	(8.1)	(13.5)	66.7%
Depreciation	(7.7)	(5.8)	-24.7%	(31.8)	(19.8)	-37.7%

Note: The amounts of R\$12.7 million and R\$48.8 million that were recognized in 4Q09 and 2009, respectively, from personnel to general and administrative expenses, were reclassified under cost of services to enable comparison with 2010.

Table 8 – Vertical Analysis of Cost of Services

% of Net Operating Revenue	4Q09	4Q10	Change	2009	2010	Change
Cost of Services	66.0%	70.4%	4.4 p.p.	69.0%	68.6%	-0.4 p.p.
Personnel	47.7%	48.0%	0.3 p.p.	50.2%	48.8%	-1.4 p.p.
Salaries and Payroll Charges	40.7%	40.0%	-0.7 p.p.	42.8%	40.7%	-2.1 p.p.
Brazilian Social Security Institute (INSS)	7.0%	8.0%	1.0 p.p.	7.4%	8.2%	0.8 p.p.
Rentals / Real Estate Taxes Expenses	9.3%	12.0%	2.7 p.p.	9.7%	10.1%	0.4 p.p.
Textbooks Materials	0.2%	2.7%	2.5 p.p.	0.1%	1.6%	1.5 p.p.
Third-Party Services and Others	5.2%	4.1%	-1.1 p.p.	5.2%	4.8%	-0.4 p.p.
Non-Recurring Costs	0.4%	1.3%	0.9 p.p.	0.8%	1.3%	0.5 p.p.
Depreciation	3.2%	2.3%	-0.9 p.p.	3.2%	1.9%	-1.3 p.p.

Table 9 - Cash Cost

R\$ MM	4Q09	4Q10	Change	2009	2010	Change
Cost of Services	(161.2)	(177.8)	10.3%	(696.4)	(696.9)	0.1%
(-) Depreciation	7.7	5.8	-24.7%	31.8	19.8	-37.7%
(-) Non-Recurring Costs	0.9	3.4	277.8%	8.1	13.5	66.7%
Recurring Cash Cost	(152.6)	(168.6)	10.5%	(656.5)	(663.6)	1.1%
% Recurring Cash Cost / Net Revenue	62.4%	66.8%	4.3 p.p.	65.1%	65.3%	0.2 p.p.

The **recurring cash cost** in 4Q10 increased by 10.5% over 4Q09, mainly due to the following increases: (i) R\$6.5 million relating to textbooks, which are being distributed to new students enrolled as of 2010; (ii)

R\$4.4 million from higher costs with personnel associated with the social security (INSS) increase; and (iii) R\$2.5 million in non-recurring items relating to contract terminations of personnel.

In 2010, the ratio recurring cash cost and net revenue was stable when compared to 2009, due to the gains with personnel costs (despite the social security contribution increase) and third-party services which offset the R\$15.5 million rise in textbooks.

Gross Profit

Table 10 – Gross Profit Statement

R\$ MM	4Q09	4Q10	Change	2009	2010	Change
Net Operating Revenue	244.4	252.5	3.3%	1,008.8	1,016.1	0.7%
Cost of Services	(161.2)	(177.8)	10.3%	(696.4)	(696.9)	0.1%
Gross Profit	83.2	74.7	-10.2%	312.4	319.2	2.2%
(-) Non-Recurring Costs	0.9	3.4	277.8%	8.1	13.5	66.7%
(-) Depreciation	7.7	5.8	-24.7%	31.8	19.8	-37.7%
Recurring Gross Profit	91.8	83.9	-8.6%	352.3	352.5	0.1%
<i>Recurring Gross Margin</i>	<i>37.6%</i>	<i>33.2%</i>	<i>-4.4 p.p.</i>	<i>34.9%</i>	<i>34.7%</i>	<i>-0.2 p.p.</i>

In 4Q10, **recurring cash gross profit** was mainly impacted by textbook distribution costs, which did not exist in 4Q09.

In 2010, **recurring cash gross profit** amounted to R\$352.5 million, maintaining the gross margin in the period, mainly due to the continuous reduction in costs, offsetting the textbook material costs.

Selling, General & Administrative Expenses

Table 11 – Breakdown of Selling, General & Administrative Expenses

R\$ MM	4Q09	4Q10	Change	2009	2010	Change
Selling, General and Administrative Expenses	(71.8)	(64.7)	-9.9%	(258.7)	(258.6)	0.0%
Selling Expenses	(21.0)	(23.1)	10.0%	(73.9)	(83.1)	12.4%
Provisions for Doubtful Debts	(20.0)	(15.2)	-24.0%	(43.8)	(41.6)	-5.0%
Marketing	(1.0)	(7.9)	690.0%	(30.1)	(41.5)	37.9%
General and Administrative Expenses	(47.6)	(37.7)	-20.8%	(175.0)	(162.5)	-7.1%
Personnel	(21.5)	(21.1)	-1.9%	(69.6)	(70.4)	1.1%
Salaries and Payroll Charges	(20.1)	(19.2)	-4.5%	(61.8)	(60.3)	-2.4%
Brazilian Social Security Institute (INSS)	(1.4)	(1.9)	35.7%	(7.8)	(10.2)	30.8%
Others	(25.4)	(14.4)	-43.3%	(99.8)	(84.5)	-15.3%
Non-Recurring Expenses	(0.7)	(2.2)	214.3%	(5.6)	(7.6)	35.7%
Depreciation	(3.2)	(3.9)	21.9%	(9.8)	(13.0)	32.7%

Table 12 – Vertical Analysis of Selling, General & Administrative Expenses

% of Net Operating Revenue	4Q09	4Q10	Change	2009	2010	Change
Selling, General and Administrative Expenses	29.4%	25.6%	-3.8 p.p.	25.6%	25.5%	-0.1 p.p.
Selling Expenses	8.6%	9.1%	0.5 p.p.	7.3%	8.2%	0.9 p.p.
Provisions for Doubtful Debts	8.2%	6.0%	-2.2 p.p.	4.3%	4.1%	-0.2 p.p.
Marketing	0.4%	3.1%	2.7 p.p.	3.0%	4.1%	1.1 p.p.
General and Administrative Expenses	19.5%	14.9%	-4.6 p.p.	17.3%	16.0%	-1.3 p.p.
Personnel	8.8%	8.4%	-0.4 p.p.	6.9%	6.9%	0.0 p.p.
Salaries and Payroll Charges	8.2%	7.6%	-0.6 p.p.	6.1%	5.9%	-0.2 p.p.
Brazilian Social Security Institute (INSS)	0.6%	0.8%	0.2 p.p.	0.8%	1.0%	0.2 p.p.
Others	10.4%	5.7%	-4.7 p.p.	9.9%	8.3%	-1.6 p.p.
Non-Recurring Expenses	0.3%	0.9%	0.6 p.p.	0.6%	0.7%	0.1 p.p.
Depreciation	1.3%	1.5%	0.2 p.p.	1.0%	1.3%	0.3 p.p.

Table 13 – Cash SG&A Expenses

R\$ MM	4Q09	4Q10	Change	2009	2010	Change
Selling, General and Administrative Expenses	(71.8)	(64.7)	-9.9%	(258.7)	(258.6)	0.0%
(-) Depreciation	3.2	3.9	21.9%	9.8	13.0	32.7%
(-) Non-Recurring expenses	0.7	2.2	214.3%	5.6	7.6	35.7%
Recurring Cash Expenses	(67.9)	(58.6)	-13.7%	(243.3)	(238.0)	-2.2%
% Recurring Cash Expenses / Net Revenue	27.8%	23.2%	-4.6 p.p.	24.1%	23.4%	-0.7 p.p.

Selling, general and administrative expenses (excluding depreciation and non-recurring items) totaled R\$58.6 million in 4Q10, 13.7% down from 4Q09, representing a 4.6 p.p. gain in margins. This gain is mainly due to: (i) the reduction of R\$4.8 million in the provision for doubtful accounts (PDD), with the higher recovery of monthly tuitions and control of delinquency; and (ii) reduction of R\$11.0 million thanks to productivity gains through SSC operations. The R\$6.9 million increase in marketing expenses in 4Q10 over 4Q09 was due to reduced expenses in 2009.

In 2010, **selling, general and administrative expenses (excluding depreciation and non-recurring items)** were down 2.2% over 2009, given the better management of general expenses at the units and the corporate center which more than offset the increase in marketing expenses. In 2010, the provision for doubtful accounts (PDD) was equivalent to 4.1% of net revenue, compared to 4.3% in 2009, in line with the policy of provisioning 100% of the accounts receivable of more than 180 days, showing better delinquency levels.

EBITDA

Table 14 –Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

R\$ MM	4Q09	4Q10	Change	2009	2010	Change
Net Operating Revenue	244.4	252.5	3.3%	1,008.8	1,016.1	0.7%
Cost of Services	(161.2)	(177.8)	10.3%	(696.4)	(696.9)	0.1%
Selling, General and Administrative Expenses	(71.8)	(64.7)	-9.9%	(258.7)	(258.7)	0.0%
EBIT	11.4	10.0	-12.3%	53.7	60.5	12.7%
(-) Operating Financial Result	2.0	1.8	-10.0%	10.1	12.9	27.7%
(-) Non-Recurring Costs and Expenses	1.6	5.5	243.8%	13.7	21.1	54.0%
Recurring EBIT	15.0	17.3	15.3%	77.5	94.6	22.1%
(-) Depreciation and Amortization	10.9	9.7	-11.0%	41.6	32.9	-20.9%
Recurring EBITDA	25.9	27.0	4.2%	119.1	127.4	7.0%
<i>Recurring EBITDA Margin</i>	<i>10.6%</i>	<i>10.7%</i>	<i>0.1 p.p.</i>	<i>11.8%</i>	<i>12.5%</i>	<i>0.7 p.p.</i>

Recurring EBITDA in 4Q10 totaled R\$27.0 million. The 4.2% increase was mainly due to the net revenue increase and the reduction in General and Administrative expenses, compensating the rise in textbooks and marketing expenses in the quarter. Recurring EBITDA margin in 4Q10 remained at 10.7%.

In 2010, **recurring EBITDA** totaled R\$127.4 million, a 7.0% increase over 2009, mainly due to better management of faculty costs and of general expenses at the units and the corporate center. Recurring EBITDA margin in 2010 came to 12.5%, up 0.7 p.p. over 2009.

Financial Result

Table 15 – Breakdown of Financial Result

R\$ MM	4Q09	4Q10	Change	2009	2010	Change
Financial Result	3.5	3.6	2.9%	15.0	14.3	-4.7%
Financial Revenues	6.5	7.2	10.8%	30.0	30.5	1.7%
Interest and Financial Investment	4.6	5.4	17.4%	19.9	17.7	-11.1%
Operating Financial Result	2.0	1.8	-10.0%	10.1	12.9	27.7%
Financial Expenses	(3.0)	(3.6)	20.0%	(15.0)	(16.2)	8.0%

Accounts Receivable and Average Term of Receipt

Table 16 - Accounts Receivable and Average Term of Receipt

Accounts Receivable (R\$ mm)	4Q09	1Q10	2Q10	3Q10	4Q10
Gross Accounts Receivable	196,8	208,8	249,9	256,3	201,8
FIES	2,3	4,6	5,4	17,5	15,3
Tuition monthly fees	174,7	179,5	220,0	207,9	168,2
Financed Tuition	19,8	24,7	24,6	30,9	18,3
Credit Cards receivable	2,7	1,1	6,0	11,8	6,9
Checks receivable	16,3	15,5	16,8	16,2	6,9
Fees receivables	0,9	8,2	1,8	2,9	4,4
Provision for bad debts	(78,8)	(85,1)	(102,2)	(107,3)	(45,4)
Net Accounts Receivable	118,0	123,7	147,7	148,9	156,4
(-) FIES	(2,3)	(4,6)	(5,4)	(17,5)	(15,3)
Net Accounts Receivable Ex. FIES	115,7	119,1	142,3	131,5	141,1
Net revenue (last twelve months)	1.008,8	1.000,3	1.010,0	1.008,1	1.016,2
Days Receivables Ex. FIES	41	43	51	47	50

The number of **days of accounts receivable from students** (monthly tuition and agreements) stood at 50 days - stable in comparison with the last two quarters - showing the continuity of our conservative policy towards management of our working capital and the health of our working capital. The increase in relation to the 4Q09 and 1Q10 was due to the elimination of discounts for advance payments.

The FIES Accounts Receivable consists of educational loans contracted by students from the Caixa Econômica Federal, used by Estácio for the payment of federal taxes, thus, representing fiscal credits without any risk of delinquency.

In December 2010, receivables overdue for more than 360 days and their respective 100% provisions for doubtful accounts (PDD) were written off from accounts receivable. The write-off amounted to R\$53 million and did not affect the Company's results or working capital given that they have already been expensed.

Net Income

Table 17 – Statement of Net Income Based on EBITDA

R\$ MM	4Q09	4Q10	Change	2009	2010	Change
EBITDA	22.3	19.7	-11.7%	95.3	93.4	-2.0%
Financial Result	3.5	3.6	2.9%	15.0	14.3	-4.7%
Depreciation and Amortization	(10.9)	(9.7)	-11.0%	(41.6)	(32.9)	-20.9%
Non-operating result	(0.3)	-	N.A.	(0.4)	(1.1)	175.0%
Social Contribution	(1.0)	2.3	N.A.	(1.3)	1.8	N.A.
Income Tax	(2.9)	6.3	N.A.	(3.6)	5.1	N.A.
Net Income	10.7	22.2	107.5%	63.4	80.6	27.1%
(-) Non-Recurring Costs and Expenses	1.6	5.5	243.8%	13.7	21.1	54.0%
Adjusted Net Income	12.3	27.7	125.2%	77.1	101.7	31.9%

Capitalization and Cash

Table 18 – Capitalization and Cash

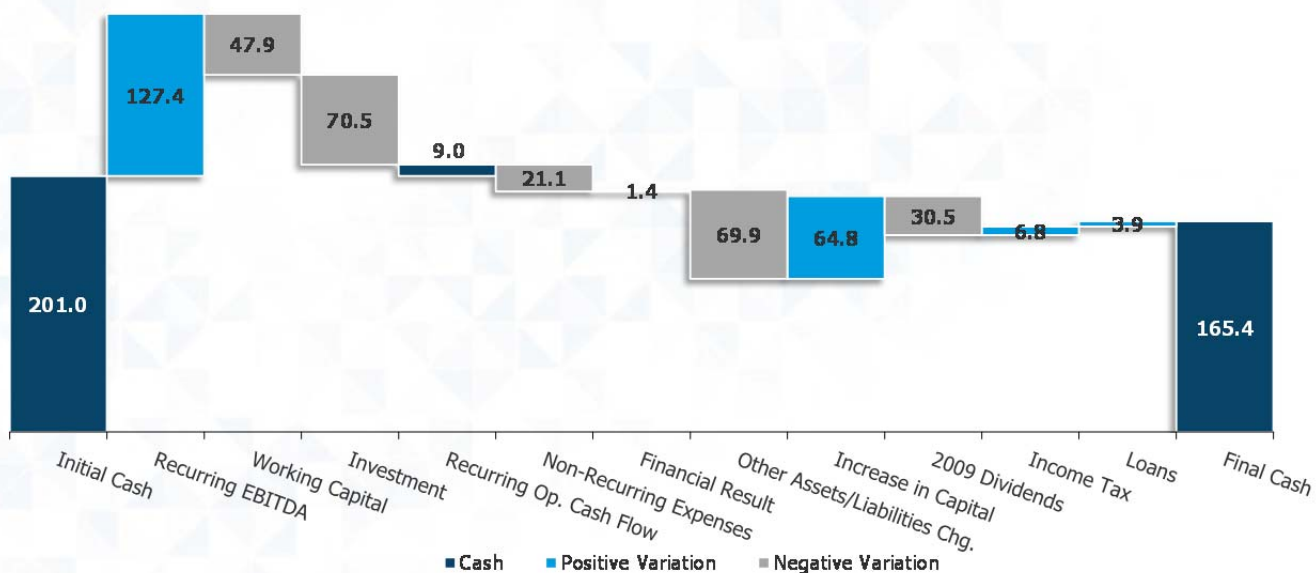
R\$ MM	12/31/2009	09/30/2010	12/31/2010	Change
Shareholders' Equity	453.4	518.3	585.9	13.1%
Loans and Financing	5.6	7.5	9.6	28.0%
Short Term	4.7	2.7	1.8	-33.3%
Long Term	0.8	4.8	7.8	62.5%
Cash & Cash Equivalents	201.0	183.7	165.4	-10.0%
Net Cash	195.4	176.2	155.8	-11.6%

At the close of 4Q10, the Company's **net cash** totaled R\$155.8 million, which was conservatively invested in fixed-income instruments pegged to the CDI rate, in government bonds and in certificates of deposits at prime Brazilian banks.

Gross Debt at the close of 4Q10 was R\$9.6 million and mainly corresponds to the FINAME contract and capitalization of equipment leasing expenses, in accordance with Federal Law 11,638.

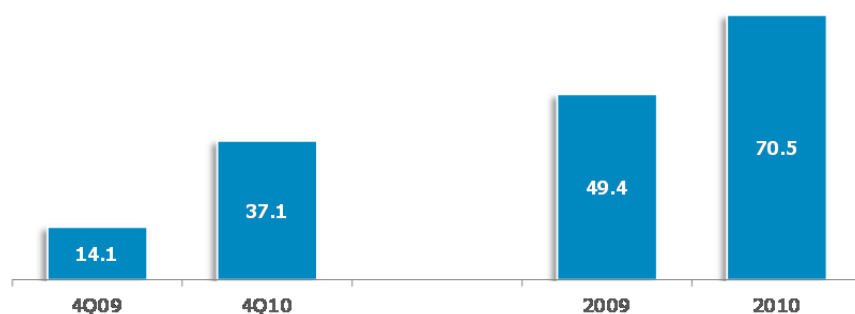
Cash Flow

Chart 1 – Cash Flow (R\$ MM)



Capital Expenditure (CAPEX)

Chart 2 – CAPEX Breakdown (R\$ MM)



Estácio's **organic CAPEX** in 4Q10 came to R\$37.1 million, which was allocated to the new academic model, expansion projects, as well as renovations and improvements to our units, besides new equipments. Estácio's organic CAPEX in 2010 corresponded to 6.9% of net revenue.

Results Conference Calls

Conference Call (in Portuguese)	Conference Call (in English)
Date: March 18, 2011	Date: March 18, 2011
Time: 10 a.m. (Brasília) / 9 a.m. (U.S. ET)	Time: 12 p.m. (Brasília) / 11 a.m. (U.S. ET)
Dial-in: +55 (11) 3127-4971	Dial-in: +1 (973) 935-8454
Webcast: www.estacioparticipacoes.com.br/ri	Webcast: www.estacioparticipacoes.com.br/ir
Replay: available from March 18 to 25, 2011	Replay: available from March 18 to 25, 2011
Dial-in: +55 (11) 3127-4999	Dial-in: +1 (706) 645-9291
Code: 90145465	Code: 41090876

The statements included in this report related to the prospects of the business, estimates of operating and financial results, as well as those relating to Estácio's growth prospects are merely projections and as such are based exclusively on the Management's expectations regarding the future of the business. These statements depend substantially on changes in market conditions, performance of the Brazilian economy, the sector and international markets and therefore are subject to changes without prior notice.

Income Statement

R\$ MM	4Q09	4Q10	Change	2009	2010	Change
Gross Operating Revenue	357.2	356.3	-0.3%	1,459.7	1,454.3	-0.4%
Monthly Tuition Fees	361.9	351.2	-3.0%	1,443.5	1,435.7	-0.5%
Others	2.5	5.1	104.0%	16.2	18.6	14.8%
Gross Revenue Deductions	(112.8)	(103.8)	-8.0%	(450.9)	(438.2)	-2.8%
Net Operating Revenue	244.4	252.5	3.3%	1,008.8	1,016.1	0.7%
Cost of Services	(161.2)	(177.8)	10.3%	(696.4)	(696.9)	0.1%
Personnel	(116.7)	(121.1)	3.8%	(506.0)	(496.3)	-1.9%
Rentals / Real Estate Taxes Expenses	(22.8)	(30.3)	32.9%	(97.4)	(102.4)	5.1%
Textbooks Materials	(0.4)	(6.9)	N.A.	(1.0)	(16.5)	N.A.
Third-Party Services and Others	(12.7)	(10.3)	-18.9%	(52.1)	(48.4)	-7.1%
Non-Recurring Costs	(0.9)	(3.4)	277.8%	(8.1)	(13.5)	66.7%
Depreciation	(7.7)	(5.8)	-24.7%	(31.8)	(19.8)	-37.7%
Gross Profit	83.2	74.7	-10.3%	312.4	319.2	2.2%
(-) Non-Recurring Costs	0.9	3.4	277.8%	8.1	13.5	66.7%
Recurring Gross Profit	84.1	78.1	-7.1%	320.5	332.7	3.8%
Recurring Gross Margin	34.4%	30.9%	-3.5 p.p.	31.8%	32.7%	0.9 p.p.
Selling, General and Administrative Expenses	(71.8)	(64.7)	-9.9%	(258.7)	(258.6)	0.0%
Selling Expenses	(21.0)	(23.1)	10.0%	(73.9)	(83.1)	12.4%
Provisions for Doubtful Debts	(20.0)	(15.2)	-24.0%	(43.8)	(41.6)	-5.0%
Marketing	(1.0)	(7.9)	690.0%	(30.1)	(41.5)	37.9%
General and Administrative Expenses	(47.6)	(37.7)	-20.8%	(175.0)	(162.5)	-7.1%
Personnel	(21.5)	(21.1)	-1.9%	(69.6)	(70.4)	1.1%
Others	(25.4)	(14.4)	-43.3%	(99.8)	(84.5)	-15.3%
Non-Recurring Expenses	(0.7)	(2.2)	214.3%	(5.6)	(7.6)	35.7%
Depreciation	(3.2)	(3.9)	21.9%	(9.8)	(13.0)	32.7%
EBIT	11.4	10.0	-12.3%	53.7	60.6	12.8%
EBIT Margin	4.7%	4.0%	-0.7 p.p.	5.3%	6.0%	0.7 p.p.
(-) Non-Recurring Costs and Expenses	1.6	5.5	243.8%	13.7	21.1	54.0%
(-) Operating Financial Result	2.0	1.8	-10.0%	10.1	12.9	27.7%
Recurring EBIT	15.0	17.3	15.3%	77.5	94.6	22.1%
Recurring EBIT Margin	6.1%	6.9%	0.8 p.p.	7.7%	9.3%	1.6 p.p.
(-) Depreciation and Amortization	10.9	9.7	-11.0%	41.6	32.8	-21.2%
Recurring EBITDA	25.9	27.0	4.2%	119.1	127.4	7.0%
Recurring EBITDA Margin	10.6%	10.7%	0.1 p.p.	11.8%	12.5%	0.7 p.p.
Financial Result	3.5	3.6	2.9%	15.0	14.3	-4.7%
Depreciation and Amortization	(10.9)	(9.7)	-11.0%	(41.6)	(32.8)	-21.2%
Non-operating result	(0.3)	-	N.A.	(0.4)	(1.0)	N.A.
Social Contribution	(0.8)	2.3	N.A.	(1.1)	1.8	N.A.
Income Tax	(3.1)	6.3	N.A.	(3.9)	5.0	N.A.
Net Income	10.7	22.2	107.5%	63.3	80.7	27.5%
Non-Recurring Costs and Expenses	1.6	5.5	243.8%	13.7	21.1	54.0%
Recurring Net Income	12.3	27.7	125.2%	77.1	101.7	31.9%
Recurring Net Margin	5.0%	11.0%	6.0 p.p.	7.6%	10.0%	2.4 p.p.

Balance Sheet

R\$ MM	12/31/2009	09/30/2010	12/31/2010
Short-Term Assets	350.5	367.9	390.4
Cash & Cash Equivalents	51.3	39.8	44.7
Short-Term Investments	149.7	143.9	120.7
Accounts Receivable	118.0	148.9	156.4
Carry-Forwards Credits	0.9	0.8	14.5
Advance to Employees / Third-Parties	11.2	4.7	6.2
Related Parties	0.2	0.3	7.1
Prepaid Expenses	4.2	10.6	10.0
Others	14.9	18.9	30.8
Long-Term Assets	337.8	363.9	414.1
Non-Current Assets	27.9	43.6	58.7
Prepaid Expenses	2.2	2.8	2.2
Related Parties	2.7	3.0	3.2
Judicial Deposits	20.7	35.1	38.1
Deferred Taxes	2.4	2.7	15.3
Permanent Assets	309.9	320.2	355.4
Investments	0.2	0.2	7.7
Fixed Assets	192.0	195.6	211.0
Intangible	117.7	124.4	136.7
Total Assets	688.3	731.8	804.5
Short-Term Liabilities	163.1	138.3	139.5
Loans and Financing	4.7	2.7	1.8
Suppliers	17.6	18.0	17.8
Salaries and Payroll Charges	59.1	89.7	58.0
Taxes Payable	15.5	12.8	18.9
Prepaid Monthly Tuition Fees	30.3	9.3	18.9
Taxes Paid in Installments	0.5	0.4	0.3
Dividends Payable	30.5	0.0	19.2
Commitments Payable	1.3	1.5	1.5
Others	3.6	3.9	3.2
Long-Term Liabilities	71.7	75.1	79.1
Loans and Financing	0.8	4.8	7.8
Provisions for Contingencies	33.3	34.6	36.4
Advances under Partnership Agreement	23.6	21.4	20.7
Taxes Paid in Installments	1.8	1.5	1.5
Provision for asset retirement obligations	12.3	12.6	12.7
Others	-	0.2	-
Shareholders' Equity	453.4	518.3	585.9
Capital	295.2	298.0	360.1
Capital Reserves	100.4	104.7	106.9
Earnings Reserves	58.1	58.1	100.5
Retained Earnings	-	58.3	-
Additional Proposed Dividend	-	-	19.2
Retained Translation Adjustments	(0.3)	(0.5)	(0.4)
Treasury Stocks	-	(0.3)	(0.3)
Total Liabilities and Shareholders' Equity	688.3	731.8	804.5

Cash Flow Statement

R\$ MM	4Q09	4Q10	Change	2009	2010	Change
Cash Flow from Operating Activities						
Net Income for the Period	10.6	22.3	110.4%	63.4	80.7	27.3%
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Depreciation e Amortization	9.6	9.6	0.0%	40.2	32.7	-18.7%
Residual Value of Fixed Asset Disposals	0.2	0.3	50.0%	2.6	1.6	-38.5%
Stock Option	0.9	1.6	77.8%	3.9	5.9	51.3%
Provision for Contingencies	0.1	2.3	2200.0%	4.5	5.2	15.6%
Interest on Loans to Subsidiaries	(0.2)	(0.2)	0.0%	(0.2)	(0.6)	200.0%
Equity Income	-	-	N.A.	-	-	N.A.
Adjusted Net Income to Non Cash Items	21.2	35.9	69.3%	114.4	125.5	9.7%
Changes in Assets and Liabilities:						
(Increase) in Accounts Receivable	(2.0)	(13.2)	560.0%	(14.1)	(38.4)	172.3%
(Increase) in Other Assets	(6.8)	(38.3)	463.2%	(4.8)	(47.6)	891.7%
Increase (Decrease) in Suppliers	(1.5)	(0.2)	-86.7%	(6.8)	0.2	N.A.
Increase (Decrease) in Tax Payable	5.6	5.6	0.0%	(1.8)	2.9	N.A.
Increase (Decrease) in Deferred Taxes	-	(13.0)	N.A.	-	(13.0)	N.A.
Increase in Salaries and Social Charges	(36.1)	(31.7)	-12.2%	2.9	(1.1)	N.A.
Increase (Decrease) in Prepaid Monthly Tuition Fees	(0.6)	9.6	N.A.	1.1	(11.4)	N.A.
(Decrease) in the Provision for Contingencies	(2.7)	11.2	N.A.	(9.8)	(2.0)	-79.6%
Increase in provision for asset retirement obligations			N.A.	0.2	0.5	150.0%
Increase (Decrease) in Other Liabilities	(0.3)	(0.4)	33.3%	(3.7)	(0.2)	-94.6%
Increase (Decrease) in Advanced under Partnership Agreement	(0.8)	(0.7)	-12.5%	(2.9)	(2.9)	0.0%
Changes in Transactions with Related Parties						
Increase (Decrease) in Accounts Receivable	(2.2)	(14.2)	N.A.	(2.5)	(14.3)	472.0%
Increase (decrease) in Accounts Payable	-	-	N.A.	-	-	N.A.
Increase in Non-Current Assets	5.5	3.3	-40.0%	(0.8)	-	-100.0%
Net Cash Generated by (Used in) Operating Activities	(20.7)	(46.0)	122.2%	71.4	(1.8)	N.A.
Cash Flow from Investing Activities						
Financial Investments	26.3	23.2	-11.8%	14.3	29.0	102.8%
goodwill	-	0.5	N.A.	-	0.6	N.A.
Fixed Assets and Intangible	5.6	(19.1)	N.A.	(20.9)	(45.6)	118.2%
Costs with Demobilization	(3.9)	-	-100.0%	(3.9)	(0.3)	
Intangible	(14.9)	(18.1)	21.5%	(23.4)	(26.4)	
Net Cash Generated by (Used in) Investing Activities	13.1	(13.5)	N.A.	(33.9)	(42.7)	26.0%
Cash Flow from Financing Activities						
Capital Increase	-	62.1	N.A.	-	64.9	N.A.
Paid Dividends	-	-	N.A.	(17.9)	(30.5)	70.4%
Treasury Stocks	-	-	N.A.	-	(0.3)	N.A.
Increase (Decrease) in Loans and Financings	(1.2)	2.0	N.A.	(6.0)	4.0	N.A.
Net Cash Used in Financing Activities	(1.2)	64.1	N.A.	(23.9)	38.1	N.A.
Foreign Exchange Gains (Losses) on Investments Abroad	0.2	0.3	50.0%	(0.4)	(0.2)	-50.0%
Increase (Decrease) in Cash & Cash Equivalents	(8.6)	4.9	N.A.	13.2	(6.6)	N.A.
At the Beginning of the Period	59.9	39.8	-33.6%	38.1	51.3	34.6%
At the End of the Period	51.3	44.7	-12.9%	51.3	44.7	-12.9%
Changes in Cash & Cash Equivalents	(8.6)	4.9	N.A.	13.2	(6.6)	N.A.

About Estácio

Estácio is Brazil's one of the largest private sector higher education group in terms of number of students, with a nationwide presence in major cities. Its student base has a highly diversified profile and includes mostly young working adults from the middle and lower-middle income brackets. Its growth and market leadership are due to the quality of its programs, the strategic location of its units, its competitive prices and its solid financial position.

Estácio's strengths are:

Strong Positioning to Explore the Market's Growth Potential

- ♦ Nationwide presence, with units in the country's largest urban centers
- ♦ Broad course portfolio
- ♦ Managerial and financial capacity to innovate and improve courses
- ♦ Widely recognized 'Estácio' brand

Differentiated Teaching Quality

- ♦ Nationally integrated syllabi
- ♦ Differentiated teaching methodology
- ♦ Highly qualified faculty

Professional and Integrated Operational Management

- ♦ Result oriented management model
- ♦ Focus on quality of teaching

Scalable Business Model

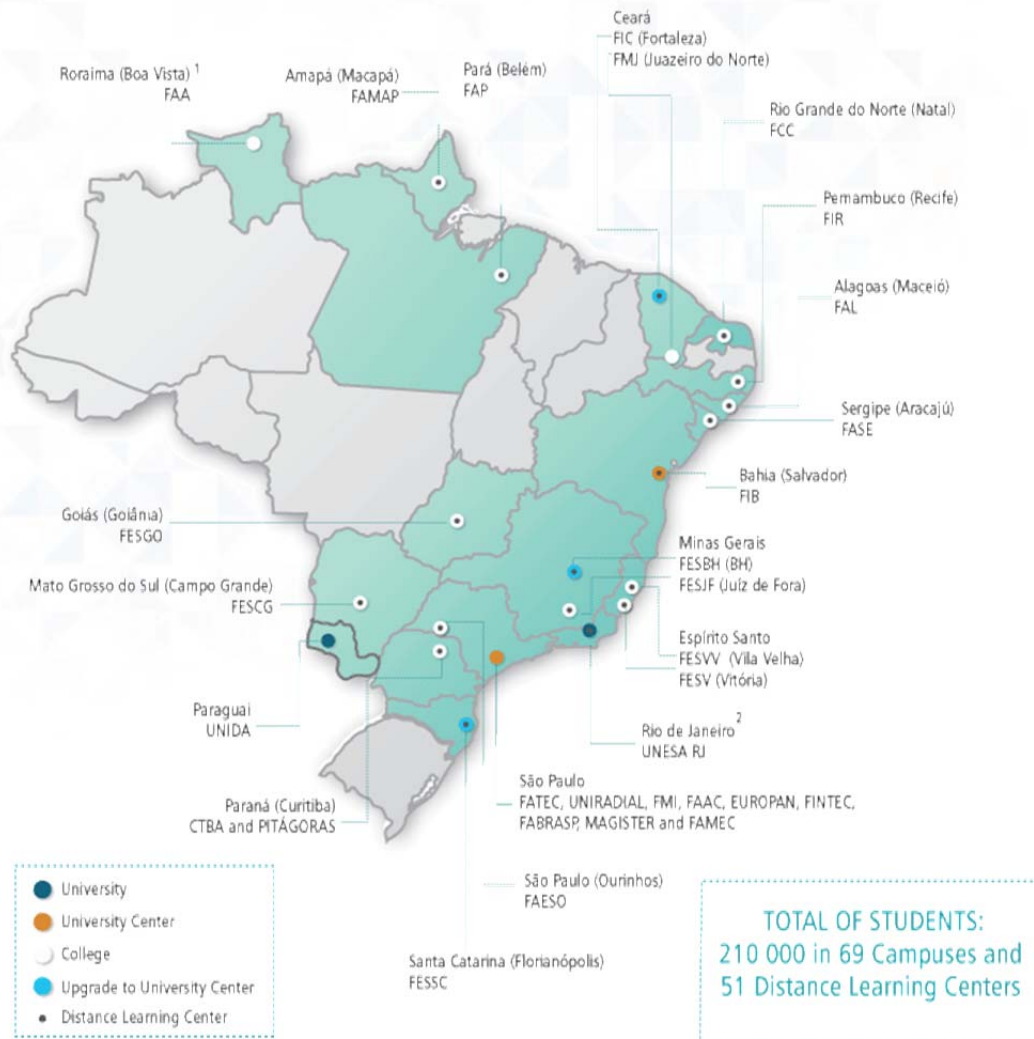
- ♦ Growth with profitability
- ♦ Organic expansion and through acquisitions

Financial Soundness

- ♦ Strong cash reserve
- ♦ Fund generation and raising capacity
- ♦ Control of working capital



At the end of December 2010, Estácio had 210,000 students enrolled in its undergraduate, graduate and distance learning education network with nationwide coverage, with operations also in Paraguay, as shown in the following map:



1. FAA has approximately 4,500 students.

2. The state of Rio de Janeiro has 34 recognized Distance Learning Centers.