

MATERIAL FACT

Estácio Participações S.A. ("**Company**" - **Bovespa: ESTC3**), pursuant to CVM Instruction 358/02 and subsequent amendments thereto, hereby informs the market and the public in general that, on this date, the Chairman of the Company's Board of Directors received a letter from Chaim Zaher, a Company shareholder and also a member of its Board of Directors, which is transcribed below:

"To:

The Board of Directors of Estácio Participações S.A.

C/O: João Cox Neto

Chairman of the Board of Directors

Dear Sirs,

I refer to the transaction ("Transaction") involving the combination of the businesses of Kroton Educacional S.A. ("**Kroton**") and Estácio Participações S.A. ("**Estácio**" or "**Company**"), whose terms and conditions were recommended by this Board at a meeting held today.

In line with my favorable vote at said meeting, given the substantial increase in Kroton's original proposal and the potential benefits of the Transaction to the Company and its shareholders, I hereby declare that I no longer have the intention of making a public tender offer for the acquisition of Estácio's shares, either directly or through Clube de Investimentos TCA or any other person connected to me. In addition, as established by the Brazilian Securities and Exchange Commission, I will be prevented from doing so for a period of six (6) months.

Finally, I would like to reaffirm my belief that the Transaction is in the best interests of the Company and its shareholders and I am certain that Estácio and Kroton together will continue contributing to education in Brazil.

I also request that this letter be published in order to keep the market fully informed.

Cordially,

Chaim Zaher"

Rio de Janeiro, July 8, 2016.

Pedro Thompson

Chief Financial and Investor Relations Officer