



Estácio

3Q11 RESULTS

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Higher student base, higher EBITDA, higher margin, higher net income, zero "non-recurring" items

- ◆ **Third record high admission cycle in a row:** 61,500 new students (+26.0%)
- ◆ **Efficiency gains:** margin expansion due to increase in revenue and greater efficiency in personnel costs and G&A
- ◆ **Acquisitions' integration:** acquired units contributed to the expansion of consolidated margins
- ◆ **Higher profitability:** Net Income of R\$31.1 million (+22.9%)

- ◆ Decision not to use "non-recurring" items
- ◆ Main reasons:
 - In line with MD&A with management's bonus parameters
 - Market demands
 - Straight forwardness
- ◆ Our long-term margin and efficiency gains guidance remains unchanged



RESULTS' HIGHLIGHTS



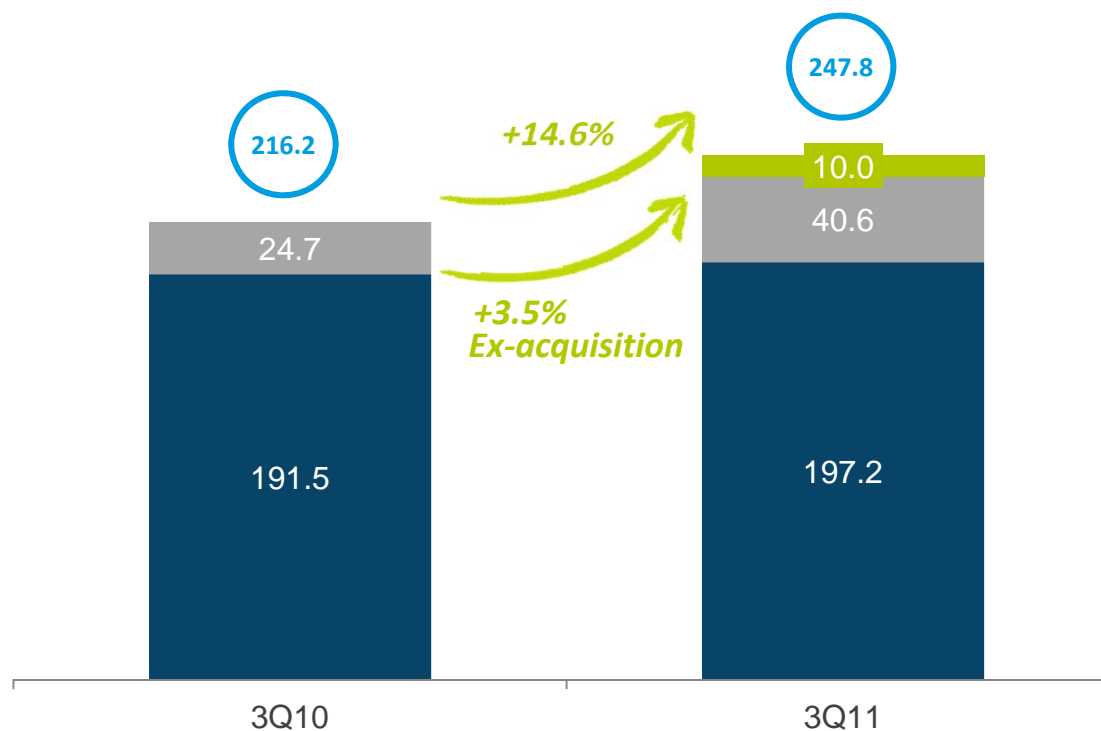
Margin expansion due to the success of our business model: centralization, scalability and new academic model

Main Indicators (R\$ MM)	3Q10	3Q11	Change	3Q11 ex. acquisitions	Change
Net Revenue	249.5	288.3	15.6%	274.1	9.8%
EBIT	22.0	32.1	45.9%	28.6	30.0%
EBITDA	34.0	47.3	39.1%	43.6	28.2%
<i>EBITDA Margin</i>	<i>13.6%</i>	<i>16.4%</i>	<i>2.8 p.p.</i>	<i>15.9%</i>	<i>2.3 p.p.</i>

Main Indicators (R\$ MM)	9M10	9M11	Change	9M11 ex. acquisitions	Change
Net Revenue	763.7	854.0	11.8%	822.6	7.7%
EBIT	50.4	73.1	45.0%	69.5	37.9%
EBITDA	84.6	113.8	34.5%	109.7	29.7%
<i>EBITDA Margin</i>	<i>11.1%</i>	<i>13.3%</i>	<i>2.2 p.p.</i>	<i>13.3%</i>	<i>2.2 p.p.</i>

STUDENT BASE – BY SEGMENT

■ On campus ■ Acquisitions 2011 ('000 students)
■ Distance Learning ○ Total Student Base



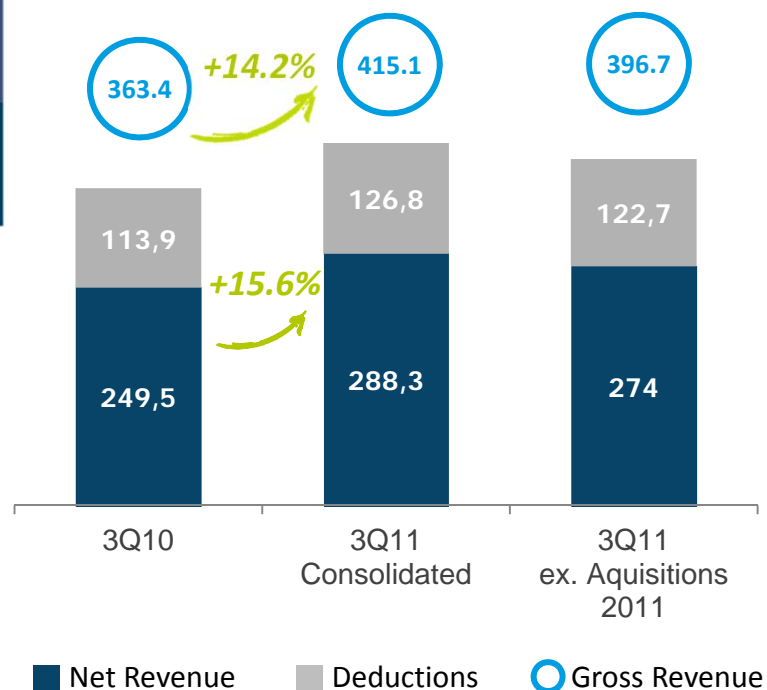
- ◆ Resumption of growth after three enrollment records in a row
- ◆ Increase in distance learning student base also reflects success in enrollment and launch of new courses

OPERATING REVENUE



OPERATING REVENUE

(In R\$ million)



- Revenue increase as a result of the organic growth in student base in the period
- The average ticket reflects the inflation adjustment in prices
- Upward trend for the 4th quarter, due to our campaign strategy

(R\$)	3Q10	3Q11	Chg
Average On-Campus Ticket	412.8	430.4	4.3%
Average On-Campus Ticket Ex. Acquisitions	412.8	428.3	3.7%
Average Distance Learning Ticket	167.3	170.1	1.6%

CASH COSTS 3Q11



Vertical Analysis (% of Net Operating Revenue)	3Q10	3Q11	Change	3Q11 ex. acquisitions	Change
Recurring Cash Cost*	-64.9%	-62.5%	+2.4 p.p.	-62.7%	+2.2 p.p.
Personnel	-41.4%	-38.6%	+2.8 p.p.	-38.5%	+2.9 p.p.
Brazilian Social Security Institute (INSS)	-7.7%	-8.4%	-0.7 p.p.	-8.5%	-0.8 p.p.
Rentals. Condominium Fees and Municipal Property Tax	-9.7%	-9.3%	+0.4 p.p.	-9.4%	+0.3 p.p.
Textbooks Materials	-1.3%	-1.7%	-0.4 p.p.	-1.8%	-0.5 p.p.
Others	-4.8%	-4.5%	+0.3 p.p.	-4.5%	+0.3 p.p.

*Cost of Services excluding non recurring and depreciation.

- ◆ Relevant gains in personnel costs due to the continued evolution of the academic model and more efficient academic planning
- ◆ Rentals and Others reflect the benefits of the increase in revenue and further infrastructure optimization

SG&A EXPENSES 3Q11



Vertical Analysis (% of Net Operating Revenue)	3Q10	3Q11	Change	3Q11 ex. acquisitions	Change
SG&A*	-23.0%	-22.4%	+0.6 p.p.	-22.8%	+0.2 p.p.
Selling Expenses	-7.6%	-7.6%	+0.0 p.p.	-7.8%	-0.2 p.p.
PDA	-2.5%	-2.8%	-0.3 p.p.	-2.9%	-0.4 p.p.
Marketing	-5.1%	-4.8%	+0.3 p.p.	-4.9%	+0.2 p.p.
G&A Expenses*	-15.4%	-14.8%	+0.6 p.p.	-15.0%	+0.4 p.p.
Personnel and Payroll charges	-7.5%	-6.2%	+1.3 p.p.	-6.3%	+1.2 p.p.
Third-party services	-4.8%	-4.1%	+0.7 p.p.	-4.1%	+0.7 p.p.
Machinery rental and leasing	-0.2%	-0.2%	0.0 p.p.	-0.2%	0.0 p.p.
Other Operating Renevues	1.2%	1.1%	-0.1 p.p.	1.2%	0.0 p.p.
Provision for Contingencies	-0.2%	-1.4%	-1.2 p.p.	-1.4%	-1.2 p.p.
Others	-3.9%	-4.2%	-0.3 p.p.	-4.2%	-0.3 p.p.

*SG&A Expenses excluding depreciation.

PDA & RECEIVABLES



Accounts Receivable (R\$ MM)	3Q10	4Q10	1Q11	2Q11	3Q11 Consolidated	3Q11 ex. aquisições ²
Gross Accounts Receivable	267.1	210.9	234.4	273.1	283.2	259.5
FIES	17.5	15.3	21.2	25.4	31.0	31.0
Tuition Monthly Fees	193.5	157.4	164.6	198.7	195.0	173.7
Cards Receivable	11.8	6.9	12.8	10.8	16.4	15.6
Agreement Receivables	41.5	26.9	31.7	32.4	35.5	33.9
Fees Receivables	2.9	4.4	4.1	5.7	5.3	5.3
Credits to Identify	(7.8)	(9.2)	(5.5)	(6.8)	(5.2)	(5.3)
Provision for Doubtful Accounts	(110.4)	(45.4)	(49.9)	(55.8)	(56.0)	(44.7)
Net Accounts Receivable	148.9	156.4	179.0	210.5	221.9	209.5
(-) FIES	(17.5)	(15.3)	(21.2)	(25.4)	(31.0)	(31.0)
Net Accounts Receivable Ex. FIES	134.6	141.1	157.8	185.0	190.9	178.5
Net Revenues (Last 12 months)	1.008.1	1.016.2	1.036.0	1.119.3	1.106.5	1.075.0
Days Receivables Ex. FIES*	47	50	55	60	62	60

¹ Calculated based on net revenue in the last 12 months

² Acquired companies since 2011: Atual, FAL, FATERN e Academia do Concurso.

AGING OF RECEIVABLES AND AGREEMENTS



Breakdown of accounts receivable by age (R\$ millions)

FIES
Not yet due
Overdue up to 30 days
Overdue from 31 to 60 days
Overdue from 61 to 90 days
Overdue from 91 to 179 days
Overdue more than 189 days
Total

3Q10	%	3Q11	%
17.5	7%	31.0	11%
55.0	21%	90.8	32%
37.1	14%	45.4	16%
17.3	6%	19.7	7%
6.4	2%	6.0	2%
26.8	10%	34.3	12%
106.9	40%	56.0	20%
267.1	100%	283.2	100%

Breakdown of agreements by age (R\$ millions)

Not yet due
Overdue up to 30 days
Overdue from 31 to 60 days
Overdue from 61 to 90 days
Overdue from 91 to 179 days
Overdue more than 189 days
TOTAL
% over Net Accounts Receivable

3Q10	%	3Q11	%
26.3	64%	25.0	70%
6.5	16%	2.2	6%
1.8	4%	1.2	3%
0.7	2%	1.3	4%
1.6	4%	2.9	8%
4.5	11%	2.9	8%
41.5	100%	35.5	100%
28%		16%	

ACQUIRED COMPANIES RESULTS



Highlights (R\$ milhões)	Atual	FAL	FATERN	ACADEMIA DO CONCURSO
Net revenue	5.3	2.2	3.8	2.6
Gross Profit	2.1	0.7	1.8	1.0
<i>Gross profit margin</i>	40.3%	31.5%	48.1%	37.7%
EBITDA ¹	2.0	0.2	1.5	0.0
<i>EBITDA Margin</i>	37.9%	11.4%	39.9%	1.2%
Net Income	1.6	0.2	1.2	-0.1
<i>Net Income Margin</i>	29.9%	8.5%	31.6%	-2.4%

¹ Corporate expenses not included.

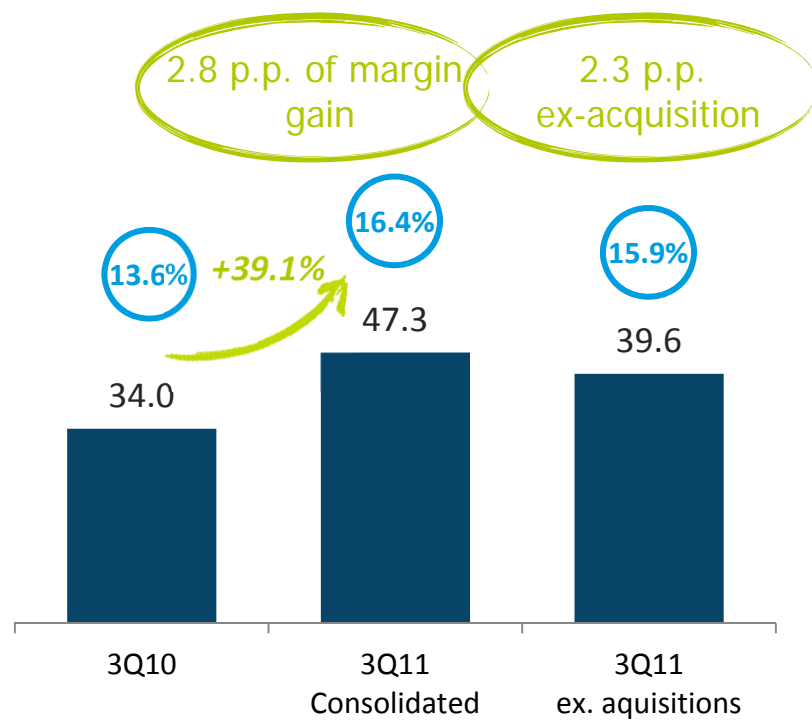
- ◆ Excellent performance in Boa Vista, Estacio-Atual, which begins to reap rewards of the migration to Estacio academic model introduced there in 2H11
- ◆ Estacio-FAL and Estacio-Fatern had a good enrollment cycle and, although they have not started migrating to Estacio academic model yet, they already benefit from the formation of Natal cluster

EBITDA AND NET INCOME



EBITDA

(In R\$ million)

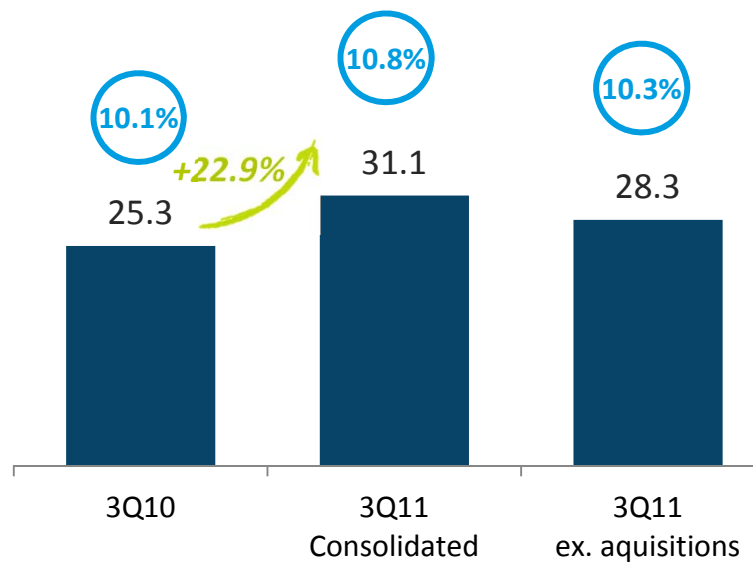


○ EBITDA Margin

■ EBITDA

NET INCOME

(In R\$ million)



○ Net Income Margin

■ Net Income

CASH FLOW 3Q11

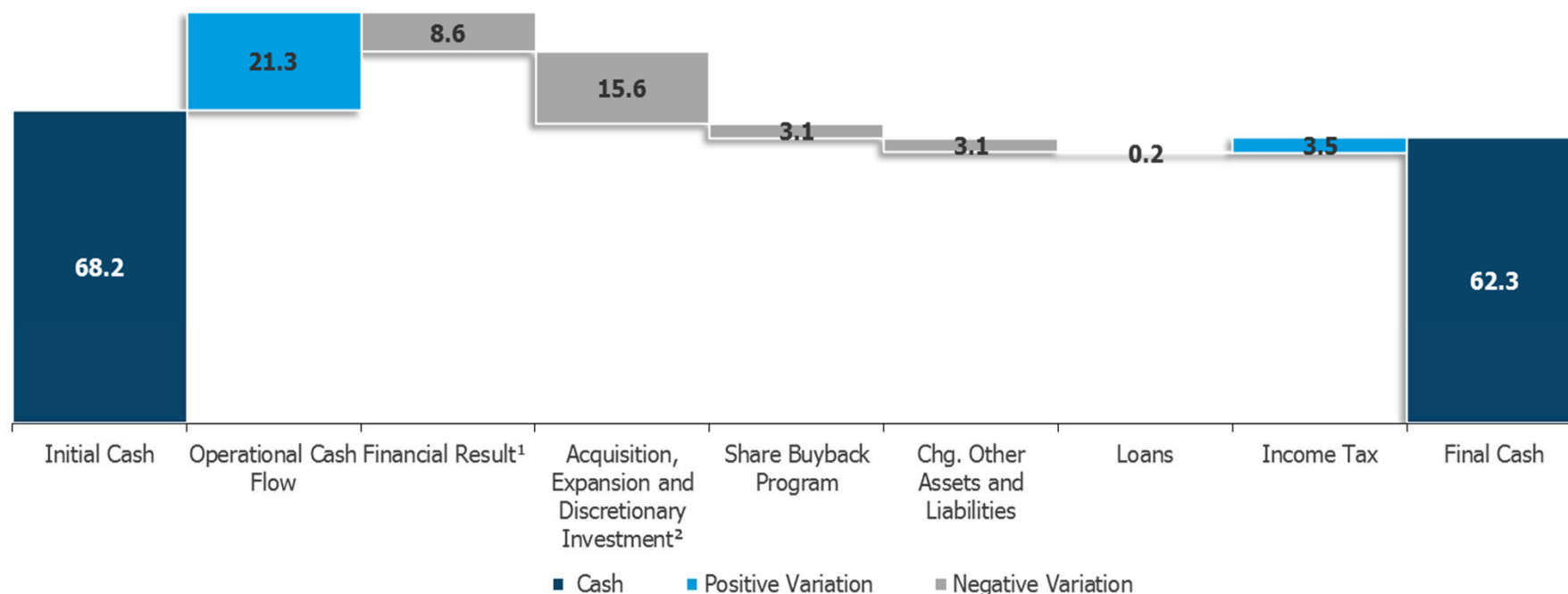


Operational Cash Flow



CASH FLOW 3Q11

(In R\$ millions)



¹ Financial Result except Operating Financial Result

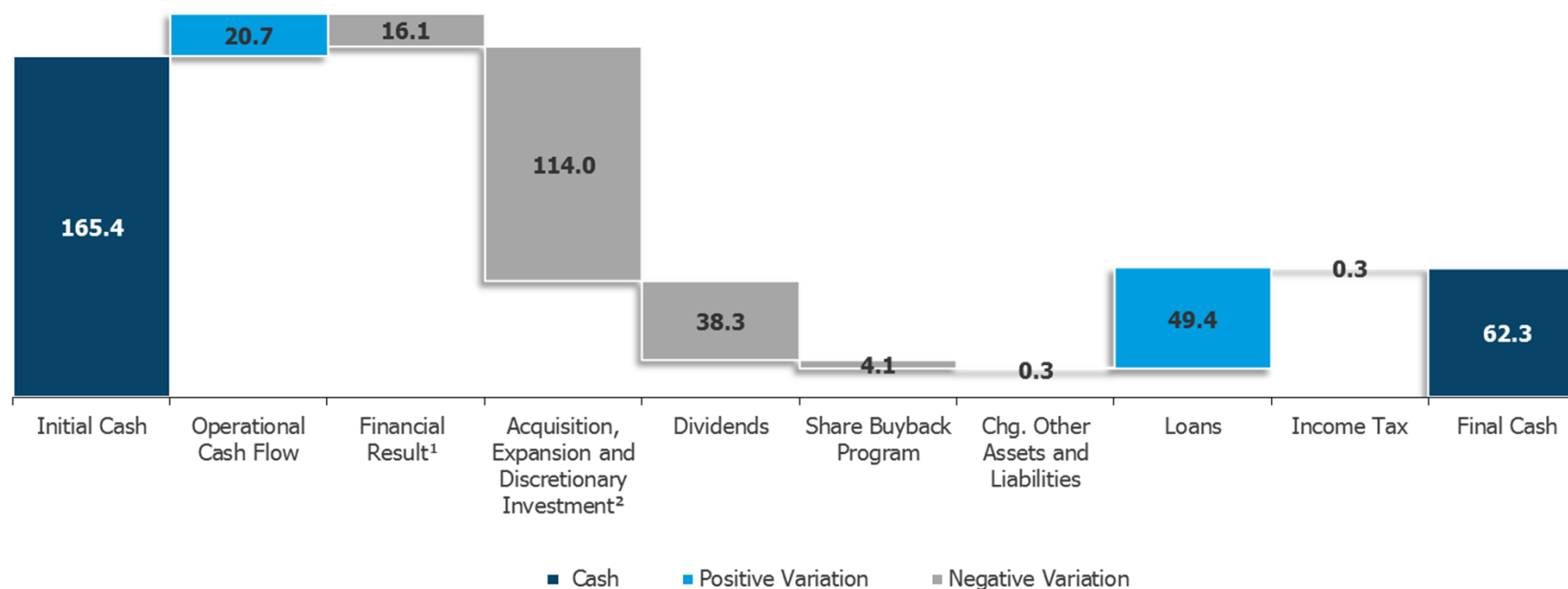
² Composition of Investments: Expansion CAPEX (R\$3.4 million) + Discretionary Capex (R\$12.2 million)

CASH FLOW 9M11



CASH FLOW 3Q11

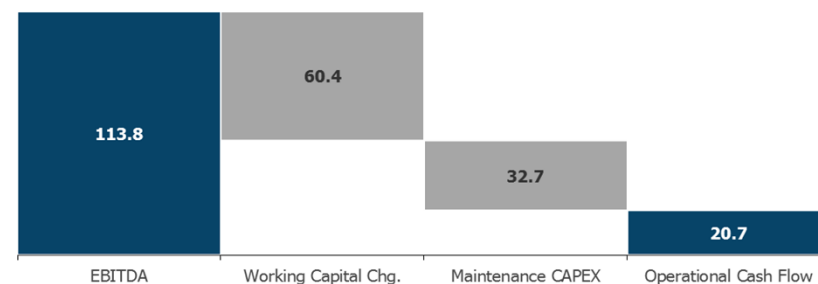
(In R\$ millions)



¹ Financial Result except Operating Financial Result

² Composition of Investments: Acquisition (R\$61.0 million) + Expansion CAPEX (R\$12.6 million) + Discretionary Capex (R\$40.4 million)

Operational Cash Flow



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