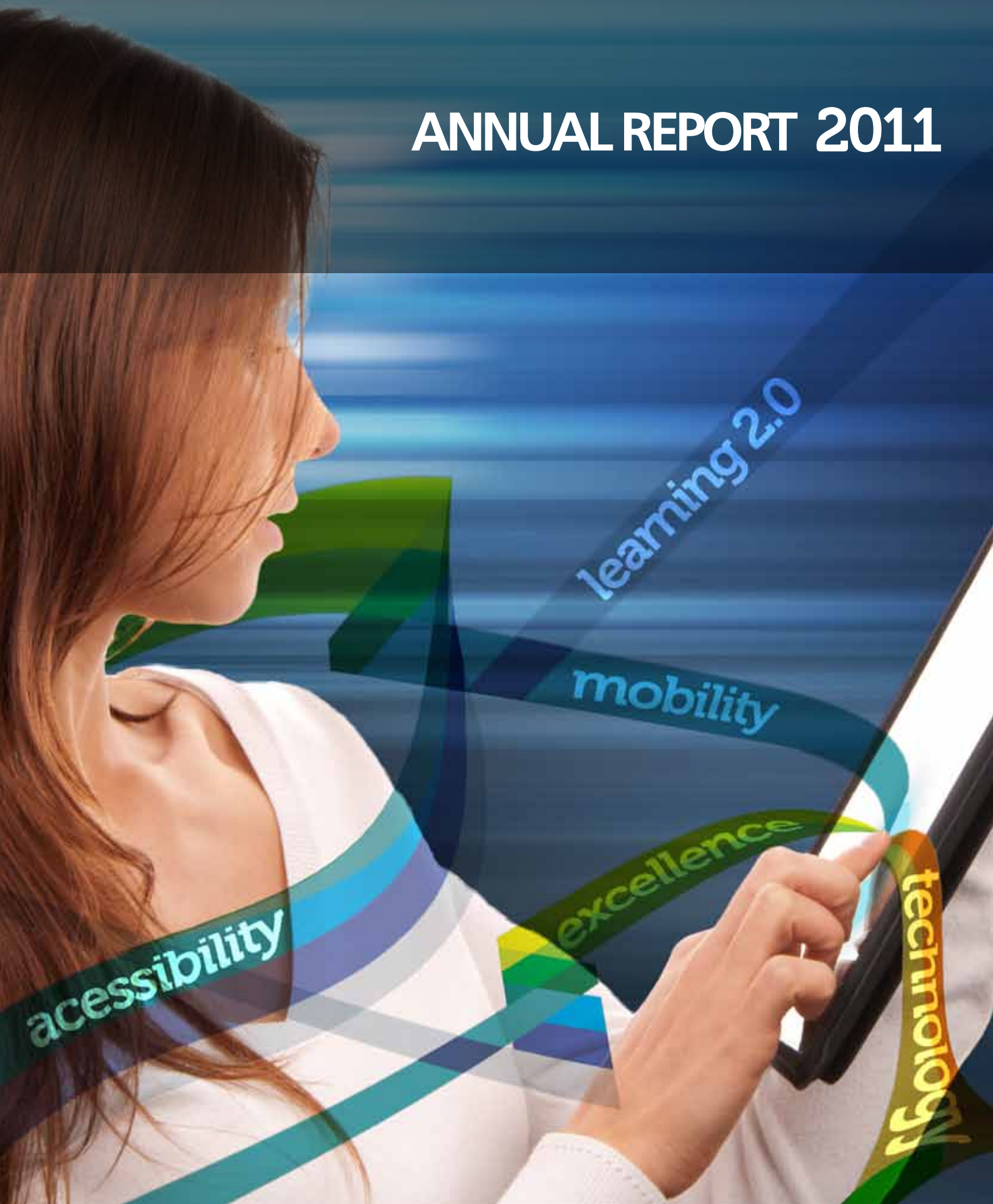


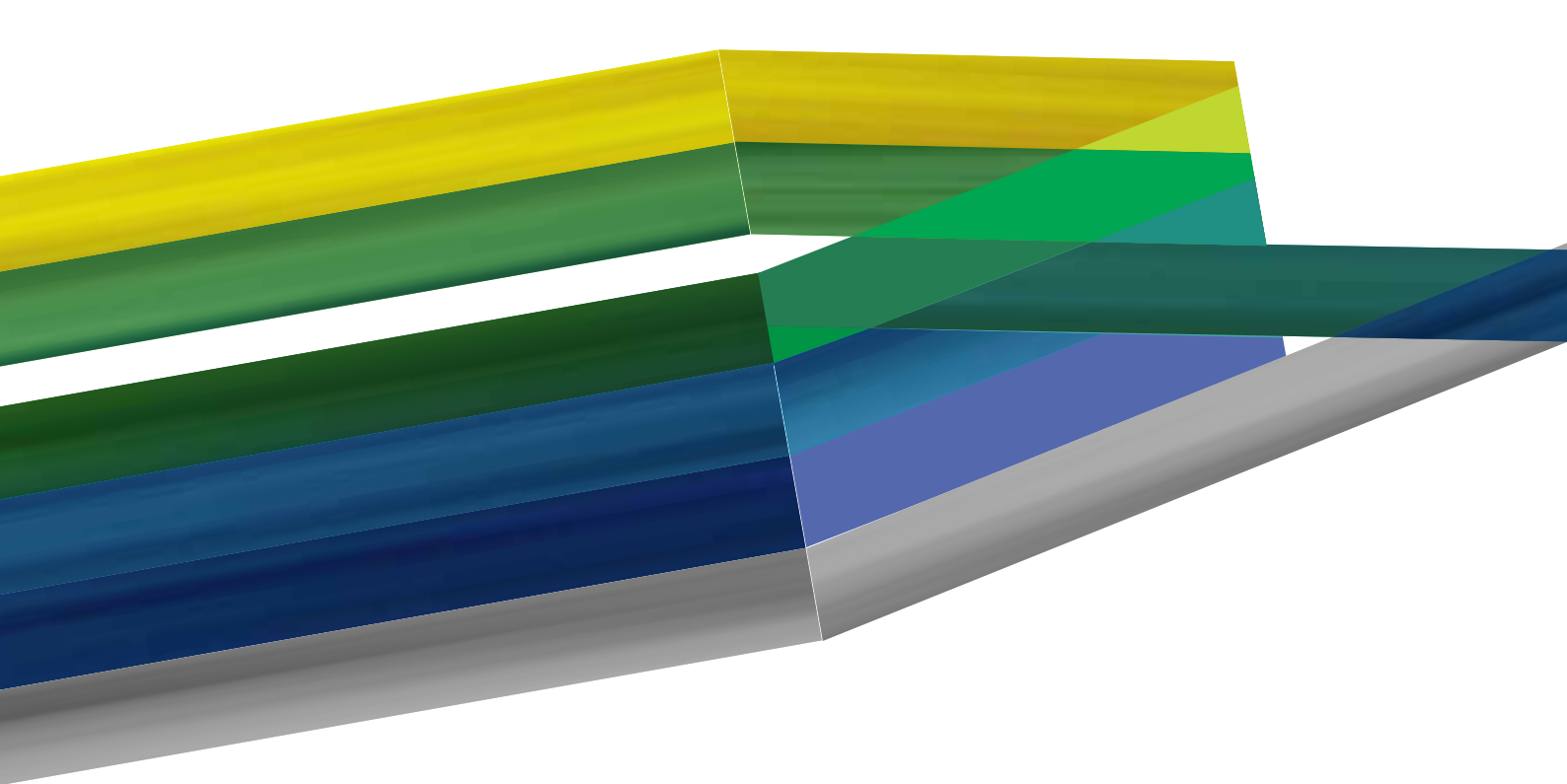
ANNUAL REPORT 2011





Estácio

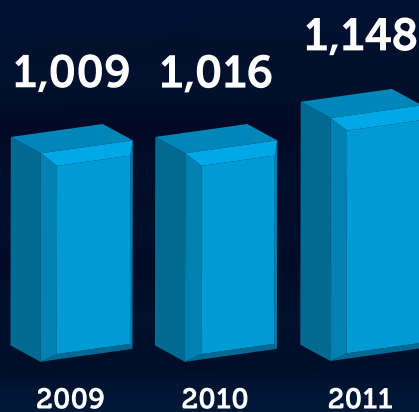
**education
for all**



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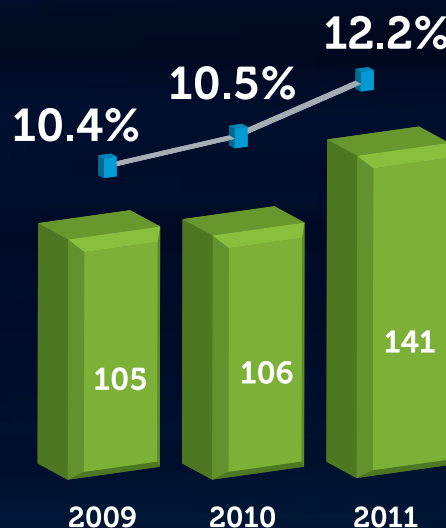
our numbers

Net revenue
(R\$ mm)



■ Net revenue (R\$ mm)

EBITDA (R\$ mm)
and EBITDA Margin (%)



■ EBITDA (R\$ mm) —■ EBITDA Margin (%)

we operate in

17 Brazilian
states

68 units

52 distance learning
centers accredited
by the MEC

240,000 enrolled
students

6,596 professors

3,700 technical and
administrative employees

more than

1million online exams
per semester

184,000 internship
opportunities in 2011

40,000 internship
agreements
with companies

6,000 tablets distributed
to students in 2011




MESSAGE FROM MANAGEMENT

A Special Year for Estácio



2011 was a special year for Estácio, when we began to reap the fruit of all of the hard work and effort we've put forth since 2008. It was the year Estácio underwent a major overhaul. During this time, we redesigned our organizational structure, reformatting the company's culture and values. We advanced the company's strategy and we began rebuilding our core product, our academic model. Essential to our work and the achievement of our mission as a teaching institution, this task encompassed all of our courses and curricula, our teaching methodology, as well as how we carry out our teaching activities.






In order to change our organizational design, we centralized activities and processes, seeking to increase quality, improve efficiency and enhance the applicability of our business model. It was not an easy task, given Estácio's size and reach, and the fact that it's an institution in which the human element is central to all activities. Our greatest asset is people working and serving our students.





A undertaking of this magnitude does not produce results overnight, or in six months or even a year. All of the hard work of 2008, 2009 and 2010 finally paid off in 2011, with the consolidation of our new organizational culture – which is now practiced by everyone – and the introduction of a breath of fresh air that now pervades the work being done at Estácio. We resumed our organic growth in a disciplined and sustainable manner, expanding and accelerating our efficiency gains and increasing the company's profitability. That was our greatest achievement in 2011, without even taking into account the acquisitions that we carried out last year. There was an increase in the number of students, both in our campus and distance learning courses. We consistently deliver quality higher education options and we have made a name for ourselves in the market because of this. Our target audience is free to choose from among the many options that exist on the market, yet we have been able to draw them in and show that we are a unique option, offering a higher quality higher education than our competition.






Over the course of the last three academic cycles, our growth has considerably exceeded that of the market, without the need for discounts or promotions. This shows that we are experiencing disciplined, sustainable growth, without the need to offer scholarships or lower our prices. In fact, Estácio's student body continued to grow even with an increase in tuition costs. Over the course of three years, we built a beautiful product, a new educational model. We became the choice of thousands of new students who were responsible for the nonstop growth in attendance at our entrance exams.


Our distance learning program, launched in 2009, with its more than 40,000 students, is a reflection of our successful strategy and the quality of the product that we offer. We operate 52 distance learning centers, which are located on our campuses.





Our employees are all guided by the same organizational culture and by the same set of values and skills. We have focused on shaping our product, processes and quality personnel over the last three years and they are responsible for Estácio's success in 2011.



The background of the page features a photograph of a modern building with a curved facade, partially obscured by lush green trees and foliage. The image is oriented vertically, with the building and trees on the left side and a dark, gradient background on the right.

Given the major advantage that comes with our Academic Model, we offer a product with greater value added. Additionally, we are able to rely on the efficiency and competence of our team in the field, composed of unit managers throughout Brazil. In other words, we have a quality product, efficient internal communications and a well-structured process for doing business and communicating with our audiences.

In 2012, we're going to continue with this process of disciplined and sustainable growth. In addition to the organic expansion, 2012 will also feature a continuation of the acquisition process that began in 2011.

The organization's goals are expected to be met without jeopardizing the quality of our services and education, while continually improving our operational efficiency.

The expansion of our profit margins and our cash flow will come as a result of this growth, based upon our scalable business model.



**Our goal for 2012:
to be increasingly
recognized by
Brazil's emerging
lower middle
class (Class C) as
the best option for
higher education.**

Brazil finds itself in an economic reality that is less positive than the last three or four years, amidst an international crisis. Our main challenge this year will be to operate within this reality. We're going to be more rigorous in our admission of students, in order to eliminate any risk to our operations, which are well organized and prepared to continue growing.

The other challenges related to our businesses and operations have already been overcome and we're now ready to fly even higher, at cruising speed.

Estácio now plays an important role in the academic sector. Having firmly established our operations, we want to become the best option for the portion of society that is most in need of quality higher education at affordable prices: Brazil's emerging lower middle class (Class C). There are approximately 20 million college-age youth who have yet to enroll in a college or university. We now control a set of factors that permits us to deliver this opportunity in a unique manner. We are present in Brazil's most important markets and cities, offering an innovative product that includes teaching materials and academic methodologies that make full use of new technologies and digital access.

I would like to thank our students, their families and the communities in which we operate for the confidence they have placed in our services. I would also like to express my appreciation and gratitude for the quality and dedication of our employees, faculty and staff, as well as our partners and suppliers, without whom none of this would be possible. Finally, I would like to give special thanks to all of the government institutions with whom we interact, in our joint effort to build a continually improving higher education system in Brazil. Our performance in 2011 is yet another indicator that we are on the right track and will be flying even higher in 2012."

Eduardo Alcalay, Chairman of the Board of Directors

More growth in 2012

Estácio went through a process of reorganizing its activities in the Finance area, beginning in February 2011. During the year, we had a variety of interesting achievements, such as the acquisition of two loans from the International Finance Corporation, an arm of the World Bank, as well as the first issue of debentures in Estácio's history. We received our first credit rating, a victory for us. And outside of Brazil, we also launched the Level 1 ADR Program. Also worth noting was the intensification and total openness of our dialogue with a variety of audiences, such as investors, opinion makers and journalists, with a more proactive stance, seeking to disseminate information about the Company's operations in a fully transparent manner. We changed the way we publish results and interact with the market. This was met with positive reactions from opinion makers, who began to receive information periodically. The resumption of our growth after three years was due to a variety of factors, starting with the organic growth of our student body. We completed three successful rounds of entrance exams and we are growing in a sustainable manner. At the same time, we are once again acquiring companies. In 2011, four new institutions became part of Estácio. We also built two new campuses in 2011 – one in Rio de Janeiro and another in São Paulo – and three new campuses are expected to be introduced in 2012.

Another important growth vector was our entry into a brand new market: preparatory courses for public service exams, through the acquisition of Academia do Concurso. From our relevant position in the classroom course segment in Rio de Janeiro, we are going to expand Academia do Concurso nationwide through an online platform and use our commercial strength and infrastructure to further broaden our distribution channels.



Our distance learning has considerably enhanced our growth. We built a foundation of 40,000 students in 2.5 years, with above-average growth, reflecting the distinctive quality of our platform, which brought us a series of successful funding operations and allowed us to launch new courses. In 2010, the most recent year for which the Ministry of Education has released official figures, we had approximately 10% of the market share of entrants into the DL segment.

“It has been rewarding to do all of this and see that the satisfaction of our students and employees is increasing year after year. Nowadays, the environment at Estácio is very positive.”

Today, the greatest challenge for Estácio's Finance sector is to better manage our cash flow at a moment in which Brazil is experiencing an increase in its level of defaults, which has affected our sector. In recent months, we had to cover delays in the payment of tuition fees. We're growing today because we applied more than R\$100 million in infrastructure, internal improvements and the development of a new academic model. We created a strong working group to deal with the issue of cash flow and defaults, we launched the “Universitário Responsável” (“Responsible University Student”) educational campaign and an incentive program for those who pay on time. We have also made it easier to pay, with the use of automatic debit and credit cards, together with different forms of university financing.

The reduction to our cash flow due to these defaults and our acquisitions heightened our awareness that it's not only important to collect revenue and generate EBITDA, but that payments must be made on time. At the moment, we are completing the first stage of the implementation of a methodology that takes into account the capital used for operations. We need to produce results that show profits and effective cash flow, compensating our shareholders for their capital.



In 2012, we want to sustain Estácio's organic growth process with a strong influx of new students and a more effective cash management policy. Taking care of defaults will be the goal for all of our employees in the field. From a product standpoint, we want to increasingly consolidate our Academic Model, which was an important achievement for Estácio. We changed the way we teach both inside and outside of the classroom, with innovations such as our teaching material and the distribution of tablets to our students.

Looking ahead, we want 2012 to be a year of strong growth.

We want to continue acquiring companies and also expand our distance learning through acquisitions and by spreading the reach of our DL to more geographic locations throughout Brazil.

There are three priorities that we will never abandon: taking care of our employees, increasing the satisfaction of our students and obtaining positive institutional evaluations that are always in line with the regulatory guidelines of the Ministry of Education.

"When we began 2011, we said that it had to be a transformative year, because we would once again increase our organic base and be able to adopt a different posture both inside and outside of the company, in all of the environments in which we circulate. And that's what happened. Now, 2012 must be a year of even stronger growth."

We currently have units in 17 states and our desire is to continue our geographic expansion. Our distance learning model covers a large portion of Brazil and requires students to come to one of our centers at least twice each semester, during exam periods. As a result, each unit promotes DL within a radius of 200 kilometers, and allows for a cross selling opportunity to create a graduate studies center or an Academia do Concurso branch. That is why maintaining a physical presence has always been on our radar, because distance learning helps classroom learning and vice-versa. Many of the classroom courses now being offered could also be made available online. The students who come to our DL centers find a complete university, with a library, facilities and tutors. That is one of our major advantages.

However, there is still much to be done. Beyond the change to our approach to fee collection, the major challenge facing Estácio in 2012 in the academic realm is the consolidation of our tablet-based digital system, allowing it to become the major integrating link between the company and its students. Another factor that must not be forgotten is the enormous logistical effort to sustain our ongoing growth. For example, we now issue more than one million online exams during the course of the year. There is one other challenge facing us in 2012: to significantly improve the level of service offered to our public, which is becoming increasingly more demanding.

Society's perception of us has changed significantly and we will further this process in 2012. We want to be recognized as the best option for a hard-working public, for the young adult who needs to work and wants to grow in life. We're offer cutting-edge technological innovation to this segment, with unique products at an affordable price.

Moving forward, we want our students to continually improve their ENADE scores and obtain high approval rates in the other external evaluations, such as the Bar exams, public service exams and private selection processes. At the end of the day, the credit belongs to the individual. Our job is to create an environment where an individual who wants succeed in life can compete with someone who has been given many more opportunities.



From a financial standpoint, in a few years I see Estácio becoming similar to a major corporation. Why a major corporation? Because Estácio no longer has the figure of the controlling shareholder and the dependent relationship that goes along with it; it now has a governance structure and executive leadership that works to perpetuate the Company's existence and its sustainable growth. It now has investors from across the globe and is no longer a faculty controlled by any one particular person. We'll be a stronger institution inside of Brazil and we will also make a name for ourselves internationally, with a very high degree of governance. This is a major accomplishment, a project involving transparent relationships, which takes years to be built. This project will attract more capital and new investments that will allow us to invest and continually develop our ability to more fully serve our target audience.

The labor pool in Brazil currently lacks skilled workers and Estácio's academic model is completely focused on addressing this pressing demand. We are training skilled workers to help the country grow and that is our role in the teaching market. Our mission is to promote the training and career advancement of our students by providing a quality education that contributes to the sustainable development of the communities in which we operate. By doing this, we help transform the lives of our students, better preparing them for the job market and contributing to the sustainable development of our country.

On the management side, during the last quarter of 2011 we began implementation of the Economic Value Added (EVA) methodology created by the Stern Stewart consulting firm. The EVA methodology takes into account the capital utilized in our activities (particularly working capital and fixed assets) and seeks to measure Estácio's ability to generate a return on that capital, which is assigned an average cost. In 2011, we registered a positive EVA of R\$22 million. In other words, we were able to produce a return on invested capital (ROIC) that exceeded the cost of the capital (WACC) utilized in our operations, assuring the creation of value for our shareholders in the strictest sense of the word. Despite the consumption of cash caused by the increase in receivables and the other factors outlined in the previous paragraph, Estácio was able to generate results that compensated for the application of this capital in its operations, which is a direct reflection of our ability to do more with less, and thereby create real value for our shareholders.

Rogério Melzi, Chief Executive Officer and Investor Relations Officer

Corporate profile

Estácio

Estácio Participações S.A. is one of the largest private institutions of higher education in Brazil, in terms of the number of enrolled students. It was incorporated as a publicly traded company on March 31, 2007 and is currently listed on the São Paulo Stock Exchange's Novo Mercado. It includes three direct and indirect subsidiaries, incorporated as limited liability companies. Estácio is present in Brazil's most important cities and 17 Brazilian states. Our network consists of one university, two university centers, 30 colleges and 52 MEC-certified distance learning centers, with a national presence through its 68 units (campuses). On December 31, 2011, 240,000 students were enrolled in the institution's classroom and distance learning courses at the undergraduate and graduate levels.

Mission and values

We believe that the mission of a teaching organization must be ingrained in the minds of its employees. In 2011, Estácio updated its mission, vision and values through a communication process that involved the entire company. The alterations, while small, are strategically important because they changed the focus and timeline for the achievement of certain fundamental goals. We're managing a company with diffuse shareholder control, which requires transparent management and quality results.

Our mission is to promote the training and career advancement of our students by providing a quality education that contributes to the sustainable development of the communities in which we operate.

By 2015, we plan to be the largest private higher education group in the world, in terms of the number of students, featuring high-performance teams, excellent services and profitability.

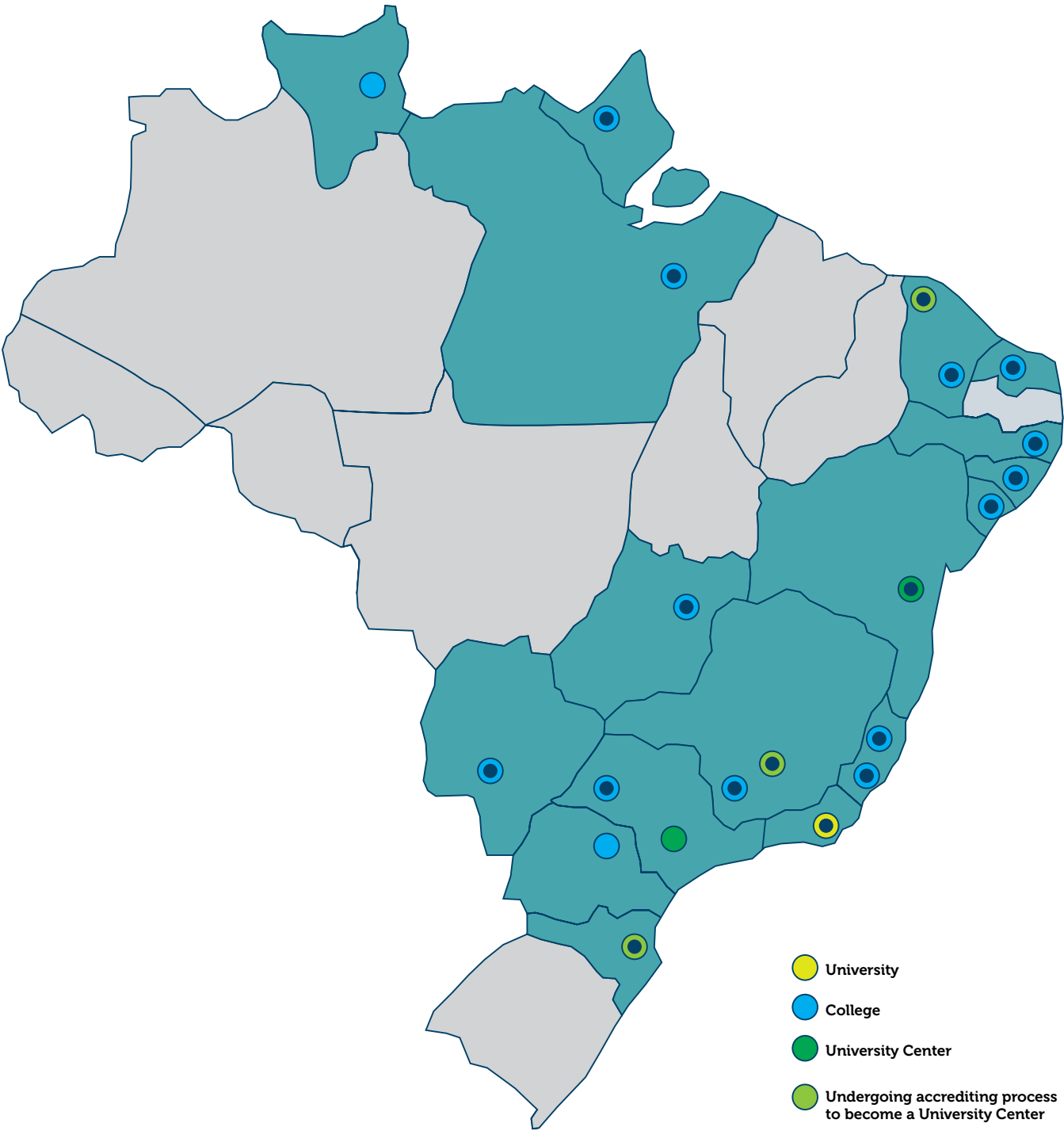




Estácio's main values are:

- 1. A focus on the students:** Students are the reason we exist and we work to further their personal, professional and social development.
- 2. People & meritocracy:** People are our greatest resource. We encourage excellence and teamwork. We value and recognize merit as a means of building a lasting organization.
- 3. Quality:** We pursue excellence in the services we provide, inside and outside of the classroom.
- 4. Results:** We are passionate about what we do, seeking to achieve challenging goals in a sustainable manner.
- 5. Innovation:** We must be daring and creative, at all times.
- 6. Simplicity:** We must be simple and agile.
- 7. Ethics:** We are truthful, transparent and responsible in all of our relationships in order to maintain our credibility. We do not tolerate misconduct.

Where we are



As of December 31, 2011

Estácio's units – the university, university centers, colleges and distance learning centers – are strategically located close to the homes and workplaces of our target audience and distributed throughout 17 Brazilian states: Santa Catarina, Paraná, São Paulo, Mato Grosso do Sul, Rio de Janeiro, Minas Gerais, Espírito Santo, Goiás, Bahia, Sergipe, Alagoas, Pernambuco, Rio Grande do Norte, Ceará, Pará, Amapá and Roraima.

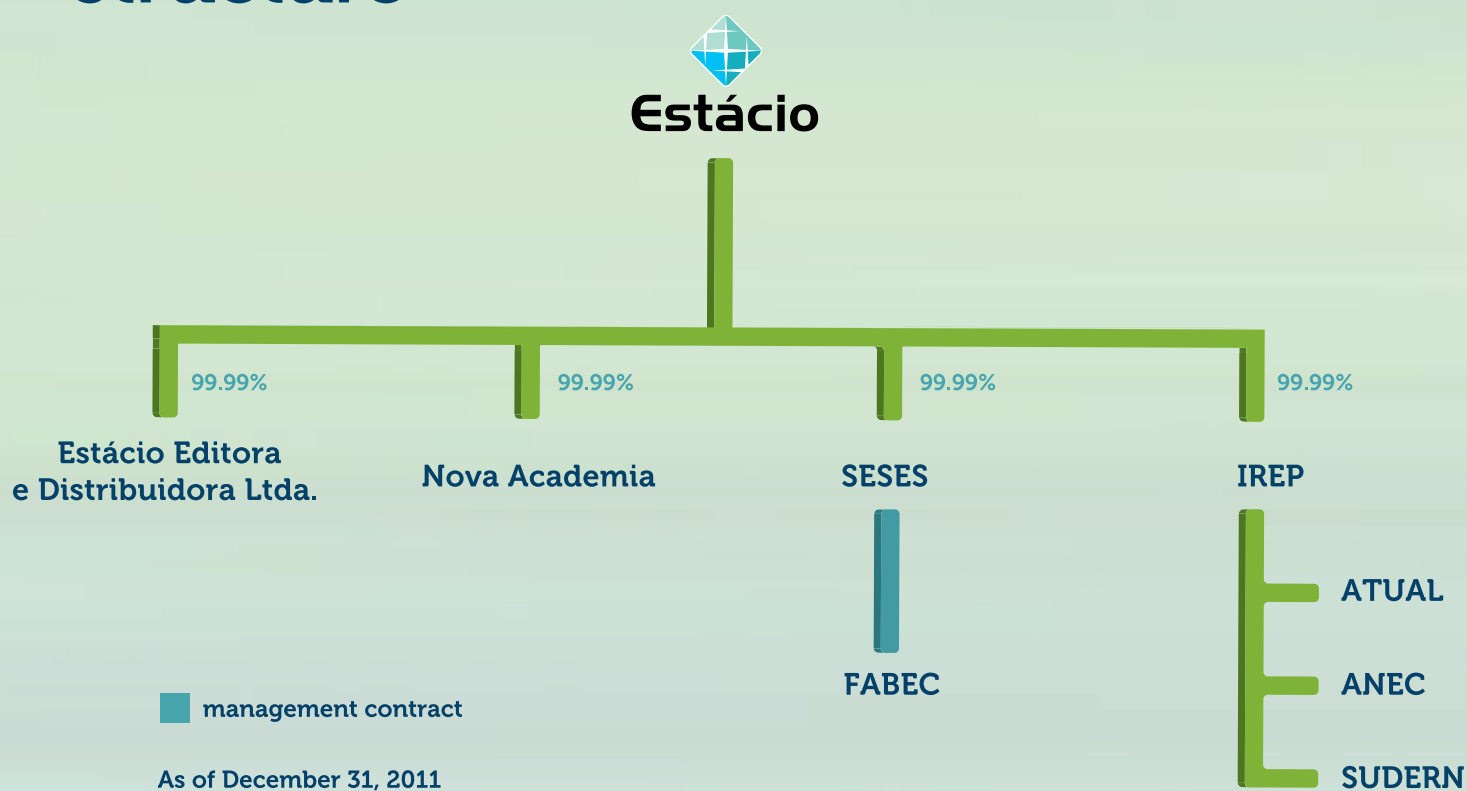
What we do

Estácio's growth and leadership in the market can be attributed to the quality of its courses and faculty, the technological and academic innovations it provides to the students, the strategic location of its units and its competitive prices, which are affordable for its target audience. With nationally integrated curricula, we offer approximately 80 traditional and technological undergraduate courses in Exact Sciences, Life Sciences and the Humanities. We also offer graduate-level specialization courses, master's and doctorate courses and continuing education. We have developed a modern and unique academic model, with a management model focused on results and quality. Through a combination of entrepreneurship and financial ability, as well as the constant innovation and improvement of its courses, the Estácio brand is now widely recognized and valued in the market.

Our audience

The 240,000 students enrolled in Estácio's undergraduate and graduate courses come from a wide variety of backgrounds. We have an ample portfolio of undergraduate classroom and distance learning courses with students who are young professionals from Brazil's middle and lower-middle classes. The graduate-level specialization courses, continuing education, master's and doctorate courses attract people from a variety of age groups and social classes.

Corporate structure



Estácio timeline

Creation of the Estácio de Sá School of Law (FADES) – in Rio de Janeiro.

1969

Launch of the Archeology course, also a first in Brazil.

1975

Inauguration of the Rebouças campus, in Rio Comprido, Rio de Janeiro, which came to admit more than 10,000 students and is still functioning to this day.

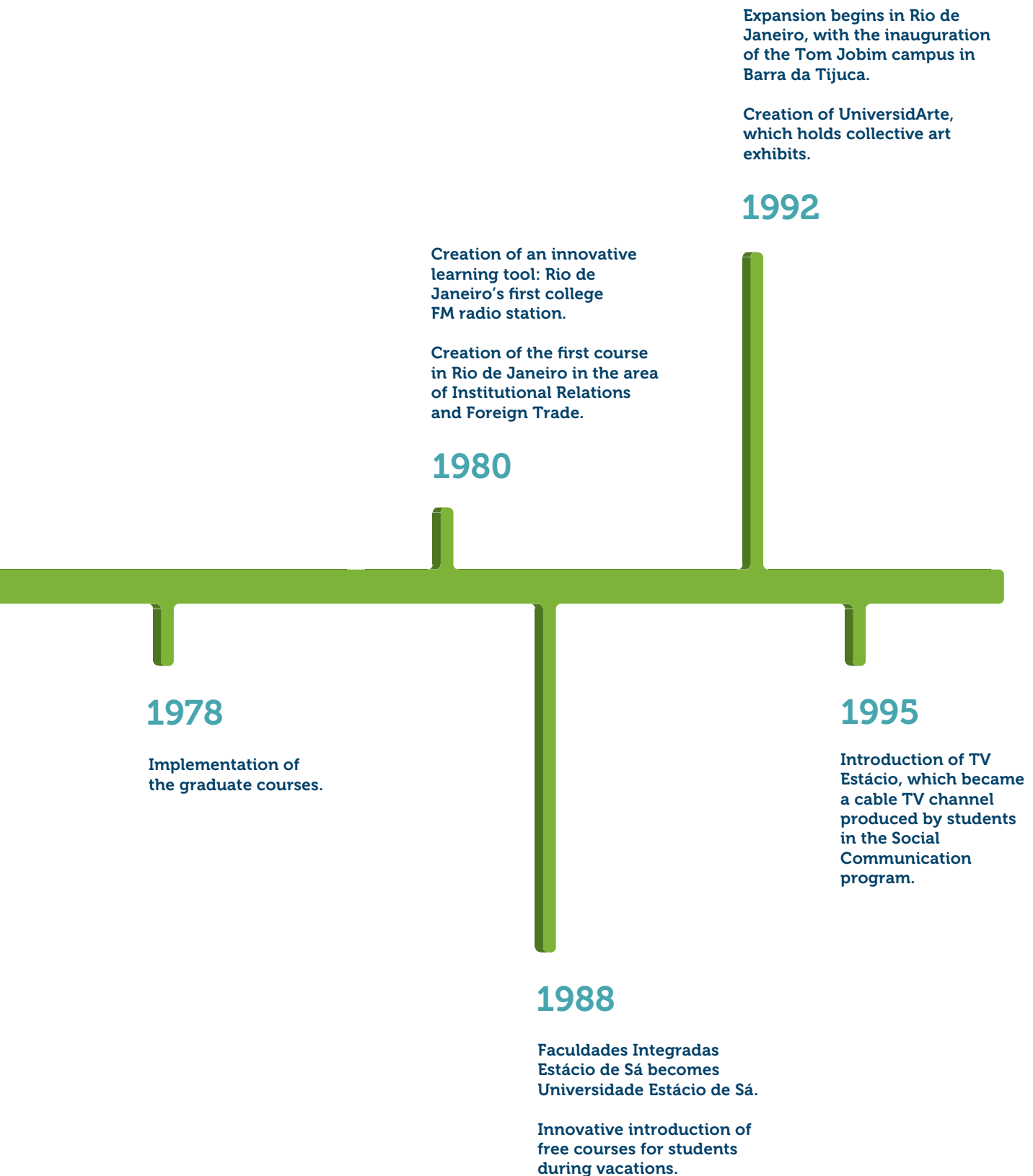
1972

1971

Creation of the Economy and management courses; FADES becomes Faculdades Integradas Estácio de Sá.

1973

Launch of the Tourism course, the first in Brazil.



Estácio timeline

Expansion throughout the state of Rio de Janeiro, with units in Resende, Niterói and Nova Friburgo.

1996

Implementation of the Academic Information System for students over the Internet.

2003

Inauguration of Casa da Cultura and the creation of movie and TV centers.

1998

1997

Creation of the Corporate Relations Department (DIREM) to offer employment and internship opportunities to students through partnership agreements.

Creation of the Polytechnic Institute to offer undergraduate courses and prepare students to meet the actual needs of the job market.

2000

Creation of the Instituto do Ar (Air Institute) to train airmen and flight crew.

Launch of virtual services, with the implementation of the Virtual Library (material provided by professors), the Online Library (providing access to Estácio's collection) and Free Online Courses, made available to the public.

Arrival in the country's largest market, São Paulo, through acquisitions.

Acquisition of 20% of Estácio's shares and control of the company by GP, a private equity firm.

Listing on the Novo Mercado, the highest level of corporate governance at the São Paulo Stock Exchange.

2008

Acquisitions of Faculdade Atual da Amazônia (FAA), in Boa Vista, Rondônia; Faculdade de Natal (FAL) and Faculdade de Excelência Educacional do Rio Grande do Norte (FATERN), both in Natal, Rio Grande do Norte.

Acquisition of Academia do Concurso, which prepares students for public service exams.

Launch of the Chácara Flora unit, in São Paulo, and Sulacap, in Rio de Janeiro, strategic parts of Estácio's expansion.

Launch of Conecta, the corporate social integration network for Estácio's employees.

Distribution of free educational material to students using tablet computers.

2011

2007

Conclusion of the process to transform Estácio into a for-profit institution and list its shares on the São Paulo Stock Exchange.

2009

Nationwide launch of the distance learning courses.

Creation of a new Academic Model, with the distribution of free textbooks to students.

Creation of a Shared Services Center, centralizing back office activities.

2010

Primary and secondary public offering of shares worth R\$ 685.6 million

Strategic priorities



Structuring a teaching institution the size of Estácio is not a task that can be done in three months and it is only not that we are beginning to reap the fruits of the effort put forth by our team during the last three years. We have been preparing and strengthening ourselves to initiate aggressive organic growth and 2011 was a transformative year for Estácio, with the consolidation of our Academic Model. We increased our registration of new students by 20% to 25% in our classroom courses and 60% in our distance learning courses. These figures are a reflection of concrete actions, such as the delivery of educational content through digital means. The tablet became an icon of our modern and innovative Academic Model. This is the path we are on. Bringing 11,000 people together around the same goal and interacting with more than 240,000 students is a major challenge that we are meeting day after day."

Pedro Graça, Chief Marketing Officer

"When Estácio came into being forty years ago, the educational system in Brazil was far more elitist. We've managed to provide the less privileged levels of society with access to a university education, demonstrating, in a pioneering way, that it is possible to provide access to quality education in a responsible manner, in keeping with MEC guidelines, and generate a profit. That is our most important contribution to society."

For 2012, the Marketing area at Estácio has set the goal of strengthening its relationship with students, bringing them into closer contact with the institution. We're going to improve the services we offer and further engage the professors, so that everyone feels like they are playing for the same team. Since we have a shared goal, our relationship should not be that of customer and supplier. It should be a partnership, based on trust. And that's our greatest challenge, given that we are a publicly-traded, for-profit company. Students should understand that our profit also benefits them, because it allows us to reinvest in the quality of the education being offered. And Estácio should remain firm in the path that it chose years ago, even in the face of market fluctuations, and stay the course. Our cycles are long and we cannot focus only on the immediate results.

It is possible to achieve momentum with respect to the enrollment of new students when offering a quality higher education product, with good courses and a foundation based on strong relationships with students. An example of this is the fact that most of our enrolled students came to us through the recommendation of a friend or family member. Students want to feel welcome and respected. They want to see that their time and money is being well applied and that they will be compensated with professional and social growth.



From a business standpoint, we are focused on facilitating communications and access for our students in every sense, from the enrollment process to the way we meet their needs using specific tools and investments in technology. Estácio's business strategy will always highlight the importance of a good professor in the classroom and differentiated service for all of its clients.

Strenghts

The consolidation of our Academic Model offers the following benefits:

Strong positioning to take advantage of the market's growth potential.

We have a nationwide presence and units located in the major cities of Brazil; a broad portfolio of undergraduate classroom and distance learning courses, as well as graduate specialization courses, master's courses, doctorates and a variety of continuing education courses; the financial and entrepreneurial ability to innovate and improve our courses in order to stand out from the competition; and the strengthened Estácio brand, which is widely recognized and well respected in the educational market.

Educational quality.

Our new Academic Model offers students a quality product, with nationally integrated curricula, updated to meet the demands of the job market, in keeping with regulatory requirements. We rely upon standardized academic programs, with predefined teaching tools and methodologies. Our faculty is highly qualified and uses unique content, distributed used printed materials and online tools.



Professional, integrated operational management.

Our results-oriented management model is highly disciplined and seeks to provide budgetary predictability, offering quality higher education to our students. The management and performance evaluation system covers everything from the quality of our education to student services to the profitability of our operations. Over 400 managers have specific goals and variable compensation tied to their individual performance and the overall performance of Estácio.

A business model that enables profitable growth.

We are in a position to organically expand our operations through new acquisitions, using a business model that can absorb new students and units with reduced implementation costs.

Solid Financial Health.

On December 31, 2011 Estácio had cash reserves of R\$ 169.4 million and the ability to generate and raise additional funds for the growth and ongoing improvement of our services. Additionally, our financial management is focused on profitability and the quality of our financial indicators.



Strategy

Our strategy is focused on quality, growth and differentiating the service we provide, with gains in efficiency and scale, and the perpetuation of our organizational culture and management model.

In order to capitalize on growth opportunities in the Brazilian education sector, we want to expand our activities through the growth of our student body, innovative courses in tune with the needs of the job market and the economic development trends specific to each region. We're going to expand our operations with distance learning, the opening of new units in cities with unmet demand and the acquisition of companies that complement our operational strategy and geographic presence throughout Brazil.

We also began to focus on graduate level specialization courses, offering a range of specialization courses in the areas of Law, the Humanities, Management, Health, Technology and Public Safety, through classroom and distance learning courses, over 12, 18 or 24 months, with a variety of scheduling options, including MBA courses focused on providing business training.

Education

“The year 2011 was marked by intense production and significant advances in the implementation of Estácio’s Academic Model.” We successfully carried out our first nationwide exam during the first half of the year and our second during the second half, which involved approximately 140,000 students. These exams were carried out using a database of approximately 70,000 questions, consolidated and revised throughout the year. It was, without a doubt, a major accomplishment. In comparison, the Ministry of Education’s entrance exam for public universities relies on a database with 22,000 questions. Another achievement in 2011 was the completion of the course programs and lesson plans for the technological courses. We launched 15 new DL courses and improved the model we use to offer these courses to students, which increased demand. In other words, we’re getting it right both in terms of the product we offer and the way we offer it.”

Paula Caleffi, Academic Officer

“In 2011, our student body grew in both the classroom and distance learning courses. We’re collectively building a quality product that meets the needs of these new students arriving at the university, who come from generations Y and Z and whose learn in a completely different way. To do this, we are improving teacher knowledge and overseeing both our products and those of the other areas at Estácio.”

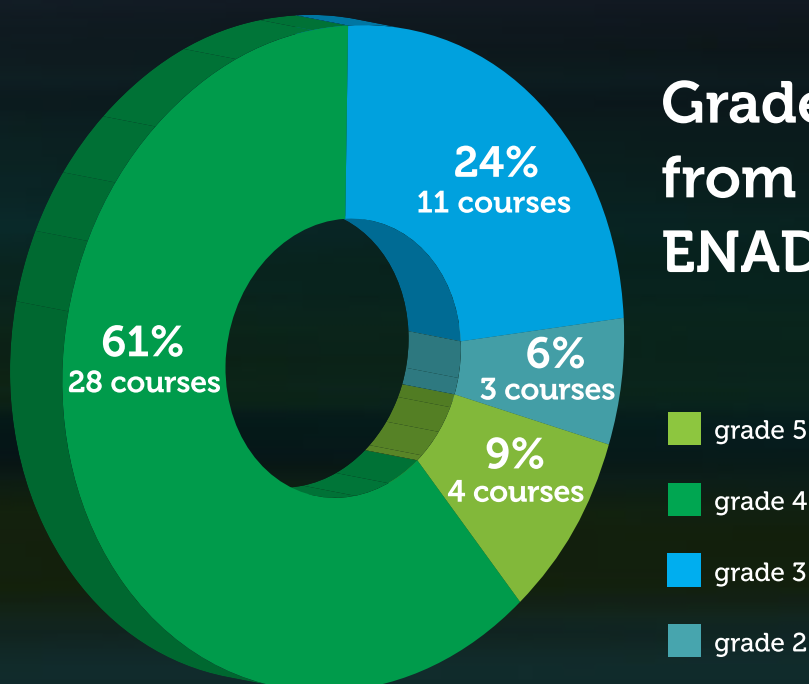
Students Service Center



Important to the consolidation of our Academic Model from a regulatory standpoint, in 94% of the evaluations carried out by the Ministry of Education in 2011, and the on-site evaluations at our units for ENADE 2009, we received grades of 3, 4 and 5 – on a scale of 1 to 5. We maintained the positive evaluations of our master's and doctorate programs, receiving the highest grade for our Law course. The 4 given to the Education course indicates a likely 5 in the next evaluation. We also received 4 for our master's and doctorates in Odontology and Management.



The tablet project is also very important and it represents a turning point for our teaching model, since it is used as an educational tool and a means of delivering content to our students in a systematized and sustainable way. During the year, approximately 6,000 devices were distributed to Law and Gastronomy students. In 2012, the goal is to have tablets being utilized by the students of our Engineering, Architecture and Law courses throughout Brazil, as well as Gastronomy in Rio de Janeiro, São Paulo and Minas Gerais; Hotel Management in Rio de Janeiro and São Paulo; and Management in the states of Goiás and Pará. The 3rd Research Seminar, held in October 2011, featured more than 500 registered projects, 331 of which were selected, attracting approximately 1,000 people and providing visibility for the scientific work and research activities being carried out at Estácio. The continuing education projects turned in a strong performance last year, with a total of 65 projects worth R\$ 5.5 million. We also became a part of the National Science Without Borders Program, through which we sent 16 students to study abroad with grants from the Brazilian government.



Grade reversal from MEC – ENADE 2009

Management plays an essential role in higher education and we are learning how to continually improve our application of management in this setting. Education is a long term investment and in the focus in the 21st century is on an education that offers sustainable quality. Today, all of our course academic projects are oriented towards sustainability. Hard copies of teaching material have been printed on recycled paper for quite some time. Once we upload all of this content, it will be possible to make further progress, given that we still had to print 100 million pages last year.

Our academic model leads to social inclusion and the democratization of education. Our focus on sustainability is evident in our Continuing Education courses at Estácio, which were developed with participations from the community, students and professors. They are important projects that make all the difference in certain regions. One example is the digital literacy project in the Morro do Turano, in Rio de Janeiro, which has existed for years in this community.

The motivation of the entire team to accomplish our mission was a victory in 2011. We invested in team management in order to maintain our expertise. We made structural changes to the work of our national coordinators, who used to be very focused on the production of knowledge and are now on their way to becoming managers of academic products at a national level, guaranteeing the quality and sustainability of their implementation.

New challenges are expected for 2012, the year in which we intend to complement our Academic Model by engineering an evaluation and quality audit proposal for the system as a whole.

To do this, we need to transform it into a system that accepts feedback, with ongoing innovation and upgrades. The challenges of the Academic Department are connected with those of the company as a whole in our effort to create what we call Business Intelligence (BI) within Estácio, with the methodology necessary to provide reliable, centralized information.

We continue to fully believe in our academic project.

In the midst of so many challenges in the field of education, we serve as an example that management is essential to guaranteeing the quality and sustainability of higher education. We mainly work for the emerging middle class and we understand that they are making an investment and deserve a quality product that appropriately addresses their needs regarding employment and professional advancement. We stand out in the market by providing a quality education to a large number of people and participating in discussions about higher education with the Ministry of Education. We have no doubt that our current teaching model is the most innovative available to the students we serve, which is why we must also help shape public policies and demonstrate that quantity is not antagonistic to quality.

We're broadening the horizons of higher education in the 21st century and we have been able to put together a team that believes in this goal and is working to make it happen.

New Courses in Gastronomy and Hotel Management

In early 2011, we opened a campus in the neighborhood of Chácara Flora, in São Paulo, focused on Gastronomy and Hotel Management courses. In keeping with our strategy of strengthening our presence and our image in the capital of São Paulo state, the new 5,000 square meter unit is equipped with the most advanced equipment for these two courses. The building is composed of cooking laboratories for the practical lessons, recipe demonstration laboratories and a bakery with space for tastings. The Gastronomy Course operates in partnership with the renowned Alain Ducasse Formation and the Hotel Management Course is associated with the École Hôtelière de Lausanne. Both offer students dual certification.

Gastronomy
Professors



Academic Model

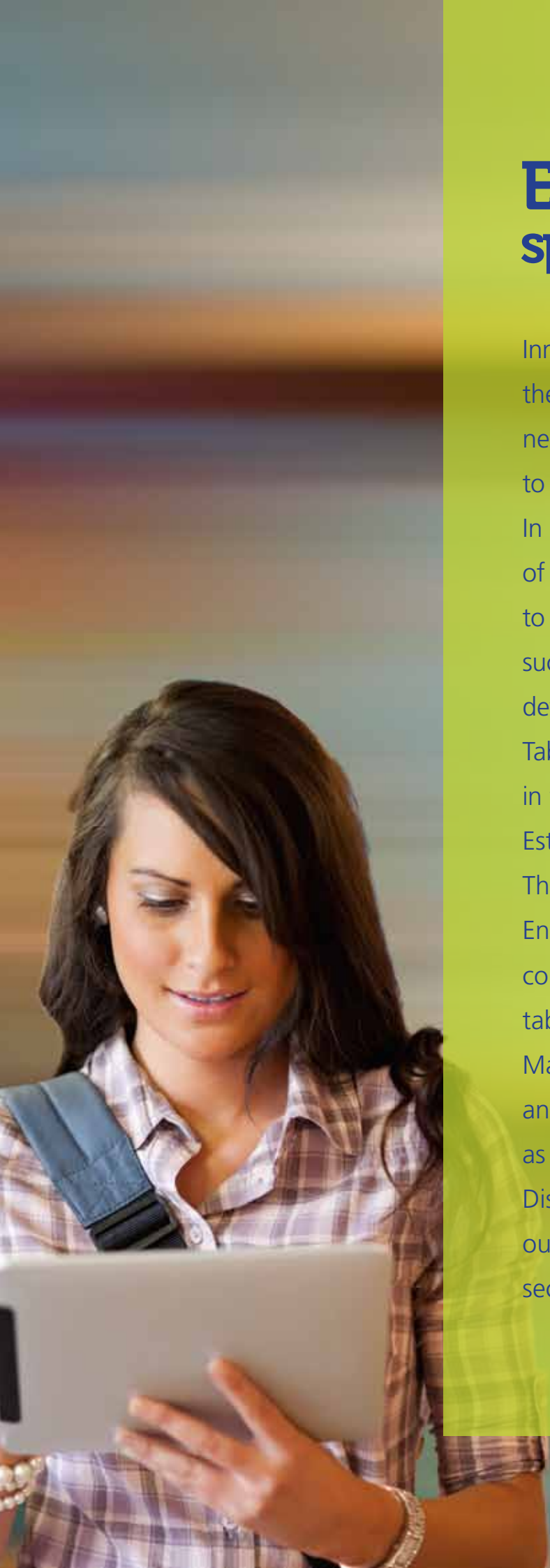
Developed by a highly skilled team, utilizing the most advanced educational techniques, our Academic Model offers a unique product, geared to meet the real needs of students, the current demands of the job market and regulatory prerequisites. Our faculty undergoes constant training and education, we have personalized academic programs and we apply modern academic tools and methods that are appropriate for providing a quality education in a scalable manner, nationwide, at all of our units.

Innovation and technology are also fundamental to our teaching model, which transformed the tablet – a mobile, portable, individualized platform – into the primary means of communicating and sharing information with students. Through their tablets, they have real time, online access to the Estácio website and its academic and administrative content, produced by our specialists in partnership with the most respected publishers in the country. The integration of the curricula at a the national level adds complete mobility and flexibility to our academic model. Every action is based on the essential premise of sustainability, aimed at contributing to the process of democratizing education and social development, enhancing learning conditions for our students and provoking the lowest possible levels of environmental impact.



Estácio's Tablet spreads across Brazil

Innovation is a strong characteristic of the Estácio team, cognizant of the current needs of Brazilian society and attuned to the most modern teaching platforms. In 2012, we will be the first Institution of Higher Education to distribute tablets to our students nationwide, following our successful experience distributing these devices in the Law Course in Rio de Janeiro. Tablets represent a landmark transformation in teaching and have become an icon of Estácio's new Academic Model. This year, incoming students in the Engineering, Architecture and Law courses throughout Brazil will receive tablets. Gastronomy and Hotel Management students in Rio de Janeiro and São Paulo will also receive them, as will Management students in Goiás. Distribution to students will be carried out following registration for the second semester of 2012.



Quality education

Collectively built by a central academic team that works together with professors from all of our educational institutions, our educational model provides value to our units through its diversity. In 2011, we produced 2,010 course programs, 29,995 lesson plans and we filled a database with approximately 70,000 exam questions. All of this content was built through a knowledge network that includes Estácio teachers from all over Brazil, led by our national coordinators, based on new methodologies and modern teaching resources that stimulate the self-learning process. The case study method is essential to ensuring that our students received an education that is focused on the real needs of the job market.

Knowledge Management System

7,000 professors involved in the collective creation of curricula, course programs and lesson plans

Knowledge Centers

70 core academic projects

2,010 course programs

29,995 lesson plans

Question Database

69,255 questions approved for the national exam

375 subjects included in the national exam

Distance Learning

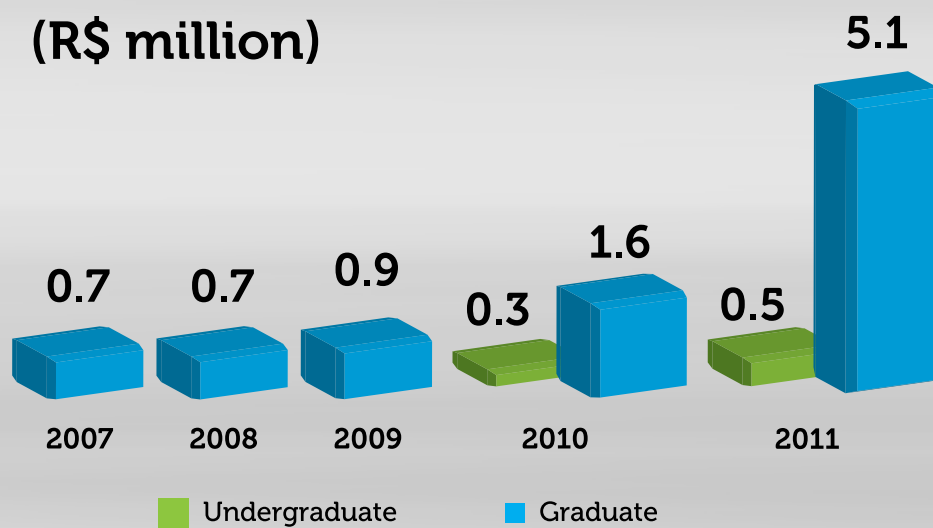
725 online subject

35 undergraduate courses

13 graduate courses

120 free courses

Research (R\$ million)



	2009	2010	2011
<i>Assistance provided</i>			
Citizenship	42%	40%	39 %
Health	28%	28%	26 %
Culture	18%	17%	19%
Environment	12%	15%	16%

Operations

“In 2011 we reaped the fruits of the major restructuring process that began during the second half of 2008, as well as the implementation of our new operations model the following year. It is an innovative way of organizing our units through regional centers and operating classes. We also centralized all of the transactional activities through our Shared Services Center and generated an academic platform that governs our operations and the delivery of our product. This allowed us to build the foundation for Estácio’s growth, in which the corporate sector outlines the guidelines and the Shared Services Center looks after the transactional activities. We broke successive fundraising records last year, our student body showed strong growth – particularly the undergraduate classroom segment – and we improved profitability and operating efficiency, especially in terms of our teaching costs and the subsequent increase to our profit margin over operating revenue.”

Virgílio Gibbon, Chief Operating Officer
(Current Chief Financial Officer)

“

We created a major platform for sustainable growth in order to add value for our shareholders.”



Estácio has an experienced management team composed of the skilled managers of our 68 units, located throughout the country. We now play a major role in shaping the growth of our skilled workers. These are people who have experience managing academic institutions. They understand our management model and speak our language. They are in tune with our culture and management system, which is focused on quality and concrete results. In addition, our training, enrollment, regulatory, procurement, accounting, HR and IT processes, among others, are increasingly more efficient and integrated with our operations, bringing significant efficiency gains and major improvements to our daily operations.

We have given special attention to attracting, training and retaining talent at our units and we implemented an ambitious trainee program, whose selection process involves more than 10,000 candidates per year. In 2012, we will begin our third trainee cycle, in order to meet the needs associated with our organic growth and maintain the company's base of new talents, which can sustainably enhance the organization's management structure over the long term.

Trainee Program

The attraction and retention of young talent is a priority of our management model, which is based on management ideals and meritocracy. Our Trainee Program had more than 12,000 applicants in 2011, from which 15 promising young people joined Estácio. The program, which lasts for 18 months, is composed of three modules, in which the learn the business culture, take part in a job rotation and participate in training workshops. Each trainee's final project is challenging and introduces new ideas to be implemented in Estácio's daily operations. They are tracked using development plans that are created according to individual needs, whose aim is to perfect behavioral and technical abilities.

Classroom education

In 2011, we made efficiency gains through better academic planning and the positive effects of the ongoing implementation of the new Academic Model, which introduced shared disciplines, where approximately 20% of the content for the classroom courses is also available online. With this, we were able to considerably spare our resources, without sacrificing quality. Today, we have approximately 50,000 students enrolled in a single subject across Brazil, which is managed by DL professors and tutors.

Distance learning

A major challenge that we overcame in 2011 was the development and implementation of the DL Operational Model, with management, processes and services appropriate for the exponential growth that this segment is experiencing and will continue to experience in the coming years. To do this, Estácio is preparing to expand its distance learning to cover all of Brazil and it has requested accreditation from the Ministry of Education to increase the number of accredited DL centers.

Graduate programs

In 2011, the Graduate program attracted a record number of students, increasing the total to 13,000. This strong influx was the result of a series of internal and institutional improvements, coupled with the work of an increasingly focused and determined team. We carried out a dedicated campaign, whose motto was diversity, both in terms of courses and ways of studying. For this, we took advantage of the fact that we have a variety of knowledge areas in the graduate program, such as law, management, humanities, technology, health and public safety, available in the classroom and distance learning formats, as well as our MBA. We were able to make

a broad range of courses available to our students due to the fact that we are present in a variety of locations throughout Brazil and we have courses that last 12, 18 and 24 months.

Shared services

This was also the year in which we consolidated the Shared Services Center (CSC), preparing it for growth. After operating for two full years, the CSC was transferred to the Rebouças unit, in Rio de Janeiro, which offered better, more economical facilities. In order to consistently meet the growing demands of the Company, more activities and services will be assigned to the CSC in 2012.

Technology

Given that Estácio makes intensive use of technology, we needed to create a technological master plan that will support our growth over the next five to ten years. As an example of this challenge, in ten days we electronically issued more than 1 million exams and at 7:00pm on a Thursday, 15,000 students simultaneously accessed our academic information system and Estácio database.

All areas of Estácio present technological challenges. It is essential that we understand how to coexist with the demands of this sector at compatible prices, without passing the costs on to the students. Our IT team is designing and developing an integrated technology project, known as A+, capable of handling our strong organic growth and the comprehensive implementation of our new Academic Model, further improving the quality of the services we offer students. By 2013, the goal is to migrate all of the transactions involving students and professors over to an open Oracle platform, known as Campus Solution.

Operational Performance Management (OPM) Cycle

The Estácio units were also rather successful in meeting the budget targets set for the fiscal year. There were budgetary savings through efficient resource management. That is the way forward. Now we're going to review and execute contracts in a centralized manner, increasing our bargaining power in our daily operations with suppliers. Every month, the five regions – Rio de Janeiro, São Paulo/Southern Brazil, Central Brazil, Northern Brazil and Northeastern Brazil – and the corporate offices evaluate the results. In cases where there has been a deviation from established targets, a plan of action and recovery is implemented according to a predefined and controlled methodology, the Performance Management cycle.

The objectives are clear: a focus on results, management and the standardization of our routine oversight of performance indicators, the identification of underperforming units and the acceleration of the process of change and operational improvement at our units, covering the key quantitative and qualitative performance indicators. By carrying out weekly meetings to analyze the results and evaluate the campuses, monthly meetings with the Regional

Directors and meetings at the Senior Management level, as well as feedback from the Board of Directors, action plans are approved, implemented and monitored in a more efficient manner.

In this way, we are able to far more quickly correct deviations and get back on track in order to reach our goals.

This year, we are seeking to grow our student body and realize significant gains in operational efficiency. In addition to strengthening our academic management, we will face the challenge of improving our cash management and tuition collection processes. Work will be carried out on our management and academic quality control models, with a focus on results. We're creating a routine to be implemented by all units and that involves the teachers, course coordinators and academic managers. As a result, we expect to be even more efficient in 2012. Average classroom occupancy has improved considerably with the introduction of shared disciplines and the cost per hour of classes has decreased with the increase in online courses, a service offered by our distance learning department, which has also been growing very quickly.

Growth and new business



Processes vital to Estácio's growth made significant progress before the Federal Government in 2011, particularly the process to improve regulation of the student loan (FIES) system. Together with the Ministry of Education, we contributed to the improvement of this powerful mechanism of educational inclusion, which allows low-income students to have access to higher education. In terms of growth opportunities, the Graduate and New Business areas show promise, with the expectation of new courses and growth in the overall student body. Academia de Concurso, in turn, will adopt a distance learning model with high scalability."

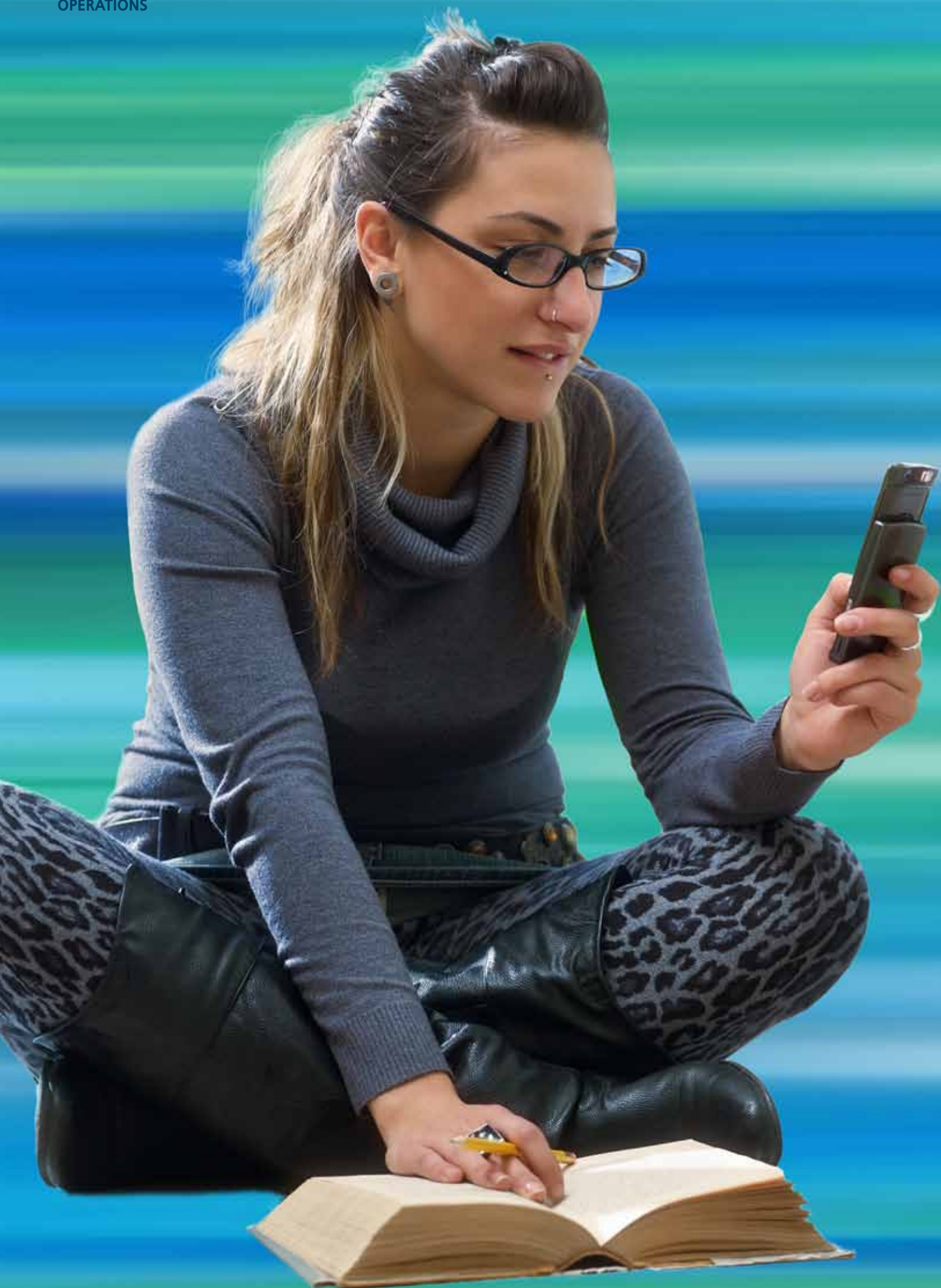
João Barroso, Chief Institutional Relations Officer

In terms of Estácio's organic growth project, we are awaiting the promotion of two colleges – in Ceará and Santa Catarina – to the level of university centers, which will allow them to offer new courses and increase student enrollment. These applications were submitted to the federal government in 2002 and they are finally

being considered by the National Education Council, for final approval. We also received authorization to open two new campuses in the state of Rio de Janeiro, in Teresópolis and Angra dos Reis.

The major challenge for 2012, in terms of Institutional Relations, will be the final approval of the applications submitted to the Ministry of Education to promote the Ceará and Santa Catarina colleges to the level of university centers, the recognition of our Distance Learning courses, allowing for an increase in coverage, and the creation of new centers with the authorization to launch distance learning centers in other markets.

The year 2011 was dedicated to structuring the New Business area. We have already landed our first corporate client – Grupo Facility – and we are developing the area of in-company courses, which will soon be offered to the market. This is an important growth niche. We're also studying the possibility of entering into partnerships to offer graduate courses in locations where we do not yet operate. The acquisition of Academia do Concurso was another important event that took place in early 2011, giving us the capacity to offer preparatory courses for nationwide public service exams. The challenge for 2012 consists of consolidating our classroom operations in Rio de Janeiro and growing our distance learning student body across the nation.



Facility Corporate University

In 2011, Estácio inaugurated its Corporate University and taught its first course to 120 supervisors from Grupo Facility, which provides management solutions to various sectors of the economy. The project is expected to soon be expanded to another six companies within the group. Facility Corporate University's opening lecture took place on September 24 and was attended by CEO Cesar Franco and Professor Décio Moraes, who received his master's in Business Development Administration from Universidade Estácio de Sá and spoke about leadership and corporate change. Grupo Facility has approximately 30,000 employees and there are other training demands that will be addressed through its partnership with Estácio.



Financial Performance

The year 2011 will go down in Estácio's history as one of sustainable growth and the creation of value for shareholders. We now have a team and an organizational culture focused on quality and results, which allows us to achieve growing levels of satisfaction among our students. This, in turn, translates into more growth: of enrollment numbers, of our employees and of Estácio as an institution of higher learning.

The successive increases in enrollment during the year are due to:

1. an established teaching model that is known by teachers and students;
2. a trained and disciplined sales force;
3. management based on ongoing improvement and a better understanding of the value drivers;
4. a continual improvement in the level of services and the public's perception of the institution;
5. successful marketing efforts and decisions.



DL Studio



Highlights

- * **New students.** At the end of 2011, Estácio's student body totaled 240,000 – a 14.3% increase over the previous year, with 200,600 students enrolled in classroom courses and 39,400 enrolled in distance learning courses, including the acquisitions of Atual, FAL and FATERN. Without the acquisitions, same shop growth in the student body reached 230,000 students at the end of 2011, up 9.5% over 2010.
- * **Net operating revenue.** Estácio's net operating revenue reached R\$ 1.148 billion in 2011, up 13.0% over last year. This result was mainly due to the 14.3% overall increase in the student body and the increase in tuition fees.
- * **Cost of services.** The cash cost as a percentage of net revenue improved by 1.9 p.p., with significant gains in Personnel (reflecting the implementation of the Academic model and better Academic planning) and Rents (reflecting a more efficient use of space through the growth in the student body).
- * **Average ticket.** In 2011, the average classroom ticket totaled R\$ 436.2, up 3.7% over the same period last year. The average DL ticket totaled R\$ 173.2, up 3.7% over 2010.

- * **Cash.** On December 31, 2011, cash totaled R\$169.4 million, with an EBITDA of R\$140.5 million, negatively impacted by: (i) an increase in receivables; (ii) execution of a more intense CAPEX plan; (iii) low financial results due to average cash levels; (iv) payment of interest on debt, and (v) payment of dividends. During the year, our operating cash flow was considerably affected by rising defaults and by the increased utilization of the FIES program by our student body, given that the average collection period for FIES is higher than the normal average for current monthly tuition fees.
- * **Gross Profit.** Estácio's gross profit reached R\$382.9 million and its margin on revenues was 33.3%, representing an improvement of 1.4 p.p. over last year.
- * **General and administrative expenses.** In 2011, the margin for expenses improved by 0.4 p.p., due mainly to a 0.6 p.p. reduction in the personnel line. This gain reflects operational efficiency, from the growth in revenue and the predominantly fixed administrative structure, as well as the use of tools such as matrix budgeting and routine management.
- * **Business Expenses.** Business expenses represented 9.9% of net revenue in 2011, causing a 0.6 p.p. drop in the margin from the same period last year, due mainly to the 0.6 p.p. increase in the provision for doubtful accounts as a proportion of net revenue, reflecting the rise in defaults seen during the course of the year, in accordance with our strict and transparent provisioning criteria.

- * **Change in the publication of results.** In the third quarter of 2011, in order to align its policies with the highest levels of transparency, Estácio stopped basing its analyses on the Recurring EBITDA results, adopting instead the EBITDA alone, adjusted for the financial operating result.
- * **EBITDA.** For the year, Estácio delivered R\$ 140.5 million in EBITDA – up 32.3% over 2010 – with a margin of 12.2%. The 1.7 p.p. increase in the margin was a reflection of Estácio's successful management model, based on the centralization and scalability of its business model, on the implementation of its academic model and on its ongoing measures to ensure operational optimization. In addition to the gains with personnel costs and general and administrative expenses, the companies acquired during the year, such as Atual, in Roraima, and Fatern, in Rio Grande do Norte, contributed to the increase in Estácio's margin.
- * **Net income.** Estácio's net income was R\$70.2 million, down 13.0% from 2010, explained by the R\$ 13.0 million impact from the Income Tax and Social Contribution line compared to 2010, due to a one-time effect from the previous year, by the reduction in the Financial Result and by the R\$ 11.9 million increase in depreciation and amortization. It is important to note that the sale of our operation in Paraguay represented a net book loss of R\$ 2.2 million, which contributed to the decrease in net income for the period.

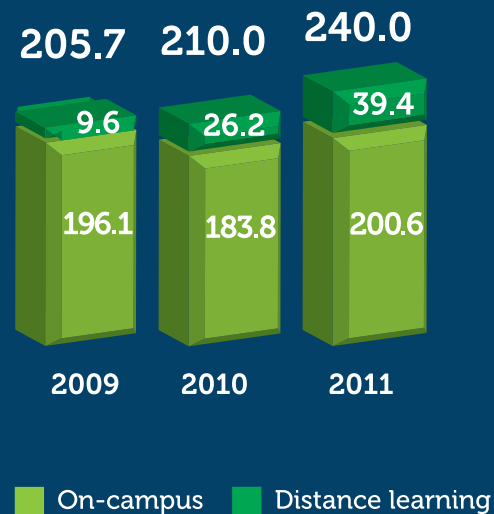
- * **Economic Value Added (EVA).** As part of our effort to better manage Estácio's cash and invested capital, in 2011 we began calculating, with support from Stern Stewart & Co., the Economic Value Added (EVA) calculation, in order to measure the return on invested capital. Estácio has been consistently improving the return on capital invested in recent years, achieving a positive EVA in 2011 and unequivocally confirming the trend of a growing return on invested capital.
- * **Dividends.** Based on our solid financial situation, we will propose, at the next annual shareholders' meeting, the payment of R\$ 16.6 million in dividends, equal to 25% of our Net Income.
- * **Investments.** Estácio's investments in 2011 totaled R\$ 178.7 million and represented 15.6% of net revenue, while last year they represented 6.9% of net revenue. Of this amount, R\$ 61.0 million was allocated to the acquisition of new units, while R\$ 117.7 million was assigned to the expansion of new units, the renovation and improvement of existing units, IT projects, computer upgrades and the consolidation of the new Academic Model.
- * **IFC Loans.** On October 21, Estácio received a loan of US\$ 70 million from the International Finance Corporation to expand the new educational units and finance acquisitions. The financing is being done directly through the IFC, with a term of ten years, denominated in Brazilian reais, and can be withdrawn for 12 months after its approval. Last year, the company also received funds from another IFC financing project in the amount of R\$ 48.5 million.

- * **Debentures.** On November 18, Estácio carried out its first issue of nonconvertible debentures, in the amount of R\$ 200 million. The funds raised through this issue are being assigned to the expansion of new educational units and the financing of acquisitions of companies from the sector.
- * **International divestment.** In line with its focus on profitable growth opportunities in the domestic market, and due to the lack of synergy in its Brazilian operations, on September 8 Estácio completed the divestment of its Paraguay Unit. With the sale of all of the shares that it held in Sociedade de Enseñanza Superior S.A., headquartered in Asunción, the company divested itself of its only overseas operation.
- * **Receivables, debt and default provision.**

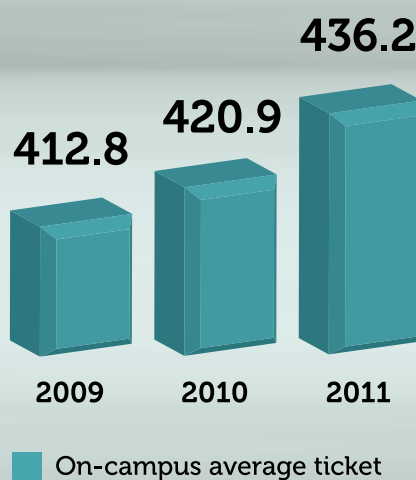
The number of days in accounts receivable (tuition fees and agreements) for students, taking into account FIES and the total gross Accounts Receivable, without discounting the provision for doubtful accounts, totaled 101 days at the end of 2011. The increase from the 75 days registered in 2010 to the 101 days in 2011 is directly related to the increase in receivables and the expansion of FIES, and has a direct influence on the Working Capital and Cash Flow, explaining a lot about our cash position in 2011. In this context, we are working to reverse the trend, using all of our organization

and management, aiming for a more favorable cycle in 2012. On the other hand, we remain firm in our credit policies, in order to prevent an increase in the student body at the expense of credit negotiations that would be unfavorable to the company and put the future solvency of such receivables at risk.

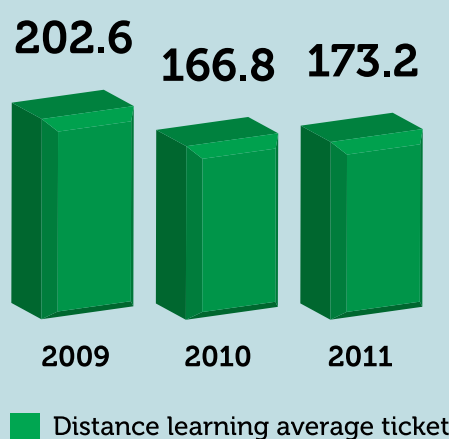
Total student base (thousand)



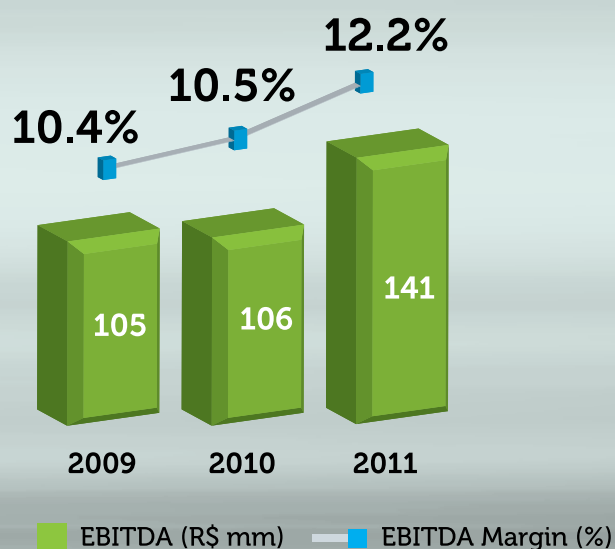
On-campus average ticket



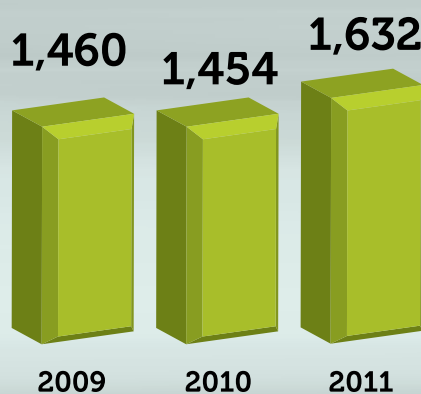
Distance learning average ticket



EBITDA (R\$ mm) and EBITDA Margin (%)

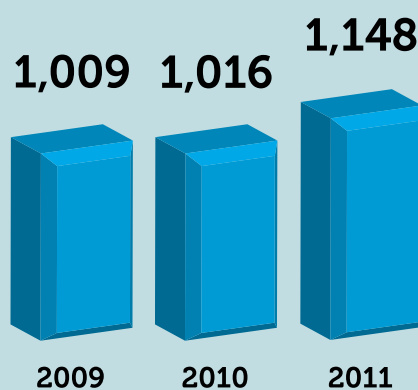


Gross revenue (R\$ mm)



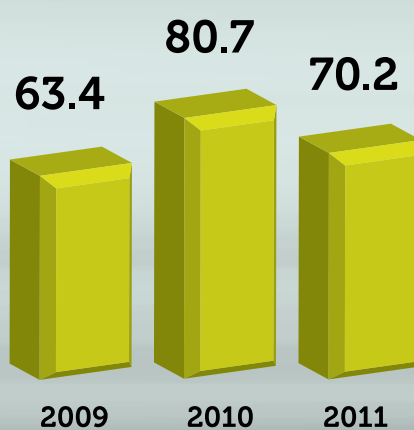
Gross Revenue (R\$ mm)

Net revenue (R\$ mm)



Net revenue (R\$ mm)

Net income (R\$ mm)



Net income (R\$ mm)

Corporate Governance

The delivery of quality and excellence in management is a commitment that Estácio has made with its shareholders and all of the stakeholders with whom we interact. In our quest for greater transparency and efficiency in management, we joined the Novo Mercado, the highest level of Corporate Governance in Brazil, in November 2008. With this, Estácio began to observe the rules and regulations of the Novo Mercado, such as having its shareholding base made up of only ordinary shares, electing independent members to the Board of Directors and conducting arbitration through the Market Arbitration Chamber.

With the dispersion of capital stock in 2011 (80% of free float), Estácio began in 2011 to adopt corporate governance practices, including (i) the adoption of remote voting through the Assembleias Online system, in order to facilitate and increase shareholder participation in the Shareholders' Meetings; (ii) provision of the Shareholder Manual for participation in the Annual Shareholders' Meetings and (iii) creation of an internal area focused on the practices of corporate governance and compliance.

Senior Management and the Board of Directors

Based on the principles of transparency, equity and accountability, the main decision-making body for our system of Corporate Governance is the Board of Directors and its advisory committees, composed of Board members and external specialists.

The Board is made up of at least seven and no more than nine members, 20% of whom are independent members, elected by the Annual Shareholders' Meeting for a term of two years and eligible for reelection. Estácio's Board of Directors is aided by two non-statutory advisory committees: (i) the Compensation Committee, which aids the Board of Directors in defining compensation policies for the Company's management, in addition to establishing a variable compensation program and (ii) the Audit Committee, which aids in supervising the performance of the internal audit, compliance with laws, regulations, policies and the code of ethics, the information disclosure process, corporate risk management and management and control of contingencies.

The Board of Directors elects seven executives to make up Estácio's Senior Management: a Chief Executive Officer, Chief Financial Officer, Chief Academic Officer and four other designated officers. The responsibilities and powers of the Fiscal Council, made up of three members serving one-year terms, are established by Law 6404/76.

Annual Shareholders' Meeting

The Annual Shareholders' Meeting is expected to examine and discuss management's accounts, vote on the Management Report and the Financial Statements, approve the allocation of income for the fiscal year and dividends, elect members of the Board of Directors and the Fiscal Council, when necessary, and set the total compensation for managers. The Shareholders' Meeting can meet at other times, when necessary, to make decisions about important issues under the purview of shareholders. In 2011, Estácio began holding online shareholders' meetings, as a way to facilitate and increase participation by shareholders.

Dividends

The proposal to distribute dividends for the fiscal year ended December 31, 2011, registered in the company's financial statements, subject to the shareholder approval at the Annual Shareholders' Meeting, includes payment of 25% of the adjusted net income, totaling R\$ 16.6 million.

Risk Management

In addition, Estácio developed a risk management model as a means of avoiding adverse events that might affect the company's objectives and results. The main risks were identified and documented so that their respective mitigation treatments could be defined. Thus, it is possible: (i) to identify the main risk events that might adversely affect the Company's operations and results; (ii) to find the main causes of these risks and identify the mitigation actions needed to reduce the impact of these events on the company's businesses; and (iii) to define the principles that will guide the development of the company's future methodology.



Capital Markets

In 2011, Estácio's shares increased their liquidity, with an average daily trading volume of R\$ 5.4 million, up 47% over last year. The Ibovespa index dropped 18.1% for the year, while Estácio's shares finished the year quoted at R\$17.99. The 33.4% devaluation for the year is comparable to the average devaluation of companies in the education sector, which was 32.7% for the year.

Stock Repurchase Program

On July 15, Estácio announced its Second Stock Repurchase Program. A total of 3,323,796 shares, representing 5% of the 66,475,925 shares in circulation, may be acquired by the end of the program, scheduled for July 13, 2012.

On December 31, 2011, we had 252,500 shares in treasury.

Level 1 ADR Program

The launch of the Level 1 ADR Program on July 17 was aimed at broadening the opportunities to invest in Estácio – mainly for investors residing outside of Brazil – and increase the liquidity of its shares. Each ADR represents a common share (ESTC3) and is traded on the American OTC market under the symbol "ECPCY".



Tom Jobim Campus, RJ

Sustainability

As a key step to perpetuating a healthy economic project that is contributing to the development of the country, we are constantly in tune to the needs of the communities in which we operate. In 2011, we updated our Sustainability Policy and Management Procedures, which will soon be implemented at all of our units, to include the most important social and environmental issues.

In order to continue our sustainable economic growth, in 2012 we will implement our Social and Environmental Management System. This project reinforces our mission “to promote the training and career advancement of our students by providing a quality education that contributes to the sustainable development of the communities in which we operate.” We operate in line with the regulations of the International Finance Corporation (IFC), a global investor and advisor that promotes sustainable development, and we have the opportunity to achieve our goals by meeting the demands of our social environment and making a commitment to future generations.

Education for a sustainable world

Through our courses, we educate engaged citizens and professionals who have the skills to meet the needs of today's job market. Providing different segment of the population with access to quality higher education combines theory and practice with education, research and outreach in favor of human development. We also complement the academic training of these future professionals with practices that reinforce their social and environmental responsibility. Students, professors and employees take actions that contribute to the sustainable development of the regions in which Estácio operates, preserving memory, cultural heritage, artistic production and the environment. Programs focused on promoting civics, health, culture and the environment served over 700,000 people in 2011. In a move that bolstered the credibility of actions taken by the state of Rio de Janeiro, Estácio transferred the activities of the Shared Services Center to the Rebouças Campus facilities following the installation of a Pacifying Police Unit (UPP) in the community of Turano. Approximately 300 employees are already working at the unit, contributing to a reduction in Estácio's rent and utility costs, given that it is an owned property. Estácio's early history began at the Rebouças Campus, the institution's first unit, which was founded in 1970. Now, with UPPs in communities that had once been dominated by the drug trade, the region is expected to regain its value due to its convenient location and historic tradition.

Estácio's Internship and Employment Program facilitates students' entry into the job market. The Espaço Estágio Emprego (Internship Employment Space), or E3, which was introduced in 2010, has expanded its activities and now includes 20 units in 16 states. In 2011, there were more than 184,000 internship and employment opportunities through our partnerships with approximately 40,000 companies, representing an increase of 125% over last year. E3 offers career guidance to students

and graduates and is aimed at increasing the integration between the academic world and large employers, strengthening the relationship between the institution and the job market, on behalf of our students. Orientation is provided by professors and students completing their degrees in Human Resources and Psychology, who are paid to advise young college students seeking their first professional experience or assistance in reentering the job market. At the end of 2011, we also inaugurated the new Job Site (www.estacio.br/estagioseempregos), which brought unprecedented features, such as email updates on job opportunities and a resume database that can be consulted by registered companies.

The implementation of E3 not only increased the number of opportunities offered through Estácio, it also strengthened the relationship between businesses and the institution, allowing students to interact and obtain better professional opportunities.



Support to Sports

Estácio has always been interested in social development and it has increasingly sought out Strategic Partners to support sports on a national level.

As a result, a variety of partnerships are being carried out with clubs, associations, institutions and NGOs. They include clubs such as Flamengo, Escola Zico 10, Instituto Fernanda Keller, Instituto Kinder do Brasil, the Brazilian Olympic Committee, as well as a variety of talks by athletes, former athletes and renowned sports professionals to our students enrolled at campuses throughout Brazil.

Estácio's support comes through the development of athletes, aiming to train athletic talents through a combination of efforts aligned with the application and transfer of our core business knowledge: education.

Medal winners in a variety of sports, such as beach volleyball, diving, gymnastics, footvolley, track & field and tennis, are graduates of Estácio, or current students in our classroom and distance learning courses.

Sandra Pires – Beach Volleyball, Cassius Duran – Diving, Daniele and Diego Hypólito – Gymnastics, Fabiano de Paula and Marcelo Demoliner, Tennis, are just a few examples of Estácio athletes.

In addition, in order to prepare professionals for the World Cup and the Olympic Games, Estácio, in partnership with Effect Sport, is introducing a new course: The Business of Sports.

Thus, Estácio continues to increase the number of athletes in its student body, in an effort to become a national reference as an institution of higher education that provides support to athletes.



Rebouças campus pool

Sustainable Management

We have adopted sustainability as a fundamental, influential presence in our management, as well as the academics, research and outreach of our courses and operating units.

We're committed to building ethical and transparent relationships with the many stakeholders with whom we interact, always combining economic success with social progress and environmental responsibility.

We understand that sustainability consists of "meeting the needs of the current generation without affecting the ability of future generations to meet theirs," based on the "Our Common Future" report prepared by the UN World Commission on Environment and Development and reiterated in Rio 92's Agenda 21. Our practice of sustainability is based on the concept of the Triple Bottom Line, which ensures equal treatment of the institution's social, economic and environmental factors, providing quality educational services to broad segments of the population. More than this, we contribute to social inclusion by promoting citizenship, improvements in quality of life and access to the job market

for a portion of the population that previously would not have had options for higher education. The role of Estácio's employees and teachers includes looking after these students.

In our academic environment, our undergraduate and technology courses feature sustainability as a guiding theme.

We are also attentive to the demands of the current job market and we offer courses in sustainability, such as the Environmental Management Technology course, and the graduate courses in Environmental Planning Management and Strategic HSE and Social Responsibility Management. We were one of the first higher education institutions to join the federal government's Programa Universidade para Todos (PROUNI), which provides full and partial scholarships to low-income students. In order to continue increasing people's access to higher education, we also took part in the Novo FIES student financial aid program in 2010. In 2011, 15,200 students used FIES benefits and 10,800 received scholarships through PROUNI.

Relationships with Stakeholders

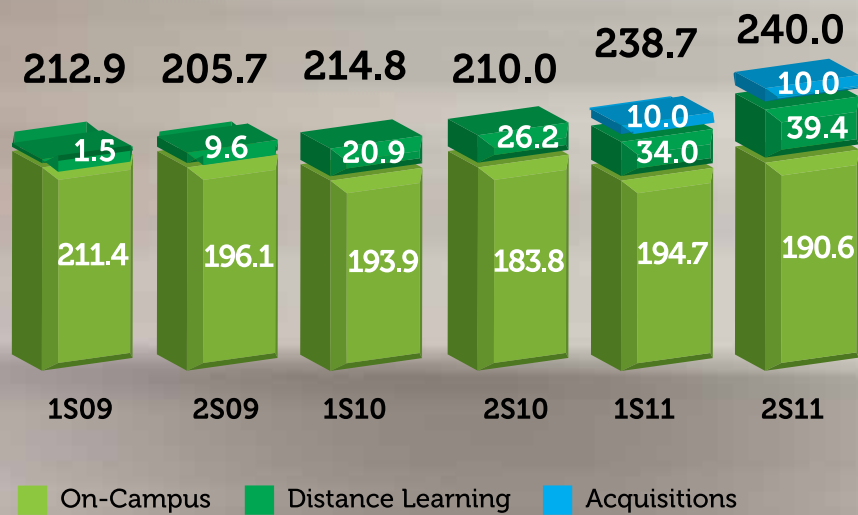
STUDENTS

In 2011, 156,000 new classroom and distance learning students enrolled at Estácio at the undergraduate level. After three consecutive cycles of record enrollment for classroom students, with growth exceeding 20% over 2010, we closed the year with 240,000 enrolled students, which



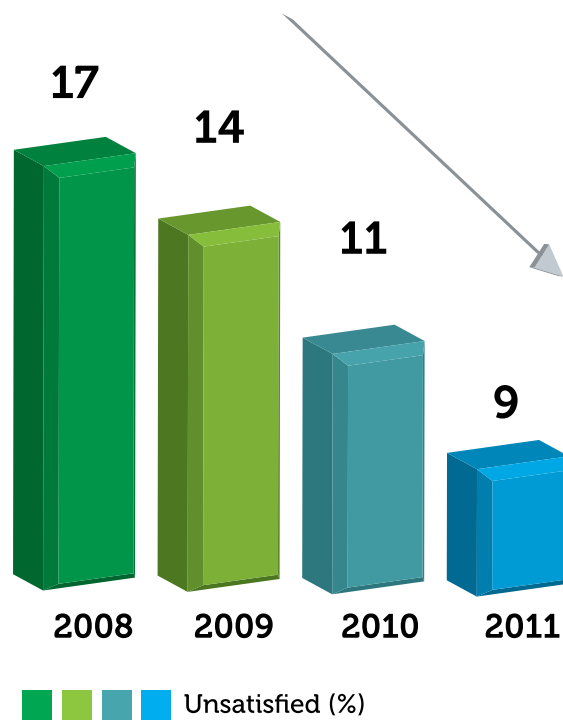
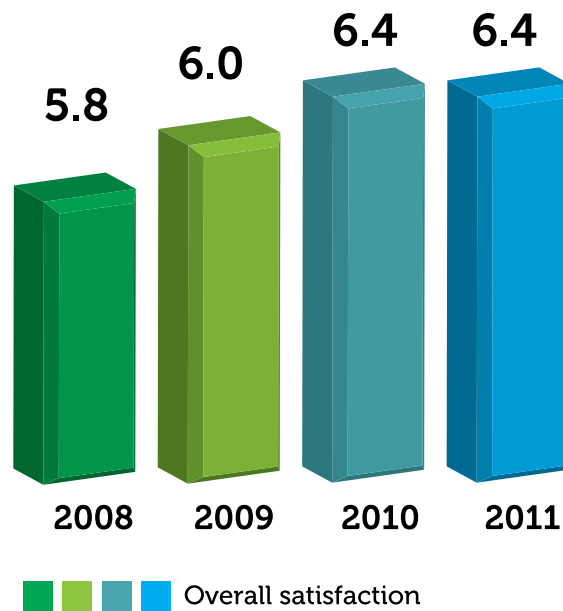
represents a 14.3% increase over the previous year. Of this total, 200,600 are classroom students – up 9.1% over the previous year – and 39,400 are distance learning students – up 50.4% over 2010.

Total student base (thousand)



Student satisfaction, which is the fundamental goal of Estácio's Academic Model, is measured by Copernicus, an external organization recognized by the market. We believe that our growth is sustained by students who are satisfied with the product, the facilities and the quality of the education. After three successive increases, in 2011 the index remained stable at 6.4%, with a downward trend for dissatisfied students, which is a positive indicator for the coming cycles.

Overall Satisfaction Rate for Students





Estácio at Rock in Rio – A partnership for a better world

Rock in Rio, upon its return to its city of origin, brought together 700,000 people in September and October of 2011, and was followed over the Internet by 180 million viewers in 200 countries. Through an exclusive partnership with the Higher Education segment, Estácio provided 600 exclusive employment opportunities for its students throughout Brazil. During the event, they enhanced their professional training by contributing to the logistics of the attractions, event production and management of the public. Students from the Social Communication program produced, created and edited the TV Rock in Rio content, transmitted on the large screens in the City of Rock. At our exclusive booth, Estácio students attended to approximately 3,000 people.

Graduates (thousands)

	2009	2010	2011
Graduates (thousands)	30.8	36.8	31.2
Law	18%	14%	14%
Management	14%	11%	10%
Nursing	4%	3%	4%
Human Resource Management	7%	6%	7%
Physical Education	3%	3%	3%
Other	54%	63%	62%

EMPLOYEES

“Estácio is a dynamic teaching institution, where changes, projects and new initiatives are constantly underway. Our operations are highly transactional and every year we make progress in terms of the organization and systematization of our essential processes. When we talk about diplomas, for example, we’re talking about 30,000 documents a year and each diploma must pass through a legal process before being issued. Nowadays, our academic planning includes more than 240,000 students and the challenge for our team – made up of 11,000 people in 2011 – is to provide a high level of service that is secure and reliable. That is why we try to continually improve Estácio’s internal working environment, which is scientifically measured. In 2011, for example, all of our employees began receiving health insurance that was largely subsidized by the company. Our investment for the first year totaled R\$ 6 million and the trend is for this amount to increase even further.”

Miguel de Paula, Human Resources Officer

“We’re one of the most inclusive institutions of higher education and we have to take full advantage of that characteristic. With a trained team of professionals and significant penetration throughout Brazil, we make it possible for socially disadvantaged students to receive a quality education. That is our most important role and we will continue to make a difference in the lives of many people.”

Miguel de Paula, Human Resources Officer

In 2011, Estácio's professors took part in the Incentive Program for Quality Teaching (PIQ), which includes a series of policies, guidelines and services for enhancing the qualifications of our teachers. At the same time, progress was made on the program to offer scholarships at the master's and doctorate degree levels, for courses at Estácio and outside of the company. The Third Annual Teachers Forum was another important milestone for Estácio last year. This extremely successful forum was entitled "Lights, Camera, Professors in Action," and included more than 600 participants, brought together to discuss educational quality and the act of teaching.

At the management level, the annual meeting of executives was held in March 2011. Entitled "Discipline in Execution" it included the participation of more than 250 executives from throughout Brazil and produced significant results in terms of the progress and development of our projects. Last year we also began the training of 100 executives in management programs, in partnership with the National Institute of Managerial Development (INDG), together with Fundação Dom Cabral. The variable compensation of Estácio's executives, which is a key component of our management model, also entered into its fifth year, covering 340 key employees with individual goals.

Last year, we also launched Conecta, our corporate social network. Initially open to our employees in Rio de Janeiro, the goal of Conecta is to bring together all of Estácio's employees in a single environment. This network for corporate collaboration is ideally suited to sharing knowledge, communicating and making quick decisions.

PIQ Continuing Education

In 2011, 8,082 professors from all over Brazil took part in the PIQ Continuing Education program. This training process is focused on strengthening our academics and keeping our teaching professors up to date. It includes three main areas. The first, which is focused on our organizational culture, is focused on orienting recently-hired teachers and presenting the fundamental changes proposed by Estácio. The second area is centered on the practice of teaching, as well as the discussion of issues such as academic planning, methodology, strategies, evaluation of the teaching and learning processes and the management of people in educational settings. It is aimed at all of the professors of undergraduate, technological and graduate courses. The third area, which is composed of modules focused on specific pedagogical training, seeks to meet the demands of the range of educational projects offered by Estácio, in accordance and partnership with our Learning Centers.

PIQ Merit Program

Part of the Incentive Program for Quality Teaching, PIQ Merit includes the National Scientific Production, Outreach Projects and Outstanding Faculty Contest. The competition highlights the work of faculty members, strengthening their teaching and research practices, stimulating the production of scientifically and socially relevant knowledge and the dedication of professors to research. The Outstanding Faculty competition recognizes and stimulates teacher performance as a means of strengthening ties to Estácio, furthering their commitment to our mission, vision and values. In 2011, Estácio offered 105 scholarships at the master's and doctoral levels and 18 grants for scientific events. Forty teachers received awards for the production of scientific articles, outreach projects and essays.

PIQ Compensation

PIQ Compensation is the culture of meritocracy applied to the faculty at Estácio, identifying and recognizing the professors who stand out in their activities. Variable Compensation for faculty members covers 20% of the group of professors with the highest performance ratings, using an individual comparative method, with criteria that is easy to understand and measure. This allows us to promote and encourage the quest for academic excellence through the building of a stimulating, high quality university environment, strengthening the link between the Institution's results and the performance of its teachers.

PIQ Forum

The PIQ Forum aims to bring together professors from throughout Brazil at one large annual event. In 2011, 600 teachers participated in the PIC Forum.

Incentives for scientific events

Implemented in 2011, this grant has enabled 18 professors to represent Estácio at international conferences. The program is designed to allow active teachers, who work at our units, to present their projects at scientific events. Among the events planned for this year that will include the participation of Estácio teachers are the 11th Iberoamerican Conference on Nursing Education, held at the University of Coimbra, in Portugal; the 7th International Conference on Engineering and Computer Education, in Guimarães, Portugal and the 2011 International Congress on Ultrasonics in Gdansk, Poland. In Brazil, we participated in the 20th National Graduate Congress of Law, at the Federal University of Espírito Santo; the 63rd Brazilian Congress of Nursing in Maceió and the 15th World Water Congress in Recife.





3rd Teachers' Forum

More than 500 professors and coordinators from throughout Brazil participated in the third Estácio Teachers' Forum, held in Rio de Janeiro in August 2011. The theme of the event was "Lights, Camera, Professors in Action: Leading the Transformation of Learning" and it served to further strengthen ties within the Estácio community, furthering the exchange of academic knowledge among teachers. In addition to lectures and work groups made up of professors, the forum served as the stage for the 4th Internal Scientific Production and Outreach Project Contest, as well as the 1st Essay Contest. The success of the event clearly demonstrated Estácio's commitment to integrating and promoting the development of teaching networks and the national reach of its academic model.

RELATIONSHIPS WITH STAKEHOLDERS

	2009	2010	2011
<i>Employees by Group</i>			
Faculty	10,776	10,104	9,596
Staff	4,318	3,995	3,952

	2009	2010	2011
<i>Employees by Region</i>			
North	265	305	312
Northeast	2,305	2,210	2,249
South	423	406	437
Southeast	11,791	10,883	10,260
Midwest	310	295	290

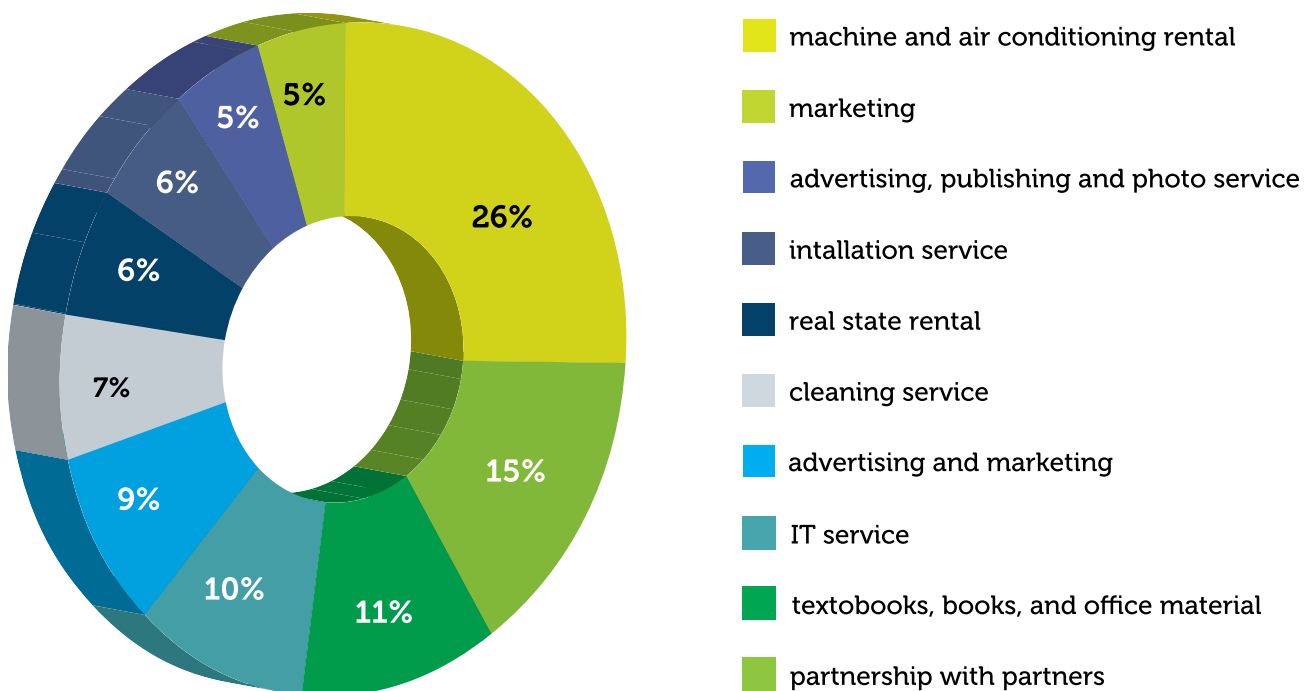
<i>HR Programs (number of employees)</i>	2009	2010	2011
Trainees	16	19	15
PIQ Merit Program			
Master's and Doctoral Scholarships	40	70	105
Grants for Scientific Events	-	-	18
Awards for scientific articles, outreach projects and essays	40	40	40
PIQ Continuing Education	5,011	7,417	8,082
PIQ Forum	300	400	500

	2009	2010	2011
Turnover Rate	19.9%	16.2%	14.1%

SUPPLIERS

Estácio's suppliers of goods and services are selected from among companies that adopt social and environmentally responsible best practices, in order to guarantee that the products aren't falsified, pirated, stolen or the product of unfair or forced labor. As a means to enhance the value of the work and contribute to the development of the regions in which we operate, we seek out local suppliers, as long as they conduct themselves in an ethical and sustainable manner.

The choice of Estácio's suppliers is based on professional, technical, commercial and strategic criteria, and is always carried out according to the needs of the company.



SHAREHOLDERS

The Investor Relations area is focused on improving the market's evaluation of Estácio, increasing the liquidity of its shares and strengthening its relationship with investors. Since 2010, we have added new channels of communication to keep shareholders informed and increase the company's transparency, particularly through the IR accounts on Twitter, Facebook and LinkedIn. We also strive to maintain our website constantly updated, functional and modern.

In 2011, we changed the way we interact with the market. This was well received by our shareholders and by opinion makers, who began to periodically receive extensive, systematic information. We also began to simultaneously publish all of our corporate documents in both Portuguese and English on our Investor Relations website.

In an effort to strengthen our relationship with foreign investors, Estácio held Estácio Day on December 5. The event, which included the participation of the company's CEO and senior executives, brought together approximately 40 shareholders and analysts interested in finding out more about the institution's history and its prospects for the coming years. Estácio Day was held in New York City, and was the first public presentation by Estácio Participações in the city.

We took part in 12 conferences with banks and two roadshows with investors in Europe and the United States, as well our quarterly recurring meetings in the city of São Paulo with sell side analysts.

In order to strengthen ties with individual investors, we participated for the first time in the September 2011 Expo Money fair in São Paulo, as well as other events with brokerage firms, such as: XP TV and online presentations.

In 2011, Estácio was classified as one of the best companies focused on corporate governance, for Capital Aberto magazine's The Best Companies for Shareholders 2011 survey.

Based on our solid financial situation, we will propose, at the next annual shareholders' meeting, the payment of R\$ 16.6 million in dividends, equal to R\$ 0.20 per share.

Estácio Participações S.A - Ownership Structure, December 31, 2011

SHAREHOLDERS	Shares	%
Private Equity C, LLC + GPCP4	15,717,013	19.1%
Managers and Directors	2,445,093	3.0%
Treasury	252,500	0.3%
Shares outstanding	63,837,331	77.6%
Total	82,251,937	100.0%

Information for shareholders

Custodian of shares:

Banco Itaú S.A.

Tel.: (55 11) 5029-7780

e-mail: investfone.investimento@itau-unibanco.com.br

Headquarters:

Av. Embaixador Abelardo Bueno, 199 – 6th Floor

CEP: 22775-040

Barra da Tijuca – Rio de Janeiro – Brasil

Investor Relations:

Tel.: (55 21) 3311-9789 / Fax.: (55 21) 3311-9722

e-mail: ri@estacioparticipacoes.com

Website: www.estacioparticipacoes.com.br

Newspapers for publication: Valor Econômico and Diário Oficial do Rio de Janeiro

Independent auditors: Ernst Young Terco Auditores Independentes S.S.

GOVERNMENT

Estácio's relationship with the Federal Government is based on ethics and transparency in all of its actions. Based on our leading role in providing significant portions of Brazilian society with access to quality higher education, we have adopted a collaborative approach with the Ministry of Education to provide better, more inclusive educational opportunities.

In 2011, we contributed to the process of improving the FIES student loan system. We suggested, among other things, that the guarantor requirement be replaced with a guarantee fund, such as Caixa Econômica Federal or Banco do Brasil. We also participated with the Government in the discussions regarding PROUNI, which is responsible for distributing scholarships to underprivileged youth. Our main objective is to contribute to the improvement of public policies, in order to provide quality higher education to large portions of the population.

In order to closely monitor the progress of processes related to higher education being considered by the Federal Government and to have close, ongoing contact with the Ministry of Education, we established an office with a permanent representative in Brasília.

COMMUNITY

Since its founding, Estácio has always included social activities at its educational units. Nowadays, the outreach area is responsible for our connection to communities and the development of social projects and actions. Estácio's approximately 230 social projects serve close to a million people in regions throughout the country. The majority of the educational units also adopt institutions for whom they carry out fundraising activities. The next step will be to expand our social contributions and also offer other services, host lectures and disseminate knowledge in general.

In 2011, all of the social responsibility projects were organized into four major groups: Health, Culture, the Environment and Citizenship. The goal for 2012 is to create new projects that provide a direct link to communities and can be implemented at all of our units.

Citizenship Program

These social projects and activities help to minimize inequality and promote the sustainable development of communities. They are focused on inclusion, social equality, job preparation and civics. The program places value in people's abilities, regardless of their differences.

Health Program

Humane care for individuals and families is the focus on this program, which combines educational activities with health services, sports and leisure activities. It provides treatment that is accessible to the population, with counseling, prevention, assistance and rehabilitation services. The Health Program also looks after the well-being of animals and their ecosystem.

Culture Program

Art and culture are emphasize as agents of transformation, detecting trends and generating opportunities. This program establishes concrete mechanisms of social intervention through cultural and educational initiatives that contribute to the development of the community and the preservation of heritage and cultural memory.

Environmental Program

Educational activities are used to develop a socially responsible attitudes among people and communities with respect to the environment. The aim is to develop projects and initiatives that provide environmental education and improve people's quality of life.

Below are some of our community projects:

- * Legal Counseling Centers, where students provide free services to the community, are part of the Law courses at all of Estácio's units. This activity is a mandatory component of the students' curriculum.
- * In the area of Health, Psychology, Physiotherapy and Dentistry interns, among others, offer free treatments to families and individuals from a range of communities.
- * The School of Medicine in Juazeiro do Norte, in Ceará, is the only one in the region that offers a range of services to the community, such as newborn screening tests.
- * In the Exact Sciences area, the Logistics course in Bahia provides support to the internal planning processes of NGOs. This activity is expected to expand nationwide in the near future.
- * In the area of Humanities, two units in Rio developed projects to study the regional history, and the results of this research are available to all students in the form of information pillars. This project is expected to expand nationwide in 2012.
- * In São Paulo, the Centro da Ruth Cardoso is developing a joint literacy project in partnership with universities that will serve all of Brazil. The methodology involves having the universities train professors, who train their students, who, in turn, train the literacy teachers, who are then given the mission of bringing this education to hard-to-reach areas, such as the riverside communities of the Amazon region. In 2012, Estácio expects to become a partner in this project and make use of its nationwide

penetration to contribute to the spread of education throughout Brazil. The goal is to introduce this literacy project for young people and adults to all 68 Estácio units.

- * Questions regarding grammar, verb agreement, writing, the use of accents, cross multiplication, statistics, financial mathematics and percentages were the most requested topics of the 11,201,000 free consultations provided by the Q&A stands installed at the Brás da CPTM and Consolação metro stations in São Paulo since the launch of the project in February 2010. The service is offered through a partnership between the São Paulo Metropolitan Transportation Authority, the Metro system and Estácio, the only institution of higher education to receive accreditation at the end of the selection process. Portuguese and mathematics professors take turns serving the public.

Mountainous region of Rio de Janeiro receives 30 tons of food

January 2011 was marked by strong rains that brought destruction and death to the mountainous region of Rio de Janeiro. As a contribution to the local population in their time of need, Estácio sent 30 tons of non-perishable food, composed of dietary staples, to the municipalities that were hardest hit. At all of our educational units located in the state of Rio de Janeiro, students, faculty and staff also contributed cleaning supplies, personal hygiene items, clothing, blankets and food. The donations were delivered to the local authorities in the municipalities of Nova Friburgo, Teresópolis and Petrópolis.

Estácio and the future

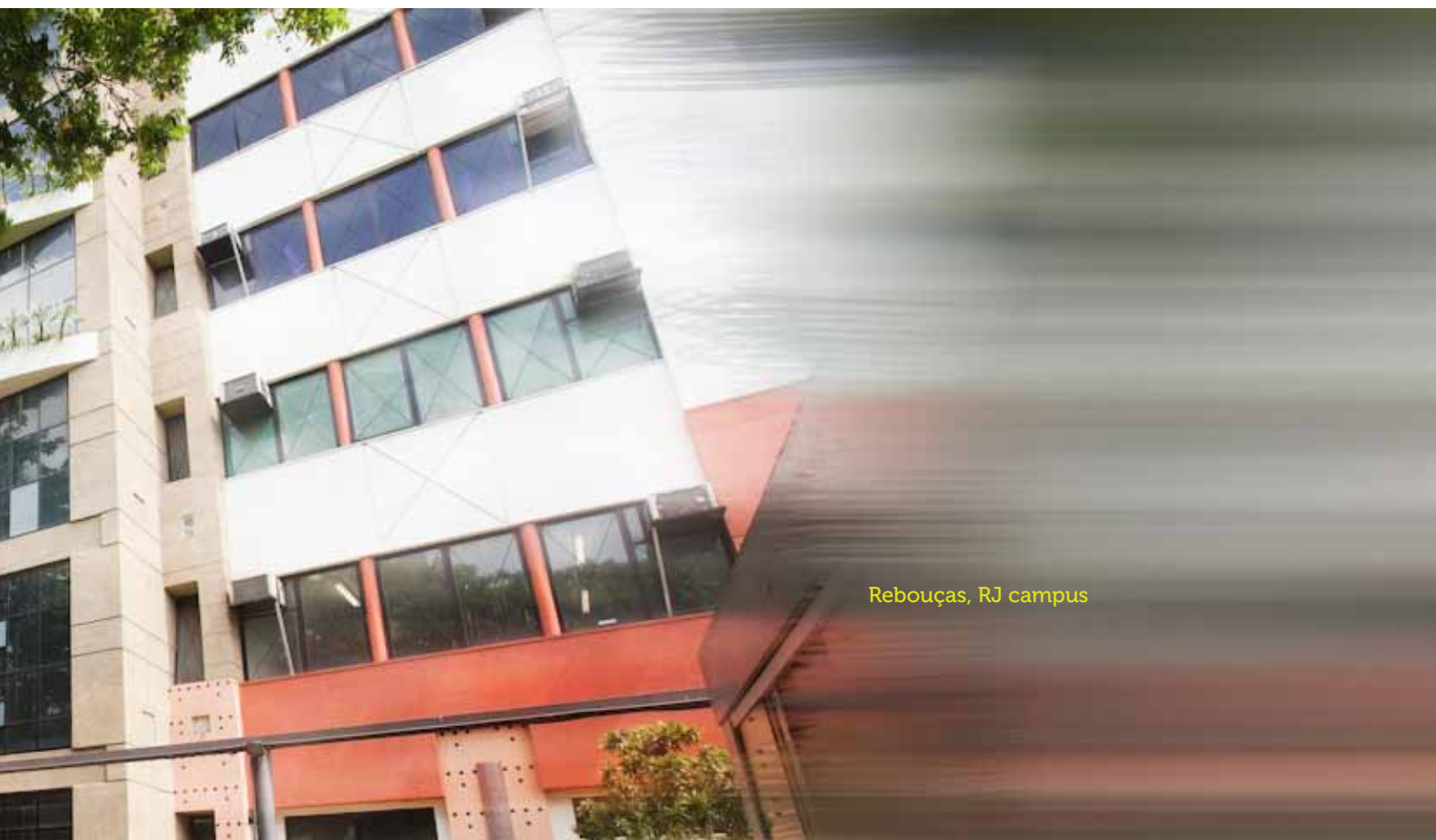
“We want Estácio to be the benchmark, to be an enterprise that perpetuates itself in the form of a winning organization in its segment, delivering that which it was born to provide: quality education.”



“I see the Estácio of the future as a robust institution that, in the course of the next twenty or thirty years, will offer quality higher education, across the nation, to the population that needs it most. We have laid the foundation to establish ourselves as a large, self-sustaining organization. Estácio will have its own identity, with the means to carry out its mission in a full and lasting manner.

If we are now seen to be an organization in transformation that’s working hard to ensure the best educational opportunities for its target audience, five years from now I want Estácio to be undeniably synonymous with quality higher education for all relevant audiences. That will be the true, incomparable value of our brand. That will be the basic assumption that everyone will internalize when faced with the progress we are going to make in the coming years.”

Eduardo Alcalay – Chairman of the Board of Directors



Rebouças, RJ campus

Awards and recognitions

Due to its policy of transparency, ethics and a permanent quest for quality, Estácio was recognized time and again in 2011. The faculty and students won a variety of awards during the course of the year.

- * **Estácio among the top five brands in the category of Rio de Janeiro's preferred colleges and universities.**

For the second year in a row, we were selected as one of Rio de Janeiro's preferred companies, according to the Marcas dos Cariocas survey. This year, Estácio appeared in fourth place in the university category, one spot above the position held in 2010. The survey interviewed 6,472 people of different ages and social classes, in order to highlight five brands in 41 categories.

- * **More stars in the ranking of Brazil's best universities.**

Forty Estácio courses in 19 municipalities were given stars in the 2011 assessment of the best Institutions of Higher Education in Brazil, carried out by the Guia do Estudante (Student Guidebook), created in 1984 by Editora Abril. The guide aims to provide information to prospective college students about where to study, as well as providing information about higher education, professions and the job market. In the last five years, it also began awarding stars to institutions that best prepare students for the professional world.

- * **Carbon Free Seal at the 2nd Congress of Contemporary Law.** This congress, held by Estácio in November at its Tom Jobim unit in Rio de Janeiro, discussed issues relevant to the field and debated the importance of education for a sustainable world. The funds collected through the 2,200 registrations were used to plant 239 trees native to Brazil's Atlantic Forest. The initiative earned us a Carbon Free seal from Iniciativa Verde, stating that the planting of the trees compensated for the environmental impact of the event. The congress was transmitted to all of the units in Brazil that offer the course.
- * **Estácio is selected for the Rumos do Jornalismo program.** Izaura Rocha, the journalist and coordinator of the Experimental Journalism Agency at the Juiz de Fora unit, is one of the eight Brazilian professors selected by the Instituto Itaú Cultural to participate in the Rumos do Jornalismo Cultural program. Now in its fourth edition, the program will discuss the relationships between academia and the journalism market. The selection includes a cash prize, as well as all rights to the article and scientific research that will be published in book form at the end of the process.
- * **Best Learning Institution in Petrópolis.** Estácio Petrópolis received the 2011 Cidade Imperial Trophy, in the category of the city's best Institution of Higher Learning. The award is given to businesses and individuals in Petrópolis who have made significant contributions to society and the region during the course of the year. The winners are chosen by local residents through in-person questionnaires, emails and telemarketing.

This year, surveys were also carried out through Facebook, which tallied more than 3,500 votes. In total, there were more than 5,200 nominations in a variety of fields.

- * **International Exchange Scholarships.** Estácio FIC won two international scholarships through the Science without Borders Program for students enrolled in its Scientific Initiation Program. The scholarships, which last from six to 12 months, are being granted by the Ministry of Science, Technology and Innovation, in partnership with the National Council of Scientific and Technological Development (CNPq). In the future, the program will also grant scholarships through CAPES, which will be available to students enrolled through PROUNI, ENEM and the college entrance exam process.
- * **Dissertation becomes a book.** The product of two-and-a-half years of research, UNESA professor Julio Cezar Pauzeiro's master's thesis has been turned into a book that is being published by Escola Nacional de Seguros. The work, entitled *As Estratégias Adotadas pelos Corretores de Seguros na Gestão de seus Negócios: Um Estudo de Múltiplos Casos* ("The Strategies Adopted by Insurance Brokers in the Management of their Businesses: A Multiple Case Study") is the first thesis from the Estácio's Master's in Business Administration and Development (MADE) to be published as a book. The project had already been recognized with an award through the Estácio's National Scientific Production and Outreach Project Contest.
- * **1st Estácio Journalism Awards.** Estácio recently held a ceremony in honor of the winner of the 1st Estácio Journalism Awards, bringing together communications professionals from

across Brazil at the Estácio de Sá Monument, in Rio de Janeiro. The initiative recognizes journalistic work that focuses on Higher Education in Brazil and represents yet another effort by the institution to strengthen the education sector in Brazil. The award received entries from news organizations in 14 Brazilian states.

The winners:

Regional Internet: João Humberto Chaves, from Campo Grande, Mato Grosso do Sul, from the website EntreaTTos, for the report “Quando a obstinação faz a diferença entre o sonho do diploma e a formatura” (“When obstinance makes the difference between the dream of a diploma and graduation”).

National Internet: Tatiana Klix, from the website IG, for the report “Novas federais cobrem vazios no mapa do ensino” (“New federal universities cover holes in the educational map”).

Regional Radio: Nestor Tipa Júnior, from Rádio Gaúcha, for the report “Campo Terceiro Grau” about efforts by universities in Rio Grande do Sul to introduce courses that meet the demands of the agricultural industry.

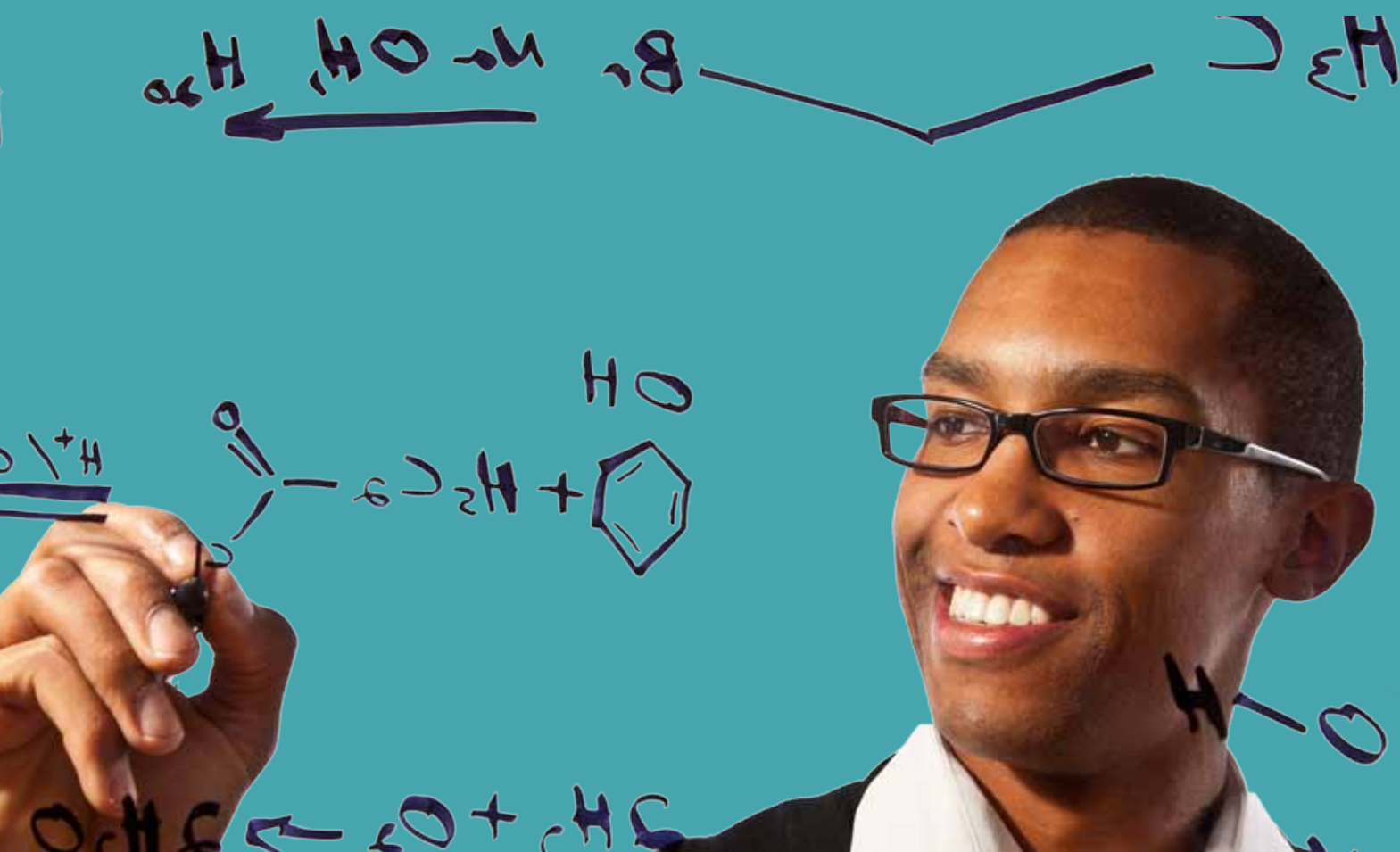
Regional TV: Richelle Bezerra, from TV Arapuan, an affiliate of Rede TV in Paraíba, for the report “Educação superior à distância” (“Higher education through distance learning”).

National TV: Cíntia Borsato, representing TV Globo’s Jornal da Globo team, for the report “Universidade – Chave do Futuro” (“University – The Key to the Future”), a five-part series by journalist Rodrigo Alvarez.

Regional Print: Glória Tupinambás, from the newspaper Estado de Minas, for the report “Bolsistas Nota 10” (“A+ Scholarship Recipients”).

National Print: Camila Guimarães, from the magazine Época, for the report “Tire seu diploma pela internet” (“Get your diploma over the Internet”).

- * **CAPES offers international doctoral scholarships to Estácio students.** The agreement with CAPES guarantees six scholarships that will allow doctoral candidates to conduct a portion of their studies abroad. Scholarships are awarded based on positive performance evaluations received during the doctoral program.
- * **Estácio named the global provider of the Project Management Institute (PMI®).** In 2011, Estácio launched five new courses as the Registered Education Provider (REP®) for PMI®. Through this backing, training in the area of Project Management will be recognized internationally and the participants will receive professional development units (PDUs), which quantify and certify approved activities involving professional service and learning.



- * **Vice-rector debuts program on the Portuguese language.** Deonísio da Silva, who serves as vice-rector for Continuing Education at Estácio and general coordinator of the Department of Humanities, received applause from the public following the debut, last year, of a live program about the Portuguese language on Band News Fluminense FM, broadcast throughout the state of Rio de Janeiro. Using accessible language and a humorous tone, the program *Sem Papas na Língua* tells the history and real meanings of Portuguese words and expressions used in the Brazilian media and daily life. Deonísio da Silva received his PhD from the University of São Paulo, has published 33 books and writes a weekly column on etymology for *Caras* magazine.
- * **Brazilian Academy of Philology admits Estácio professor.** Write and professor Deonísio da Silva, one of Estácio vice-rectors, is the newest member of the Brazilian Academy of Philology. He was elected to seat 33 with 33 votes in favor and none opposed and he has published 33 books. The ABF validates dictionaries and studies of the Portuguese language, as well as literature. It is composed of 40 members and candidates must have a solid foundation of reference works among their published writings and hold a PhD in Humanities.

- * **Albert Einstein Hospital presents awards to professors and graduates of Estácio FIC.** Professor Maria do Socorro Quintino Farias, together with graduates of the Estácio FIC Physiotherapy program, Juliana Roberto and Andressa Santos, carried out a presentation at the 8th Symposium of Physiotherapy in intensive care, cardiology and transplants held by the hospital, entitled “Primeiro relato brasileiro de reabilitação cardíaca de um paciente com dispositivo de assistência biventricular como ponte para transplante” (“First Brazilian report of the cardiac rehabilitation of a patient with a biventricular assist device as a bridge to transplantation”). The study won 2nd place in the professional category.
- * **Professor publishes article in international journal.** Physical Education professor Ercole da Cruz Rubini had the article *“Immediate effect of static and proprioceptive neuromuscular facilitation stretching on the hip adductors flexibility in female ballet dancers”* approved by the Journal of Dance Medicine and Science.
- * **Patient walks again after treatment at Estácio FIB clinic.** The Healthcare Clinic at Estácio FIB, in Bahia, recently received further recognition of for its work upon seeing its first paraplegic patient to receive a stem cell transplant walk again, following six months of onsite physical therapy. Military police officer Maurício Borges Ribeiro, 47, spent nine years in a wheelchair and underwent the surgery in April 2011. He then received treatment at the Estácio clinic, free of charge.

The initiative is part of a partnership between the Estácio FIB University Center, Fiocruz and the Ministry of Health, as well as the Foundation for Research Support of the State of Bahia, the National Council of Scientific and Technological Development (CNPq) and the Brazilian Federal Agency for the Support and Evaluation of Graduate Education (CAPES).

- * **Madrugadão Criativo 2011 promotes civic responsibility in Mato Grosso do Sul.** During the event, which was held in October at Estácio Campo Grande, students from the Advertising course developed campaigns for the Rehabilitation Center for Spinal Cord Injuries (CRELAME), offered by the unit's physiotherapy course since 2005. The four students on the winning team received full scholarships for the first semester of 2012.

Students

- * Rafael Marmello, who studies International Relations at Estácio Presidente Vargas, Rio de Janeiro, received an international scholarship worth 5,000 euros, through the Fórmula Santander program. A ceremony was held at the Interlagos Race Track, in São Paulo, attended by Santander's executive chairman Emílio Botin, racecar driver Felipe Massa and the rectors of the participating universities. One of the criteria evaluated by the scholarship committee was Marmello's GPA, which was 9.34 out of 10.
- * Victor Bosich, who studies graphic design at Estácio Juiz de Fora, Minas Gerais, won the audience award at the 1st Bookman Design Awards. The competition, which was held by Bookman Editora, chose the three best book cover designs for the book *Abduzeedo: Guia de Inspiração para Designers*, by Fábio Sasso.
- * Juniors from the Advertising course won the Lâmpada de Ouro trophy for the second consecutive year at the Brazilian Advertising Association's (ABP) Advertising Festival and will have their work published in major magazines throughout Brazil. Caio Nanderson and André Felipe, from the Niterói unit, won the Concurso Cultural Universitário Revistas Coquetel 2011, which was organized by the ABP, in partnership with the Ediouro publishing house.
- * Virgínia Mantuano Capucho de Paula, a student at the Academia do Concurso, took first place in Rio de Janeiro and sixth in Brazil in the public exam for clerks at Banco do Brasil. A total of 232,311 people registered for the exam.

- * Elizabeth Freitas, a sophomore studying Interior Design at the Akxe unit, in Barra da Tijuca, Rio de Janeiro, won first prize in the 2011 DECA competition, with a bathroom study. The award is considered one of the most important in the educational segment of the field. A total of 42 public and private Interior Design schools competed, presenting approximately 1,000 projects. The unit has won first prize for the last three years, bolstering its reputation throughout Brazil.
- * Rodrigo Teixeira, a Senior studying Journalism at the Rebouças unit, in Rio de Janeiro, won first prize in the Office of the Public Prosecutor's 3rd Southeast Regional Higher Education Awards for College Journalism, with a report on the actions of the State Public Prosecutor during the 2010 Elections in Rio de Janeiro.
- * Advertising professional Luiz Eduardo Ozório, who is currently studying Cinema at the Tom Jobim campus, in Rio de Janeiro, won a total of four awards in two categories at the Colunistas Propaganda Brasil Awards. The pieces were produced for the NGO Trânsito Amigo and for the foosball and button football championships hosted by a major chain of gyms.



Credits

General Coordination and Development

Investor Relations Office

Concept and Graphic Design

Redondo Design

Text

Hermann Nass

Portuguese Editing

Vera Santana

English Translation and Editing

MZ Consult

Photos

Dario Zalis

Estácio Archives

Shutterstock



