2Q13 RESULTS

One Eye on the Present, and Other on the Future

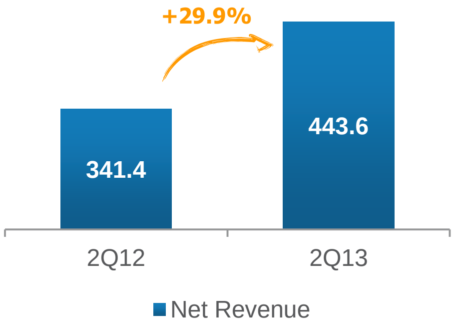
EBITDA increases by 80% to R$67 million in 2Q13
Year-to-date EBITDA already represents 73% of the 2012 total
Net income moves up by 209% to R$47 million

Rio de Janeiro, August 8, 2013 – **Estácio Participações S.A.** – "Estácio" or "Company" (BM&FBovespa: ESTC3; Bloomberg: ESTC3.BZ; Reuters: ESTC3.SA; OTC: ECPCY) announces its results for the second quarter of 2013 (2Q13) in comparison with the second quarter of 2012 (2Q12). The following accounting information is presented in accordance with International Financial Reporting Standards (IFRS) and on a consolidated basis.

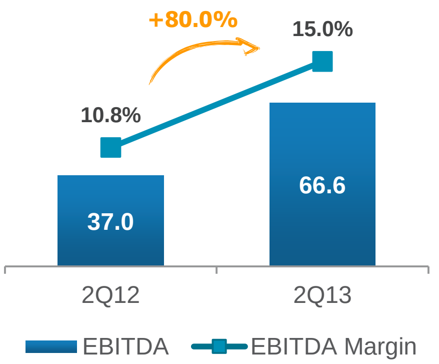
Quarter Highlights

(R$ million)

Net Revenue



EBITDA and EBITDA Margin



Highlights:

- Estácio closed 2Q13 with a **total base** of 313,400 **students**, 20.2% up on 2Q12, 254,600 of whom enrolled in on-campus programs (18.1% up year-on-year, including acquisitions) and 58,800 in distance-learning programs (29.8% more than in 2Q12).
- **Net operating revenue** came to R$443.6 million in 2Q13, 29.9% more than in the same period last year, once again due to the expansion of the student base and the real increase in the average ticket.
- **EBITDA** totaled R$66.6 million in 2Q13, 80.0% up on 2Q12, with a margin gain of 4.2 p.p.
- **Net income** came to R$46.7 million in the second quarter, a massive year-on-year improvement of 209%, while **earnings per share** came to R$0.16.
- **Operational cash flow** totaled R$41.1 million in 2Q13, R$13.1 million more than in 2Q12.
- **Cash and cash equivalents** closed 2Q13 at R$741.9 million.

ESTC3
(On August 7, 2013)

Price: R$16.99/share
Number of shares: 293,698,314
Market cap: R$5.0 billion
Free Float: 86%

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Key Indicators in the Quarter

Financial Highlights	Consolidated 2Q12	Consolidated 2Q13	Consolidated Change	Excluding acquisitions in the last 12 months 2Q12	Excluding acquisitions in the last 12 months 2Q13	Excluding acquisitions in the last 12 months Change
Net Revenue (R$ million)	341.4	443.6	29.9%	341.4	429.0	25.7%
Gross Profit (R$ milllion)	114.9	173.1	50.7%	114.9	169.5	47.5%
Gross Profit margin	*33.7%*	*39.0%*	*5.3 p.p.*	*33.7%*	*39.5%*	*5.8 p.p.*
EBIT (R$ million)	20.7	48.6	134.8%	20.7	46.1	122.7%
EBIT Margin	*6.1%*	*11.0%*	*4.9 p.p.*	*6.1%*	*10.7%*	*4.6 p.p.*
EBITDA (R$ million)	37.0	66.6	80.0%	37.0	63.6	71.9%
EBITDA Margin	*10.8%*	*15.0%*	*4.2 p.p.*	*10.8%*	*14.8%*	*4.0 p.p.*
Net Income (R$ milllion)	15.1	46.7	209.3%	15.1	44.6	195.4%
Net Income Margin	*4.4%*	*10.5%*	*6.1 p.p.*	*4.4%*	*10.4%*	*6.0 p.p.*

Financial Highlights	Consolidated 1H12	Consolidated 1H13	Consolidated Change
Net Revenue (R$ million)	672.0	856.8	27.5%
Gross Profit (R$ milllion)	245.9	343.7	39.8%
Gross Profit margin	*36.6%*	*40.1%*	*3.5 p.p.*
EBIT (R$ million)	67.0	117.6	75.5%
EBIT Margin	*10.0%*	*13.7%*	*3.7 p.p.*
EBITDA (R$ million)	94.9	153.6	61.9%
EBITDA Margin	*14.1%*	*17.9%*	*3.8 p.p.*
Net Income (R$ milllion)	55.0	113.3	106.0%
Net Income Margin	*8.2%*	*13.2%*	*5.0 p.p.*

Note: EBITDA according CVM Rule 527.

Message from Management

Following the trend started in the second half of 2011, when all the effort we put into the turnaround of our Institution began to generate consistent results, the second quarter of 2013 once again brought excellent numbers in virtually all our financial statement lines and the EBITDA margin moved up for the tenth quarter in a row.

Thanks to a very strong intake cycle at the beginning of the year, as well as improved renewal and dropout ratios, our same-shop on-campus student base grew by 14.2% and our distance learning base by 29.8%, giving total same-shop growth of 16.6% over 2Q12. The number of students joining the FIES program also increased substantially, ending the quarter at 61,000, which should have a positive impact on future cycles. At the end of the first-half admissions cycle, 26% of our on-campus undergraduate students were using FIES.

Our average on-campus and distance learning ticket increased by 9.7% and 6.0%, respectively, reflecting the health of our business model and laying the ground for significant net revenue growth, which came to R$443.6 million in 2Q13, 29.9% up on 1Q12 (including acquired companies in the period).

As in previous quarters, the net revenue increase had a direct impact on the other lines of the result. Personnel costs recorded gains of 3.7 p.p., mainly due to the improved faculty cost management, the formation of more efficient and profitable classes, and the continuing implementation of our academic model. As a result, we closed the quarter with a gross cash margin of 41.7%, 4.6 p.p. up on 2Q12.

We also recorded gains with selling expenses due to the improvement in the provision for doubtful accounts (PDA), which has been gradually returning to its historic levels following the spike in 2012. On the other hand, the G&A Personnel line did not perform so well as in 2012, largely due to investments in headcount for new business areas that are not yet generating revenue, losses from labor lawsuits that are maturing in 2013, and higher provisions for 2013 bonus payments.

As a result, consolidated 2Q13 EBITDA totaled R$66.6 million, 80.0% more than in 2Q12, with a margin of 15.0%, up by 4.2 p.p. Year-to-date EBITDA came to R$153.6 million, 61.9% higher than in the first six months of 2012, for a margin gain of 3.8 p.p., confirming our trend towards a new profitability level. Net income totaled R$46.7 million, a hefty 209.3% year-on-year improvement, with a net margin of 10.5%, up by 6.1 p.p.

Finally, operational cash flow came to R$41.1 million in 2Q13, 47% more than in 2Q12, and R$62.6 million in the first half, further underlining our higher level of cash generation since 2012.

Besides the significant organic growth, we continue our efforts to accelerate our growth rates, aiming to take full advantage of the good times we are experiencing. In this context, we obtained an important victory when the *Diário Oficial da União* published the official recognition of our distance learning Pedagogy course, thereby concluding the second of three steps towards concluding the process of coverage increase for our distance learning operation, currently under way with the Ministry of Education.

On another front, which is likely to become increasingly important in the coming years, our graduate programs also reported strong results, fueled by the changes in this segment management, following the creation of the Continuing Education Office at the end of 2012. Our graduate student base increased by 26.4% to 15,800 on-campus students and 4,800 distance learning students. We keep working on the development of a new graduate program academic model based on the same innovative principles we used to build our undergraduate academic model, which will be gradually introduced in the second half of 2013. We also began activities in the Corporate Solutions area, which was created to directly meet the needs of Brazil's most important employers. In the M&A area, we announced the acquisition of ASSESC, an institution of enormous potential in Florianópolis, Santa Catarina.

We are aware that all this growth is the fruit of what we planned and executed with great discipline between 2008 and 2012. So, as we reap the rewards of what we sowed in previous years, in terms of exceptionally healthy results, we are just as concerned about planting new seeds for the years to come. As a result, and as we explained in our previous results disclosure, we are more aware than ever of the need to invest in what we call the 3Ps – Products, Processes, and People – which have led us to where we are today.

Efforts to strengthen these pillars can be seen throughout the entire company and include initiatives such as the development of the "Academic Model 2.0", which will bring many innovations to our already successful academic model, the "Operational Benchmarking Project", which seeks to identify and define best practices for each main process, and our management and leadership development programs, which are the basis of our People pillar and are absolutely essential for Estácio's sustainable growth.

At the same time, we are redoubling our efforts to disseminate our Culture throughout the entire Institution, so that every single member is aware of our principles, shares the same dreams, pursues the same targets and always seeks to exceed their goals while working for the benefit of our students and colleagues. This is the Culture we dream of. And here at Estácio, Culture continues to be the strategy.

Student Base

Estácio ended 2Q13 with a base of 313,400 students (20.2% more than in 2Q12), 254,600 of whom enrolled in on-campus programs and 58,800 in distance-learning programs. The same-shop student base (excluding acquisitions in the last 12 months) grew by 16.6% over the same period last year. It is also worth noting the acquisition of ASSESC in Florianópolis, Santa Catarina, announced in June, whose approximately 900 students will be consolidated in our student base in the coming quarters.

Table 1 – Total Student Base *

'000	2Q12	2Q13	Change
On-Campus	**215.5**	**245.4**	**13.9%**
Undergraduate	201.1	229.6	14.2%
Graduate	14.4	15.8	9.7%
Distance Learning	**45.3**	**58.8**	**29.8%**
Undergraduate	43.4	54.0	24.4%
Graduate	1.9	4.8	152.6%
Student Base - same shops	**260.8**	**304.2**	**16.6%**
Acquisitions in the last 12 months	-	9.2	N.A.
Total Student Base	**260.8**	**313.4**	**20.2%**
# Campuses	71	77	8.5%
On-Campus Students per Campus	**3,036**	**3,187**	**5.0%**
# Distance Learning Centers	52	52	0.0%
Distance Learning Students per Center	**871**	**1,131**	**29.8%**

Note: Acquisitions in the last 12 months refer to students from FARGS, São Luís, Uniuol and FACITEC. Students from SEAMA and iDez are already included in the same-shop student base.

Estácio's **on-campus undergraduate base** totaled 238,800 students at the close of 2Q13, 18.7% more than at the end of 2Q12. Same-shop growth, excluding the institutions acquired in the last 12 months, came to 14.2%.

Table 2 – Evolution of On-Campus Undergraduate Student Base*

'000	2Q12	2Q13	Change
Students - Starting balance	**219.4**	**259.1**	**18.1%**
(+/-) Acquisitions in the last 12 months (until 1Q13)	3.1	(5.6)	N.A.
Renewable Base	**222.5**	**253.5**	**13.9%**
(-) Dropouts	(21.4)	(23.9)	11.7%
Students - same shops	**201.1**	**229.6**	**14.2%**
(+) Acquisitions in the last 12 months	-	9.2	N.A.
Students - Ending Balance	**201.1**	**238.8**	**18.7%**

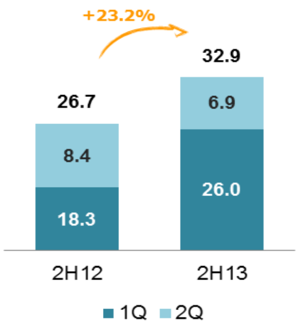
Our **distance learning undergraduate student base** grew by 24.4% over 2Q12 to 54,000 students.

Table 3 – Evolution of Distance Learning Undergraduate Student Base*

'000	2Q12	2Q13	Change
Students - Starting Balance	**46.3**	**61.6**	**33.0%**
(-) Graduates	-	(0.9)	N.A.
(+) Enrollments	8.4	6.9	-17.9%
(-) Dropouts	(11.3)	(13.6)	20.4%
Students - Ending Balance	**43.4**	**54.0**	**24.4%**

(*) Figures not reviewed by the auditors

Graph 1 – Evolution of Distance Learning Enrollments (undergraduate)



It is worth mentioning the **distance learning enrollment** growth when considering the two intake cycles in the first semester of 2013. In 1H13, we had 32,900 new DL undergraduate students, 23% up on 1H12. Another positive was the decrease in the dropout rate this quarter, which recorded a 2.0 p.p. improvement in comparison to 2Q12.

Operating Revenue

Net operating revenue came to R$443.6 million in 2Q13, 29.9% up on 2Q12, due to the 20.2% expansion of the student base and the average ticket increase.

It is worth noting once again that, as of 4Q12, we have changed the provisioning methodology for students contracting loans through the FIES Guarantee Fund (FGEDUC). Over the revenues of these students, we must make a contribution in order to constitute the Fund. This contribution, currently 5.63%, has been recorded as a deduction from gross revenue (in the FGEDUC line) and no longer as selling expenses under the PDA (provision for doubtful accounts) line, as previously.

Table 4 – Operating Revenue

R$ MM	2Q12	2Q13	Change	1H12	1H13	Change
Gross Operating Revenue	**484.8**	**615.0**	**26.9%**	**966.0**	**1,228.8**	**27.2%**
Monthly Tuition Fees	477.8	608.4	27.3%	954.6	1,215.8	27.4%
Others	7.0	6.6	-5.7%	11.3	12.9	14.2%
Gross Revenue Deductions	**(143.4)**	**(171.4)**	**19.5%**	**(294.0)**	**(372.0)**	**26.5%**
Scholarships and Discounts	(127.2)	(149.9)	17.8%	(263.1)	(330.5)	25.6%
Taxes	(16.2)	(18.0)	11.1%	(31.0)	(36.4)	17.4%
FGEDUC	-	(3.6)	N.A.		(5.2)	N.A.
% Scholarships and Discounts/ Gross Operating Revenue	*26.2%*	*24.4%*	*-1.9 p.p.*	*27.2%*	*26.9%*	*-0.3 p.p.*
Net Operating Revenue	**341.4**	**443.6**	**29.9%**	**672.0**	**856.8**	**27.5%**

In 2Q13, the **average on-campus and distance learning ticket** recorded respective increases of 9.7%, above inflation, and 6.0%, in line with inflation, once more achieving our aim of ensuring that price hikes are at least in step with inflation. Our capacity to increase prices in a sustainable manner, at a similar pace to last year's, is proof that students have a growing perception of our quality and are attributing more value to our product. As a highlight, after the enrollment cycle, we saw a 1.9 p.p. decrease in the scholarships and discounts/gross operating revenue ratio. In 1H13, the gain was 0.3 p.p., an evidence of the healthy student base growth, which is not coming due to scholarships and discounts increase.

Table 5 – Calculation of the Average Ticket in 2Q13 – On-Campus

'000	2Q12	2Q13	Change
On-Campus Undergraduate Student Base	201.1	238.8	18.7%
(+) On-Campus Graduate Student Base	14.4	15.8	9.7%
(=) Revenue Generating On-Campus Student Base	215.5	254.6	18.1%
On-Campus Gross Revenue	442.8	560.0	26.5%
On-Campus Deductions	(128.7)	(153.0)	18.9%
On-Campus Net Revenue (R$ million)	314.1	407.1	29.6%
On-Campus Average Ticket (R$)	485.8	533.0	9.7%

Note: Calculation of the average ticket does not include revenue from Academia do Concurso.

Table 6 – Calculation of the Average Ticket in 2Q13 – Distance Learning

'000	2Q12	2Q13	Change
Distance Learning Undergraduate Student Base	43.4	54.0	24.4%
(+) Distance Learning Graduate Student Base	1.9	4.8	152.6%
(=) Revenue Generating Distance Learning Student Base	45.3	58.8	29.8%
Distance Learning Gross Revenue	39.9	53.3	33.6%
Distance Learning Deductions	(14.4)	(18.2)	26.4%
Distance Learning Net Revenue (R$ million)	25.5	35.1	37.6%
Distance Learning Average Ticket (R$)	187.7	199.0	6.0%

Cost of Services

In 2Q13, the **cash cost to net revenue ratio** recorded a significant efficiency gain of 4.6 p.p. over 2Q12, thanks to gains in the following lines: (i) 2.0 p.p. in personnel; (ii) 1.7 p.p. in the INSS line, partly due to a R$3,0 million reversion related to better tax management, compensating negative effects from labor lawsuits that have been impacting us in 2013; (iii) 0.2 p.p. in rentals, due to cost dilution with the growth of the student base; and (iv) 0.7 p.p. in third-party services, thanks to scale gains.

Table 7 – Breakdown of Cost of Services

R$ MM	2Q12	2Q13	Change	1H12	1H13	Change
Cost of Services	(214.9)	(258.6)	20.3%	(406.9)	(489.6)	20.3%
Personnel	(160.1)	(191.4)	19.6%	(303.9)	(370.8)	22.0%
Salaries and Payroll Charges	(131.4)	(161.9)	23.2%	(249.4)	(309.6)	24.1%
Brazilian Social Security Institute (INSS)	(28.6)	(29.5)	3.1%	(54.5)	(61.3)	12.5%
Rentals / Real Estate Taxes Expenses	(27.6)	(35.0)	26.8%	(57.6)	(65.5)	13.7%
Textbooks Materials	(12.4)	(15.8)	27.4%	(18.0)	(22.9)	27.2%
Third-Party Services and Others	(14.8)	(16.4)	10.8%	(27.4)	(30.4)	10.9%

Table 8 – Vertical Analysis of Cost of Services

% of Net Operating Revenue	2Q12	2Q13	Change	1H12	1H13	Change
Cost of Services	-62.9%	-58.3%	*4.6 p.p.*	-60.6%	-57.1%	*3.5 p.p.*
Personnel	-46.9%	-43.2%	*3.7 p.p.*	-45.2%	-43.3%	*1.9 p.p.*
Salaries and Payroll Charges	-38.5%	-36.5%	*2.0 p.p.*	-37.1%	-36.1%	*1.0 p.p.*
Brazilian Social Security Institute (INSS)	-8.4%	-6.7%	*1.7 p.p.*	-8.1%	-7.2%	*0.9 p.p.*
Rentals / Real Estate Taxes Expenses	-8.1%	-7.9%	*0.2 p.p.*	-8.6%	-7.6%	*1.0 p.p.*
Textbooks Materials	-3.6%	-3.6%	*0.0 p.p.*	-2.7%	-2.7%	*0.0 p.p.*
Third-Party Services and Others	-4.3%	-3.6%	*0.7 p.p.*	-4.1%	-3.5%	*0.6 p.p.*

Table 9 – Cost Reconciliation

R$ MM	2Q12	2Q13	Change	1H12	1H13	Change
Cash Cost of Services	(214.9)	(258.6)	20.3%	(406.9)	(489.6)	20.3%
(+) Depreciation	(11.6)	(11.9)	2.6%	(19.2)	(23.5)	22.4%
Cost of Services	(226.5)	(270.5)	19.4%	(426.1)	(513.1)	20.4%

Gross Income

Table 10 – Statement of Gross Income

R$ MM	2Q12	2Q13	Change	1H12	1H13	Change
Net Operating Revenue	341.4	443.6	29.9%	672.0	856.8	27.5%
Cost of Services	(226.5)	(270.5)	19.4%	(426.1)	(513.1)	20.4%
Gross Profit	**114.9**	**173.1**	**50.7%**	**245.9**	**343.7**	**39.8%**
(-) Depreciation	11.6	11.9	2.6%	19.2	23.5	22.4%
Cash Gross Profit	**126.5**	**185.0**	**46.2%**	**265.1**	**367.2**	**38.5%**
Cash Gross Margin	*37.1%*	*41.7%*	*4.6 p.p.*	*39.4%*	*42.9%*	*3.5 p.p.*

Selling, General and Administrative Expenses

Selling expenses represented 12.6% of 2Q13 net revenue, generating a margin gain of 1.6 p.p. over 2Q12, due to the 2.8 p.p. increase in the PDA/net revenue ratio, which more than offset the impact of the Provision for FIES line (-0.5 p.p.). It is worth noting the organic improvement in PDA over the previous year, even considering the impact of the Provision for FIES (which was recognized under PDA in 2Q12). More details on our "Provisioning for FIES" can be found in "Annex I", at the end of this release (page 23).

General and administrative expenses recorded a 2.0 p.p. year-on-year margin loss, chiefly due to losses of: (i) 1.5 p.p. in personnel, due to salary increases following the collective bargaining agreement and the increase in headcount, related to the creation of new business areas, which still generate none or little revenues, and to the linearization of bonus provisioning in 2013; and (ii) 0.7 p.p. under provision for contingencies, largely due to the reversal that benefited this line in 2Q12.

Table 11 – Selling, General and Administrative Expenses

R$ MM	2Q12	2Q13	Change	1H12	1H13	Change
Selling, General and Administrative Cash Expenses	**(89.4)**	**(118.4)**	**32.4%**	**(170.2)**	**(213.5)**	**25.4%**
Selling Expenses	**(48.4)**	**(56.1)**	**15.9%**	**(85.8)**	**(99.0)**	**15.4%**
Provisions for Doubtful Accounts	(30.0)	(26.8)	-10.7%	(44.0)	(41.6)	-5.5%
Provision for FIES	-	(2.1)	N.A.	-	(3.2)	N.A.
Marketing	(18.4)	(27.1)	47.3%	(41.7)	(54.2)	30.0%
General and Administrative Expenses	**(41.0)**	**(62.3)**	**52.0%**	(84.4)	**(114.5)**	**35.7%**
Personnel	(20.8)	(33.6)	61.5%	(41.7)	(59.0)	41.5%
Salaries and Payroll Charges	(17.9)	(29.7)	65.9%	(35.8)	(51.8)	44.7%
Brazilian Social Security Institute (INSS)	(2.9)	(3.9)	34.5%	(5.9)	(7.2)	22.0%
Others	(20.2)	(28.7)	42.1%	(42.7)	(55.5)	30.0%
Third-Party Services	(10.5)	(11.5)	9.5%	(22.6)	(24.3)	7.5%
Machinery rentals and leasing	-	(0.1)	N.A.	(0.6)	(0.6)	0.0%
Consumable Material	(0.4)	(0.5)	25.0%	(0.7)	(0.9)	28.6%
Provision for Contingencies	1.1	(1.7)	-254.5%	(0.6)	(2.0)	233.3%
Other Operating Renevue (expenses)	4.1	3.5	-14.6%	6.6	7.0	6.1%
Others	(14.6)	(18.4)	26.0%	(24.7)	(34.6)	40.1%
Depreciation	**(4.7)**	**(6.1)**	**29.8%**	**(8.7)**	**(12.5)**	**43.7%**

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

% of Net Operating Revenue	2Q12	2Q13	Change	1H12	1H13	Change
Selling, General and Administrative Cash Expenses	**-26.2%**	**-26.7%**	***-0.5 p.p.***	**-25.3%**	**-24.9%**	***0.4 p.p.***
Selling Expenses	**-14.2%**	**-12.6%**	***1.6 p.p.***	**-12.8%**	**-11.6%**	***1.2 p.p.***
Provisions for Doubtful Accounts	-8.8%	-6.0%	*2.8 p.p.*	-6.5%	-4.9%	*1.6 p.p.*
Provision for FIES	0.0%	-0.5%	*-0.5 p.p.*	0.0%	-0.4%	*-0.4 p.p.*
Marketing	-5.4%	-6.1%	*-0.7 p.p.*	-6.2%	-6.3%	*-0.1 p.p.*
General and Administrative Expenses	**-12.0%**	**-14.0%**	***-2.0 p.p.***	**-12.6%**	**-13.4%**	***-0.8 p.p.***
Personnel	-6.1%	-7.6%	*-1.5 p.p.*	-6.2%	-6.9%	*-0.7 p.p.*
Salaries and Payroll Charges	-5.2%	-6.7%	*-1.5 p.p.*	-5.3%	-6.0%	*-0.7 p.p.*
Brazilian Social Security Institute (INSS)	-0.8%	-0.9%	*-0.1 p.p.*	-0.9%	-0.9%	*0.0 p.p.*
Others	-5.9%	-6.4%	*-0.5 p.p.*	-6.4%	-6.5%	*-0.1 p.p.*
Third-Party Services	-3.1%	-2.6%	*0.5 p.p.*	-3.4%	-2.8%	*0.6 p.p.*
Machinery rentals and leasing	0.0%	0.0%	*0.0 p.p.*	-0.1%	-0.1%	*0.0 p.p.*
Consumable Material	-0.1%	-0.1%	*0.0 p.p.*	-0.1%	-0.1%	*0.0 p.p.*
Provision for Contingencies	0.3%	-0.4%	*-0.7 p.p.*	-0.1%	-0.2%	*-0.1 p.p.*
Other Operating Renevue (expenses)	1.2%	0.8%	*-0.4 p.p.*	1.0%	0.8%	*-0.2 p.p.*
Others	-4.3%	-4.1%	*0.2 p.p.*	-3.7%	-4.0%	*-0.3 p.p.*
Depreciation	**-1.4%**	**-1.4%**	***0.0 p.p.***	**-1.3%**	**-1.5%**	***-0.2 p.p.***

EBITDA

EBITDA totaled R$66.6 million in 2Q13, 80.0% up on 2Q12, with an **EBITDA margin** of 15.0%, up by 4.2 p.p. It is worth emphasizing that our EBITDA was calculated in accordance with the concept proposed by CVM Rule 527 (i.e. excluding the operating financial result and non-recurring items). Once again, EBITDA moved up substantially, unquestionably reflecting our growing capacity to attract students, benefiting from our highly scalable business model, and our efforts to manage and control costs and expenses, which are becoming increasingly efficient thanks to our management model.

Table 13 – Statement of Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

R$ MM	2Q12	2Q13	Change	1H12	1H13	Change
Net Revenue	**341.4**	**443.6**	**29.9%**	**672.0**	**856.8**	**27.5%**
(-) Cash Cost of Services	(214.9)	(258.6)	20.3%	(406.9)	(489.6)	20.3%
(-) Selling, General and Administrative Cash Expenses	(89.4)	(118.4)	32.4%	(170.2)	(213.5)	25.4%
EBITDA	**37.0**	**66.6**	**80.0%**	**94.9**	**153.6**	**61.9%**
EBITDA Margin	*10.8%*	*15.0%*	*4.2 p.p.*	*14.1%*	*17.9%*	*3.8 p.p.*

Under the same-shop concept, excluding acquisitions in the last 12 months (Uniuol, FARGS, Fac, São Luís and FACITEC), 2Q13 EBITDA totaled R$63.6 million, 71.8% up year-on-year, with an EBITDA margin of 14.8%, up by 4.0 p.p.

Table 14 – Statement of Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) – Same shops

R$ MM	2Q12	2Q13 ex-acquisitions	Change
Net Revenue	**341.4**	**429.0**	**25.7%**
(-) Cash Cost of Services	(214.9)	(248.1)	15.4%
(-) Selling, General and Administrative Cash Expenses	(89.4)	(117.3)	31.2%
EBITDA	**37.0**	**63.6**	**71.8%**
EBITDA Margin	*10.8%*	*14.8%*	*4.0 p.p.*

Companies Acquired

The following chart shows the 2Q13 results of the companies acquired in the last 12 months (Uniuol, FARGS, Fac. São Luís and FACITEC). These details will be provided up to 12 months as of the acquisition date to enable follow-up of the Company's performance under the same-shop concept. The acquisitions made in the first half of 2012 (SEAMA and iDez) are already consolidated in our results, as are the companies acquired in 2011. It is also worth noting that we announced the acquisition of ASSESC, in Santa Catarina, in June, which will be incorporated into our results in the coming quarters.

Table 15 – Key Indicators of Acquired Companies in 2Q13

R$ million	Uniuol	FARGS	São Luis	FACITEC	Total
Net Revenue	0.2	1.6	8.2	4.6	14.6
Gross Profit	-0.1	-0.6	2.7	1.5	3.5
Gross Margin	*-50.0%*	*-37.5%*	*32.9%*	*32.6%*	*24.0%*
EBITDA	-0.1	-0.3	3.0	0.4	3.0
EBITDA Margin	*-50.0%*	*-18.8%*	*36.6%*	*8.7%*	*20.5%*
Net Income	-0.1	-0.9	2.8	0.3	2.1
Income Margin	*-50.0%*	*-56.3%*	*34.1%*	*6.5%*	*14.4%*

Financial Result

Table 16 – Breakdown of the Financial Result

R$ MM	2Q12	2Q13	Change	1H12	1H13	Change
Financial Revenue	**5.5**	**11.8**	**114.5%**	**14.1**	**23.1**	**63.8%**
Fines and interest charged	1.5	0.2	N.A.	5.5	3.2	-41.8%
Income of financial applications	3.1	11.4	267.4%	7.3	19.6	168.5%
Other	0.9	0.2	-72.9%	1.3	0.3	-76.9%
Financial Expenses	**(12.5)**	**(11.4)**	**-8.8%**	**(25.2)**	**(24.4)**	**-3.2%**
Bank charges	(1.1)	(1.7)	54.5%	(3.4)	(3.4)	0.0%
Interest and fianancial charges	(6.6)	(6.5)	-1.5%	(14.4)	(12.6)	-12.5%
Financial Discounts	(4.2)	(0.9)	-79.3%	(5.1)	(4.7)	-7.8%
Other	(0.7)	(2.4)	244.1%	(2.3)	(3.8)	65.2%
Financial Result	**(7.1)**	**0.3**	**-104.2%**	**(11.1)**	**(1.3)**	**-88.3%**

The 2Q13 **financial result** was positive by R$0.3 million, a R$7.4 million improvement over 2Q12, chiefly due to the R$8.3 million increase in income from financial investments as a result of the higher volume of cash available for investment. The financial discounts line recorded a decline over previous quarters, which also benefited the financial result this quarter. It is worth noting that this line usually varies with specific renegotiating campaigns, launched during enrollment cycles, which are aimed at former students who want to renegotiate their debts and re-enroll in our courses under Estácio's terms. With that in mind, it is more interesting to observe the behavior of financial discounts in the whole semester, in order to avoid seasonality effects.

Net Income

Table 17 – Reconciliation of EBITDA and Net Income

R$ MM	2Q12	2Q13	Change	1H12	1H13	Change
EBITDA	**37.0**	**66.6**	**80.0%**	**94.9**	**153.6**	**61.9%**
Financial Result	(7.1)	0.3	N.A.	(11.1)	(1.4)	-87.4%
Depreciation	(16.3)	(17.9)	9.8%	(27.9)	(36.0)	29.0%
Social Contribution	0.4	(0.7)	N.A.	(0.2)	(0.9)	350.0%
Income Tax	1.0	(1.6)	N.A.	(0.7)	(2.1)	200.0%
Net Income	**15.1**	**46.7**	**209.3%**	**55.0**	**113.3**	**106.0%**

Estácio posted 2Q13 **net income** of R$46.7 million, 209% more than in 2Q12, due to the almost 30% increase in net revenue and efficiency gains in the cost and expense lines, which led to EBITDA growth of 80.0%. It is also worth mentioning the R$7.4 million improvement in the financial result. **Earnings per share** came to R$0.16 in 2Q13.

FIES

As expected, the **FIES student base** recorded substantial growth over 1Q13, totaling 61,100 students at the end of June, 102% up year-on-year and 25% more than in the previous quarter, representing 25.6% of our on-campus undergraduate student base at end of the semester. The 12,200-student increase during the academic semester confirms the growing adhesion to the FIES program, especially among freshmen. At the end of the first half, 20,400 students who enrolled in 2013 also took FIES, which is equivalent to around 23% of total enrollments for on-campus courses in 1H13.

Table 18 – FIES Student Base

('000)	2Q12	3Q12	4Q12	1Q13	2Q13	Change
On-campus undergraduate students	201.1	221.7	209.9	259.1	238.8	18.7%
FIES Student Base	**30.3**	**39.5**	**41.3**	**48.9**	**61.1**	**101.6%**
% of FIES Students	15.1%	17.8%	19.7%	18.9%	25.6%	*10.5 p.p.*

Accounts Receivable and Average Receivable Days

The number of **net student receivables days** (tuition and agreements), including FIES receivables and net revenue, averaged 79 days, 6 less than in 1Q13 and 2 more than in 2Q12. Excluding FIES net revenue and receivables, the average receivables period was 85 days, 9 days more than 2Q12. The fact that this figure remained at the same levels of the previous quarter is directly related to the process of contracting FIES, which lasted until June 30. Thus, at the end of the semester, we still had around 5,000 students adhering to FIES, whose non-FIES tuitions were part of our Accounts Receivable. Once these FIES applications are concluded, we cancel the non-FIES tuitions, with a counterparty recording in the FIES Accounts Receivable.

Table 19 – Accounts Receivable and Average Receivable Days

Accounts Receivable (R$ MM)	2Q12	3Q12	4Q12	1Q13	2Q13
Gross Accounts Receivable	**350.9**	**351.6**	**362.3**	**428.5**	**439.7**
FIES	36.5	45.0	55.7	82.2	77.3
Tuition monthly fees	261.7	251.5	267.7	289.9	307.7
Credit Cards receivable	20.0	25.3	19.0	27.1	23.8
Renegotiation receivables	32.8	29.8	19.9	29.3	30.9
Fees receivables	(0.0)	-	-	-	-
Credits to identify	(5.7)	(5.3)	(6.2)	(3.6)	(3.6)
Provision for bad debts	(77.2)	(81.9)	(76.4)	(77.6)	(90.2)
Net Accounts Receivable	**268.0**	**264.4**	**279.7**	**347.4**	**345.9**
Net Revenue (last twelve months)	**1,254.7**	**1,316.1**	**1,383.3**	**1,466.0**	**1,568.1**
Days Receivables	**77**	**72**	**73**	**85**	**79**
Net Revenue Ex. FIES (last twelve months)	**1,096.9**	**1,098.1**	**1,111.3**	**1,133.3**	**1,143.9**
Days Receivables Ex. FIES and FIES Revenue	**76**	**72**	**73**	**84**	**85**

Table 20 – Accounts Receivable and Average FIES Receivable Days

FIES Average Days Receivables	2Q12	3Q12	4Q12	1Q13	2Q13
FIES Receivables	36.5	45.0	55.7	82.2	77.3
FIES Carry-Forward Credits	2.3	10.9	1.1	0.4	0.5
FIES Net Revenue (last twelve months)	157.8	218.0	272.0	332.7	424.2
FIES Days Receivables	**88**	**92**	**75**	**89**	**66**

FIES accounts receivable fell by R$4.9 million over 1Q13, as a result of the normalization of the process of transferring FIES certifications following the period in which a greater volume of FIES contracts were amended in 1Q13. In fact, we had R$153.2 million in FIES transfers in 2Q13 alone, R$78.5 million up on the previous quarter. As observed in 1Q13, the concentration of contract amendment processes in the odd quarters increased the average FIES days receivables. This scenario was reversed, due to the reduction of the average FIES receivables period to 66 days in 2Q13, 23 less than 1Q13 and 22 less than in 2Q12, despite the substantially higher FIES student base.

We believe the level of our FIES accounts receivable, around R$77 million, or approximately 1.5 to 2 times the FIES monthly net revenues, is appropriate for the sustainable expansion of the FIES base in our operation.

FIES carry-forward credits remained in line with 1Q13, as a result of repurchase auctions and tax payments that have been occurring normally.

Table 21 – Evolution of FIES Accounts Receivable*

FIES Accounts Receivable (R$ MM)	2Q12	3Q12	4Q12	1Q13	2Q13
Opening Balance	**55.4**	**36.5**	**45.0**	**55.7**	**82.2**
(+) FIES Net Revenue	60.7	78.7	90.2	103.1	152.2
(-) Transfer	75.6	70.1	81.0	74.7	153.2
(-) FIES PDA	4.1	1.0	-1.8	2.0	4.2
(+) Acquisitions	-	0.8	-0.3	0.0	0.3
Ending Balance	**36.5**	**45.0**	**55.7**	**82.2**	**77.3**

(*) Figures not reviewed by the auditors

Table 22 – Evolution of FIES Carry-Forward Credits*

FIES Carry-Forward Credits (R$ MM)	2Q12	3Q12	4Q12	1Q13	2Q13
Opening Balance	**8.0**	**2.3**	**10.9**	**1.1**	**0.4**
(+) Transfer	75.6	70.1	81.0	74.7	153.2
(-) Tax payment	33.0	43.0	48.5	44.7	59.9
(-) Repurchase auctions	50.2	18.5	42.7	30.6	93.2
(+) Acquisitions	1.9	0.0	0.4	0.0	0.0
Ending Balance	**2.3**	**10.9**	**1.1**	**0.4**	**0.5**

Table 23 – Aging of Gross Total Accounts Receivable

Breakdown of Accounts Receivable by Age (R$ million)	2Q12	%	2Q13	%
FIES	36.5	10%	77.3	18%
Not yet due	76.2	22%	78.4	18%
Overdue up to 30 days	43.9	13%	45.2	10%
Overdue from 31 to 60 days	29.0	8%	40.7	9%
Overdue from 61 to 90 days	33.6	10%	40.4	9%
Overdue from 91 to 179 days	54.6	16%	67.5	15%
Overdue more than 180 days	77.2	22%	90.2	21%
TOTAL	**350.9**	**100%**	**439.7**	**100%**

Table 24 – Aging of Agreements Receivable[1]

Breakdown of Agreements by Age (R$ million)	2Q12	%	2Q13	%
Not yet due	14.1	43%	12.4	40%
Overdue up to 30 days	6.5	20%	3.4	11%
Overdue from 31 to 60 days	1.6	5%	2.0	6%
Overdue from 61 to 90 days	1.5	5%	2.2	7%
Overdue from 91 to 179 days	3.4	10%	6.0	19%
Overdue more than 180 days	5.7	17%	4.9	16%
TOTAL	**32.8**	**100%**	**30.9**	**100%**
% over Accounts Receivable	**9%**		**7%**	

[1]Excluding credit card agreements

Our second-quarter receivables portfolio remained healthy. Thanks to the continuation of our rigorous debt renegotiation policies, in 2Q13 only 7% of total receivables came from renegotiations with students, 2 p.p. lower than in 2Q12, maintaining the improvement recorded in 1Q13. In addition, the percentage of receivables from renegotiations overdue by more than 60 days accounted for 42% of total agreements, or 3.0% of total accounts receivable.

Our criteria remain rigid, clear and objective, exemplified by the fact that we provision 100% of receivables overdue by more than 180 days, complemented by the FIES provisions. Tables 25 and 26 show how our PDA is constituted, and reconciles the balance sheet amounts with those in the income statement.

Table 25 – Constitution of Provision for Doubtful Accounts in the Income Statement

R$ MM	12/31/2012	Gross increase in the provision for deliquency	Deliquency recover	Net provision effect	Write off	6/30/2013
Tuitions and fees	59.7	72.9	(23.5)	49.4	(38.4)	70.7
Acquired Companies	16.7	13.6	(5.6)	8.0	(5.3)	19.4
TOTAL	**76.4**	**86.5**	**(29.1)**	**57.4**	**(43.7)**	**90.2**

(*) Figures not reviewed by the auditors

Table 26 – Reconciliation of the Provision for Doubtful Account Balances in the Balance Sheet

	6/30/2013
Additional Provision	57.4
Write off of charges and unidentified deposits	(4.0)
Portfolio sale	(8.6)
Acquired companies at the time of acquisition	(2.6)
Others	(0.6)
Total	**41.6**

Investments (CAPEX and Acquisitions)

Table 27 – CAPEX Breakdown

R$ million	2Q12	2Q13	Change	1H12	1H13	Change
Total CAPEX	**47.4**	**56.8**	**19.8%**	**72.2**	**70.6**	**-2.2%**
Maintenance	**17.3**	**18.0**	**4.0%**	**25.7**	**26.3**	**2.3%**
Discretionary, Expansion and Acquisitions	**30.1**	**38.8**	**28.9%**	**46.5**	**44.3**	**-4.6%**
Academic Model	4.3	2.1	-51.2%	8.3	4.0	-51.9%
New IT Architecture	1.2	4.1	241.7%	5.7	5.6	-2.5%
Integration Processes	-	0.4	N.A	-	0.4	N.A.
Tablet Project	1.7	3.1	82.4%	5.3	5.2	-1.9%
Expansion	1.7	2.2	29.4%	5.9	2.2	-62.7%
Acquisitions	21.2	26.9	26.9%	21.2	26.9	26.9%

In 2Q13, **total CAPEX came to** R$56.8 million, 19.8% up on 2Q12, due to investments in acquisitions and the increase in discretionary investments, which was expected given that these lines recorded low figures in 1Q13.

Maintenance CAPEX totaled R$18.0 million, 4.0% up year-on-year, mostly allocated to upgrading software and hardware, as well as the modernization of equipment, libraries and laboratories in our units. In 2Q13, we also invested around R$2.1 million in the **Academic Model** (creation of content and distance-learning development and production), R$3.1 million in the Tablet Project and R$4.1 million in the acquisition of hardware and in the development of our IT architecture revision project, which will replace our legacy academic systems and prepare our hardware for the Company' growth.

Investments in expansion projects, as well as the revitalization and improvement of units, totaled R$2.2 million in 2Q13, including investments in new units, such as the new Parangaba campus in Fortaleza, Ceará, and in expansions, new rooms and units to be launched.

Capitalization and Cash

Table 28 – Capitalization and Cash

R$ MM	06/30/2012	03/31/2013	06/30/2013
Shareholders' Equity	**679.1**	**1,371.3**	**1,431.2**
Cash & Cash Equivalents	**167.7**	**747.5**	**741.9**
Total Gross Debt	**(272.2)**	**(309.8)**	**(315.3)**
Loans and Financing	(258.4)	(278.8)	(274.0)
Short Term	(7.7)	(14.0)	(19.5)
Long Term	(250.6)	(264.8)	(254.4)
Commitments to Pay	(9.5)	(22.8)	(32.0)
Taxes Paid in Installments	(4.4)	(8.1)	(9.3)
Cash / Net Debt	**(104.5)**	**437.7**	**426.6**

Cash and cash equivalents closed 2Q13 at R$741.9 million, conservatively invested in fixed-income instruments pegged to the CDI interbank rate, government bonds and certificates of deposit with top-tier Brazilian banks. Bank **debt** of R$274.0 million corresponded to the Company's first local debenture issue totaling R$200 million, the loan from the IFC (first loan of R$48.5 million and first withdrawal of the second line of funding, totaling R$20 million) and the capitalization of equipment leasing expenses in compliance with Federal Law 11638. We have also included the commitments for future payments related to acquisitions made, totaling around R$32.0 million, as well as taxes payable in installments, to determine our **gross debt**, which came to R$315.3 million at the end of the second quarter. Thus, the Company's **net cash** closed 2Q13 at R$426.6 million.

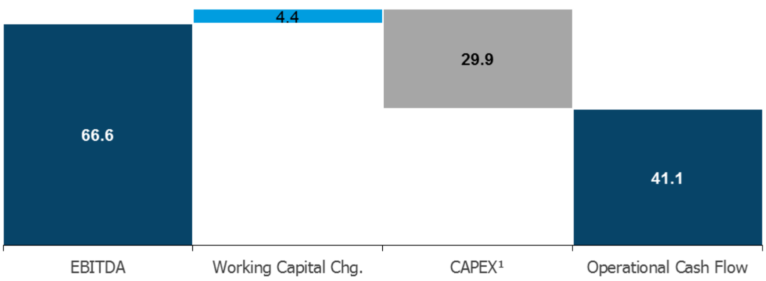
Cash Flow

In 2Q13, we recorded a positive working capital variation of R$4.4 million, while CAPEX (excluding acquisitions) totaled R$29.9 million, reflecting the expected increase in investment levels after 1Q13.

These variations plus EBITDA of R$66.6 million generated **positive operational cash flow** of R$41.1 million, confirming our expectations of higher cash generation despite the quarterly increase in CAPEX.

Operational cash flow before CAPEX came to R$71.0 million in 2Q13.

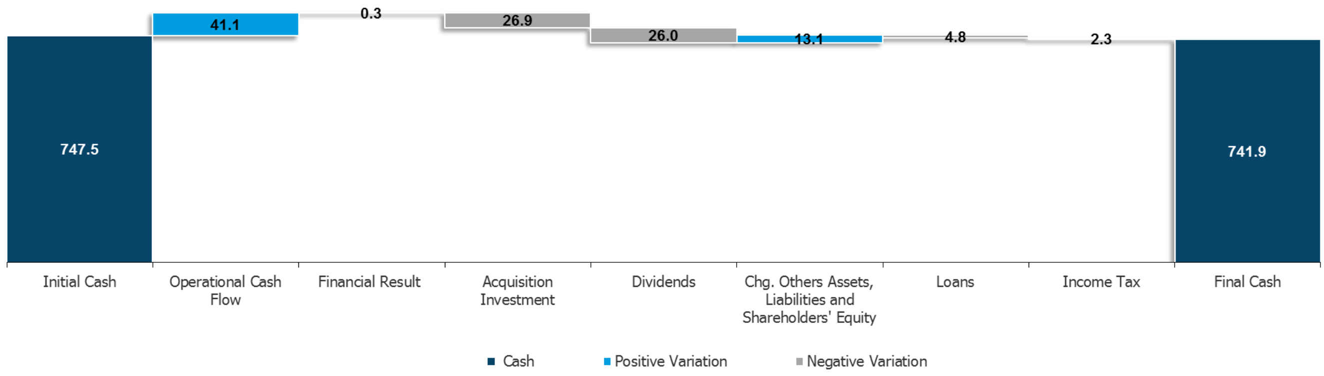
Graph 2 - Operational Cash Flow (R$ million) - Quarter



[1]CAPEX excluding Acquisitions.

This positive operational cash flow of R$41.1 million was mostly consumed by acquisitions (R$26.9 million) and dividends payment (R$26.0 million). Nevertheless, cash and cash equivalents fell by only R$5.6 million, reaching R$741.9 million at the end of the quarter.

Graph 3 – Cash Flow (R$ million) – Quarter



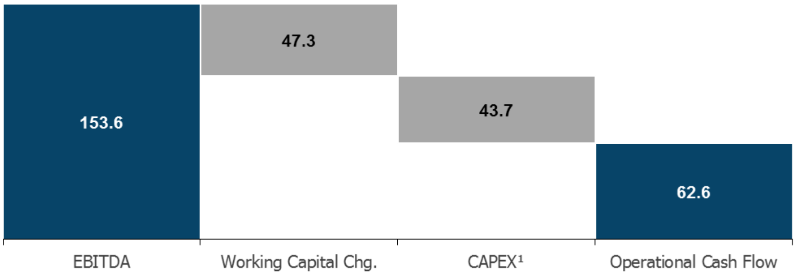
The table below gives a detailed breakdown of operational cash flow, in order to ensure a better understanding of our working capital variations.

Table 29 – Quarterly Cash Flow 2Q13 x 2Q12

In million	2Q12	2Q13
Initial Cash Position	**182.7**	**747.5**
EBITDA	**37.0**	**66.6**
Working Capital Change	**17.2**	**4.4**
Increase (Decrease) in Accounts receivable	10.5	1.4
Increase (Decrease) in Carry-Forward credits	4.8	0.0
Increase (Decrease) in Advance to employees / third-parties	(5.5)	(3.3)
Increase (Decrease) in Prepaid expenses	6.3	11.1
Increase (Decrease) in Taxes and contributions	(1.7)	(6.4)
Increase (Decrease) in Suppliers	2.5	(1.6)
Increase (Decrease) in Salaries and payroll charges	4.9	5.8
Increase (Decrease) in Taxes payable	(5.9)	(3.0)
Increase (Decrease) in Prepaid monthly tuition fees	1.9	2.7
Increase (Decrease) in Commitments payable	(0.6)	(2.2)
CAPEX	**(47.4)**	**(56.8)**
Permanent Assets Change	(31.1)	(38.8)
Depreciation and amortization	(16.3)	(17.9)
Acquisition Investment	**21.2**	**26.9**
Operational Cash Flow	**28.0**	**41.1**
Acquisition Investment	**(21.2)**	**(26.9)**
Financial Result	(7.1)	0.3
Chg. Other Assets, Liabilities and Shareholders' Equity	(9.2)	13.1
Dividends	-	(26.0)
Loans	(6.9)	(4.8)
Income Tax	1.4	(2.3)
Final Cash Position	**167.7**	**741.9**

In 1H13, operational cash flow was positive by R$61.8 million, R$22.1 million higher than in the same period last year, due to EBITDA growth and the improved cash, receivables and FIES processes management, underlining the continuous improvement in our cash generation.

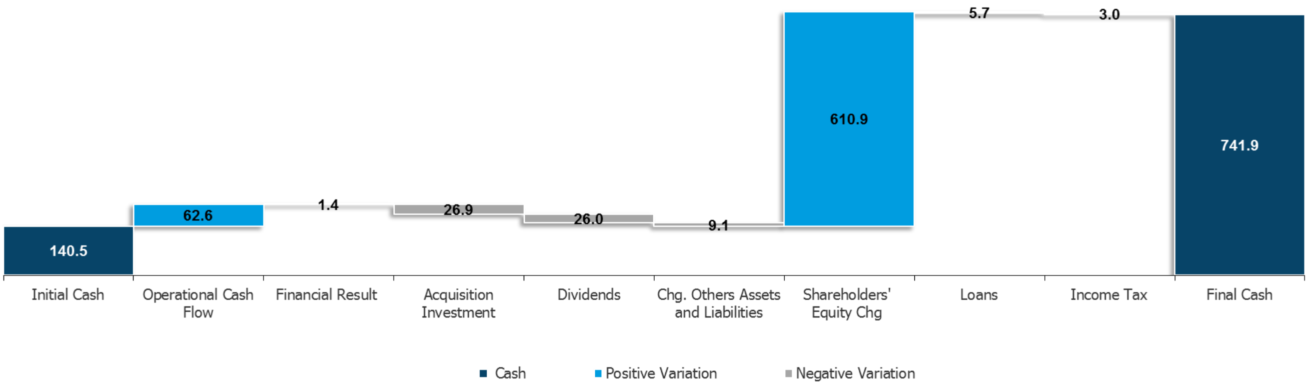
Graph 4 – Operational Cash Flow (R$ million) – Half Year



[1]CAPEX excluding acquisitions.

In 1H13, operational cash flow of R$62.6 million and the public share offering concluded in January were the main reasons for the R$601.4 million increase in our cash position, which more than offset the investments in acquisitions and the payment of dividends. Thus, Estácio's cash position stood at R$741.9 million at the end of the first half.

Graph 5 – Cash Flow (R$ million) – Half Year



Key Material Facts

Acquisition of ASSESC

On June 17, we announced the formalization of a purchase commitment to acquire Associação de Ensino de Santa Catarina (ASSESC), the controlling institution of Faculdades Integradas Associação de Ensino de Santa Catarina (FASSESC), headquartered and with a campus in Florianópolis, Santa Catarina.

Should the operation be concluded, Estácio will invest five million, eight hundred and twenty-five thousand reais (R$5,825,000.00) in ASSESC. The transaction does not involve real estate. ASSESC has approximately 915 students and 4,970 total seats, divided into ten undergraduate programs, and an average ticket of around R$570. The acquisition marks the Company's entry into the Santa Catarina state capital and will permit the consolidation of operations in Greater Florianópolis, considering the *Centro Universitário* in São José.

The acquisition also complements Estácio's course portfolio, which now covers all the main areas with high demand in the local labor market. Finally, the operation in the city will benefit from the exploration of important gains in academic quality, efficiency and scale. In 2011, ASSESC was evaluated by the Ministry of Education (MEC) and obtained a General Course Index (IGC) of 3 on a scale from 1 to 5.

Recognition of the first distance learning course

As published in the Diário Oficial da União on May 22, 2013, *Universidade Estácio de Sá*'s distance learning Pedagogy course was recognized. Besides this first one, we also had two other distance learning programs recognized this semester: Marketing and HR Management, both evaluated with a Course Concept (CC) of 4.

The recognition of the first distance learning program is one of the steps towards coverage increase (possibility of requiring new distance learning centers), following the analysis and approval of the request for new centers already filed by Estácio with MEC. The Company will keep the market informed of progress of this process.

Stock split

The Shareholders' Meeting of May 21, 2013 approved a stock split in the ratio of one existing share to three new shares of the same class and type. The split does not imply a change in the monetary expression of the Company's capital stock. Consequently, there was no change in the financial amount or individual interest of each shareholder.

The purpose of the split was to adjust the trading price of the minimum share lot issued by the Company, thus making our shares more attractive to investors and allowing for an increase in their liquidity.

Investing in our People

We commented on the 4th edition of our successful **Trainee program** in the 4Q12 earnings release, when applications closed. As of August, the 17 selected candidates are already Estácio employees, working in several areas of the Company, in Corporate and Operations. They will follow a structured program with job rotations and workshops in order to estimulate and develop each trainee.

Besides attracting new talents, we continue to increase the investments in our People, with iniciatives such as the ELO and IES programs. The **ELO program** (Efficiency for Operations Leaders, in Portuguese) had two groups concluding the program in July, enabling campus, administrative, academic and commercial managers, nationwide, to improve the operational efficiency of our current leaders, based on technical and behavioral skills development. It is a 158-hour program divided into 3 face-to-face modules and 2 online disciplines.

Picture: One of ELO's groups in the last class in July.

The **IES Program** (Grad Program in Higher Education Institutions Management) seeks to select employees to take management positions in Operations, providing the chosen ones with a *lato sensu* graduate program aimed at perfecting and specializing these professionals, thus enabling them to perform as managers in Higher Eduction business units. It is a 260-hour program divided into 4 face-to-face modules (207h), as well as distance learning disciplines (153h).

Such iniciatives show our growing investment in People, building the foundation for the Company's sustainable growth.

Estácio's shares receive ratings upgrade from Standard & Poor's

In July, Standard & Poor's Ratings Services upgraded Estácio Participações' Domestic Scale rating, including its corporate credit rating, from 'brA+' to 'brAA-'.

"Estácio's upgrade reflects the consistent improvement in its operating performance, together with a reduction in its leverage metrics and stronger liquidity. The company has expanded its student base, both organically and through acquisitions, increasing its operational cash flow while gradually improving its operating efficiency through economies of scale from the implementation of standardized academic processes and a reduction in fixed costs, as it increases the average number of students per campus." ***Standard & Poor's***

Another successful "E Day"

Picture: "E Day" in Estácio's unit in Juiz de Fora, Minas Gerais

Estácio's faculty, administrative staff, students and corporate managers took part in another national mobilization day to provide services to the community. "E Day – People teaching People" – took place on May 23, with the participation of around 6,000 employees with the sole purpose of creating a better Estácio. More than 32,000 people benefited from the initiative and more than a thousand prospective students registered for our entrance exams. Low-income communities in Brazil were able to take advantage of health services, vocational guidance and advice on legal and human resources issues.

Results Conference Call

Conference Call (in Portuguese)	Conference Call (in English)
Date: August 9, 2013 (Friday)	Date: August 9, 2013 (Friday)
Time: 10 a.m. (Brasília) / 9 a.m. (US ET)	Time: 11:30 a.m. (Brasília) / 10:30 a.m. (US ET)
Connection Dial-in Brazil: +55 (11) 3127-4971 / 3728-5971	Connection Dial-in NY: +1 (412) 317-6776
Access Code: Estácio	Access Code: Estácio
Webcast: www.estacioparticipacoes.com.br/ri	Webcast: www.estacioparticipacoes.com.br/ir
Replay: available until August 15	Replay: available until August 18
Access Dial-in Brazil: +55 (11) 3127-4999	Access Dial-in NY: +1 (412) 317-0088
Access Code: 40401060	Access Code: 10030898

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

Income Statement in IFRS

	Consolidated			Excluding acquisitions in the last 12 months		
R$ MM	2Q12	2Q13	Change	2Q12	2Q13	Change
Gross Operating Revenue	**484.8**	**615.0**	**26.9%**	**484.8**	**597.8**	**23.3%**
Monthly Tuition Fees	477.8	608.4	27.3%	477.8	591.4	23.8%
Others	7.0	6.6	-5.7%	7.0	6.4	-8.6%
Gross Revenue Deductions	**(143.4)**	**(171.4)**	**19.5%**	**(143.4)**	**(168.8)**	**17.7%**
Scholarships and Discounts	(127.2)	(149.9)	17.8%	(127.2)	(148.0)	16.3%
Taxes	(16.2)	(18.0)	11.1%	(16.2)	(17.3)	6.8%
FGEDUC	-	(3.6)	N.A.	-	(3.5)	N.A.
Net Operating Revenue	**341.4**	**443.6**	**29.9%**	**341.4**	**429.0**	**25.7%**
Cost of Services	**(226.5)**	**(270.5)**	**19.4%**	**(226.5)**	**(259.5)**	**14.6%**
Personnel	(160.1)	(191.4)	19.6%	(160.1)	(183.2)	14.4%
Rentals / Real Estate Taxes Expenses	(27.6)	(35.0)	26.8%	(27.6)	(33.6)	21.7%
Textbooks Materials	(12.4)	(15.8)	27.4%	(12.4)	(15.6)	25.8%
Third-Party Services and Others	(14.8)	(16.4)	10.8%	(14.8)	(15.7)	6.4%
Depreciation	(11.6)	(11.9)	2.6%	(11.6)	(11.4)	-1.7%
Gross Profit	**114.9**	**173.1**	**50.7%**	**114.9**	**169.5**	**47.5%**
Gross Margin	***33.7%***	***39.0%***	***5.3 p.p.***	***33.7%***	***39.5%***	***5.8 p.p.***
Selling, General and Administrative Expenses	**(94.2)**	**(124.4)**	**32.1%**	**(94.2)**	**(123.4)**	**31.0%**
Selling Expenses	**(48.4)**	**(56.1)**	**15.9%**	**(48.4)**	**(56.4)**	**16.5%**
Provisions for Doubtful Accounts	(30.0)	(26.8)	-10.7%	(30.0)	(27.2)	-9.3%
Provisions for FIES	-	(2.1)	N.A.	-	(2.1)	N.A.
Marketing	(18.4)	(27.1)	47.3%	(18.4)	(27.1)	47.3%
General and Administrative Expenses	**(41.0)**	**(62.3)**	**52.0%**	**(41.0)**	**(60.9)**	**48.5%**
Personnel	(20.8)	(33.6)	61.5%	(20.8)	(32.8)	57.9%
Others	(20.2)	(28.7)	42.1%	(20.2)	(28.1)	39.1%
Depreciation	**(4.7)**	**(6.1)**	**29.8%**	**(4.7)**	**(6.1)**	**29.8%**
EBIT	**20.7**	**48.6**	**134.8%**	**20.7**	**46.1**	**122.7%**
EBIT Margin	***6.1%***	***11.0%***	***4.9 p.p.***	***6.1%***	***10.7%***	***4.6 p.p.***
(+) Depreciation	16.3	17.9	9.8%	16.3	17.4	6.7%
EBITDA	**37.0**	**66.6**	**80.0%**	**37.0**	**63.6**	**71.9%**
EBITDA Margin	***10.8%***	***15.0%***	***4.2 p.p.***	***10.8%***	***14.8%***	***4.0 p.p.***
Financial Result	(7.1)	0.3	-104.2%	(7.1)	0.8	-111.3%
Depreciation and Amortization	(16.3)	(17.9)	9.8%	(16.3)	(17.4)	6.7%
Social Contribution	0.4	(0.7)	-275.0%	0.4	(0.7)	-275.0%
Income Tax	1.0	(1.6)	-260.0%	1.0	(1.7)	-270.0%
Net Income	**15.1**	**46.7**	**209.3%**	**15.1**	**44.6**	**195.4%**
Net Income Margin	***4.4%***	***10.5%***	***6.1 p.p.***	***4.4%***	***10.4%***	***6.0 p.p.***

R$ MM	Consolidated 1H12	1H13	Change
Gross Operating Revenue	**966.0**	**1,228.8**	**27.2%**
Monthly Tuition Fees	954.6	1,215.8	27.4%
Others	11.3	12.9	14.2%
Gross Revenue Deductions	**(294.0)**	**(372.0)**	**26.5%**
Scholarships and Discounts	(263.0)	(330.4)	25.6%
Taxes	(31.0)	(36.4)	17.4%
FGEDUC	-	(5.2)	N.A.
Net Operating Revenue	**672.0**	**856.8**	**27.5%**
Cost of Services	**(426.1)**	**(513.1)**	**20.4%**
Personnel	(303.9)	(370.8)	22.0%
Rentals / Real Estate Taxes Expenses	(57.6)	(65.5)	13.7%
Textbooks Materials	(18.0)	(22.9)	27.2%
Third-Party Services and Others	(27.4)	(30.4)	10.9%
Depreciation	(19.2)	(23.5)	22.4%
Gross Profit	**245.9**	**343.7**	**39.8%**
Gross Margin	***36.6%***	***40.1%***	***3.5 p.p.***
Selling, General and Administrative Expenses	**(178.9)**	**(226.1)**	**26.4%**
Selling Expenses	**(85.8)**	**(99.0)**	**15.4%**
Provisions for Doubtful Accounts	(44.0)	(41.6)	-5.5%
Provisions for FIES	-	(3.2)	N.A.
Marketing	(41.7)	(54.2)	30.0%
General and Administrative Expenses	**(84.4)**	**(114.5)**	**35.7%**
Personnel	(41.7)	(59.0)	41.5%
Others	(42.7)	(55.5)	30.0%
Depreciation	**(8.7)**	**(12.5)**	**43.7%**
EBIT	**67.0**	**117.6**	**75.5%**
EBIT Margin	***10.0%***	***13.7%***	***3.7 p.p.***
(+) Depreciation	27.9	36.0	29.0%
EBITDA	**94.9**	**153.6**	**61.9%**
EBITDA Margin	***14.1%***	***17.9%***	***3.8 p.p.***
Financial Result	(11.1)	(1.4)	-87.4%
Depreciation and Amortization	(27.9)	(36.0)	29.0%
Social Contribution	(0.2)	(0.9)	350.0%
Income Tax	(0.7)	(2.1)	200.0%
Net Income	**55.0**	**113.3**	**106.0%**
Net Income Margin	***8.2%***	***13.2%***	***5.0 p.p.***

Balance Sheet in IFRS

R$ MM	06/30/2012	03/31/2013	06/30/2013
Short-Term Assets	**520.5**	**1,191.3**	**1,193.4**
Cash & Cash Equivalents	17.9	18.4	6.8
Short-Term Investments	149.7	729.1	735.1
Accounts Receivable	268.0	347.4	345.9
Carry-Forwards Credits	6.2	4.9	4.9
Advance to Employees / Third-Parties	20.3	24.1	27.5
Related Parties	0.3	0.3	0.3
Prepaid Expenses	12.8	37.2	26.1
Taxes and contributions	18.6	9.6	16.0
Others	26.7	20.4	30.8
Long-Term Assets	**630.5**	**730.4**	**776.6**
Non-Current Assets	**94.4**	**131.8**	**139.2**
Prepaid Expenses	0.7	2.5	2.8
Judicial Deposits	78.8	85.3	92.5
Taxes and contributions	-	22.7	24.0
Deferred Taxes and others	15.0	21.3	19.9
Permanent Assets	**536.1**	**598.5**	**637.4**
Investments	0.2	0.2	0.2
Fixed Assets	275.9	289.2	297.3
Intangible	260.0	309.1	339.8
Total Assets	**1,151.0**	**1,921.6**	**1,969.9**
Short-Term Liabilities	**154.2**	**211.5**	**192.6**
Loans and Financing	7.7	14.0	19.5
Suppliers	20.7	29.1	27.5
Salaries and Payroll Charges	83.6	93.9	99.7
Taxes Payable	8.9	25.2	22.2
Prepaid Monthly Tuition Fees	7.2	4.7	7.4
Advances under Partnership Agreement	2.9	2.9	2.9
Taxes Paid in Installments	0.2	2.0	2.0
Dividends Payable	16.7	26.1	0.0
Commitments Payable	3.5	11.2	9.0
Others	2.9	2.4	2.4
Long-Term Liabilities	**317.6**	**338.8**	**346.2**
Loans and Financing	250.6	264.8	254.4
Provisions for Contingencies	27.0	23.8	25.4
Advances under Partnership Agreement	13.5	11.3	10.6
Taxes Paid in Installments	4.2	6.1	7.3
Provision for asset retirement obligations	13.7	14.2	14.8
Deferred Taxes	2.7	0.8	2.4
Commitments Payable	6.0	11.6	23.0
Others	-	6.2	8.2
Shareholders' Equity	**679.1**	**1,371.3**	**1,431.2**
Capital	367.8	986.2	1,000.5
Share Issuance Expenses	(2.8)	(23.4)	(26.5)
Capital Reserves	111.8	115.7	117.7
Earnings Reserves	153.9	237.6	237.6
Retained Earnings	55.0	66.6	113.3
Treasury Stocks	(6.5)	(11.3)	(11.3)
Total Liabilities and Shareholders' Equity	**1,151.0**	**1,921.6**	**1,969.9**

Annex I – Provisioning for FIES

We detail here the “Provision for FIES” line under selling expenses, which constitutes provisions for:

(i) FIES students with a guarantor (at 2.25%, as we have already been doing this year, conservatively assuming future losses of 15% from the FIES portfolio, which is approximately three times higher than historical losses from the student portfolio; the provision was constituted considering 15% of credit risk over 15% of delinquency);

(ii) FIES students with FGEDUC after April 2012 for uncovered FGEDUC risk under the current rule, i.e. provisions were constituted for the 10% not covered by FGEDUC. Over this amount, we constituted provisions for the 15% credit risk over estimated delinquency of 15% (0.225%);

(iii) FIES students with FGEDUC until March 2012 for uncovered FGEDUC risk under the former rule, i.e. provisions were constituted for the 20% not covered by FGEDUC. Over this amount, we constituted provisions for the 15% credit risk over estimated delinquency of 15% (0.450%);

(iv) FIES students with FGEDUC until March 2012, for losses on the balance of restricted deposits based on the 2% FGEDUC contribution under the former rule, recorded as Minimum Guarantee, on estimated delinquency of 15% (0.30%).

It is worth noting that items (i), (ii) and (iii) have counter entries under noncurrent liabilities in the “Provision for FIES risk line”, while item (iv) has a counter entry as a noncurrent asset reducing account – “Provision for loss of FIES restricted deposits” – as an adjustment for the expected realization of the restricted deposits account, recorded based on the 2% FGEDUC contribution under the former rule.

About Estácio

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

Estácio's strengths are:

Strong Positioning to Explore the Market's Growth Potential

- Nationwide presence, with units in the country's largest urban centers
- Broad portfolio of academic programs
- Managerial and financial capacity to innovate and improve the academic programs
- Widely recognized "Estácio'' brand

High Quality Learning Experience

- Nationally integrated syllabi
- Unique teaching methodology
- Full convergence between the On-Campus and Distance Learning models
- Highly qualified faculty

Professional and Integrated Operational Management

- Result-oriented management model
- Focus on educational quality

Scalable Business Model

- Growth with profitability
- Organic expansion through acquisitions

Financial Solidity

- Strong cash reserves
- Capacity to generate and raise funds
- Control of working capital

Estácio closed 2Q13 with 313,400 undergraduate, graduate and distance-learning students enrolled in its nationwide educational network, which now operates in 20 states, as well as the Federal District, following the acquisitions in recent years, as shown in the map below: