

NOTICE TO THE MARKET**Clarification on CVM/Bovespa Consultations***News item*

To: Brazilian Securities and Exchange Commission

Corporate Oversight Department 2 (GEA-2)

Head of Corporate Relations (SEP)

Att: Mr. Guilherme Rocha Lopes

Manager

Re: Official Letter 198/2016-CVM/SEP/GEA-2

Estácio Participações S.A. ("Estácio" or "Company") - (BM&FBOVESPA: ESTC3; OTCQX: ECPCY) hereby responds to Official Letter 198/2016-CVM/SEP/GEA-2 ("Official Letter"), received on June 22, 2016, as follows:

"Official Letter 198/2016-CVM/SEP/GEA-2

Rio de Janeiro, June 22, 2016.

To:

PEDRO THOMPSON LANDEIRA DE OLIVEIRA

Investor Relations Officer of

ESTACIO PARTICIPAÇÕES S.A.

Avenida Embaixador Abelardo Bueno, 199, 6º andar – Barra da Tijuca

22775-040 – Rio de Janeiro, RJ

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Email: ri@estacioparticipacoes.com

Subject: Request for clarification of news item.

Dear Sir,

1. We refer to the news item published on June 21, 2016 in the Coluna Primeiro Lugar On-Line (Online First Place Column) of the Exame.com portal, entitled "Zaher e Di Genio discutem fusão de Estácio e Unip" (Zaher and Di Genio discuss merger of Estácio and Unip), which contains the following information:

" The businessmen Chaim Zaher and João Carlos Di Genio are holding discrete talks regarding a merger of the Estácio and Unip post-secondary education networks.

Zaher, Estácio's second largest shareholder and current CEO, has been a friend of Di Genio for decades. He began his career in the 1970s as a franchisee of Objetivo, a network of colleges and university entrance exam schools founded by Di Genio — who he normally refers to as "ídol". Zaher, who has spent the last few years fighting with Estácio's executive board, took over as CEO last week and, according to executives close to the company, has been "agitating" for an alternative to the acquisition offer announced by the rival Kroton at the beginning of June.

A merger would virtually double Estácio's size.

At the end of 2014, Di Genio hired investment banks to attract a private equity fund willing to acquire a minority stake in his education group. But there were no takers.

The idea was to close a deal with the fund and, shortly afterwards, go public. Di Genio, who has young children, has no obvious successor and becoming a major shareholder of a listed company with liquid shares would certainly ease the succession difficulties. Given that going through with the plan alone didn't work, becoming a shareholder of a major listed company — such as Estácio — could be the solution.

However, there are three reservations. Firstly, the talks are preliminary. Secondly, Di Genio, one of the richest men in the country, has been encouraging companies interested in Unip for years (including Kroton), only to pull back at the last minute — not wanting to "lose his toy", in the words of someone who has been party to such negotiations. Finally, Estácio's shareholders will have to accept any eventual merger proposal, given that there are others on the table. This Tuesday, Kroton increased its figure, but stated that this was its final offer.

Sought out, Chaim Zaher and João Carlos Di Genio refused to comment."

2. Given the above, we would like you to confirm if the content of this news item is in fact true and, if so, why such information was not deemed to constitute a material fact, pursuant to CVM Instruction 358/2002.

3. The company's response should be sent through the IPE System, category: "Notice to the Market", type "Clarifications of CVM/BOVESPA Requests", subject: "News Item".

4. It is worth noting that, pursuant to Article 3 of CVM Instruction 358/02, the Investor Relations Officer is responsible for disclosing and informing the CVM and, if applicable, the stock exchange and entity responsible for the organized over-the-counter market in which the company's securities are traded, of any act or material fact related to the company's business, as well as ensuring its wide and immediate dissemination, simultaneously in all markets in which said securities are traded

5. It is also worth noting that, pursuant to the sole paragraph of article 4 of CVM Instruction 358/02, the Investor Relations Officer is obliged to make inquiries among the company's management and controlling shareholders in order to ascertain if they have knowledge of any information that should be disclosed to the market or of any material fact related to the business, as well as ensuring the wide and immediate dissemination of said information, simultaneously in all markets in which the company's securities are traded.

6. We caution that, as determined by the Corporate Relations Department, in compliance with its legal duties and based on clause II of Article 9 of Law 6385/76 and CVM Instruction 452/07, a punitive fine in the amount of one thousand reais (R\$1,000.00) will be applied, without prejudice to other administrative sanctions, in case of non-compliance with the requirements in this letter sent by e-mail within one (1) business day from the date of knowledge of its content..

Sincerely,

[document signed electronically by Guilherme Rocha Lopes, Manager]"

In response to this Official Letter, Estácio declares that it is not discussing any merger or association with Universidade Paulista – Unip. Mr. Chaim Zaher in turn declares that he took part, as an Estácio shareholder and prior to his nomination as CEO, in informal talks with representatives of Unip, which did not make progress and were not discussed with the Company's Management.

Rio de Janeiro, June 23, 2016.

Pedro Thompson

Chief Financial and Investor Relations Officer