Estácio Participações S.A.

**Quarterly information (ITR) at
March 31, 2018 and
report on review of
quarterly information**

A free translation from Portuguese into English of Independent Auditor's Review Report on Interim Financial Information prepared in Brazilian currency in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity)

Independent auditor's review report on interim financial information

The Shareholders and Board of Directors
Estácio Participações S.A.
Rio de Janeiro - RJ

We have reviewed the interim financial information individual and consolidated of Estácio Participações S.A. ("Company" or "Estácio") contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2018, comprising the balance sheet at March 31, 2018, and the related statements of operations, statements of comprehensive income, changes in equity and cash flow statement for the quarter then ended, including the explanatory notes.

Management's responsibility for the interim financial information

Management is responsible for the preparation of the interim financial information individual and consolidated in accordance with CPC 21 (R1) – Interim Financial Statements and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim accounting information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information individual and consolidated included in the interim financial information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of the Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to quarterly information.

Other matters

Statements of value added

We have also reviewed the statements of value added (SVA) individual and consolidated, for the quarter period ended March 31, 2018, prepared under the responsibility of Company management, whose presentation in the interim financial information is required by the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR) and as supplementary information under International Financial Reporting Standards (IFRS), which do not require the presentation of the SVA. These statements were subject to the same review procedures previously described above and, based on our review, nothing has come to our attention that causes us to believe that it was not presented fairly, in all material respects, consistently with the overall interim financial information individual and consolidated.

Rio de Janeiro, April 25, 2018.

ERNST & YOUNG
Auditores Independentes S.S.
CRC - 2SP015199/O-6

Fernando A. S. Magalhães
Accountant CRC – 1SP133169/O-0

Estácio Participações S.A.

Balance sheet

All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
Assets	**March 31, 2018**	**December 31, 2017**	**March 31, 2018**	**December 31, 2017**
Current				
Cash and cash equivalents (Note 3)	1,080	241	9,375	13,996
Marketable securities (Note 3)	39,961	45,820	617,747	510,450
Accounts receivable (Note 4)			1,060,715	991,404
Related parties (Note 5)	1,470	15,612		
Prepaid expenses (Note 6)	6	25	13,619	6,544
Dividends receivable (Note 8)	390,957	390,957		
Taxes and contributions (Note 7)	1,318	3,908	55,339	92,046
Others			53,251	49,040
	434,792	456,563	1,810,046	1,663,480
Non-current				
Long-term receivables				
Trade receivables (Note 4)			122,754	32,694
Prepaid expenses (Note 6)			4,969	5,105
Judicial deposits (Note 16)	189	185	102,418	102,808
Deferred taxes (Note 26)			114,292	70,617
Taxes and contributions (Note 7)	39,931	36,981	86,383	80,322
Others			38,279	43,217
	40,120	37,166	469,095	334,763
Investments				
In subsidiaries (Note 8)				
Others	2,299,367	2,118,132		
Intangible assets (Note 9)			228	228
Property and equipment (Note 10)	790,007	793,280	1,410,836	1,420,208
			600,367	602,416
	3,089,374	2,911,412	2,011,431	2,022,852
	3,129,494	2,948,578	2,480,526	2,357,615
Total assets	3,564,286	3,405,141	4,290,572	4,021,095

	Parent company		Consolidated	
Liabilities and equity	**March 31, 2018**	**December 31, 2017**	**March 31, 2018**	**December 31, 2017**
Current				
Accounts payable	1,404	2,205	105,175	70,923
Borrowings (Note 11)	335,706	326,072	358,854	349,274
Salaries and social charges (Note 12)	352	352	199,160	158,640
Taxes payable (Note 13)	119	172	123,675	76,794
Monthly tuitions received in advance			7,700	13,341
Taxes payable in installments (Note 14)			4,179	4,295
Related parties (Note 5)	534	2		
Dividends payable	100,846	100,846	100,846	100,846
Price of acquisition payable (Note 15)			54,620	57,109
Others	3,502	329	11,199	11,722
	442,463	429,978	965,408	842,944
Non-current				
Long-term payables				
Borrowings (Note 11)	192,116	193,343	213,294	218,047
Contingencies (Note 16)	185	172	104,471	86,284
Taxes payable in installments (Note 14)			9,693	10,301
Deferred taxes (Note 26)	3,250	4,361	11,722	14,177
Provision for asset decommissioning			22,383	22,196
Price of acquisition payable (Note 15)			17,160	29,989
Others	30	30	20,199	19,900
	195,581	197,906	398,922	400,894
Equity (Note 17)				
Share capital	1,130,818	1,130,818	1,130,818	1,130,818
Share issue costs	(26,852)	(26,852)	(26,852)	(26,852)
Capital reserves	666,862	663,981	666,862	663,981
Revenue reserves	1,088,478	1,139,764	1,088,478	1,139,764
Treasury shares	(130,420)	(130,454)	(130,420)	(130,454)
Retained earnings	197,356		197,356	
	2,926,242	2,777,257	2,926,242	2,777,257
Total liabilities and equity	3,564,286	3,405,141	4,290,572	4,021,095

The accompanying notes are an integral part of this quarterly information.

Estácio Participações S.A.

Statement of income
Quarters ended March 31
All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	2018	2017	2018	2017
Continuing operations				
Net operating revenue (Note 21)			935,728	819,024
Cost of services rendered (Note 22)			(383,392)	(418,885)
Gross profit			552,336	400,139
Operating income (expenses)				
Selling expenses (Note 23)			(124,174)	(111,637)
General and administrative expenses (Note 23)	(7,803)	(8,903)	(148,781)	(126,920)
Equity in the results of subsidiaries (Note 8)	213,368	164,802		
Other operating income (Note 24)	242	409	2,185	6,891
Operating profit	205,807	156,308	281,566	168,473
Finance income (Note 25)	1,194	4,637	27,586	31,434
Finance costs (Note 25)	(10,756)	(40,803)	(53,733)	(68,995)
Finance result, net	(9,562)	(36,166)	(26,147)	(37,561)
Profit before income tax and social contribution	196,245	120,142	255,419	130,912
Current and deferred income tax (Note 26)	817	1,238	(42,454)	(6,545)
Current and deferred social contribution (Note 26)	294	446	(15,609)	(2,541)
Earnings for the period attributable to the stockholders	197,356	121,826	197,356	121,826
Basic earnings per share (Note 20)	0.63780	0.38323	0.63780	0.38323
Diluted earnings per share (Note 20)	0.63780	0.38323	0.63780	0.38323

The accompanying notes are an integral part of this quarterly information.

Estácio Participações S.A.

Statement of comprehensive income
Quarters ended March 31
All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	2018	**2017**	**2018**	**2017**
Profit for the period	197,356	121,826	197,356	121,826
Total comprehensive income for the period, net of taxes	197,356	121,826	197,356	121,826
Attributable to:				
Controlling stockholders				
Non-controlling interests	197,356	121,826	197,356	121,826

The accompanying notes are an integral part of this quarterly information.

Estácio Participações S.A.

Statement of changes in equity
All amounts in thousands of reais unless otherwise stated

			Capital reserves				Revenue reserves				
	Share capital	**Share Issue expenditures**	**Long-term incentives**	**Discount on the sale of shares**	**Share premium**	**Options granted**	**Legal**	**Profit retention**	**Treasury shares**	**Retained earnings**	**Total**
At January 1, 2017	1,130,818	(26,852)	210		595,464	65,449	93,199	722,815	(146,430)		2,434,673
Options granted (Note 20)						2,920					2,920
Long-term incentives (Note 20)			94								94
Profit for the year										121,826	121,826
At March 31, 2017	1,130,818	(26,852)	304		595,464	68,369	93,199	722,815	(146,430)	121,826	2,559,513
Options granted (Note 20)						4,538					4,538
Discount on the sale of treasury shares (Note 17)				(4,694)					4,694		
SOP payment (Note 17)									11,282		11,282
Profit for the year										302,764	302,764
Allocation of profit											
Transfer to reserves							21,230	302,520		(323,750)	
Mandatory minimum dividend (R$ 0.33 per share)										(100,840)	(100,840)
At December 31, 2017	1,130,818	(26,852)	304	(4,694)	595,464	72,907	114,429	1,025,335	(130,454)		2,777,257
Options granted (Note 20)						2,857					2,857
Goodwill on disposal of treasury shares (Note 17 d.3)				24					(24)		
Sale of treasury shares (Note 17 d.3)									58		58
Adoption of the new standard IFRS 09 (Note 1.4)								(51,286)			(51,286)
Profit for the period										197,356	197,356
At March 31, 2018	1,130,818	(26,852)	304	(4,670)	595,464	75,764	114,429	974,049	(130,420)	197,356	2,926,242

The accompanying notes are an integral part of this quarterly information.

Estácio Participações S.A.
Statement of cash flows
Quarters ended March 31
All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before income tax and social contribution	196,245	120,142	255,419	130,912
Adjustments to reconcile profit with cash from operations				
Depreciation and amortization (Notes 9, 10, 22, 23)	3,273	4,970	48,555	46,351
Amortization of funding costs (Note 11)	372	6,541	372	6,541
Provision for impairment of trade receivables (Note 4)			43,274	47,519
Options granted – stock options provision (Note 8, 19)			2,857	2,920
Provision for long-term incentives (Note 8, 19)				94
Provision for contingencies (Note 16)	10		29,565	8,948
Update of trade receivables - FIES			(2,817)	(4,562)
Present value - trade receivables – FIES (Note 25)				(2,595)
Adjustment to present value - sale of portfolio (Note 25)			(5,204)	(2,197)
Adjusted tax credits	(524)	(930)	(948)	34,631
Interest on borrowings	10,075	32,311	13,322	
Equity in the results of subsidiaries (Note 8)	(213,368)	(164,802)		
(Gain) loss on the disposal of property and equipment and intangible assets (Notes 9, 10)			268	119
Provision for decommissioning of assets			187	364
Restatement of commitments payable			852	4,379
Others		(450)	144	(314)
	(3,917)	(2,218)	385,846	273,110
Changes in assets and liabilities:				
(Increase) in trade receivables			(265,255)	(172,547)
Decrease (increase) in other assets	14,674	52	(4,233)	(6,033)
Decrease in advances to employees/third-parties				5,719
Decrease (increase) in prepaid expenses	19	80	(7,075)	689
(Increase) decrease in taxes and contributions	164	(631)	31,594	7,395
Increase (decrease) in trade payables	(801)	(1,161)	34,252	14
(Decrease) in taxes payable	(53)	(6)	(22,494)	(12,973)
Increase in salaries and social charges		112	40,520	45,534
(Decrease) in monthly tuitions received in advance			(11,702)	(5,001)
Increase (decrease) Labor/civil convictions	3		(11,378)	(7,920)
(Decrease) in price of acquisition payable			(16,170)	(14,981)
(Decrease) Provision for decommissioning of assets				(496)
Increase (decrease) in other liabilities	3,172	(2)	(1,237)	196
(Decrease) in taxes paid in installments			(847)	(1,113)
Decrease in non-current assets			5,074	1,214
Decrease (increase) in judicial deposits	(4)	(23)	390	(2,535)
	13,257	(3,797)	157,285	110,272
Interest paid on borrowings	(500)	(14,457)	(500)	(14,457)
Corporate Income Tax (IRPJ) and Social Contribution on Net income (CSLL) paid			(8,398)	(6,756)
Net cash provided by (used in) operating activities	12,757	(18,254)	148,387	89,059
Cash flows from investing activities:				
Property and equipment (Note 10)			(22,569)	(15,767)
Intangible assets (Note 9)			(14,833)	(10,971)
Advance for future capital increase (Note 8)	(16,295)	(850)		
Net cash used in investing activities	(16,295)	(850)	(37,402)	(26,738)
Cash flows from financing activities				
Use of treasury shares resulting from the exercise of stock options	34		34	
Goodwill on sale of treasury shares	24		24	
Cost of borrowing acquisition	183		183	
Repayment of borrowings	(1,723)	(1,446)	(8,550)	(8,248)
Net cash provided by (used in) financing activities	(1,482)	(1,446)	(8,309)	(8,248)
Increase (decrease) in cash and cash equivalents	(5,020)	(20,550)	102,676	54,073
Cash and cash equivalents at the beginning of the period (Note 3)	46,061	127,335	524,446	404,009
Cash and cash equivalents at the end of the period (Note 3)	41,041	106,785	627,122	458,082
Changes in cash and cash equivalents	(5,020)	(20,550)	102,676	54,073

The accompanying notes are an integral part of this quarterly information.

Estácio Participações S.A.

Statement of value added
Quarters ended March 31
All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	2018	**2017**	**2018**	**2017**
Revenue				
Educational services			983,708	848,826
Other revenue			3,199	6,866
Provision for impairment of trade receivables			(43,274)	(47,519)
Other selling expenses			(299)	(561)
			943,334	807,612
Inputs acquired from third parties				
Materials, energy and outsourced services	(3,231)	(2,742)	(163,881)	(136,965)
Contingencies	(10)		(25,458)	(8,948)
	(3,241)	(2,742)	(189,339)	(145,913)
Gross value added	(3,241)	(2,742)	753,995	661,699
Depreciation and amortization	(3,273)	(4,970)	(48,554)	(46,351)
Net value added generated by the entity	(6,514)	(7,712)	705,441	615,348
Value added received through transfer				
Equity in results of investees	213,368	164,802		
Interest income	1,194	4,637	27,586	31,316
Others	(285)	(6,091)	2,256	732
	214,277	163,348	29,842	32,048
Total value added to distribute	207,763	155,636	735,283	647,396
Distribution of value added				
Work remuneration				
Direct remuneration				
Benefits	1,044	912	231,722	264,645
Government Severance Indemnity Fund for			12,533	10,581
Employees (FGTS)			15,770	18,890
	1,044	912	260,025	294,116
Taxes, charges and contributions				
Federal	(782)	(1,148)	129,848	75,233
State				5
Municipal			39,764	35,222
	(782)	(1,148)	169,612	110,460
Third-party capital remuneration				
Interest	10,145	34,046	51,893	61,068
Rentals			56,397	59,926
	10,145	34,046	108,290	120,994
Own capital remuneration				
Retained earnings	197,356	121,826	197,356	121,826
	197,356	121,826	197,356	121,826
Value added distributed	207,763	155,636	735,283	647,396

The accompanying notes are an integral part of this quarterly information.

1 General information

1.1 Operations

Estácio Participações S.A. ("Estácio" or "Company" or “Group”) and its subsidiaries (together the "Group") have as their main activities the development and/or administration of activities and/or institutions in the college and professional education areas and other areas associated to education, to the administration of own assets and business, and the interest, as partner or shareholder, in other companies or enterprises in Brazil.

The Company is a corporation headquartered at Avenida Venezuela, 43, in the Municipality and State of Rio de Janeiro, incorporated by the private subscription of shares on March 31, 2007, and currently listed on the New Market.

The Group has twenty-two companies, including Estácio Participações, nineteen of which are sponsors of college institutions, incorporated as limited-liability companies, and has one University, ten University Centers and fifty-four colleges, distributed in twenty-three States of the country and in the Federal District.

The Company's Board of Directors, in a meeting held on April 25, 2018, authorized the disclosure of this quarterly information.

1.2 Basis of preparation

The financial statements have been prepared and are being presented in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), as well as according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and they spotlight the relevant information of the financial statements (parent company and consolidated), and only them, which are in accordance with those used by the management in its administration.

1.3 Accounting policies

In the quarterly information, the accounting policies are presented in a manner consistent with the accounting practices adopted in the parent company and consolidated financial statements for the year ended December 31, 2017, except for the adoption of CPC 47 and CPC 48, mentioned in the following paragraph at January 1, 2018. Accordingly, the quarterly information should be read together with the financial statements for the year ended December 31, 2017.

1.4 Changes in accounting policies and disclosures

New standards that are effective as from 2018

The following new standards have been issued by IASB and are effective for the year 2018.

IFRS 9/CPC 48 - "Financial instruments "addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014 and is effective as from January 1, 2018. It replaces the orientation included in IAS 39 related to the classification and measurement of financial instruments. The main amendments brought by IFRS 9 are: (i) new criteria for the classification of financial assets; (ii) new impairment model for financial assets, which is hybrid of expected and incurred losses, replacing the current model of incurred losses; and (iii) relaxation of the requirements for adoption of the hedge accounting.

The Company has adopted the new standard as from January 1, 2018, and will not restate comparatives, as permitted by the standard.

The Company conducted a detailed impact evaluation of the three aspects of IFRS 9 mentioned above and decided to increase the provision for impairment of receivables, which resulted in a negative impact on equity, as discussed below.

The Company has applied a simplified approach and record lifetime expected losses on trade receivables. Due to the unsecured nature of its receivables, the provision for impairment of receivables increased by R$ 77,705, with the related decrease in deferred tax liabilities in the amount of R$ 26,419. Accordingly, these impacts reduced equity in the beginning of 2018 by R$ 51,286.

The Company expects to continue to evaluate at fair value all financial assets currently held at fair value.

Borrowings, as well as trade receivables, are held to obtain contractual cash flows and are expected to generate cash flows representing only principal and interest payments. The Company analyzed the contractual cash flow characteristics of these instruments and concluded that they meet the criteria for measurement of amortized cost in accordance with IFRS 9. Therefore, no reclassification of these instruments is required.

The Company does not enter into transactions with derivatives or hedging relationships.

IFRS 15/CPC 47 - "Revenue from contracts with customers "-This new standard introduces the principles to be applied by an entity to determine the measure and recognition of revenue. This standard is based on the principle that revenue is recognized when the control of a good or service is transferred to a customer, so the control principle will replace the principle of risks and rewards. Effective date is January 1, 2018 and it replaces IAS 11/CPC17 - "Construction Contracts", IAS 18/CPC30 - "Revenue" and related.

The Company has adopted the new standard as from January 1, 2018, and will not restate comparatives, as permitted by the standard.

The Company does not expect any significant impact on the balance sheet or the statement of changes in equity from January 2018, as a result of the recognition of revenue from students that are financially supported by the federal government program named Student Financing Fund (FIES), whose contracts have been suspended due to pending items on the official system of the program (SisFies). In the light of the provisions of IFRS 15.12, a contract does not exist if each party to the contract has the unconditional right to terminate a wholly unperformed contract without compensation to the other party. Thus, students not included in the SisFies system must negotiate a new contract with the school without considering the FIES financing arrangement. The Company will not recognize revenue from students who are in the process of being included in FIES before they are effectively included or a contract is signed with the Company for the provision of teaching services. The Company estimates that the amount of unrecorded revenue on account of this matter is less than 0.5% of the annual net revenue.

2 Explanatory notes not presented in this quarterly information

The quarterly information is presented in conformity with CPC 21 (R1), IAS 34 and the standards issued by the CVM, Based on these facts, and according to the assessment of the Company's management about the significant impacts of the information to be disclosed, the explanatory notes described below were not presented in this quarterly information, The other notes are presented so as to allow the perfect understanding of this quarterly information if they are read together with the notes disclosed in the financial statements for the year ended December 31, 2017.

Explanatory notes not presented in this quarterly information:

- Summary of significant accounting policies.
- Critical accounting estimates and judgments.
- Assumptions for the calculation of the fair value of the stock option plans and the impairment of non-financial assets already disclosed in the notes to the financial statements at December 31, 2017.
- Insurance.
- Other information.

All amounts in thousands of reais unless otherwise stated

3 Cash and cash equivalents and marketable securities

		Parent company		Consolidated
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Cash and banks	1,080	241	9,375	13,996
Cash and cash equivalents	1,080	241	9,375	13,996
Government securities (Investment funds)	25,580	28,354	474,557	361,334
LFs (Investment funds)	5,468	7,709	101,473	98,294
Bank Deposit Certificates (CDB)	8,337	8,213	30,405	30,000
CDB (Investment funds)	283	1,092	5,248	13,920
Repurchase agreements	217	44	4,020	57
Repurchase agreements (Investment funds)	31	373	1,967	4,760
Government securities (Itaú Judicial)	45	35	58	1,945
Savings bond			19	140
Marketable securities	39,961	45,820	617,747	510,450

The Company has a Investments Policy that stipulates that investments must be in low risk marketable securities with highly-rated financial institutions, At March 31, 2018, the operations earn interest based on the variation of the Interbank Deposit Certificate (CDI) rate with the exception of government securities, which are indexed to the Special System for Settlement and Custody (SELIC) rate and fixed rates.

At March 31, 2018 and December 31, 2017, all of the Company's marketable securities are classified as "at amortized cost".

The fair values of listed securities are based on cash flows discounted using a rate based on the market interest rate and the risk premium specific to these securities (March 31, 2018 - 6.39%; December 31, 2017 - 6.89%). None of these financial assets is either past due or impaired.

The exclusive investment fund is backed by financial allocations in fund quotas, CDBs, Financial Bills (LFs), government securities and repurchase agreements with first-tier banks and issuers. Bradesco Funds are remunerated at the average Interbank Deposit Certificate (CDI) rate of 96.67% in at March 31, 2018 (100.19% at December 31, 2017); Estapart (Itaú) Funds are remunerated at the average Interbank Deposit Certificate (CDI) rate of 98.75% at March 31, 2018 (100.55% at December 31, 2017); ItauJud (Itaú) Funds are remunerated at the average Interbank Deposit Certificate (CDI) rate of 44.79% at March 31, 2018 (56.80% at December 31, 2017); Banco do Brasil Funds are remunerated at the average Interbank Deposit Certificate (CDI) rate of 84.43% at March 31, 2018 (89.18% at December 31, 2017).

The Bank Deposit Certificates (CDBs) are remunerated at the average Interbank Deposit Certificate (CDI) rate of 99.60% at March 31, 2018 (99.51% at December 31, 2017).

Repurchase agreements backed by first-tier debentures are recorded at the fair value, remunerated at the average Interbank Deposit Certificate (CDI) rate of 80.40% at March 31, 2018 (80.39% at December 31, 2017).

All amounts in thousands of reais unless otherwise stated

4 Trade receivables

	Consolidated	
	March 31, 2018	**December 31, 2017**
Monthly tuition	620,395	473,081
Student Financing Fund (FIES) (a)	720,604	600,725
Agreements and exchanges	20,736	21,129
Receivables on credit cards (b)	89,086	58,337
Renegotiated receivables	89,082	91,570
	1,539,903	1,244,842
Provision for doubtful credits	(320,875)	(205,062)
Amounts to be identified	(277)	(4,298)
(-) Adjustment to present value (i)	(35,282)	(11,384)
	1,183,469	1,024,098
Current assets	1,060,715	991,404
Non-current assets	122,754	32,694
	1,183,469	1,024,098

The balance of long-term receivables as of March 31, 2018 is related to PAR (Programa de Parcelamento Estácio), DIS (Dilution of monthly tuition fees) and Educar Amazônia. The composition by age is as follows:

	Consolidated	
	March 31, 2018	**December 31, 2017**
2019	34,221	4,589
2020	38,364	3,376
2021	50,019	16,829
2022	79,878	52,583
2023 to 2024	11,725	391
(-) Adjustment to present value – PAR, DIS and Educar (c)	(35,282)	(11,384)
(-) Provision for impairment of trade receivables – PAR, DIS and Educar	(56,171)	(33,690)
Non-current assets	122,754	32,694

PAR is a type of installment payment arrangement offered by Estácio to its students, whereby the student can pay in installments up to 70% of the monthly tuition fees as from the 1st month following that of the completion of the program, and the related amount is monetarily restated by the IPCA.

DIS is a type of payment arrangement whereby the student pays R$ 49.00 for the first monthly payments, and the difference between the amount paid and the full monthly tuition fee (not considering any scholarship and/or benefits) is diluted among the number of monthly tuition payments corresponding to the estimated full term of the minimum regular program, monthly updated based on the Extended Consumer Price Index (IPCA).

(a) Accounts receivable from the Student Financing Fund (FIES) are represented by educational loans obtained by students from Caixa Econômica Federal (CEF) and the National Education Development Fund (FNDE), whereby the financed funds are transferred monthly by CEF and Banco do Brasil to a specific bank account, This amount has been used to pay the social security contributions and federal taxes and converted into cash by means of auctions of Brazilian National Treasury securities.

(i) For FIES students with guarantor, a provision was made for 2.25% of the accounts receivable with this characteristic, considering the assumptions of 15% exposure to credit risk on an estimated 15% of default.

(ii) For the uncovered risk of FGEDUC, with enrollment since April 2012, a provision was made for 10% of the receivables under the responsibility of the sponsors (and the Guarantor Fund is responsible for the remaining 90%) on the 15% exposure to credit risk on an estimate of 15% of default, i.e., 0.225%.

(iii) For the uncovered risk of FGEDUC, with enrollment up to March 2012, a provision was made for 20% under the responsibility of the sponsors (and the Guarantor Fund is responsible for the remaining 80%) on the 15% exposure to credit risk on an estimate of 15% of default, i.e., 0.450%.

All amounts in thousands of reais unless otherwise stated

(b) A substantial part of the receivables on credit cards arises from the negotiation of defaulted monthly tuitions.
(c) At March 31, 2018, the adjustment to present value amounts to R$ 35,282 (R$ 23,470 related to PAR, R$ 11,530 to DIS and R$ 282 related to the Educar Amazônia program) and on December 31, it amounts to R$ 11,384 (R$ 11,195 related to PAR and R$ 189 related to the Educar Amazônia program).

The composition of receivables by age is as follows:

	Consolidated			
	March 31, 2018	%	December 31, 2017	%
FIES	720,604	47	600,725	48
PRONATEC	2,598	1	8,680	1
Partners (Polos)	1,699	0	3,665	1
Not yet due	394,423	25	175,834	14
Overdue for up to 30 days	92,443	6	91,720	7
Overdue from 31 to 60 days	34,312	2	63,660	5
Overdue from 61 to 90 days	6,547	1	57,762	5
Overdue from 91 to 179 days	102,279	6	77,672	6
Overdue for more than 180 days	184,998	12	165,124	13
	1,539,903	100	1,244,842	100

The aging of the agreements for accounts receivable provision is as follows:

	Consolidated			
	March 31, 2018	%	December 31, 2017	%
Not yet due	36,989	41	38,781	42
Overdue for up to 30 days	7,085	8	8,891	10
Overdue from 31 to 60 days	4,186	5	7,603	8
Overdue from 61 to 90 days	3,693	4	7,060	8
Overdue from 91 to 179 days	14,280	16	14,698	16
Overdue for more than 180 days	22,849	26	14,537	16
	89,082	100	91,570	100

As described in Note 1.4, on January 1, 2018, the provision for impairment of receivables started to be calculated according to the guidelines established in IFRS 9 - CPC 48. Until December 31, 2017, this provision was equivalent to the balance of 100% of the monthly tuition fees overdue for more than 180 days.

Changes in the consolidated provision for impairment of receivables were as follows:

Balance at December 31, 2016	205,637
Additions	226,643
Write-off of bills overdue for more than 360 days	(227,218)
Balance at December 31, 2017	205,062
Additions	41,030
Adoption of the new practices entered into equity (Note 1.4)	77,705
Write-offs of checks returned/overdue for more than 360 days	(2,922)
Balance at March 31, 2018	320,875

All amounts in thousands of reais unless otherwise stated

For the period ended March 31, 2018 and 2017, expenses with the provision for impairment of trade receivables, recognized in the statement of income as selling expenses (Note 23), are as follows:

	Consolidated	
	2018	2017
Net effect of the provision for impairment of receivables in profit or loss	41,030	47,519
Sale of client portfolio (i)	2,244	
	43,274	47,519

(i) The amount corresponding to the sale of client portfolio is mainly due to the agreement entered into at the end of 2016, for assignment of the Company's credit rights related to prior years, fully written off as loss in prior years. As a result, the Company recorded a recovery of receivables of R$ 62,582, to be received in 36 months as from January 2018 and, on this amount, an adjustment to present value of R$ 15,571 was recorded. At March 31, 2018, this transaction has a receivable balance of R$ 61,820 (R$ 61,882 at December 31, 2017), adjustment to present value of R$ 4,663 (R$ 9,868 at December 31, 2017) and a provision for loss of R$ 7,315 (R$ 5,071 at December 31, 2017). The net amount of R$ 52,842 (R$ 46,943 at December 31, 2017) is recorded in other long-term receivables.

5 Related-party transactions

The related-party transactions were carried out on terms equivalent to those prevailing on the transactions with independent parties, according to item 23 of Technical Pronouncement CPC 05 (R1), and are as follows:

	Parent company	
	March 31, 2018	December 31, 2017
Current assets		
Current account		
Seses	1,465	8,799
Fatern		220
Irep		5,020
Atual		967
Seama		229
São Luís		263
Estácio Ribeirão Preto		103
Nova Academia, FAL, Editora, Fargs e Facitec	5	11
Subsidiaries	1,470	15,612

	Parent company	
	March 31, 2018	December 31, 2017
Current liabilities		
Current account		
Seses	315	
Irep	219	
Atual		2
Subsidiaries	534	2

All amounts in thousands of reais unless otherwise stated

6 Prepaid expenses

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Insurance	6	25	1,232	1,326
Municipal Real Estate Tax (IPTU)			8,469	
Teaching materials (i)			1,960	2,273
Anticipation of vacation pay and charges			1,436	2,404
Registration fee - Ministry of Education (MEC)			2,372	2,507
Technical-pedagogical cooperation - Santa Casa			2,466	2,466
Other prepaid expenses			653	673
Total	6	25	18,588	11,649
Current assets	6	25	13,619	6,544
Non-current assets			4,969	5,105
	6	25	18,588	11,649

(i) It refers to the costs incurred for copyright, printing and postage for the production of education material to be used in the subsequent period. They are recorded as prepaid expenses and allocated during the period they are used, after being effectively delivered

7 Taxes and contributions

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Withholding Income Tax (IRRF)	254	2,709	4,373	14,463
Corporate Income Tax (IRPJ) / Social Contribution on Net Income (CSLL) (i)	40,886	38,040	88,895	105,439
Social Integration Program (PIS)		6	544	612
Social Contribution on Revenues (COFINS)	27	25	2,117	2,196
Services Tax (ISS)	3	3	44,162	42,659
National Institute of Social Security (INSS)			992	6,333
Others	79	106	639	666
	41,249	40,889	141,722	172,368
Current assets	1,318	3,908	55,339	92,046
Non-current assets	39,931	36,981	86,383	80,322
	41,249	40,889	141,722	172,368

(i) Of the amount presented, R$ 14,536 and R$ 33,506 refers to IRPJ / CSLL prepayments that occurred during 2018 and 2017, respectively. The other amounts represent the Company's tax loss carryforward balances that are used to offset federal taxes and monthly restated based on the Selic rate.

All amounts in thousands of reais unless otherwise stated

8 Investments in subsidiaries

(a) Parent company Estácio Participações S.A.

	March 31, 2018		December 31, 2017	
	Investments	Losses on investments	Investments	Losses on investments
Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES")	1,096,856		1,017,888	
Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP")	1,128,579		1,043,362	
Nova Academia do Concurso - Cursos Preparatórios Ltda. ("NACP")	4,136		3,505	
Estácio Editora e Distribuidora Ltda. ("EDITORA")		(30)		(30)
Sociedade de Ensino Superior Estacio Ribeirão Preto Ltda. ("Estácio Ribeirão Preto")	69,796		53,377	
	2,299,367	(30)	2,118,132	(30)

The subsidiaries' information is as follows:

March 31, 2018	Interest	Number of quotas	Total assets	Total liabilities	Equity	Goodwill	Deferred income tax on goodwill from downstream merger	Total	Equity in the results of subsidiaries
SESES	100%	610,677	1,741,552	644,696	1,096,856			1,096,856	99,283
IREP	100%	499,979	1,437,615	371,478	1,066,137	62,442		1,128,579	94,552
NACP	100%	13,105	5,580	1,444	4,136			4,136	(488)
Editora (i)	100%	251	31	66	(35)	5		(30)	
Estácio Ribeirão Preto	100%	23,837	129,202	57,176	72,026		(2,230)	69,796	20,021
			3,313,980	1,074,860	2,239,120	62,447	(2,230)	2,299,337	213,368

December 31, 2017	Interest	Number of quotas	Total assets	Total liabilities	Equity	Goodwill	Deferred income tax on goodwill from downstream merger	Total	Equity in the results of subsidiaries
SESES	100%	610,677	1,567,355	549,467	1,017,888			1,017,888	285,225
IREP	100%	499,979	1,344,206	363,286	980,920	62,442		1,043,362	228,625
NACP	100%	13,105	4,015	510	3,505			3,505	(1,324)
Editora (i)	100%	251	31	66	(35)	5		(30)	
Estácio Ribeirão Preto	100%	23,837	118,661	63,054	55,607		(2,230)	53,377	37,804
			3,034,268	976,383	2,057,885	62,447	(2,230)	2,118,102	550,330

(i) Provision for net capital deficiency recorded under "Others" in current liabilities.

The global changes in the investments in subsidiaries in the period ended March 31, 2018 and in the year ended December 31, 2017 are as follows:

Investments in subsidiaries at December 31, 2016	2,305,020
Equity in the results of subsidiaries	550,330
Advance for future capital increase	10,205
Options granted	7,458
Supplementary dividends of 2016	(350,000)
Dividends of 2017	(390,957)
Impairment (Goodwill)	(14,018)
Long-term incentives	94
Investments in subsidiaries at December 31, 2017	2,118,132
Equity in the results of subsidiaries	213,368
Advance for future capital increase	16,296
Options granted	2,857
Adoption of the new standard IFRS 09 (Note 1.4)	(51,286)
Investments in subsidiaries at March 31, 2018	2,299,367

All amounts in thousands of reais unless otherwise stated

The accounting information of the subsidiaries used in the application of the equity accounting method were related to the base date March 31, 2018.

The direct subsidiaries' investments are as follows:

(b) Subsidiary Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP")

	March 31, 2018	December 31, 2017
Sociedade Educacional Atual da Amazônia ("ATUAL")	561,187	505,108
ANEC - Sociedade Natalense de Educação e Cultura ("FAL")	12,763	12,213
Sociedade Universitária de Excelência Educacional do Rio Grande do Norte ("FATERN")	30,784	30,726
	604,734	548,047

The subsidiaries ("IREP")' information is as follows:

March 31, 2018

	Interest	Number of quotas	Total Assets	Total liabilities	Equity	Goodwill	Total	Equity in the result of investees
ATUAL	100%	35,726	673,187	127,503	545,684	15,503	561,187	37,128
FAL	100%	17,218	10,104	5,417	4,687	8,076	12,763	(1,894)
FATERN	100%	9,160	21,897	6,092	15,805	14,979	30,784	266
			705,188	139,012	566,176	38,558	604,734	35,500

December 31, 2017

	Interest	Number of quotas	Total Assets	Total liabilities	Equity	Goodwill	Total	Equity in the result of investees
ATUAL	100%	34,186	634,005	144,400	489,605	15,503	505,108	73,978
FAL	100%	17,218	7,898	3,761	4,137	8,076	12,213	(3,534)
FATERN	100%	9,160	22,394	6,647	15,747	14,979	30,726	1,878
			664,297	154,808	509,489	38,558	548,047	72,322

The global changes of the investments of the direct subsidiary IREP in subsidiaries in the period ended March 31, 2018 and in the year ended December 31, 2017 are as follows:

Investments in subsidiaries at December 31, 2016	496,838
Equity	72,322
Advance for future capital increase	33,965
Dividends of 2017	(55,078)
Investments in subsidiaries at December 31, 2017	548,047
Equity	35,500
Advance for future capital increase	31,151
Adoption of the new standard IFRS 09 (Note 1.4)	(9,964)
Investments in subsidiaries at March 31, 2018	604,734

All amounts in thousands of reais unless otherwise stated

(c) Subsidiary Sociedade Atual da Amazônia (“ATUAL”)

	March 31, 2018	December 31, 2017
Uniuol Gestão de Empreendimentos Educacionais e Participações S.A. ("UNIUOL")	3,561	2,584
Idez Empreendimentos Educacionais Sociedade Simples Ltda. ("IDEZ")	3,956	3,054
Sociedade Educacional da Amazônia ("SEAMA")	54,718	50,948
Sociedade Educacional do Rio Grande do Sul S/S Ltda. ("FARGS")	20,126	19,328
Unisãoluis Educacional S.A ("SÃOLUIS")	88,264	79,419
Instituto de Ensino Superior Social e Tecnológico Ltda. ("FACITEC")	45,917	42,687
Associação de Ensino de Santa Catarina ("ASSESC")	8,034	6,680
Instituto de Estudos Superiores da Amazônia ("IESAM")	89,202	85,780
Centro de Assistência ao Desenvolvimento de formação Profissional Unicel Ltda. ("Estácio Amazonas")	53,178	53,690
Centro de Ensino Unificado de Teresina ("CEUT")	44,468	41,874
Faculdade Nossa Cidade ("FNC")	95,528	94,899
Faculdades Integradas de Castanhal Ltda. ("FCAT")	30,613	28,365
Sociedade Empresarial de Estudos Superiores e Tecnológicos Sant’Ana Ltda. ("FUFS")	16,869	14,044
	554,434	523,352

Information on ATUAL’s subsidiaries is as follows:

March 31, 2018

	Interest	Number of quotas	Total Assets	Total liabilities	Equity	Goodwill	Goodwill	Total	Equity in the result of investees
UNIUOL	100%	4,626	3,386	781	2,605	956		3,561	(101)
IDEZ	100%	5,894	3,256	1,347	1,909	2,047		3,956	(160)
SEAMA	100%	4,407	51,079	14,396	36,683	18,035		54,718	4,909
FARGS	100%	7,181	16,210	4,139	12,071	8,055		20,126	1,052
SÃO LUIS	100%	220	100,000	39,104	60,896	27,368		88,264	10,130
FACITEC	100%	6,051	32,721	13,458	19,263	26,654		45,917	4,499
ASSESC	100%	3	5,607	2,296	3,311	4,723		8,034	(135)
IESAM	100%	2,400	72,648	23,659	48,989	26,797	13,416	89,202	4,467
Estácio Amazonas	100%	46,957	45,454	18,871	26,583	26,214	381	53,178	623
CEUT	100%	2,408	31,696	16,283	15,413	27,568	1,487	44,468	4,102
FNC	100%	20,928	33,313	16,493	16,820	72,046	6,662	95,528	2,804
FCAT	100%	100	18,358	11,341	7,017	20,121	3,476	30,613	3,884
FUFS	100%	2,905	12,117	2,699	9,418	6,255	1,195	16,869	(287)
			425,845	164,867	260,978	266,839	26,617	554,434	35,787

December 31, 2017

	Interest	Number of quotas	Total Assets	Total liabilities	Equity	Goodwill	Goodwill	Total	Equity in the result of investees
UNIUOL	100%	4,626	2,377	749	1,628	956		2,584	(724)
IDEZ	100%	5,894	2,675	1,668	1,007	2,047		3,054	(1,417)
SEAMA	100%	3,232	45,593	12,680	32,913	18,035		50,948	9,183
FARGS	100%	7,181	15,430	4,157	11,273	8,055		19,328	719
SÃO LUIS	100%	220	91,761	39,710	52,051	27,368		79,419	41,274
FACITEC	100%	6,051	28,723	12,950	15,773	26,654	260	42,687	9,630
ASSESC	100%	3	4,560	2,603	1,957	4,723		6,680	(1,209)
IESAM	100%	2,400	68,322	22,957	45,365	26,797	13,617	85,780	9,868
Estácio Amazonas	100%	46,957	45,858	18,891	26,967	26,214	509	53,690	(3,383)
CEUT	100%	2,408	27,772	15,176	12,596	27,568	1,710	41,874	7,311
FNC	100%	20,928	31,136	16,196	14,940	72,046	7,913	94,899	7,612
FCAT	100%	100	15,166	10,993	4,173	20,121	4,072	28,365	1,382
FUFS	100%	2,905	8,821	2,475	6,346	6,255	1,443	14,044	(1,680)
			388,194	161,205	226,989	266,839	29,524	523,352	78,566

All amounts in thousands of reais unless otherwise stated

The global changes of the investments of the direct subsidiary ATUAL in subsidiaries in the period ended March 31, 2018 and in the year ended December 31, 2017 are as follows:

Investments in subsidiaries at December 31, 2016	500,224
Equity	78,566
Advance for future capital increase	10,930
Amortization of goodwill	(12,904)
Dividends of 2017	(53,464)
Investments in subsidiaries at December 31, 2017	523,352
Equity	35,787
Advance for future capital increase	7,188
Amortization of goodwill	(2,907)
Adoption of the new standard IFRS 09 (Note 1.4)	(8,986)
Investments in subsidiaries at March 31, 2018	554,434

9 Intangible assets

(a) Intangible assets – Parent company

		December 31, 2017		March 31, 2018
		Cost	**Additions**	**Cost**
Cost				
Goodwill on the acquisition of investments (i)		780,065		780,065
Right of use of software		99		99
Project Integração		212		212
Goodwill		79,704		79,704
		860,080		860,080
	Amortization rates	**Amortization**	**Additions**	**Amortization**
Amortization				
Right of use of software	20% p.a.	(77)	(4)	(81)
Project Integração	20% p.a.	(54)	(11)	(65)
Goodwill	20 to 33% p.a.	(66,669)	(3,258)	(69,927)
		(66,800)	(3,273)	(70,073)
Net book value		793,280	(3,273)	790,007

All amounts in thousands of reais unless otherwise stated

		December 31, 2016		March 31, 2017
		Cost	**Additions**	**Cost**
Cost				
Goodwill on the acquisition of investments (i)		780,065		780,065
Right of use of software		99		99
Project Integração		212		212
Goodwill		79,704		79,704
		860,080		860,080
	Amortization rates	**Amortization**	**Additions**	**Amortization**
Amortization				
Right of use of software	20% p.a.	(59)	(5)	(64)
Project Integração	20% p.a.	(11)	(11)	(22)
Goodwill	20 to 50% p.a.	(50,263)	(4,944)	(55,207)
		(50,333)	(4,960)	(55,293)
Net book value		809,747	(4,960)	804,787

(i) Goodwill is an integral part of the investment line because of the merger of Uniseb Holding.

(b) Intangible assets – Consolidated

		December 31, 2017		March 31, 2018
		Cost	**Additions**	**Cost**
Cost				
Goodwill on the acquisition of investments		1,181,481		1,181,481
Right of use of software		272,394	10,357	282,751
Integration and distance learning project		18,298		18,298
CSC		2,786		2,786
Learning Center		76,677	1,710	78,387
IT architecture		21,664		21,664
Online class material		7,821	14	7,835
Knowledge Factory - EAD		33,868	1,643	35,511
Goodwill		173,503		173,503
Others		35,311	1,109	36,420
		1,823,803	14,833	1,838,636
	Amortization rate	**Amortization**	**Additions**	**Amortization**
Amortization				
Goodwill on the acquisition of investments	Indefinite	(6,924)		(6,924)
Right of use of software	20% p.a.	(192,746)	(11,490)	(204,236)
Integration and distance learning project	20% p.a.	(16,408)	(202)	(16,610)
CSC	20% p.a.	(2,005)	(14)	(2,019)
Learning Center	10% p.a.	(19,912)	(2,777)	(22,689)
IT architecture	20% p.a.	(8,530)	(961)	(9,491)
Online class material	20% p.a.	(6,436)	(198)	(6,634)
Knowledge Factory - EAD	10% p.a.	(4,537)	(986)	(5,523)
Goodwill	20 a 50% p.a.	(130,945)	(6,165)	(137,110)
Others	20 a 10% p.a.	(15,152)	(1,412)	(16,564)
		(403,595)	(24,205)	(427,800)
Net book value		1,420,208	(9,372)	1,410,836

All amounts in thousands of reais unless otherwise stated

	December 31, 2016			March 31, 2017
	Cost	Additions	Transfers	Cost
Cost				
Goodwill on the acquisition of investments	1,195,499			1,195,499
Right of use of software	236,101	7,420		243,521
Integration and distance learning project	18,298			18,298
CSC	2,228			2,228
Learning Center	72,123	910		73,033
Relationship Center	2,348			2,348
Hemispheres	1,346			1,346
IT architecture	19,174	496		19,670
Online class material	7,603	70		7,673
Knowledge Factory - EAD	28,741	1,774		30,515
Goodwill	174,018		(515)	173,503
Others	27,559	301		27,860
	1,785,038	10,971	(515)	1,795,494

	Amortization rate	Amortization	Additions	Transfers	Amortization
Amortization					
Goodwill on the acquisition of investments	Indefinite	(6,924)			(6,924)
Right of use of software	20% p.a.	(148,808)	(10,292)		(159,100)
Integration and distance learning project	20% p.a.	(15,600)	(202)		(15,802)
CSC	20% p.a.	(1,940)	(22)		(1,962)
Learning Center	5% p.a.	(16,590)	(815)		(17,405)
Relationship Center	20% p.a.	(2,348)			(2,348)
Hemispheres	20% p.a.	(1,346)			(1,346)
IT architecture	20% p.a.	(5,183)	(837)		(6,020)
Online class material	20% p.a.	(4,900)	(365)		(5,265)
Knowledge Factory - EAD	5% p.a.	(3,043)	(359)		(3,402)
Goodwill	20 a 50% p.a.	(102,150)	(8,520)	515	(110,155)
Others	20% p.a.	(6,714)	(1,218)		(7,932)
		(315,546)	(22,630)	515	(337,661)
Net book value		1,469,492	(11,659)		1,457,833

At March 31, 2018 and December 31, 2017, goodwill on acquisition of investments was comprised as follows:

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Goodwill on acquisition of investments net of accumulated amortization				
IREP			89,090	89,090
ATUAL			15,503	15,503
Seama			18,035	18,035
Idez			2,047	2,047
Uniuol			956	956
Fargs			8,055	8,055
São Luis			27,369	27,369
Facitec			26,654	26,654
Assesc			4,723	4,723
Iesam			26,797	26,797
Estácio Amazonas			26,214	26,214
Ceut			27,568	27,568
FNC			72,046	72,046
FCAT			20,120	20,120
FUFS			6,255	6,255
FAL			8,076	8,076
FATERN			14,979	14,979
Estácio Editora			5	5
Uniseb	9,371	9,371	9,371	9,371
Uniseb Holding	770,694	770,694	770,694	770,694
	780,065	780,065	1,174,557	1,174,557

All amounts in thousands of reais unless otherwise stated

The Company carries out annual analyses for impairment purposes, the last being for the year ended December 31, 2017, relative to goodwill on investment acquisitions and mergers, based on expected future profitability, considering projections of future results for the next 10 years, Asset impairment testing did not result in the need to recognize losses, at the nominal perpetuity growth rate of 5.0% p.a. (equivalent to the long-term inflation rate, not considering any real growth) and a single nominal discount rate of 14.3% to discount estimated future cash flows.

10 Property and equipment

(a) Property and equipment – Consolidated

		December 31, 2017				March 31, 2018
		Cost	**Additions**	**Disposals**	**Transfers**	**Cost**
Cost						
Land		19,295				19,295
Buildings		208,737	1,288		66	210,091
Third-parties' properties improvements		248,758	6,798	(19)	3,478	259,015
Furniture and utensils		96,317	1,525	(115)		97,727
Computers and peripherals		154,408	1,877	(218)		156,067
Machinery and equipment		117,137	3,717	(91)		120,763
Physical/ hospital activities equipment		48,283	2,890	(10)		51,163
Library		159,081	1,262	(254)		160,089
Facilities		51,615	463	(18)	31	52,091
Tablets		37,974				37,974
Construction in progress		6,659	2,279		(3,575)	5,363
Demobilization		22,196				22,196
Others		10,731	470	(157)		11,044
		1,181,191	22,569	(882)		1,202,878
	Depreciation rate	**Depreciation**	**Additions**	**Disposals**	**Transfers**	**Depreciation**
Depreciation						
Buildings	1.67% p.a.	(59,546)	(921)		18	(60,449)
Third-parties' properties improvements	11.11% p.a.	(134,199)	(6,940)	59	(18)	(141,098)
Furniture and utensils	8.33% p.a.	(54,388)	(1,965)	55		(56,298)
Computers and peripherals	25% p.a.	(118,348)	(4,480)	210		(122,618)
Machinery and equipment	8.33% p.a.	(58,799)	(4,019)	71		(62,747)
Physical/ hospital activities equipment	6.67% p.a.	(19,740)	(727)	4		(20,463)
Library	5% p.a.	(69,061)	(1,788)	52		(70,797)
Facilities	8.33% p.a.	(18,233)	(932)	22		(19,143)
Tablets	20% p.a.	(27,469)	(1,730)			(29,199)
Demobilization		(12,204)	(634)			(12,838)
Others	14.44% p.a.	(6,788)	(214)	141		(6,861)
		(578,775)	(24,350)	614		(602,511)
Net book value		602,416	(1,781)	(268)		600,367

All amounts in thousands of reais unless otherwise stated

		December 31, 2016 Cost	Additions	Disposals	Transfer	March 31, 2017 Cost
Cost						
Land		19,295				19,295
Buildings		192,768	35		2,353	195,156
Third-parties' properties improvements		261,753	885		14,614	277,252
Furniture and utensils		98,311	1,935	(1,137)		99,109
Computers and peripherals		149,266	897	(272)		149,891
Machinery and equipment		129,049	3,046	(460)		131,635
Physical/ hospital activities equipment		44,483	788	(5)		45,266
Library		141,601	708			142,309
Facilities		52,796	1,665			54,461
Tablets		46,755		(433)		46,322
Construction in progress		18,935	5,760		(16,967)	7,728
Demobilization		22,312		(492)		21,820
Others		11,075	48	(35)		11,088
		1,188,399	15,767	(2,834)		1,201,332
	Depreciation rate	**Depreciation**	**Additions**	**Disposals**	**Transfer**	**Depreciation**
Depreciation						
Buildings	1.67% p.a.	(52,171)	(853)			(53,024)
Third-parties' properties improvements	11.11% p.a.	(143,234)	(7,084)			(150,318)
Furniture and utensils	8.33% p.a.	(56,042)	(1,759)	1,085		(56,716)
Computers and peripherals	25% p.a.	(107,394)	(4,141)	270		(111,265)
Machinery and equipment	8.33% p.a.	(61,123)	(4,017)	443		(64,697)
Physical/ hospital activities equipment	6.67% p.a.	(18,793)	(603)	5		(19,391)
Library	5% p.a.	(63,935)	(1,477)			(65,412)
Facilities	8.33% p.a.	(15,849)	(972)			(16,821)
Tablets	20% p.a.	(27,891)	(2,204)	434		(29,661)
Demobilization		(15,277)	(410)	446		(15,241)
Others	14.44% p.a.	(6,630)	(201)	32		(6,799)
		(568,339)	(23,721)	2,715		(589,345)
Net book value		620,060	(7,954)	(119)		611,987

Certain assets acquired through financing were used as a financing guarantee, The Company and its Subsidiaries have not pledged any other of its properties to secure transactions.

Machinery and It equipment include the following amounts where the Group is a lessee under a finance lease:

		December 31, 2017 Cost	Additions	Disposals	March 31, 2018 Cost
Cost					
Finance leases capitalized		82,542	2,400		84,942
		82,542	2,400		84,942
	Depreciation rates	**Depreciation**	**Additions**	**Disposals**	**Depreciation**
Depreciation					
Finance leases capitalized	10 to 33.33% p.a.	(43,467)	(5,362)		(48,829)
		(43,467)	(5,362)		(48,829)
Net book value		39,075	(2,962)		36,113

The Group leases various vehicles and machinery under non-cancelable lease agreements. The lease terms are in accordance with the contractual term and the ownership of the assets is of the Group. All the Group's leases are recognized by the operation's net present value.

All amounts in thousands of reais unless otherwise stated

11 Borrowings

Type	Financial charges	Parent company March 31, 2018	Parent company December 31, 2017	Consolidated March 31, 2018	Consolidated December 31, 2017
In local currency					
Lease agreements – Colortel	INPC + 0.32% p.a.			19,396	22,167
Lease agreements – Assist	INPC p.a.			1,677	2,036
Lease agreements – Total Service	IGPI-DI/FGV p.a.			4	18
Lease agreements – Springer	IGPM + 1% p.a.			42	42
Lease agreements – Bayed	IGPI-DI/FGV p.a.			360	720
Lease agreements – MB	IGPM/FGV p.a.			2,360	
Leasing IBM	CDI Over p.d. + 2% p.m.			11,691	13,696
Borrowing – IFC	CDI +1.53% p.a.	29,542	30,764	29,542	30,764
Funding cost of IFC		(1,154)	(1,220)	(1,154)	(1,220)
Second issue of debentures	CDI + 1.18% p.a.	248,639	244,053	248,639	244,053
Fourth issue of debentures	CDI +1.50% p.a.	102,386	100,421	102,386	100,421
Funding cost of debentures		(1,088)	(1,278)	(1,088)	(1,278)
Borrowing – Banco da Amazônia	9.5% p.a.			8,796	9,227
Borrowing – FINEP	6% p.a.	4,106	4,248	4,106	4,248
Promissory notes – Banco Itaú (2st Tranche)	CDI+1.65% p.a.	145,702	142,854	145,702	142,854
Funding cost of promissory notes		(311)	(427)	(311)	(427)
		527,822	519,415	572,148	567,321
Current liabilities		335,706	326,072	358,854	349,274
Non-current liability		192,116	193,343	213,294	218,047
		527,822	519,415	572,148	567,321

The maturity of amounts recorded in non-current liabilities at March 31, 2018 and December 31, 2017 is as follows:

	Parent company March 31, 2018	Parent company December 31, 2017	Consolidated March 31, 2018	Consolidated December 31, 2017
2019	177,685	178,993	189,266	195,997
2020	9,450	9,431	11,488	11,468
2021	3,171	3,109	7,376	7,538
2022	587	587	1,347	1,347
2023	587	587	903	903
2024	587	587	745	745
2025	49	49	49	49
2028			2,120	
Non-current liabilities	192,116	193,343	213,294	218,047

Lease contracts are guaranteed by the leased assets.

The funds raised are being used to reinforce the Company's cash and to deal with the expansion and investments policy.

The Group's borrowings are denominated in Brazilian reais.

The contracts with several creditors include restrictive clauses that require the maintenance of certain financial indices with previously established parameters. At March 31, 2018 and December 31, 2017, the subsidiaries and the parent company achieved all the contractually required indices.

All amounts in thousands of reais unless otherwise stated

12 Salaries and social charges

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Salaries, termination pay and social charges payable	352	352	123,588	120,652
Provision for vacation pay			56,375	37,988
Provision for 13th month salary			19,197	
	352	352	199,160	158,640

13 Taxes payable

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
ISS payable	3	5	22,083	15,300
IRRF payable	89	95	8,652	13,589
PIS and COFINS payable	27	72	13,316	3,703
IOF			64	64
	119	172	44,115	32,656
IRPJ payable			58,217	31,111
CSLL payable			21,343	13,027
			79,560	44,138
	119	172	123,675	76,794

The substantial increase in tax liabilities related to PIS and COFINS, IRPJ and CSLL payable arise from the temporary interruption of the enjoyment of the PROUNI's tax benefit by subsidiary SESES, as described in Note 26.

14 Taxes payable in installments

	Consolidated	
	March 31, 2018	December 31, 2017
IRPJ	1,877	1,067
CSLL	57	120
FGTS	1,467	1,457
ISS	2,261	3,332
PIS	108	113
COFINS	821	893
INSS	7,198	7,430
OTHERS	83	184
	13,872	14,596
Current liabilities	4,179	4,295
Non-current liability	9,693	10,301
	13,872	14,596

The amount of installments is adjusted based on the Special System for Settlement and Custody (SELIC) rate on a monthly basis.

All amounts in thousands of reais unless otherwise stated

These refer basically to taxes and social security contributions payable in installments to Municipalities, the Brazilian Federal Revenue Service and Social Security, and the payment flow is as follows:

	Consolidated	
	March 31, 2018	December 31, 2017
2019	1,619	2,105
2020 to 2029	8,074	8,196
	9,693	10,301

15 Price of acquisition payable

	Consolidated	
	March 31, 2018	December 31, 2017
FACITEC	2,973	2,922
SÃO LUIS	8,725	8,588
IESAM	13,164	13,021
Estácio Amazonas	2,804	2,728
CEUT	4,711	4,660
FNC	13,260	26,102
FCAT	2,928	2,897
FUFS	3,215	3,180
	51,780	64,098
Real estate acquisition (i)	20,000	23,000
	71,780	87,098
Current liabilities	54,620	57,109
Non-current liabilities	17,160	29,989
	71,780	87,098

(i) It refers to the commitment signed between IREP and União Norte Brasileira de Educação e Cultura - UNBEC, referring to several properties, located in the city of Fortaleza, Ceará State.

These basically refer to the amount payable to the former owners for the acquisition of related companies, subjected monthly to one the following rates: Special System for Settlement and Custody (SELIC), Amplified Consumer Price Index (IPCA) or the Interbank Deposit Certificate (CDI), depending on the contract.

The table below analyzes the Group's acquisition price payable into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Consolidated			
	2018	2019	2020 to 2022	Total
At March 31, 2018				
FACITEC	2,973			2,973
SÃO LUIS	8,725			8,725
IESAM	2,507	10,656		13,163
Estácio Amazonas	2,643	162		2,805
CEUT	3,048	1,663		4,711
FNC	13,260			13,260
FCAT	1,464	1,464		2,928
FUFS		1,072	2,143	3,215
Real estate acquisition	20,000			20,000
	55,452	14,185	2,143	71,780

All amounts in thousands of reais unless otherwise stated

16 Contingencies

The Company's subsidiaries are parties in various civil, labor and tax proceedings at different court levels, Management, based on the opinion of its external legal advisors, recorded a provision for an amount considered sufficient to cover expected losses arising from pending litigation.

At March 31, 2018 and December 31, 2017, the provision for contingencies was comprised as follows:

	Consolidated			
	March 31, 2018		December 31, 2017	
	Contingencies	Judicial deposits	Contingencies	Judicial deposits
Civil	17,972	14,888	15,147	14,572
Labor	78,115	71,932	62,712	73,155
Tax	8,384	15,598	8,425	15,081
	104,471	102,418	86,284	102,808

In the period ended March 31, 2018, the amount of R$ 185 (R$ 172 in the year ended December 31, 2017) refers to the tax contingency of the parent company.

The changes in the provision for contingencies are as follows:

	Civil	Labor	Tax	Total
At December 31, 2016	16,833	39,292	8,755	64,880
Additions	24,613	112,900	1,097	138,610
Reversals	(6,016)	(23,596)	(774)	(30,386)
Write-offs	(18,955)	(55,298)	(653)	(74,906)
Monetary restatement of write-offs	(1,328)	(10,586)		(11,914)
At December 31, 2017	15,147	62,712	8,425	86,284
Additions	10,627	19,885	400	30,912
Reversals	(2,211)	(1,964)	(249)	(4,424)
Write-offs	(6,132)	(6,082)	(194)	(12,408)
Monetary restatement of write-offs	541	3,564	2	4,107
At March 31, 2018	17,972	78,115	8,384	104,471

For the periods ended March 31, 2018 and 2017, the expense for the provision for contingencies, recognized in the statement of income as "general and administrative expenses", was as follows:

	2018	2017
Composition of results		
Additions	37,973	33,965
Reversals	(8,408)	(14,686)
Contingencies	29,565	19,279
General and administrative expenses (Note 23)	(25,458)	(19,279)
Finance result (Note 25)	(4,107)	
	(29,565)	(19,279)

(a) Civil

Most proceedings mainly involve claims for indemnity for moral and property damages arising from incorrect collections, late issue of diplomas, among other matters of an operational and/or educational nature, as well as some actions involving real estate law.

The provisions recognized for civil lawsuits are due to the following:

All amounts in thousands of reais unless otherwise stated

Matters	Amounts
Incorrect collection	2,573
Real estate	5,562
Issue of certificates of completion/diplomas and graduation	1,133
Accreditation and cancelation of the program / Enrollment	2,479
FIES	878
Prouni	126
Success fees	2,347
Others (i)	2,874
	17,972

(i) These relate to proceedings involving other operating and/or academic issues, public-interest civil actions, actions for compulsory renewal of lease contracts or for review of the rent charged and other claims for damages.

(b) Labor

The main labor claims refer to overtime, unused vacation time, recognition of employment relationship, salary parity and salary differences arising from the decrease in the working hours of certain professors.

The provisions recognized for labor lawsuits are due to the following:

Matters	Amounts
Salary differences and termination benefits + reduction of working time + FGTS + notice	39,772
Overtime + suppression Inter + Intra	7,417
Moral/property damage/moral harassment	914
Employer's social security payment	6,256
Fees	1,749
Deviation from agreed position and salary equalization	6,564
Fines (Article 467 CLT, article 477 CLT and CCT/ACT)	626
Allowances (health hazards/night shift pay/improvement/length of service/risk premium)	688
Vacation pay	462
Success fees	3,569
Others (i)	10,098
	78,115

(i) Other claims in addition to those listed above (resulting from them) and union fees.

(c) Tax

The tax proceedings mainly relate to tax immunity, escalation of social security contributions arising from the law 11,096/05 and exclusion of scholarships from the ISS calculation basis and fine for alleged non-compliance with record-keeping and reporting obligations (special bookkeeping systems).

The provisions related to tax proceedings are as follows:

Matters	Amounts
Services Tax	109
Social contribution (FGTS)	11
Social security related fine	9
Success fees	8,255
	8,384

(d) Possible losses, not provided for in the balance sheet

The Company has the following tax, civil and labor litigation involving risks of loss classified by management as possible, based on the evaluation of the legal advisors. These proceedings classified as possible losses are not subject to the constitution of a provision in accordance with accounting practices in force.

All amounts in thousands of reais unless otherwise stated

	Consolidated	
	March 31, 2018	**December 31, 2017**
Civil	175,955	158,010
Labor	157,461	136,266
Tax	444,409	446,740
	777,825	741,016

Among the main proceedings classified as possible loss, we highlight the following:

Civil Matters	**Amounts**
Improper Collection	40,967
Real Estate	51,460
FIES	26,883
Enrollment	10,459
Issuance of Completion and Graduation Certificate/Diploma	10,154
Penalty - PROCON	3,866
PROUNI	2,140
Accreditation and Cancellation of Program	1,952
System Access	969
Others (i)	27,105
	175,955

(i) These relate to proceedings involving other operating and/or academic issues, public-interest civil actions and other claims for damages.

Labor Matters	**Amounts**
Salary differences + Decrease in working hours + Government Severance Indemnity Fund for Employees (FGTS) + Overtime	51,901
Notice + Elimination of breaks between and during work shifts	39,048
Cota Social Security	14,073
Deviation from agreed position and salary equalization	16,398
Pain and suffering/material damages/workplace harassment	8,603
Penalties (ART. 467 CLT, ART. 477 CLT E CCT/ACT)	4,154
Fees	2,871
Other (health hazard/night-shift/improvement/years of service/risk)	2,266
Work Card Adjustment + Indirect Termination + Recognition of employment relationship	1,161
Vacation	1,728
Job Stability	1,866
Others (i)	13,392
	157,461

(i) Other claims resulting from those described above and union fees.

Tax Matters	**Amounts**
Social Security Contribution / FGTS	249,934
ISS	170,670
PROUNI / PIS / COFINS	6,813
IRPJ / CSLL / IRRF	7,115
IPTU / FORO / IPVA	5,057
Various penalties	2,109
Inventory of property / CND / Certificate of Non-profit Welfare Entity (CEBAS)	1,191
Value-Added Tax on Sales and Services (ICMS) on electricity	1,037
Taxes / Sewer Service Fees	14
Others	469
	444,409

We summarize below the position of the most significant lawsuits classified as possible loss:

Social security:

(i) Given the divergence of understanding of Article 13 of Law 11,096/05 ("PROUNI Act"), Tax Foreclosures were issued by the National Treasury aimed at the judicial recovery of debts related to the alleged differences in payments of social security contributions. Embargoes were imposed on these executions, which are still being tried. The total amount involved is R$ 131,796. According to the opinion of the external legal advisors, the risk of loss in these cases remains possible.

(ii) Tax assessment notices in connection with an alleged non-compliance with the principal tax liability related to the period from February 2017 to December 2007. The Company filed an appeal requesting the cancellation of the tax assessment notices claiming that they were clearly groundless. The appeal was deemed partially valid, and considered the percentage of the contributions to the employers' association at the rate of 20% as from the month in which the Company changed from a non-profit entity to an entrepreneurial company. On July 28, 2017, the Company received a formal notice of the decision and, on December 4, 2017, it filed an action (nº 0218718-96.2017.4.02.5101) for annulment with a view to challenging the remaining debts. (DEBCADs numbers 32.273.023-0, 37.273.024-8 and 37.273.0256-6), and the provisional remedy sought with respect to these proceedings was granted. On January 8, 2018, following the partial granting by the Federal Revenue Secretariat (RFB) of the defense filed at an administrative level, the RFB notified the Company, communicating that case No. DEBCAD 37.273.022-1 had been partially granted and that the payment of the remaining balance by the Company was required. On January 16, 2018, the Company filed an action for annulment (No. 0006256-57.2018.4.02.5101) with a view to challenging the remaining debt (DEBCAD 37.273.022-1). The provisional remedy sought in this proceeding was granted and, as a result, judgments on merits are pending by the lower court for both actions for annulment. The total amount involved is R$ 15,606. According to the opinion of our external legal advisors, the likelihood of loss in the proceedings is considered as possible.

(iii) The Brazilian Federal Revenue Secretariat (RFB), as regards SESES, assessed the Company based on alleged social security contribution liabilities related to the period from January 2006 to January 2007 and failure to comply with record-keeping and reporting obligations. These tax assessment notices mainly challenge the fulfillment of the legal requirements to qualify SESES as a non-profit welfare entity and its related right to exemption from social security contributions, a condition that was met until February 9, 2007. The respective protest letters were submitted on September 22, 2011, in which SESES, in general terms, stated that it had always fully complied with all legal requirements for enjoyment of the right to exemption of such social security contributions up to the date of transformation of its legal nature. In August 2012, SESES was notified with respect to the decision issued at an appellate level, which partially granted the points presented in our protest letters, and recognized the loss of procedural right and excluded from the assessments the amounts related to the period from January 2006 to July 2006; the remaining arguments of the tax authorities were maintained. A Voluntary Appeal was filed by SESES on September 27, 2012. On September 20, 2016, the case records were assigned to Member Carlos Alberto do Amaral Azerado. Currently, the Company is awaiting the placement of the appeal on docket for judgment. The amount involved is R$ 120,005. According to the opinion of our external legal advisors, the likelihood of loss in the proceedings is considered as possible.

Tax Services:

(i) Tax collection proceeding assigned by the Municipality of Niterói, in connection with the issue of a tax assessment notice on September 29, 2009, the Services Tax (ISS) for the period from January 2004 to January 2007, considering the suspension of the immunity from taxation by the municipal public administration as a result of the alleged non-compliance with requirements for enjoyment of the benefits provided for in article 14 of the Brazilian Tax Code (CTN), that is, because it allegedly has not submitted to tax authorities relevant tax/accounting records, as established in the legislation in force. A motion to stay execution was filed on September 16, 2013, which is pending judgment. The total amount involved is R$ 34,142. According to the opinion of our external legal advisors, the likelihood of loss in the proceedings is considered as possible.

All amounts in thousands of reais unless otherwise stated

(ii) The Municipality of Rio de Janeiro issued a tax assessment notice against SESES on the understanding that scholarships could not be deducted from the ISS calculation basis. The assessment covered the period from August 2009 to July 2010, and the related protest letter was filed on April 12, 2012. On June 12, 2012, the records were sent to the Coordinating Office for Tax Review and Judgment. On April 1, 2014, SESES became aware of the decision that deemed the protest letter groundless and maintained the assessment, and filed a voluntary appeal on April 30, 2014. For review of the appeal, the records were referred to the Board of Tax Appeals on June 2, 2014. Currently, the appeal is pending inclusion in the list for judgment. According to the opinion of our external legal advisors, the likelihood of loss in the proceedings is considered as possible. The total amount involved is R$ 44,235.

17 Equity

(a) Share capital

Capital may be increased by the Board of Directors, regardless of any amendment to the bylaws, up to the limit of 1,000,000,000 shares. At March 31, 2018, share capital is represented by 317,896,418 common shares.

The Company's shareholding structure at March 31, 2018 and December 31, 2017 is as follows:

	Common shares			
Stockholders	**March 31, 2018**	**%**	**December 31, 2017**	**%**
Officers and directors	746,266	0.2	817,606	0.2
Treasury	8,459,567	2.7	8,461,767	2.7
Others (i)	308,690,585	97.1	308,617,045	97.1
	317,896,418	100	317,896,418	100

(i) *Free float*

(b) Changes in shares

There were no changes in share capital during the quarter ended March 31, 2018.

(c) Treasury shares

At the Meeting of the Board of Directors held on June 29, 2017, the 5th Program for the Repurchase of our shares on stock exchange was approved, including up to 15,894,821 common shares equivalent to 5.00% of the share capital. Under this program, the shares can be purchased within 359 days, that is, up to June 28, 2018. Up to March 31, 2018, no share had been purchased under the program.

	Number	**Average cost**	**Balance**
Treasury shares at December 31, 2017	8,461,767	15.42	130,454
Sale of treasury shares (Note 71 D.3)	(2,200)	15.42	(34)
Treasury shares at March 31, 2018	8,459,567	15.42	130,420

(d) Capital reserves

(d.1) Share premium

The share premium reserve refers to the difference between the subscription price that the stockholders pay for the shares and their par value. Since this is a capital reserve, it can only be used to increase capital, offset losses, redeem, reimburse or purchase shares or pay cumulative dividends on preferred shares.

All amounts in thousands of reais unless otherwise stated

The amount of the share premium in the quarterly information at March 31, 2018 and December 31, 2017 is as follows:

	Parent company	
	March 31, 2018	**December 31, 2017**
Tax reserve	3	3
Undistributed profits (i)	96,477	96,477
Special reserve for goodwill on merger	85	85
Share premium	498,899	498,899
	595,464	595,464

(i) Profits earned prior to the Company's conversion into a profit-oriented company.

The premium on issue of shares is represented as follows:

	March 31, 2018
Subscription of 17,853,127 shares	(23,305)
Amount paid for the 17,853,127 shares	522,204
Share premium	498,899

(d.2) Options granted and Long-term incentive

The Company recorded the Capital Reserve for Stock Options granted and long-term incentive, as mentioned in Note 20. As required by the applicable technical accounting pronouncement, the fair value of options was determined on the grant date and has been recognized over the vesting period up to the date of this parent company and consolidated financial statements.

(d.3) Goodwill and discount on the sale of treasury shares

The goodwill and discount on the sale of treasury shares refers to the difference between the acquisition price that the Company paid for the shares and the sales amount for the use of the shares for the payment of the options granted in the period ended March 31, 2018.

The goodwill and discount on the sale of treasury shares is represented as follows on March 31, 2018 and December 31, 2017, respectively:

	March 31, 2018
Sale amount for 2,200 shares	34
Amount paid for 2,200 shares	(58)
Discount on the sale of treasury shares	(24)

	December 31, 2017
Sale amount for 1,036,291 shares	15,976
Amount paid for 1,036,291 shares	(11,282)
Discount on the sale of treasury shares	4,694

(e) Revenue reserves

At December 31, 2017, of the Company's accumulated results, the amount of R$ 302,520 was allocated to the "Reserve for New Investments" relating to potential acquisitions, expansion and improvements in infrastructure, technology and organic expansion, as provided for in the Company's bylaws. This proposal for profit retention was approved by the Annual General Meeting held on April 18, 2018.

18 Financial instruments and sensitivity analysis of financial assets and liabilities

The Company's financial assets and liabilities at March 31, 2018 and December 31, 2017, are recorded in the balance sheet at amounts that are consistent with those prevailing in the market, Information about the criteria, assumptions and limitations used in the market value calculations did not change in relation to the information related to the financial statements for the year ended December 31, 2017.

18.1 Financial risk factors

All operations of the Group are carried out with prime banks, which minimizes risks, Management records a provision for impairment of receivables at an amount considered sufficient to cover possible losses on the collection of receivables; the risk of incurring losses on billed amounts is duly measured and accounted for. The main market risk factors that affect the Group's business are as follows:

(a) Credit risk

This risk relates to any difficulties experienced in collecting amounts for services rendered.

The Group is also subject to credit risk from its financial investments.

The credit risk relating to the rendering of services is minimized by a strict control of the student base and active management of default levels and dispersion of balances. In addition, the Company requires the settlement or negotiation of the amounts overdue upon return of the students for classes in the next semester.

With respect to the credit risk associated with financial institutions, the Company and its subsidiaries operate in accordance with the investments policy approved by the Board of Directors. The balances of cash and cash equivalents, marketable securities and judicial deposits are held at financial institutions with A to AAA credit rating according to the credit rating agencies Standard & Poor's, Fitch and Moody's. In the event of two or more ratings, the rating of the majority shall prevail. In the event of different ratings, the Company adopts the higher rating as a basis. In the event of two or more ratings, the rating of the majority shall prevail. In the event of different ratings, the Company adopts the higher rating as a basis.

(b) Interest rate risk

The Group is exposed to fluctuations in the Interbank Deposit Certificate (CDI) rate, which is used to adjust the balance of its short-term investments and debts. Additionally, any increase in interest rates could drive up the cost of student loans, including loans under the FIES program, and reduce the demand for the courses.

(c) Foreign exchange rate risk

As of March 31, 2018 and December 31, 2017, the Company has no position in foreign currency.

(d) Liquidity risk

Liquidity risk consists of the possibility that the Group may not have sufficient funds to meet its financial commitments due to the different settlement terms of its rights and obligations.

The Group's liquidity and cash flow control is monitored on a daily basis by the Group's financial management department, in order to ensure that cash flows from operations and funding, when necessary, are sufficient to meet its commitment schedule, not generating liquidity risks for the Group. There was no significant change in the financial liabilities of the Group as at March 31, 2018 compared to December 31, 2017.

The table below analyzes the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

All amounts in thousands of reais unless otherwise stated

The Company has been implementing measures to reverse the Parent company's net working capital, such as: effective control of expenses and review of non-priority investments, in order to achieve the economic and financial balance in the short and medium terms.

	Consolidated			
	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
At March 31, 2018				
Trade payables	105,175			
Borrowings	337,666	192,710	20,597	1,851
Finance lease liabilities	21,188	10,199	2,546	2,120
Price of acquisition payable	54,620	14,186	2,143	
At December 31, 2017				
Trade payables	70,923			
Borrowings	327,952	193,357	20,652	1,850
Finance lease liabilities	21,322	15,247	2,889	
Price of acquisition payable	57,109	28,486	3,361	

(e) Sensitivity analysis

CVM Resolution 550, of October 17, 2008, establishes that publicly-held companies must disclose, in a specific note, qualitative and quantitative information on all their financial instruments, recognized or not as assets or liabilities in their balance sheet.

The financial instruments of the Group comprise cash and cash equivalents, trade receivables, judicial deposits and borrowings. These instruments are recognized at fair value plus earnings and charges incurred, which approximate market values at March 31, 2018 and December 31, 2017.

The main risks to the Group's operations refer to changes in the CDI (Interbank Deposit Certificate) rate.

CVM Instruction 475, of December 17, 2008, requires the presentation of information on financial instruments, in a specific note, as well as disclosure of the sensitivity analysis.

With respect to borrowings in Brazilian reais, these refer to transactions for which the carrying amount approximates their market value.

Investments at the Interbank Deposit Certificate (CDI) rate are recorded at fair value, in accordance with quotations disclosed by the respective financial institutions, most of the other investments refer to bank deposit certificates and repurchase agreements and, therefore, the value recorded for these securities does not differ from the market value.

For purposes of verifying the sensitivity of the index in the financial investments to which the Company was exposed on the base date of March 31, 2018, three different scenarios were defined. Based on the CDI rate officially published by CETIP on March 31, 2018 (6.39% p.a.), this rate was used as the probable scenario for the year. Rate changes of 25% and 50% were then calculated, scenarios II and III, respectively.

For each scenario, the “gross financial revenue and financial expenses" were calculated, disregarding the effect of taxes on the investment yields. The base date used for the portfolio was March 31, 2018, with projections for one year and verification of the sensitivity of the CDI for each scenario.

All amounts in thousands of reais unless otherwise stated

		CDI increase scenario		
Transactions	**Risk**	**Probable Scenario (I)**	**Scenario (II)**	**Scenario (III)**
Financial investments	CDI	6.39%	7.99%	9.59%
R$ 617,747		39,474	49,343	59,211
Debentures II	CDI+1.18	7.65%	9.26%	10.88%
R$ 248,639		(19,009)	(23,028)	(27,047)
Debentures IV	CDI+1.50	7.99%	9.61%	11.23%
R$ 102,386		(8,176)	(9,837)	(11,497)
IFC I	CDI+1.53	8.02%	9.64%	11.26%
R$ 19,998		(1,603)	(1,928)	(2,252)
IFC II	CDI+1.69	8.19%	9.81%	11.44%
R$ 9,544		(781)	(937)	(1,092)
Promissory notes (2st Tranche)	CDI+1.65	8.15%	9.77%	11.39%
R$ 145,702		(11,868)	(14,234)	(16,600)
Net position		(1,963)	(621)	(723)

		CDI decrease scenario		
Transactions	**Risk**	**Probable Scenario (I)**	**Scenario (II)**	**Scenario (III)**
Financial investments	CDI	6.39%	4.79%	3.20%
R$ 617,747		39,474	29,606	19,737
Debentures II	CDI+1.18	7.65%	6.03%	4.41%
R$ 248,639		(19,009)	(14,991)	(10,972)
Debentures IV	CDI+1.50	7.99%	6.36%	4.74%
R$ 102,386		(8,176)	(6,516)	(4,856)
IFC I	CDI+1.53	8.02%	6.40%	4.77%
R$ 19,998		(1,603)	(1,279)	(955)
IFC II	CDI+1.69	8.19%	6.56%	4.94%
R$ 9,544		(781)	(626)	(471)
Promissory notes (2st Tranche)	CDI+1.65	8.15%	6.52%	4.90%
R$ 145,702		(11,868)	(9,502)	(7,136)
Net position		(1,963)	(3,308)	(4,653)

(f) Capital management

The Company's debt in relation to the shareholder's equity in the period ended March 31, 2018 and in the year ended December 31, 2017 is presented by the consolidated data as follows:

	Consolidated	
	March 31, 2018	**December 31, 2017**
Borrowing (Note 11)	572,148	567,321
(-) Cash and cash equivalents (Note 3)	(9,375)	(13,996)
Net debt	562,773	553,325
Equity	2,886,935	2,777,257
Net debt on equity	0.19	0.20

(g) Fair value of financial instruments

At March 31, 2018 and December 31, 2017, the carrying values of the Company's financial instruments approximate their fair value.

The Group's financial instruments were classified as loans and receivables or other financial liabilities, except marketable securities (Note 3), classified as securities held for trading (Level 2).

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1, Instruments included in Level 1 comprise primarily equity investments of IBOVESPA 50 classified as trading or available-for-sale securities.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on Group-specific estimates. If all significant information required to fair value an instrument are adopted by the market, the instrument will be included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(h) Offsetting of financial instruments

There were no significant assets or liabilities subject to offset at March 31, 2018 and December 31, 2017.

19 Management compensation

(a) Compensation

For the periods ended March 31, 2018 and 2017, total compensation (salaries and profit sharing) paid to the Company's directors, officers and main executives amounted to R$ 2,699 and R$ 2,121, respectively. These amounts are within the limits established at the corresponding General Meetings of Stockholders.

The Company and its subsidiaries do not grant post-employment benefits, employment termination benefits or other long-term benefits to its management and employees (except for the stock option plan described in Note 20(b).

(b) Stock option plan

The history and the details of the stock option plans did not change in relation to the information included in the financial statements at December 31, 2017.

At March 31, 2018, the number of options granted which were exercised totaled 11,595,333 shares (R$ 90,754), and the total shares granted, deducted from the prescribed shares of 18,126,302 shares (R$ 174,147).

All amounts in thousands of reais unless otherwise stated

Program	Granted	Options deemed to have expired	Abandoned Options	Issued	Balance of shares
1P	11,910,909	5,067,255	469,539	6,374,115	
2P	1,411,563	798,438	131,835	481,290	
3P	1,805,373	451,929	62,947	1,269,316	21,181
4P	2,736,000	696,000	19,423	1,953,377	67,200
5P	720,000	348,000	118,394	232,606	21,000
6P	5,090,000	2,237,000	1,719,788	499,083	634,129
7P	889,000	347,800	176,799	31,406	332,995
8P	983,000	302,400	40,800	256,640	383,160
9P	1,300,000	300,000		410,000	590,000
10P	1,105,779	134,000	16,000	87,500	868,279
11P	991,010	133,510			857,500
Total	**28,942,634**	**10,816,332**	**2,755,525**	**11,595,333**	**3,775,444**

Total options granted which were exercised in the most recent quarters are as follows:

	Exercised options
December 31, 2016	10,556,842
March 31, 2017	10,556,842
June 30, 2017	11,375,594
September 30, 2017	11,375,594
December 31, 2017	11,593,133
March 31, 2018	11,595,333

All amounts in thousands of reais unless otherwise stated

The assumptions used to determine each grant, based on the Black-Scholes model, are described as follows:

Program	End of grace period	Expiration date	Fair Value	Price of the underlying asset (i)	Expected Annual Volatility	Expected Dividends	Risk-free interest risk	Estimated life (years)	Number of options granted	Number of lapsed options
Program 1P Jul/08	4/15/2009	4/15/2019	R$ 2.36	R$ 8.06	57.49%	0.97%	6.85%	10	703,668	509,100
Program 1P Jul/08	4/15/2010	4/15/2020	R$ 3.15	R$ 8.06	57.49%	0.97%	6.85%	10	703,626	538,176
Program 1P Jul/08	4/15/2011	4/15/2021	R$ 3.69	R$ 8.06	57.49%	0.97%	6.85%	10	703,626	552,720
Program 1P Jul/08	4/14/2012	4/14/2022	R$ 4.37	R$ 8.06	57.49%	0.97%	6.85%	10	703,626	552,720
Program 1P Jul/08	4/14/2013	4/14/2023	R$ 3.71	R$ 8.06	57.49%	0.97%	6.85%	10	703,626	552,720
Program 1P Jul/08 Cons.	4/15/2009	7/11/2018	R$ 2.35	R$ 8.06	57.49%	0.97%	6.85%	9	60,000	30,000
Program 1P Jul/08 Cons.	4/15/2010	7/11/2018	R$ 3.14	R$ 8.06	57.49%	0.97%	6.85%	8	60,000	30,000
Program 1P Sep/08	4/15/2009	4/15/2019	R$ 0.47	R$ 7.93	56.00%	1.62%	8.42%	10	663,645	0
Program 1P Sep/08	4/15/2010	2/15/2020	R$ 1.12	R$ 7.93	56.00%	1.62%	8.42%	9	663,633	399,999
Program 1P Sep/08	4/15/2011	4/15/2021	R$ 1.55	R$ 7.93	56.00%	1.62%	8.42%	10	663,633	399,999
Program 1P Sep/08	4/14/2012	4/14/2022	R$ 1.78	R$ 7.93	56.00%	1.62%	8.42%	10	663,633	399,999
Program 1P Sep/08	4/14/2013	4/14/2023	R$ 2.08	R$ 7.93	56.00%	1.62%	8.42%	10	663,633	399,999
Program 1P Jan/09	4/15/2010	4/15/2020	R$ 0.57	R$ 7.90	63.99%	1.72%	6.83%	10	90,915	18,180
Program 1P Jan/09	4/15/2011	4/15/2021	R$ 1.21	R$ 7.90	63.99%	1.72%	6.83%	10	90,909	72,729
Program 1P Jan/09	4/14/2012	4/15/2022	R$ 1.62	R$ 7.90	63.99%	1.72%	6.83%	10	90,909	72,729
Program 1P Jan/09	4/14/2013	4/15/2023	R$ 1.92	R$ 7.90	63.99%	1.72%	6.83%	10	90,909	72,729
Program 1P Jan/09	4/14/2014	4/15/2024	R$ 2.11	R$ 7.90	63.99%	1.72%	6.83%	10	90,909	72,729
Program 1P Jan/09 Cons.	4/15/2010	1/13/2019	R$ 0.57	R$ 7.91	63.99%	1.72%	6.83%	8	1,363,635	0
Program 1P Jan/09 Cons.	4/15/2011	1/13/2019	R$ 1.21	R$ 7.91	63.99%	1.72%	6.83%	7	1,363,635	0
Program 1P Sep/09	4/15/2010	4/15/2020	R$ 1.78	R$ 8.02	56.75%	1.13%	5.64%	10	174,582	0
Program 1P Sep/09	4/15/2011	2/15/2021	R$ 2.51	R$ 8.02	56.75%	1.13%	5.64%	9	174,537	32,727
Program 1P Sep/09	4/14/2012	4/14/2022	R$ 3.00	R$ 8.02	56.75%	1.13%	5.64%	10	174,537	32,727
Program 1P Sep/09	4/14/2013	4/14/2023	R$ 3.40	R$ 8.02	56.75%	1.13%	5.64%	10	174,537	32,727
Program 1P Sep/09	4/14/2014	4/14/2024	R$ 3.62	R$ 8.02	56.75%	1.13%	5.64%	10	174,537	101,814
Program 1P Jan/10	4/15/2011	4/15/2021	R$ 2.96	R$ 8.01	63.15%	0.93%	6.23%	10	89,112	10,914
Program 1P Jan/10	4/14/2012	4/14/2022	R$ 3.78	R$ 8.01	63.15%	0.93%	6.23%	10	89,088	38,181
Program 1P Jan/10	4/14/2013	4/14/2023	R$ 4.34	R$ 8.01	63.15%	0.93%	6.23%	10	89,088	38,181
Program 1P Jan/10	4/14/2014	4/14/2024	R$ 4.76	R$ 8.01	63.15%	0.93%	6.23%	10	89,088	52,728
Program 1P Jan/10	4/14/2015	4/14/2025	R$ 5.03	R$ 8.01	63.15%	0.93%	6.23%	10	89,088	52,728
Program 1P Mar/10	4/15/2011	4/15/2021	R$ 2.43	R$ 7.88	62.20%	1.01%	6.21%	10	90,909	0
Program 1P Mar/10	4/14/2012	4/14/2022	R$ 3.23	R$ 7.88	62.20%	1.01%	6.21%	10	90,909	0
Program 1P Mar/10	4/14/2013	4/14/2023	R$ 3.77	R$ 7.88	62.20%	1.01%	6.21%	10	90,909	0
Program 1P Mar/10	4/14/2014	4/14/2024	R$ 4.18	R$ 7.88	62.20%	1.01%	6.21%	10	90,909	0
Program 1P Mar/10	4/14/2015	4/14/2025	R$ 4.43	R$ 7.88	62.20%	1.01%	6.21%	10	90,909	0
Program 2P Mar/10	4/15/2011	4/15/2021	R$ 2.52	R$ 9.00	60.71%	1.62%	6.30%	10	140,625	0
Program 2P May/10	4/15/2012	4/15/2015	R$ 2.52	R$ 9.00	60.71%	1.62%	6.30%	3	140,625	140,625
Program 2P May/10	4/14/2013	4/14/2023	R$ 2.52	R$ 9.00	60.71%	1.62%	6.30%	10	140,625	140,625
Program 2P May/10	4/14/2014	4/14/2024	R$ 2.52	R$ 9.00	60.71%	1.62%	6.30%	10	140,625	140,625
Program 2P May/10	4/14/2015	4/14/2025	R$ 2.52	R$ 9.00	60.71%	1.62%	6.30%	10	140,625	140,625
Program 2P Jul/10	4/15/2011	4/15/2021	R$ 1.37	R$ 8.83	58.84%	1.52%	6.25%	10	129,702	39,063
Program 2P Jul/10	4/14/2012	4/14/2022	R$ 2.19	R$ 8.83	58.84%	1.52%	6.25%	10	129,684	39,063
Program 2P Jul/10	4/14/2013	4/14/2023	R$ 2.72	R$ 8.83	58.84%	1.52%	6.25%	10	129,684	48,438
Program 2P Jul/10	4/14/2014	4/14/2024	R$ 3.12	R$ 8.83	58.84%	1.52%	6.25%	10	129,684	48,438
Program 2P Jul/10	4/14/2015	4/14/2025	R$ 3.36	R$ 8.83	58.84%	1.52%	6.25%	10	129,684	60,936
Program 2P Nov/10 Cons.	4/15/2011	11/3/2020	R$ 2.48	R$ 8.56	57.60%	1.52%	5.88%	9	30,000	0
Program 2P Nov/10 Cons.	4/14/2012	11/3/2020	R$ 3.34	R$ 8.56	57.60%	1.52%	5.88%	8	30,000	0
Program 3P Jan/11	4/15/2012	4/15/2022	R$ 1.99	R$ 10.31	56.55%	1.14%	5.79%	10	183,861	10,170
Program 3P Jan/11	4/14/2013	4/14/2023	R$ 3.02	R$ 10.31	56.55%	1.14%	5.79%	10	183,807	35,592
Program 3P Jan/11	4/14/2014	4/14/2024	R$ 3.72	R$ 10.31	56.55%	1.14%	5.79%	10	183,807	51,072
Program 3P Jan/11	4/14/2015	4/14/2025	R$ 4.25	R$ 10.31	56.55%	1.14%	5.79%	10	183,807	51,072
Program 3P Jan/11	4/14/2016	4/14/2026	R$ 4.60	R$ 10.31	56.55%	1.14%	5.79%	10	183,807	51,072
Program 3P Jan/11 Cons.	4/15/2012	1/3/2021	R$ 2.00	R$ 10.31	56.55%	1.14%	5.79%	8	30,000	0
Program 3P Jan/11 Cons.	4/14/2013	1/3/2021	R$ 3.03	R$ 10.31	56.55%	1.14%	5.79%	7	30,000	0
Program 3P Apr/11	4/15/2012	4/15/2022	R$ 1.29	R$ 10.04	54.94%	1.32%	6.20%	10	165,324	12,717
Program 3P Apr/11	4/14/2013	4/14/2023	R$ 2.27	R$ 10.04	54.94%	1.32%	6.20%	10	165,240	38,133
Program 3P Apr/11	4/14/2014	4/14/2024	R$ 2.92	R$ 10.04	54.94%	1.32%	6.20%	10	165,240	61,011
Program 3P Apr/11	4/14/2015	4/14/2025	R$ 3.42	R$ 10.04	54.94%	1.32%	6.20%	10	165,240	61,011
Program 3P Apr/11	4/14/2016	4/14/2026	R$ 3.74	R$ 10.04	54.94%	1.32%	6.20%	10	165,240	80,079

All amounts in thousands of reais unless otherwise stated

Program	End of grace period	Expiration date	Fair Value	Price of the underlying asset (i)	Expected Annual Volatility	Expected Dividends	Risk-free interest risk	Estimated life (years)	Number of options granted	Number of lapsed options
Program 4P Apr/12	4/15/2013	4/15/2023	R$ 1.12	R$ 7.84	51.66%	1.65%	4.29%	10	234,000	27,000
Program 4P Apr/12	4/14/2014	4/14/2024	R$ 1.81	R$ 7.84	51.66%	1.65%	4.29%	10	234,000	42,000
Program 4P Apr/12	4/14/2015	4/14/2025	R$ 2.26	R$ 7.84	51.66%	1.65%	4.29%	10	234,000	42,000
Program 4P Apr/12	4/14/2016	4/14/2026	R$ 2.60	R$ 7.84	51.66%	1.65%	4.29%	10	234,000	60,000
Program 4P Apr/12	4/14/2017	4/14/2027	R$ 2.82	R$ 7.84	51.66%	1.65%	4.29%	10	234,000	138,000
Program 4P Apr/12 Cons.	4/15/2013	4/2/2022	R$ 1.09	R$ 7.84	51.66%	1.65%	4.29%	8	180,000	0
Program 4P Apr/12 Cons.	4/14/2014	4/2/2022	R$ 1.78	R$ 7.84	51.66%	1.65%	4.29%	7	180,000	0
Program 4P Jul/12	4/15/2013	4/15/2023	R$ 2.23	R$ 7.65	50.78%	1.23%	4.29%	10	48,000	0
Program 4P Jul/12	4/14/2014	4/14/2024	R$ 2.96	R$ 7.65	50.78%	1.23%	4.29%	10	48,000	0
Program 4P Jul/12	4/14/2015	4/14/2025	R$ 3.46	R$ 7.65	50.78%	1.23%	4.29%	10	48,000	9,000
Program 4P Jul/12	4/14/2016	4/14/2026	R$ 3.86	R$ 7.65	50.78%	1.23%	4.29%	10	48,000	9,000
Program 4P Jul/12	4/14/2017	4/14/2027	R$ 4.12	R$ 7.65	50.78%	1.23%	4.29%	10	48,000	48,000
Program 4P Aug/12	4/15/2013	4/15/2023	R$ 2.64	R$ 7.54	50.39%	1.15%	4.29%	10	18,000	0
Program 4P Aug/12	4/14/2014	4/14/2024	R$ 3.37	R$ 7.54	50.39%	1.15%	4.29%	10	18,000	18,000
Program 4P Aug/12	4/14/2015	4/14/2025	R$ 3.88	R$ 7.54	50.39%	1.15%	4.29%	10	18,000	18,000
Program 4P Aug/12	4/14/2016	4/14/2026	R$ 4.29	R$ 7.54	50.39%	1.15%	4.29%	10	18,000	18,000
Program 4P Aug/12	4/14/2017	4/14/2027	R$ 4.55	R$ 7.54	50.39%	1.15%	4.29%	10	18,000	18,000
Program 4P Nov/12	4/15/2014	4/15/2024	R$ 6.31	R$ 7.38	49.44%	0.76%	3.50%	10	15,000	0
Program 4P Nov/12	4/15/2015	4/15/2025	R$ 6.88	R$ 7.38	49.44%	0.76%	3.50%	10	15,000	0
Program 4P Nov/12	4/15/2016	4/15/2026	R$ 7.36	R$ 7.38	49.44%	0.76%	3.50%	10	15,000	15,000
Program 4P Nov/12	4/15/2017	4/15/2027	R$ 7.79	R$ 7.38	49.44%	0.76%	3.50%	10	15,000	15,000
Program 4P Nov/12	4/15/2018	4/15/2028	R$ 8.08	R$ 7.38	49.44%	0.76%	3.50%	10	15,000	15,000
Program 4P Jan/13	4/15/2014	4/15/2024	R$ 8.23	R$ 7.32	33.47%	0.00%	3.90%	10	160,200	7,200
Program 4P Jan/13	4/15/2015	4/15/2025	R$ 8.35	R$ 7.32	33.47%	0.00%	3.90%	10	160,200	7,200
Program 4P Jan/13	4/15/2016	4/15/2026	R$ 8.48	R$ 7.32	33.47%	0.00%	3.90%	10	160,200	7,200
Program 4P Jan/13	4/15/2017	4/15/2027	R$ 8.62	R$ 7.32	33.47%	0.00%	3.90%	10	160,200	88,200
Program 4P Jan/13	4/15/2018	4/15/2028	R$ 8.75	R$ 7.32	33.47%	0.00%	3.90%	10	160,200	94,200

(i) Market price on the respective grant dates.

All amounts in thousands of reais unless otherwise stated

The assumptions used to determine each grant, based on the Binomial model, are described as follows:

Program	End of grace period	Expiration date	Fair Value	Price of the underlying asset (i)	Expected Annual Volatility	Expected Dividends	Risk-free interest risk	Estimated life (years)	Number of options granted	Number of lapsed options
Program 5P 3	4/15/2014	4/15/2024	R$ 6.37	R$ 15.33	39.85%	0.00%	11.02%	10	144,000	0
Program 5P 3	4/15/2015	4/15/2025	R$ 7.02	R$ 15.33	39.85%	0.00%	11.02%	10	144,000	21,000
Program 5P 3	4/15/2016	4/15/2026	R$ 7.60	R$ 15.33	39.85%	0.00%	11.02%	10	144,000	102,000
Program 5P 3	4/15/2017	4/15/2027	R$ 8.11	R$ 15.33	39.85%	0.00%	11.02%	10	144,000	102,000
Program 5P 3	4/15/2018	4/15/2028	R$ 8.58	R$ 15.33	39.85%	0.00%	11.02%	10	144,000	123,000
Program 6P Oct/13	4/15/2014	4/15/2024	R$ 5.05	R$ 17.48	28.80%	0.00%	11.99%	10	265,000	5000
Program 6P Oct/13	4/15/2015	4/15/2025	R$ 5.79	R$ 17.48	28.80%	0.00%	11.99%	10	265,000	5,000
Program 6P Oct/13	4/15/2016	4/15/2026	R$ 6.40	R$ 17.48	28.80%	0.00%	11.99%	10	265,000	19,000
Program 6P Oct/13	4/15/2017	4/15/2027	R$ 6.94	R$ 17.48	28.80%	0.00%	11.99%	10	265,000	88,000
Program 6P Oct/13	4/15/2018	4/15/2028	R$ 7.43	R$ 17.48	28.80%	0.00%	11.99%	10	265,000	110,000
Program 6P Jul/14	4/15/2015	4/15/2025	R$ 15.13	R$ 16.79	26.43%	0.00%	11.99%	10	608,000	0
Program 6P Jul/14	4/15/2016	4/15/2026	R$ 15.76	R$ 16.79	26.43%	0.00%	11.99%	10	608,000	80,000
Program 6P Jul/14	4/15/2017	4/15/2027	R$ 16.41	R$ 16.79	26.43%	0.00%	11.99%	10	608,000	602,000
Program 6P Jul/14	4/15/2018	4/15/2028	R$ 17.05	R$ 16.79	26.43%	0.00%	11.99%	10	608,000	602,000
Program 6P Jul/14	4/15/2019	4/15/2029	R$ 17.65	R$ 16.79	26.43%	0.00%	11.99%	10	608,000	602,000
Program 6P Jul/14 Cons.	4/15/2015	7/4/2024	R$ 15.09	R$ 16.79	28.80%	0.00%	11.99%	9	162,500	0
Program 6P Jul/14 Cons.	4/15/2016	7/4/2024	R$ 15.69	R$ 16.79	28.80%	0.00%	11.99%	8	162,500	0
Program 6P Aug/14	4/15/2015	4/15/2025	R$ 14.48	R$ 16.88	26.68%	0.00%	11.99%	10	60,000	0
Program 6P Aug/14	4/15/2016	4/15/2026	R$ 15.10	R$ 16.88	26.68%	0.00%	11.99%	10	60,000	28,000
Program 6P Aug/14	4/15/2017	4/15/2027	R$ 15.74	R$ 16.88	26.68%	0.00%	11.99%	10	60,000	28,000
Program 6P Aug/14	4/15/2018	4/15/2028	R$ 16.38	R$ 16.88	26.68%	0.00%	11.99%	10	60,000	28,000
Program 6P Aug/14	4/15/2019	4/15/2029	R$ 16.98	R$ 16.88	26.68%	0.00%	11.99%	10	60,000	28,000
Program 6P Aug/14 Cons.	4/15/2015	8/1/2024	R$ 14.43	R$ 16.88	28.80%	0.00%	11.99%	9	50,000	0
Program 6P Aug/14 Cons.	4/15/2016	8/1/2024	R$ 15.02	R$ 16.88	28.80%	0.00%	11.99%	8	50,000	0
Program 7P Oct/14	4/15/2015	4/15/2025	R$ 8.58	R$ 25.40	28.80%	0.00%	11.99%	10	177,800	16,000
Program 7P Oct/14	4/15/2016	4/15/2026	R$ 9.71	R$ 25.40	28.80%	0.00%	11.99%	10	177,800	37,000
Program 7P Oct/14	4/15/2017	4/15/2027	R$ 10.64	R$ 25.40	28.80%	0.00%	11.99%	10	177,800	86,000
Program 7P Oct/14	4/15/2018	4/15/2028	R$ 11.47	R$ 25.40	28.80%	0.00%	11.99%	10	177,800	93,400
Program 7P Oct/14	4/15/2019	4/15/2029	R$ 12.24	R$ 25.40	28.80%	0.00%	11.99%	10	177,800	93,400
Program 8P Oct/15	4/15/2016	4/15/2026	R$ 5.45	R$ 13.15	28.80%	0.00%	11.99%	10	196,600	2,000
Program 8P Oct/15	4/15/2017	4/15/2027	R$ 6.42	R$ 13.15	28.80%	0.00%	11.99%	10	196,600	56,800
Program 8P Oct/15	4/15/2018	4/15/2028	R$ 7.20	R$ 13.15	28.80%	0.00%	11.99%	10	196,600	70,800
Program 8P Oct/15	4/15/2019	4/15/2029	R$ 7.88	R$ 13.15	28.80%	0.00%	11.99%	10	196,600	70,800
Program 8P Oct/15	4/15/2020	4/15/2030	R$ 8.47	R$ 13.15	28.80%	0.00%	11.99%	10	196,600	70,800
9 Program Apr/16	4/15/2017	4/15/2027	R$ 6.02	R$ 11.87	54.57%	0.00%	12.93%	10	80,000	20,000
9 Program Apr/16	4/15/2018	4/15/2027	R$ 6.66	R$ 11.87	54.57%	0.00%	12.93%	10	80,000	20,000
9 Program Apr/16	4/15/2019	4/15/2027	R$ 7.14	R$ 11.87	54.57%	0.00%	12.93%	10	80,000	20,000
9 Program Apr/16	4/15/2020	4/15/2027	R$ 7.52	R$ 11.87	54.57%	0.00%	12.93%	10	80,000	20,000
9 Program Apr/16	4/15/2021	4/15/2027	R$ 7.83	R$ 11.87	54.57%	0.00%	12.93%	10	80,000	20,000
9 Program Apr/16 Cons.	4/15/2017	4/29/2017	R$ 3.17	R$ 11.87	54.57%	0.00%	12.93%	2	450,000	100,000
9 Program Apr/16 Cons.	4/15/2018	4/29/2018	R$ 4.43	R$ 11.87	54.57%	0.00%	12.93%	2	450,000	100,000
10 Program Jul16	4/15/2018	4/15/2027	R$ 6.89	R$ 15.12	59.18%	0.00%	12.50%	10	208,000	2,000
10 Program Jul16	4/15/2018	4/15/2027	R$ 7.89	R$ 15.12	59.18%	0.00%	12.50%	10	208,000	29,000
10 Program Jul16	4/15/2019	4/15/2027	R$ 8.61	R$ 15.12	59.18%	0.00%	12.50%	10	208,000	29,000
10 Program Jul16	4/15/2020	4/15/2027	R$ 9.18	R$ 15.12	59.18%	0.00%	12.50%	10	208,000	29,000
10 Program Jul16	4/15/2021	4/15/2027	R$ 9.64	R$ 15.12	59.18%	0.00%	12.50%	10	208,000	29,000
10 Program Jul16 Cons.	4/15/2017	4/29/2017	R$ 6.89	R$ 15.12	59.18%	0.00%	12.50%	2	32,890	0
10 Program Jul16 Cons.	4/15/2018	4/29/2018	R$ 7.89	R$ 15.12	59.18%	0.00%	12.50%	2	32,890	0
11Program Apr17	5/15/2018	5/15/2028	R$ 6.14	R$ 14.18	46.66%	0.00%	8.94%	10	188,000	12,000
11Program Apr17	5/15/2019	5/15/2028	R$ 6.84	R$ 14.18	46.66%	0.00%	8.94%	10	188,000	12,000
11Program Apr17	5/15/2020	5/15/2028	R$ 7.41	R$ 14.18	46.66%	0.00%	8.94%	10	188,000	12,000
11Program Apr17	5/15/2021	5/15/2028	R$ 7.86	R$ 14.18	46.66%	0.00%	8.94%	10	188,000	12,000
11Program Apr17	5/15/2022	5/15/2028	R$ 8.26	R$ 14.18	46.66%	0.00%	8.94%	10	188,000	12,000
11 Program Apr17 Cons.	5/15/2018	4/29/2018	R$ 6.14	R$ 14.18	46.66%	0.00%	8.94%	2	25,505	25,505
11 Program Apr17 Cons.	5/15/2019	4/29/2019	R$ 6.84	R$ 14.18	46.66%	0.00%	8.94%	2	25,505	25,505

(i) Market price on the respective grant dates.

The Company recognizes on a monthly basis the share options, granted in a capital reserve account with a corresponding entry in the statement of income, in general and administrative expenses in the personal line and social charges. In the quarter ended March 31, 2018, R$ 2,857 (R$ 7,458 in the year ended December 31, 2017) was recognized. The amount of the provision on March 31, 2018 is R$ 75,764 (R$ 72,907 at December 31, 2017).

The change in the number of stock options outstanding and their related weighted average exercise prices is as follows:

Statutory Board

	March 31, 2018		December 31, 2017	
	Average exercise price per share	Options - thousands	Average exercise price per share	Options - thousands
January 1	13.62	1,493,472	13.62	1,503,136
Transfer of members	0.00	0,00	0.00	0,00
Granted	0.00	0,00	0.00	0,00
Exercised	0.00	0,00	13.65	9,664
Abandoned	0.00	0,00	0.00	0,00
	13.62	1,493,472	13.62	1,493,472

Board of Directors

	March 31, 2018		December 31, 2017	
	Average exercise price per share	Options - thousands	Average exercise price per share	Options - thousands
January 1	10.20	950,779	10.21	975,779
Granted	0.00	0,00	0.00	0,00
Exercised	0.00	0,00	9.70	25,000
Forfeited	0.00	0,00	0.00	0,00
	10.20	950,779	10.20	950,779

(c) Special Program for Long-term Incentive

The history and details of the Special Long-Term Incentive Program for Statutory Directors (ILP) have not been changed in relation to the information presented in the financial statements at December 31, 2017.

In the quarter ended March 31, 2018, the provision was not recognized (R$ 94 in the year ended December 31, 2017). The amount of the provision for the program on March 31, 2018 and December 31, 2017 is R$ 304.

20 Earnings per share

The Company sets out below the information on basic and diluted earnings per share.

(a) Basic and diluted earnings per share

	2018	2017
Numerator		
Profit for the year	197,356	121,826
Denominator (in thousands of shares)		
Weighted average number of shares outstanding	309,435	317,896
Basic earnings per share	0.63780	0.38323

All amounts in thousands of reais unless otherwise stated

21 Net revenue from services rendered

	Consolidated	
	2018	**2017**
Gross operating revenue	1,239,701	1,198,216
	210,560	166,495
	1,450,261	1,364,711
Gross revenue deductions	(514,533)	(545,687)
Grants - scholarships	(415,432)	(466,370)
Return of monthly tuition and charges	(2,269)	(1,476)
Discounts granted	(33)	(5,763)
Taxes	(51,179)	(36,668)
Adjustment to present value - PAR (Note 4)	(12,275)	(6,993)
Adjustment to present value - DIS (Note 4)	(11,530)	
FGEDUC	(15,873)	(17,287)
Others	(5,942)	(11,130)
	935,728	819,024

22 Costs of services rendered

	Consolidated	
	2018	**2017**
Personnel and social charges	(272,237)	(304,354)
Electricity, water, gas and telephone	(7,828)	(9,293)
Rents, condominium fees and IPTU	(58,378)	(63,240)
Mailing and courier expenses	(413)	(554)
Depreciation and amortization	(23,504)	(23,117)
Teaching material	(1,896)	(2,858)
Outsourced security and cleaning services	(14,677)	(15,469)
Others	(4,459)	
	(383,392)	(418,885)

23 Selling, general and administrative expenses

	Parent company		Consolidated	
	2018	**2017**	**2018**	**2017**
Selling				
Impairment of trade receivables			(43,274)	(47,519)
Advertising			(68,508)	(52,493)
Sales and marketing			(12,094)	(11,063)
Others			(298)	(562)
			(124,174)	(111,637)
General and administrative expenses				
Personnel and social charges	(1,251)	(1,095)	(42,458)	(39,507)
Outsourced services	(1,282)	(912)	(29,593)	(20,410)
Consumption material			(472)	(579)
Maintenance and repairs	(18)	(6)	(9,421)	(9,630)
Depreciation and amortization	(3,273)	(4,970)	(25,051)	(23,234)
Educational covenants		(28)	(4,494)	(2,347)
Travels and accommodation	(24)	(43)	(1,447)	(1,597)
Institutional events	(5)	(2)	(336)	(169)
Provision for contingencies	(10)		(25,458)	(19,279)
Copies and bookbinding		(2)	(922)	(1,047)
Insurance	(1,797)	(1,640)	(1,974)	(1,808)
Cleaning supplies			(599)	(604)
Transportation		(2)	(1,228)	(1,177)
Car rental			(797)	(643)
Others	(143)	(203)	(4,531)	(4,889)
	(7,803)	(8,903)	(148,781)	(126,920)

All amounts in thousands of reais unless otherwise stated

24 Other operating income/expenses

	Parent company		Consolidated	
	2018	**2017**	**2018**	**2017**
Income from agreements	272	409	439	656
Income from rentals			1,836	1,547
Provision for impairment of fixed assets			(210)	2,806
Other operating income (expenses)	(30)		120	1,882
	242	409	2,185	6,891

25 Finance result

	Parent company		Consolidated	
	2018	**2017**	**2018**	**2017**
Finance income				
Late payment fine and interest			9,710	10,014
Update of accounts receivable - FIES			2,817	4,562
Earnings from financial investments	670	3,707	8,801	11,777
Updating of tax credits	524	930	928	2,197
Monetary variation gains				209
Adjustment to present value - FIES				2,595
Restatement of the sale of portfolio			5,204	
Others			126	80
	1,194	4,637	27,586	31,434
Finance costs				
Banking expenses	(40)	(1,710)	(5,296)	(4,074)
Interest and financial charges	(10,092)	(32,327)	(16,664)	(43,308)
Updating of contingencies	(2)		(4,107)	
Financial discounts			(22,329)	(5,432)
Monetary variation losses			(43)	(5,330)
Others	(622)	(6,766)	(5,294)	(10,851)
	(10,756)	(40,803)	(53,733)	(68,995)

All amounts in thousands of reais unless otherwise stated

26 Income tax and social contribution

Reconciliation of income tax and social contribution determined at statutory rates and taxes recognized in the statement of income for the periods ended March 31, 2018 and 2017 is as follows:

	Parent company		Consolidated	
	2018	**2017**	**2018**	**2017**
Profit before income tax and social contribution	196,245	120,142	255,419	130,912
Combined statutory rate of income tax and social contribution - %	34	34	34	34
Income tax and social contribution at the statutory rates	(66,723)	(40,848)	(86,842)	(44,510)
Depreciation	(4)	(3)	(423)	(228)
Leasing			64	(27)
Adjustment to present value			(8,125)	882
Equity in the results of subsidiaries	72,545	56,033		
Amortization of goodwill	(1,107)	(1,682)	(2,097)	(2,897)
Non-deductible expenses (i)			(446)	(243)
Options granted LP provision - employees			(971)	(1,025)
Tax losses not registered	(4,711)	(13,500)	(5,169)	(14,180)
Decommissioning expenses			(279)	(110)
Provision for contingencies			(5,137)	(375)
Provision for impairment of receivables (ii)			(126)	(1,013)
Monthly tuitions to be canceled and billed			(3,086)	(9,119)
Provision for FIES risk			(101)	(191)
Provision for loss on fixed assets			571	
Others			621	118
			(111,546)	(72,918)
Tax benefits				
Tax incentive – PROUNI (iii)			32,900	49,571
Tax incentive – Lei Rouanet			873	438
Current income tax and social contribution in the results for the period			(77,773)	(22,909)

(i) These primarily refer to expenses for sponsorships, donations and gifts.
(ii) Refers to students with outstanding payments overdue for more than 180 days, and the provision for the cancelation of monthly pay slips.
(iii) The substantial reduction in PROUNI's tax benefit in the period ended March 31, 2018 arises from the temporary non-renewal of one of the 22 sponsoring entities of the Group in the student enrollment program for the first semester of 2018. The rules established by the Ministry of Education and Culture (MEC) require that a Tax Clearance Certificate (CND) valid until the last day of the previous fiscal year be submitted, which enables sponsoring entities to enroll students under the program in the following semester. For bureaucratic reasons involving the Federal Revenue Secretariat (RFB), the Company was not able to have an updated CND for the mentioned subsidiary on the last day before it would expire. Currently, the CND for that subsidiary has been issued and is valid, and students have enrolled regularly under the program. Therefore, the Company recognized the full amount of the tax liability related to PIS/Cofins and IRPJ and CSLL, without this tax benefit in March 2018 - beginning of the enjoyment of the benefit related to student enrollments for the first semester of the year.

	Parent company		Consolidated	
	2018	**2017**	**2018**	**2017**
Current income tax and social contribution			(77,773)	(22,909)
Deferred income tax and social contribution	1,111	1,684	19,710	13,823
	1,111	1,684	(58,063)	(9,086)

At March 31, 2018, the Company recorded deferred tax assets on temporary differences of R$ 102,570 (R$ 56,440 at December 31, 2017). The breakdown of the tax effects of temporary differences which originated the deferred tax assets is summarized below:

All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Adjustment to present value			11,996	3,871
Provision for contingencies	62	58	33,997	28,860
Provision for impairment of receivables			31,445	4,899
Monthly tuitions to be canceled			5,176	2,090
Provision for decommissioning			4,364	4,149
Provision for loss on fixed assets			1,853	2,424
Goodwill	(3,325)	(4,432)	(12,374)	(14,471)
Provision for risk - FIES			6,867	6,766
Options granted recognized			28,734	27,763
Leasing			(205)	(141)
Incorporated goodwill			(11,290)	(11,290)
Depreciation	13	13	1,049	626
Decommissioning adjustment			64	
Tax losses			894	894
	(3,250)	(4,361)	102,570	56,440
Assets			114,292	70,617
Liabilities	(3,250)	(4,361)	(11,722)	(14,177)
	(3,250)	(4,361)	102,569	56,440

The realization of the deferred tax effect on temporary differences recorded at March 31, 2018 is linked to the realization of the provision which gave rise to this credit. Consequently, it is not currently possible to present expected annual realization, since the Company's management is not yet able to forecast the timing of the realization of the provision for contingencies and the provision for decommissioning.

At March 31, 2018, the subsidiary IREP accounted for a deferred income tax and social contribution liability amounting to R$ 9,060 due to the tax depreciation of goodwill generated upon acquisition of the companies merged into it.

At March 31, 2018, the Company had tax credits arising from income tax and social contribution losses amounting to R$ 112,187 (R$ 107,481 at December 31, 2017) that are not yet accounted for, because it is not possible to state at this time that their realization is considered probable.

27 Commitments

The table below sets forth the required and non-cancelable annual minimum future payments related to the contractual obligations assumed by the Company at December 31:

	Consolidated		
	Less than 1 year	Between 1 and 5 years	Over five years
At March 31, 2018			
Operating leases	21,188	12,222	2,120
Campuses' lease agreements	195,508	609,403	455,788
At December 31, 2017			
Operating leases	20,560	17,358	
Campuses' lease agreements	195,270	606,145	453,107

* * *

HIGHLIGHT

1Q18 EARNINGS RELEASE

+14.2%	+53.7%	+9.1 p.p.	+78.1%
Net **Revenue**	**EBITDA**	**EBITDA** Margin	**OCF** after Capex
R$**935.7** mn	R$**330.1** mn	**35.3**%	R$**111.0** mn

CASH AND CASH EQUIVALENTS

+627.1 mn

AVERAGE TICKET

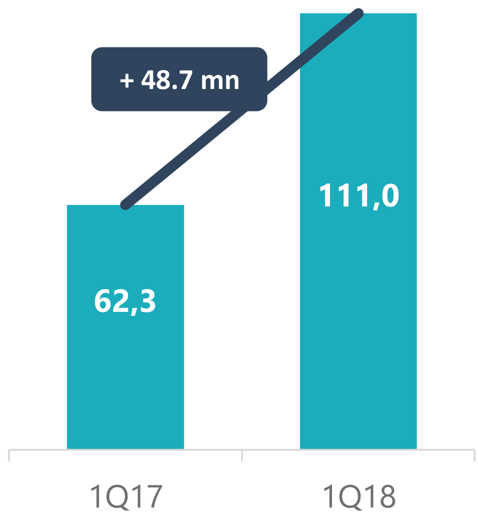
On-Campus:

+ 17.6%

Distance Learning:

+ 28.5%

OPERATING CASH GENERATION AFTER CAPEX (R$ million)



IR Contact:
ri@estacioparticipacoes.com
+55 (21) 3311-9700

Media Relations:
imprensa@estacio.br
+55 (21) 3311-9700

Rio de Janeiro, April 25, 2018 – **Estácio Participações S.A.** – "**Estácio**" or "**Company**" (BM&FBovespa: ESTC3; Bloomberg: ESTC3.BZ; Reuters: ESTC3.SA; OTCQX: ECPCY) – announces its results for the first quarter of 2018 (1Q18), in comparison with the same period in 2017 (1Q17). The Company's financial information is presented based on the consolidated figures, in Brazilian Reais, pursuant to Brazilian Corporate Law, the accounting practices adopted in Brazil (BRGAAP) and International Financial Reporting Standards (IFRS), unless otherwise stated.

Message from Management

In the first three months of 2018, Estácio continued to implement drivers of efficiency gains, first launched at the end of 2017, in a disciplined manner. It is worth noting the main ongoing initiatives:

- **Corporate restructuring and review of the educational model:** These drivers jointly contributed to the year-on-year improvement in the personnel cost/net operating revenue ratio, due to the: (i) implementation of the faculty career plan (FCP); (ii) efficient academic planning; (iii) sharing of disciplines between the new curriculum matrices; and (iv) compatibility with former curriculum matrices.
- **Footprint review:** In 1Q18, the activities of five campuses were transferred to other units in Manaus (AM), Ibiúna (SP), Juiz de Fora (MG), Salvador (BA) and Natal (RN). The enrollment process of these campuses was transferred to the units that absorbed the activities, without interrupting operations. Savings from the phase out of these campuses were already noticed in 1Q18 results.
- **Opening of New *Mais Médicos* Campuses**: In 1Q18, three new Estácio greenfield units and their respective Medicine courses were accredited within the scope of the *Mais Médicos* Program, in Juazeiro (BA), Alagoinhas (BA) and Jaraguá do Sul (SC). Each campus has an average of 55 authorized annual places. All in all, Estácio currently offers Medicine courses in eight campuses throughout Brazil, consolidating its position as the Education Institution that offers the largest number of seats in Medicine programs in the country[1].

  It is also worth noting that Request for Proposal 01/2018, designed to authorize Medicine courses in new municipalities, was published on March 29, 2018. Estácio intends to submit proposals to participate in this process, with a view to strengthen its course portfolio in the Health area.

Source: 2016 Inep and *Mais Médicos* Notice No. 01/2018

Aiming to continue expanding its sustainable student base, Estácio launched the Solidarity Dilution (DIS) campaign, which provides students with the opportunity to pay R$49 in the enrollment months, diluting the difference in relation to the full monthly tuition over the duration of the course (i.e. offering no discounts, scholarships or exemptions). Most of the new on-campus and distance-learning undergraduate students (online and flex programs) were eligible for the campaign. The installments may comprise from one to three installments to be paid throughout the duration of the course. The DIS campaign for these new freshman students in this enrollment cycle had a positive impact of around R$128 million* in the net operating revenue of the quarter and, obviously, a better margin of the Company. It is worth noting that Estácio adjusts revenue from these installments to present value (APV) and accrues 15% of the adjusted amount under the provision for doubtful accounts. The charged amount is embedded in a single monthly fee, so that students will pay an amount corresponding to their regular monthly tuition plus the diluted portion of the DIS.

The total student base growth in 1Q18 was essentially due to a 19.5% year-over-year increase in the distance-learning undergraduate base, strongly influenced by the expansion of new centers (an additional 181 new centers enrolled students this cycle, compared with the same period in 2017). The on-campus undergraduate student base, however, grew by 2.3%, excluding FIES and ProUni students. Considering these students, the on-campus undergraduate student base fell by 6.6%.

Table 1 - Total Student Base

'000	1Q17	1Q18	Chg.
On- Campus	**371.5**	**346.5**	**-6.7%**
Undergraduate	339.1	316.7	-6.6%
Regular students	*199.5*	*204.1*	*2.3%*
FIES students	*103.2*	*77.7*	*-24.8%*
ProUni students	*36.4*	*34.9*	*-4.0%*
Graduate	32.4	29.8	-8.1%
Distance Learning	**170.6**	**199.5**	**16.9%**
Undergraduate	127.5	152.4	19.5%
Graduate	43.1	47.1	9.3%
Total Student Base	**542.1**	**546.0**	**0.7%**
# Campuses	**95**	**93**	**-2.1%**
On-Campus Students per Campus	3.911	3.726	-4.7%
# Distance Learning Centers	**228**	**409**	**79.4%**
Distance Learning Students per Center	748	488	-34.8%

** Figures not reviewed by the auditors.*

By the end of 1Q18, Estácio enrolled approximately 143,500 on-campus and distance-learning new students (versus 148,300 in 1Q17). However, similarly to 2017, the enrollment period extended until mid-April. At the end of the 2018.1 intake process, Estácio enrolled 165,800 on-campus and distance-learning undergraduate students (versus 160,200 in 2017.1). Note that the total number of students enrolled in the 2018.1 intake cycle grew by 3.5% year over year. Excluding ProUni and FIES students, the year-over-year increase in the enrolled student base totaled 12,500 students (+8.4%).

Table 2 - Enrollment table considering that the 2017.1 and 2018.1 intake periods extended to April

Enrollments (in thousands)	1Q17 Jan-Mar	Apr/17	2017.1	1Q18 Jan-Mar	Apr/18	2018.1	Chg. 2018.1 vs. 2017.1
On-Campus Undergraduate program	**92.3**	**4.6**	**96.9**	**79.6**	**10.0**	**89.6**	**-7.6%**
Regular students	83.5	2.2	85.7	77.8	7.5	85.3	-0.5%
FIES students	5.5	2.4	7.9	1.2	0.7	1.9	-75.9%
ProUni students	3.3	-	3.3	0.6	1.8	2.4	-27.3%
Distance-learning Undergraduate program	**56.1**	**7.2**	**63.3**	**63.9**	**12.3**	**76.2**	**20.4%**
Total undergraduate enrollments	**148.4**	**11.8**	**160.2**	**143.5**	**22.2**	**165.8**	**3.5%**

** Figures not reviewed by the auditors..*

In this context, net operating revenue totaled R$935.7 million in 1Q18, 14.2% up on 1Q17. The DIS campaign positively impacted 1Q18 net revenue by around R$128 million[(1)], given that its assumption is the average monthly tuition not granting discounts, scholarships and exemptions during the enrollment months. Prices were only affected by the adjustment to present value, of R$11.5 million, with accrual of 15% of the total receivable. It is worth noting that, as of 2018.1, with the DIS campaign for students in the enrollment, the seasonality in Estácio's revenue tends to significantly reverse between even and odd quarters.

In 1Q18, the Company recorded a non-recurring negative effect of ProUni, which reduced EBITDA and mainly the net income. In accordance with MEC rules, in order to enroll students by means of the program in the following semester, controlling institutions are required to present a Tax Debt Clearance Certificate (CND) valid until the last day of the previous fiscal year. Due to bureaucratic issues with the Internal Revenue Service, the Company was unable to renew, by one day, the tax debt clearance certificate of one of its 22 controlling institutions. Given that this was a non-recurring situation experienced by the Company in March, Management believes that the effective rate should return to historical levels by the end of the year. It is worth noting that this was an accounting impact that did not affect the Company's cash and liquidity.

[(1)] *Figures not reviewed by the auditors.*

EBITDA came to R$330.1 million, a 53.8% increase over 2017, with an EBITDA margin of 35.3% (+9.1 p.p. over 1Q17). The main contributors for the growth and for the margin of the period were: (i) the impact of the DIS campaign on revenue; and (ii) operational efficiency gains, mainly in the faculty costs line, thanks to the implementation of the corporate restructuring plans and the review of the educational model, which were designed throughout the second semester of 2017, after the Brazilian antitrust agency did not approve the merger with Kroton.

Table 3 – Financial Indicators

Financial Indicators *(R$ MM)*	1Q17	1Q18	Chg.
Net Operating Revenue	**819.0**	**935.7**	**14.2%**
EBITDA	**214.8**	**330.1**	**53.7%**
EBITDA Margin	*26.2%*	*35.3%*	*9.1 p.p.*
Net Income	**121.8**	**197.4**	**62.0%**
Net Margin (%)	***14.8%***	***21.1%***	***6.3 p.p***

Net income came to R$197.4 million, 62.0% up on the previous year. The R$115.3 million increase in EBITDA and the R$11.5 million decrease in the financial result offset the increases in income tax and social contribution in 1Q18.

With the results presented in 1Q18, Estácio begins the year with a healthy student base, more structured processes and a team fully focused on EXECUTION. The industry dynamics has changed, but our goal remains the same: gain operational efficiency. Management believes that efficient operations and a solid balance sheet are essential for the organic and inorganic growth plans that are being designed.

2018 will continue being a year of hard work and excellent results at Estácio!

Operating Performance

Estácio closed 1Q18 with a total of 546,000 students, 0.7% more than at the close of 1Q17, essentially do the 16.9% increase in the distance-learning student base and the 0.9% increase in the on-campus student base, excluding the FIES and ProUni programs.

Table 4 – Total Student Base

'000	1Q17	1Q18	Chg.
On-Campus	**371.5**	**346.5**	**-6.7%**
Undergraduate	339.1	316.7	-6.6%
Regular students	*199.5*	*204.1*	*2.3%*
FIES students	*103.2*	*77.7*	*-24.8%*
ProUni students	*36.4*	*34.9*	*-4.0%*
Graduate	32.4	29.8	-8.1%
Distance Learning	**170.6**	**199.5**	**16.9%**
Undergraduate	127.5	152.4	19.5%
Graduate	43.1	47.1	9.3%
Total Student Base	**542.1**	**546.0**	**0.7%**
# Campuses	**95**	**93**	**-2.1%**
On-Campus Students per Campus	3.911	3.726	-4.7%
# Distance Learning Centers	**228**	**409**	**79.4%**
Distance Learning Students per Center	748	488	-34.8%

** Figures not reviewed by the auditors.*

In 1Q18, in addition to the three new Medicine campuses, the Company also launched two greenfield unities in São José do Rio Preto (SP) and Goiânia (GO). However, the total number of units (93 campuses) remained in 1Q18, versus 4Q17, due to the merger of five units in the beginning of the year, in line with the footprint initiatives that began to be implemented in 2017.

It is worth noting the addition of 181 new distance-learning centers enrolling students in 1Q18 compared with 1Q17. The ramp up of the new centers affected the number of distance-learning students per center, which fell by 34.8% from 2017.

On-Campus Undergraduate Segment

Estácio's on-campus undergraduate student base totaled 316,700 students at the close of 1Q18, 6.6% less than in 1Q17, essentially due to the 24.8% and 4.0% declines in the FIES student base and in the ProUni student base, respectively. Excluding the FIES and ProUni student base, the on-campus undergraduate student base increased by 2.3%.

The enrollment of on-campus undergraduate students fell by 13.7% in 1Q18, due to the decline in the number of new FIES students (-3,600 students versus 1Q17) and ProUni students (-2,700 versus 1Q17). Excluding the effects of the reduced number of FIES and ProUni enrollments in the period, the decline in the number of students enrolled in on-campus undergraduate programs would be approximately 6.2%.

Additionally, it is also worth noting the trend of improvement in the dropout rate (-26.1% versus 1Q17), as a result of a healthier student base, after the implementation of a stricter intake process.

Table 5 – Evolution of on-campus undergraduate base

'000	1Q17	1Q18	Change
Students - Starting balance	**329.4**	**314.1**	**-4.7%**
Graduates	(24.7)	(26.1)	5.6%
Renewable Base	**304.8**	**288.0**	**-5.5%**
Enrollments	92.3	79.6	-13.7%
Non-renewed	(45.8)	(42.0)	-8.4%
Dropouts	(12.1)	(8.9)	-26.1%
Students - Ending Balance	**339.1**	**316.7**	**-6.6%**

** Figures not reviewed by the auditors.*

FIES

Table 6 – FIES Student Base

'000	1Q17	1Q18	Change
On-campus undergraduate base	339.1	316.7	-6.6%
FIES Students	**103.2**	**77.7**	**-24.8%**
% FIES Students	30.4%	24.5%	*-5.9 p.p.*

** Figures not reviewed by the auditors.*

We closed 1Q18 with a FIES student base of 77,700 students, representing 24.5% of our on-campus student base, 5.9 p.p. less than in 1Q17.

The decrease in the FIES student base was due to the higher number of FIES students graduating and the increase in the number of students who were unable to join the program by the end of March 2018. The period to register in the FIES program was postponed to late February (February 19 to March 2) this semester and the classification list was published at the end of the first half of March. Moreover, the list of students classified for the P-FIES, representing approximately 2/3 of the program's annual places, was released by the Government on March 26, further delaying the enrollment process this quarter.

It is worth noting that in the first quarter of 2018, only 1.5% of the new on-campus undergraduate students entered via FIES, versus 5.2% in 1Q17. Most of these 1,200 students were transferred from other Education Institutions and, therefore, do not consist of new enrollments.

Table 7 – New FIES Contracts

'000	1Q17	1Q18	Change
Total Intake	92.3	79.6	-13.7%
Freshmen with FIES (until the end of the intake period)	4.8	1.2	-75.2%
% via FIES	**5.2%**	**1.5%**	**-3.7 p.p.**
Senior students with FIES (new contracts)	0.7	-	N.A.
New FIES contracts in the semester	**5.5**	**1.2**	**-78.2%**

** Figures not reviewed by the auditors.*

PAR

In 1Q18, 15,900 students used **Estácio's Installment Payment Program (PAR)**, accounting for 5.0% of Estácio's on-campus undergraduate student base, a 3.0 p.p. increase over 2017. PAR accounted for 10.4% of the enrollments of on-campus undergraduate students, in line with the Company's expectations. It is worth noting that Estácio adjusts PAR's revenue to present value (APV) and accrues 50% of the adjusted amount in a provision for doubtful accounts.

Table 8 – PAR Student Base*

'000	1Q17	2Q17	3Q17	4Q17	1Q18
PAR Starting Balance	**-**	**6.8**	**7.0**	**12.1**	**10.3**
Enrollments	6.8	0.2	5.1	-	8.2
No-renewed and dropouts	-	-	-	(1.5)	(2.6)
PAR Ending Balance	**6.8**	**7.0**	**12.1**	**10.3**	**15.9**
% students PAR	2.0%	2.1%	3.8%	3.3%	5.0%
% PAR Enrollments of the students	*7.4%*	*4.3%*	*10.1%*	-	*10.4%*

** Figures not reviewed by the auditors.*

Table 9 – PAR effect in EBITDA *

R$ MM	1Q17	2Q17	3Q17	4Q17	1Q18
Gross revenue paid in cash	5.4	7.9	13.8	13.3	26.3
Gross revenue paid in installments	15.1	16.7	22.4	18.6	27.2
Taxes - Revenue Deductions	(0.9)	(1.0)	(1.5)	(1.3)	(2.2)
Adjustment to Present Value (APV) - Revenue Deductions	(7.0)	(9.0)	(1.6)	6.4	(12.3)
PDA (50% provisioning)	(4.0)	(3.9)	(10.4)	(12.5)	(7.4)
EBITDA	**8.6**	**10.7**	**22.7**	**24.5**	**31.5**

** Figures not reviewed by the auditors.*

Table 10 – PAR effect in Accounts Receivable

R$ MM	1Q17	2Q17	3Q17	4Q17	1Q18
Gross revenue paid in installments	15.1	16.7	22.4	18.6	27.2
Adjustment to Present Value (APV) - Revenue Deductions	(7.0)	(9.0)	(1.6)	6.4	(12.3)
Gross revenue paid in installments Ex-APV	**8.1**	**7.7**	**20.8**	**25.0**	**14.9**
PDA (50% provisioning)	(4.0)	(3.9)	(10.4)	(12.5)	(7.4)
PAR Accounts Receivable Balance	**4.0**	**3.9**	**10.4**	**12.5**	**7.4**

** Figures not reviewed by the auditors.*

Distance-Learning Undergraduate Segment

The first-quarter distance-learning undergraduate base increased by 19.5% over 1Q17, to 152,400 students. In addition to the increase in the number of students enrolled (14.0% versus 1Q17), mainly in the Flex modality (96.4% versus 1Q17), the segment's dropout rate significantly fell (41.2% versus 1Q17). At the close of 1Q18, the Flex student base totaled 20,200 students (54.1% versus 1Q17).

Table 11 – Evolution of Distance-Learning Undergraduate Base*

'000	1Q17	1Q18	Change
Students - Starting Balance	**106.9**	**127.6**	**19.4%**
Graduates	(4.9)	(9.1)	86.3%
Renewable Base	**102.0**	**118.5**	**16.1%**
Enrollments	56.1	63.9	14.0%
Non-renewed	(22.4)	(25.3)	12.6%
Dropouts	(8.2)	(4.8)	-41.2%
Students - Ending Balance	**127.5**	**152.4**	**19.5%**

** Figures not reviewed by the auditors.*

Graduate Segment

Estácio closed 1Q18 with 76,900 students enrolled in graduate programs, 1.8% up on 1Q17. Following the same trend of the on-campus undergraduate base, the increase in the distance-learning student base (9.3% versus 1Q17) offset the decrease in the on-campus student base (8.1% versus 1Q17).

Table 12 – Graduate Student Base

'000	1Q17	1Q18	Change
Graduate student base	**75.5**	**76.9**	1.8%
On-Campus	**32.4**	**29.8**	**-8.1%**
Own students	21.5	18.8	-12.7%
Franchise students	11.0	11.0	0.8%
Distance learning	**43.1**	**47.1**	**9.3%**
Own students	15.6	17.2	*9.8%*
Franchise students	27.5	29.9	9.0%

** Figures not reviewed by the auditors.*

On-Campus Average Ticket

On-campus average ticket increased by 17.6% in 1Q18 over 1Q17, to R$789.8. The new DIS campaign, implemented during first-quarter enrollment period, positively impacted average ticket, given that discounts and scholarships were not granted on the price charged from students during the enrollment months. Prices were only affected by the adjustment to present value (APV), in the amount of R$11.5 million. Moreover, March has historically recorded the highest number of students enrolled in a first semester. Accordingly, it is worth noting that in 2Q18, the average ticket should correspond to the amount of the monthly tuition only, net of the usual discounts and scholarships.

Table 13 – Calculation of the Average Monthly Ticket – On-Campus

'000	1Q17	1Q18	Variação
On-Campus Student Base	**371.5**	**346.5**	**-6.7%**
On-Campus Graduate Franchise Student Base **	**(11.0)**	**(11.0)**	**0.8%**
**On-Campus Student Base Ex-Franchise Students ** **	**360.6**	**335.5**	**-7.0%**
On-Campus Gross Revenue (R$ million)	**1.194.7**	**1.233.7**	**3.3%**
On-Campus Deductions (R$ million)	(468.4)	(438.9)	-6.3%
On-Campus Net Revenue (R$ million)	**726.3**	**794.8**	**9.4%**
On-Campus Average Ticket (R$)	**671.5**	**789.8**	**17.6%**
% Deductions / Gross Operating Revenue	*39.2%*	*35.6%*	*-3.6 p.p.*

** Figures not reviewed by the auditors.*
***Excluding the graduate segment's students and revenue from partner institutions in order not to distort the analysis.*

The on-campus undergraduate segment's average ticket totaled R$818.7 in 1Q18, 17.4% up on 1Q17. Even with the impact from the new DIS program, the higher revenue and lower deductions indicate the Company's ongoing pursuit of a sustainable student base.

Table 14 – Calculation of the Average Monthly Ticket – On-Campus Undergraduate Program

'000	1Q17	1Q18	Change
On-Campus Undergraduate Student Base	**339.1**	**316.7**	**-6.6%**
On-Campus Undergraduate Gross Revenue (R$ million)	**1.165.9**	**1.205.3**	**3.4%**
On-Campus Undergraduate Deductions (R$ million)	(456.6)	(427.4)	-6.4%
On-Campus Undergraduate Net Revenue (R$ million)	**709.3**	**777.9**	**9.7%**
On-Campus Undergraduate Average Ticket (R$)	**697.2**	**818.7**	**17.4%**
% Deductions / Gross Operating Revenue	*39.2%*	*35.5%*	*-3.7 p.p.*

** Figures not reviewed by the auditors.*

The on-campus graduate average ticked increased by 13.5% in 1Q18 over 1Q17.

Table 15 – Calculation of the Average Monthly Ticket – On-Campus Graduate Program

'000	1Q17	1Q18	Change
On-Campus Graduate Own Student Base **	**21.5**	**18.8**	**-12.7%**
On-Campus Graduate Gross Revenue (R$ million)	**28.8**	**28.4**	**-1.4%**
On-Campus Graduate Deductions (R$ million)	(11.8)	(11.5)	-2.1%
On-Campus Graduate Net Revenue (R$ million)	**17.0**	**16.9**	**-0.9%**
On-Campus Graduate Average Ticket (R$)	**264.3**	**299.8**	**13.5%**
% Deductions / Gross Operating Revenue	*40.9%*	*40.6%*	*-0.3 p.p.*

** Figures not reviewed by the auditors.*
***Excluding the graduate segment's students and revenue from partner institutions in order not to distort the analysis.*

Distance-Learning Average Ticket

In 1Q18, the distance-learning average ticket increased by 28.5% over 1Q17, to R$267.4. It is possible to observe, once again, the effect of the DIS campaign, as well as the increase in the Flex student base, whose average ticket is higher than the online distance-learning average ticket.

Table 16 – Calculation of the Average Monthly Ticket – Distance-Learning

'000	1Q17	1Q18	Change
Distance Learning Student Base	**170.6**	**199.5**	**16.9%**
(-)Distance Learning Graduate Franchise Student Base **	**(27.5)**	**(29.9)**	**9.0%**
**(=)Distance Learning Student Base Ex-Franchise Students ** **	**143.1**	**169.5**	**18.5%**
Distance Learning Gross Revenue (R$ million)	**165.8**	**210.2**	**26.7%**
Distance Learning Deductions (R$ million)	(76.5)	(74.2)	-3.0%
Distance Learning Net Revenue (R$ million)	**89.4**	**136.0**	**52.2%**
Distance Learning Average Ticket (R$)	**208.2**	**267.4**	**28.5%**
% Deductions / Gross Operating Revenue	*46.1%*	*35.3%*	*-10.8 p.p.*

** Figures not reviewed by the auditors.*
***Excluding the graduate segment's students and revenue from partner institutions in order not to distort the analysis.*

The calculation of the average ticket of distance-learning undergraduate and graduate segments, which totaled R$276.2 and R$188.7 respectively, is presented below.

Regarding the distance-learning undergraduate segment, the DIS significantly influenced the deductions on revenue, given that discounts and scholarships were not granted on the price charged from new students.

Tabela 17 – Calculation of the Average Monthly Ticket – Distance-Learning Undergraduate Program

'000	1Q17	1Q18	Change
Distance Learning Undergraduate Student Base	**127.5**	**152.4**	**19.5%**
Distance Learning Undergraduate Gross Revenue (R$ million)	**153.7**	**193.0**	**25.6%**
Distance Learning Undergraduate Deductions (R$ million)	(72.5)	(66.7)	-8.0%
Distance Learning Undergraduate Net Revenue (R$ million)	**81.2**	**126.3**	**55.5%**
Distance Learning Undergraduate Average Ticket (R$)	**212.3**	**276.2**	**30.1%**
% Deductions / Gross Operating Revenue	*47.2%*	*34.6%*	*-12.6 p.p.*

** Figures not reviewed by the auditors.*

Tabela 18 – Calculation of the Average Monthly Ticket – Distance-Learning Graduate Programs

'000	1Q17	1Q18	Change
**Distance Learning Graduate Own Student Base ** **	**15.6**	**17.2**	**9.8%**
Distance Learning Graduate Gross Revenue (R$ million)	**12.1**	**17.2**	**41.6%**
Distance Learning Graduate Deductions (R$ million)	(4.0)	(7.5)	88.4%
Distance Learning Graduate Net Revenue (R$ million)	**8.2**	**9.7**	**18.9%**
Distance Learning Graduate Average Ticket (R$)	**174.3**	**188.7**	**8.2%**
Deduções sobre ROB	*32.6%*	*43.4%*	*10.8 p.p.*

** Figures not reviewed by the auditors.*
***Excluding the graduate segment's students and revenue from partner institutions in order not to distort the analysis.*

Financial Performance

Table 19 – Income Statement

R$ MM	1Q17	1Q18	Change
Gross Operating Revenue	**1.364.7**	**1.450.3**	**6.3%**
Monthly Tuition Fees	1.353.1	1.440.0	6.4%
Pronatec	0.3	-	-100.0%
Others	11.3	10.2	-9.7%
Gross Revenue Deductions	**(545.7)**	**(514.5)**	**-5.7%**
Net Operating Revenue	**819.0**	**935.7**	**14.2%**
Cost of Services	**(418.9)**	**(383.4)**	**-8.5%**
Personnel and social charges	(304.4)	(272.2)	-10.6%
Electricity. Water. gas and telephone	(9.3)	(7.8)	-15.8%
Rentals / Real Estate Taxes Expenses	(63.2)	(58.4)	-7.6%
Post and Pouch	(0.6)	(0.4)	-25.5%
Textbooks Materials	(2.9)	(1.9)	-33.7%
Third-Party Services - security and cleaning	(15.5)	(14.7)	-5.1%
Others	-	(4.5)	N.A.
Depreciation and Amortization	(23.1)	(23.5)	1.7%
Gross Profit	**400.1**	**552.3**	**38.0%**
Gross Margin	***48.9%***	***59.0%***	***10.1 p.p.***
Selling. General and Administrative Expenses	**(238.6)**	**(273.0)**	**14.4%**
Selling Expenses	**(111.6)**	**(124.2)**	**11.3%**
Provisions for Doubtful Accounts	(47.5)	(43.3)	-8.8%
FIES Provisions for Doubtful Accounts	(0.6)	(0.3)	-50.0%
Marketing	(63.6)	(80.6)	26.7%
General and Administrative Expenses	**(126.9)**	**(148.8)**	**17.3%**
Personnel	(39.5)	(42.5)	7.6%
Others	(64.2)	(81.3)	26.6%
Depreciation	(23.2)	(25.1)	8.2%
Other operating revenues/expenses	**6.9**	**2.2**	**-68.1%**
EBIT	**168.5**	**281.6**	**67.1%**
EBIT Margin (%)	***20.6%***	***30.1%***	***9.5 p.p.***
(+)Depreciation and amortization	46.4	48.6	4.7%
EBITDA	**214.8**	**330.1**	**53.7%**
EBITDA Margin (%)	***26.2%***	***35.3%***	**9.1 p.p.**
Financial Result	(37.6)	(26.1)	-30.6%
Depreciation and Amortization	(46.4)	(48.6)	4.7%
Social Contribution	(2.5)	(15.6)	524.0%
Income Tax	(6.5)	(42.5)	553.8%
Net Income	**121.8**	**197.4**	**62.0%**
Net Income Margin (%)	***14.8%***	***21.1%***	***6.3 p.p.***

Consolidated Operating Revenue

Table 20 – Breakdown of Operating Revenue

R$ MM	1Q17	1Q18	Change
Gross Operating Revenue	**1.364.7**	**1.450.3**	**6.3%**
Monthly Tuition Fees	1.353.1	1.440.0	6.4%
Pronatec	0.3	-	-100.0%
Others	11.3	10.2	-9.7%
Gross Revenue Deductions	**(545.7)**	**(514.5)**	**-5.7%**
Scholarships and Discounts	(473.7)	(417.7)	-11.8%
Taxes	(36.7)	(51.2)	39.5%
FIES (FGEDUC + Administrate taxe)	(24.1)	(21.7)	-10.0%
Adjustment to Present Value (APV) PAR	(7.0)	(12.4)	77.1%
Adjustment to Present Value (APV) DIS	-	(11.5)	N.A.
Other deductions	(4.3)	-	N.A.
% Scholarships and Discounts/ Gross Operating Revenue	*35.0%*	*29.0%*	*-6.0 p.p.*
Net Operating Revenue	**819.0**	**935.7**	**14.2%**

Chart 1 – Net Operating Revenue Bridge

Net operating revenue came to R$935.7 million in 1Q18, 14.2% up on 1Q17, mainly explained by:

(1) The R$86.9 million upturn in revenue from monthly tuitions, an increase of 6.4% over 1Q17;
(2) The R$0.3 million reduction in Pronatec, due to the graduation of the last students in this segment;
(3) The R$1.1 million reduction in other revenue, essentially due to the decline in entrance exam fees. As of 2017, Estácio stopped charging this fee from most students, maintaining it only for students enrolled in premium courses;
(4) The R$56.0 million reduction in discounts and scholarships, essentially due to the effect of the new DIS campaign during the intake cycle. This result indicates the strategy adopted by Estácio, as of 1Q17, to reduce the number of discounts and scholarships granted, seeking a sustainable student base, with a higher net present value per student;
(5) The R$14.5 million upturn in taxes, mainly PIS and COFINS, in the amount of R$8.8 million;
(6) The R$2.4 million reduction in FGEDUC, due to the smaller FIES student base;
(7) The R$5.4 million increase in the Adjustment to Present Value (APV) of receivables from the Estácio Installment Payment program (PAR), due to the increase of 9,100 students. The Program began in 2017 with 6,800 students and reached 15,900 students at the close of 1Q18. It is also worth noting that Estácio changed the calculation of APV in 1Q18 and started using a long-term discount rate.
(8) The R$11.5 million increase in the Adjustment to Present Value (APV) of receivables from the DIS campaign, which was effective during the 2018.1 intake cycle;
(9) The “Other deductions” line, composed of the transfer to distance-learning partner centers, was reclassified, in 1Q18, to Others under Cost of Services. Consequently, the R$4.3 million variation corresponds to the 1Q17 transfer from partner centers, totaling R$4.0 million in 1Q18.

Cash Cost of Services

The **cash cost of services** accounted for 38.4% of net operating revenue in 1Q18, a 9.9 p.p. margin gain compared with the 48.3% recorded in 1Q17, essentially due to the 8.1 p.p. gain in the personnel line.

This result reflects the corporate restructuring and the review of the educational model, which began to be implemented at the end of 2017. Estácio implemented a new faculty career plan (FCP) and began improving the efficiency of the academic planning, and increased the sharing of disciplines between the new curriculum matrices and compatibility with former curriculum matrices.

Table 21 – Breakdown of Cost of Services

R$ MM	1Q17	1Q18	Change
Cash Cost of Services	**(395.8)**	**(359.9)**	**-9.1%**
Personnel	(304.3)	(272.2)	-10.6%
Salaries and Payroll Charges	(250.6)	(231.5)	-7.6%
Brazilian Social Security Institute (INSS)	(53.7)	(40.7)	-24.2%
Electricity. Water. gas and telephone	(9.3)	(7.8)	-16.1%
Rentals / Real Estate Taxes Expenses	(63.2)	(58.4)	-7.6%
Post and Pouch	(0.6)	(0.4)	-33.3%
Textbooks Materials	(2.9)	(1.9)	-34.5%
Third-Party Services - security and cleaning	(15.5)	(14.7)	-5.2%
Others	-	(4.5)	N.A.

Table 22 – Vertical Analysis of Cost of Services

R$ MM	1Q17	1Q18	Change
Custos Caixa dos Serviços Prestados	**-48.3%**	**-38.4%**	***9.9 p.p.***
Personnel	-37.2%	-29.1%	*8.1 p.p.*
Salaries and Payroll Charges	-30.6%	-24.7%	*5.9 p.p.*
Brazilian Social Security Institute (INSS)	-6.6%	-4.3%	*2.2 p.p.*
Electricity. Water. gas and telephone	-1.1%	-0.8%	*0.3 p.p.*
Rentals / Real Estate Taxes Expenses	-7.7%	-6.2%	*1.5 p.p.*
Post and Pouch	-0.1%	0.0%	*0.0 p.p.*
Textbooks Materials	-0.4%	-0.2%	*0.2 p.p.*
Third-Party Services - security and cleaning	-1.9%	-1.6%	*0.3 p.p.*
Others	0.0%	-0.5%	*-0.5 p.p.*

Table 23 – Statement of Gross Income Income

R$ MM	1Q17	1Q18	Change
Net Operating Revenue	819.0	935.7	14.2%
Cost of Services	(418.9)	(383.4)	-8.5%
Gross Profit	**400.1**	**552.3**	**38.0%**
Gross Margin	*48.8%*	*59.0%*	*10.2 p.p.*
Depreciation and amortization	23.1	23.5	1.7%
Cash Gross Profit	**423.2**	**575.8**	**36.1%**
Cash Gross Margin	*51.6%*	*61.5%*	*9.9 p.p.*

Selling, General and Administrative Expenses

Selling expenses accounted for 13.3% of net operating revenue in 1Q18, a 0.4 p.p. gain over 1Q17, essentially due to the 1.5 p.p. margin gain in the Allowance for Doubtful Accounts - Non-PAR line. In this context, it is worth noting the following:

- **Change in the methodology:** In 1Q18, Estácio adjusted PDA based on the new standard of the International Accounting Standards Board (IASB) on financial instruments - IFRS 9 – CPC 48, using the concept of expected loss and aging of accounts receivable for regular students and debt renegotiation agreements. The Company accrued 15% of the balance for the DIS and 50% for the PAR. It is worth noting that 1Q17 PDA maintained the concept used until December 31, 2017, i.e., it corresponds to the balance of 100% of monthly tuitions overdue by more than 180 days.

- **Review of the collection policy:** In 1Q17, the recorded PDA corresponded to 3Q16 default, i.e. period in which there were no advisors assisting in the collection of active students. Since then, Estácio implemented a stricter collection process, partnering up with specialized collection firms. The charging process became more rigorous and the minimum debt amount required for students to be able to renew their enrollments significantly reduced.

As result of the margin gain, selling expenses were also affected by the following lines:

- **Advertising:** Online media investments were intensified in the beginning of the year to strengthen the enrollment campaigns. As a result, advertising expenses accounted for 8.6% of first-quarter net revenue, 0.8 p.p. down on 1Q17.

- **Provision for Doubtful Accounts - DIS:** Provision of 15% on revenue, net of APV, from the diluted tuition amount of students who joined the new Solidarity Dilution campaign, impacting the allowance for doubtful accounts by R$14.6 million in this quarter.

- **Provision for Doubtful Accounts - PAR:** The provisioning of PAR, program implemented in 1Q17, reduced the 1Q18 margin by 0.3 p.p., chiefly due to the increase in the number of students who joined the program. In addition, it is worth noting that in 1Q18, Estácio changed the calculation of APV and started using a long-term discount rate, reducing the volatility of changes in value when using the CDI.

The first-quarter **general and administrative expenses** accounted for 13.2% of net operating revenue, a 0.6 p.p. margin loss compared with 1Q17, essentially due to third-party service expenses, which decreased by 0.7 p.p. with the increase in consulting expenses. It is also worth noting that the loss was partially offset by the 0.3 p.p. margin gain in the personnel expenses line.

Table 24 – Breakdown of Selling. General and Administrative Expenses

Em R$ milhões	1Q17	1Q18	Change
Net Operating Revenue	**819.0**	**935.7**	**14.2%**
Selling. General and Administrative Cash Expenses	**(215.3)**	**(247.9)**	**15.1%**
Selling Expenses	**(111.6)**	**(124.2)**	**11.3%**
PDA	(47.5)	(43.3)	-8.8%
PDA - Others	*(43.5)*	*(20.9)*	*-52.0%*
PDA - DIS	*-*	*(14.6)*	*N.A.*
PDA - PAR	*(4.0)*	*(7.8)*	*95.0%*
PDA FIES	(0.6)	(0.3)	-50.0%
Marketing	(63.6)	(80.6)	26.7%
Selling. General and Administrative Cash Expenses	**(103.7)**	**(123.7)**	**19.3%**
Personnel	(39.5)	(42.5)	7.6%
Salaries and Payroll Charges	*(34.5)*	*(36.7)*	*6.4%*
Brazilian Social Security Institute (INSS)	*(5.0)*	*(5.8)*	*16.0%*
Third-Party Services	(20.4)	(29.6)	45.1%
Consumable Material	(0.6)	(0.5)	-16.7%
Maintenance and Repair	(9.6)	(9.4)	-2.1%
Provision for Contingencies	(19.3)	(25.5)	N.A.
Provision for Contingencies	(1.1)	(15.2)	N.A.
Settled Sentences	(18.2)	(10.3)	-43.4%
Educational Agreements	(2.3)	(4.5)	95.7%
Travel and Lodging	(1.6)	(1.4)	-12.5%
Institutional Events	(0.2)	(0.3)	50.0%
Graphic Services	(1.0)	(0.9)	-10.0%
Insurance	(1.8)	(2.0)	11.1%
Cleaning Supplies	(0.6)	(0.6)	0.0%
Transportation	(1.2)	(1.2)	0.0%
Car Rental	(0.6)	(0.8)	33.3%
Others	(4.9)	(4.5)	-8.2%
Depreciation and amortization	**(23.2)**	**(25.1)**	**8.2%**
Other operating revenues	**6.9**	**2.2**	**-68.1%**

Table 25 – Vertical Analysis of Selling. General and Administrative Expenses

(%)	1Q17	1Q18	Change
Selling. General and Administrative Cash Expenses	**-26.3%**	**-26.5%**	***-0.2 p.p.***
Selling Expenses	**-13.6%**	**-13.3%**	***0.4 p.p.***
PDA	-5.8%	-4.6%	*1.2 p.p.*
PDA – Others	-5.3%	-2.2%	*3.1 p.p.*
PDA - DIS	-	-1.6%	*N.A.*
PDA - PAR	-0.5%	-0.8%	*-0.3 p.p.*
PDA FIES	-0.1%	0.0%	*0.0 p.p.*
Marketing	-7.8%	-8.6%	*-0.8 p.p.*
Selling. General and Administrative Cash Expenses	**-12.7%**	**-13.2%**	***-0.6 p.p.***
Personnel	-4.8%	-4.5%	*0.3 p.p.*
Salaries and Payroll Charges	*-4.2%*	*-3.9%*	*0.3 p.p.*
Brazilian Social Security Institute (INSS)	*-0.6%*	*-0.6%*	*0.0 p.p.*
Third-Party Services	-2.5%	-3.2%	*-0.7 p.p.*
Consumable Material	-0.1%	-0.1%	*0.0 p.p.*
Maintenance and Repair	-1.2%	-1.0%	*0.2 p.p.*
Provision for Contingencies	-2.4%	-2.7%	*-0.4 p.p.*
Provision for Contingencies	-0.1%	-1.6%	*-1.5 p.p.*
Settled Sentences	-2.2%	-1.1%	*1.1 p.p.*
Educational Agreements	-0.3%	-0.5%	*-0.2 p.p.*
Travel and Lodging	-0.2%	-0.1%	*0.0 p.p.*
Institutional Events	0.0%	0.0%	*0.0 p.p.*
Graphic Services	-0.1%	-0.1%	*0.0 p.p.*
Insurance	-0.2%	-0.2%	*0.0 p.p.*
Cleaning Supplies	-0.1%	-0.1%	*0.0 p.p.*
Transportation	-0.1%	-0.1%	*0.0 p.p.*
Car Rental	-0.1%	-0.1%	*0.0 p.p.*
Others	-0.6%	-0.5%	*0.1 p.p.*
Depreciation and amortization	**-2.8%**	**-2.7%**	***0.2 p.p.***
Other operating revenues	**0.8%**	**0.2%**	***-0.6 p.p.***

EBITDA

EBITDA totaled R$330.1 million in 1Q18, while the margin came to 35.3%, a growth of R$115.3 million and 9.1 p.p. gain over 1Q17.

Table 26 – Financial Indicators

Financial Highlights (R$ MM)	1Q17	1Q18	Change
Net Operating Revenue	**819.0**	**935.7**	**14.2%**
Cost Cash of services	(395.8)	(359.9)	-9.1%
Selling. G&A expenses – Cash	(215.3)	(247.9)	15.1%
Other operationg revenue	6.9	2.2	-68.1%
EBITDA	**214.8**	**330.1**	**53.7%**
EBITDA Margin (%)	*26.2%*	*35.3%*	*9.1 p.p.*

Financial Result

The first-quarter **financial result** totaled R$26.1 million, R$11.5 million down on 1Q17, essentially due to the R$26.6 million reduction in the interest and financial charges line, as a result of the settlements of the third debenture issue and the first tranche of the Promissory Note, carried out in the second semester of 2017, and the decline in the interest rate, thus reducing the debt service. This decrease was offset by higher financial discounts, due to campaigns to recover past-due debts being implemented by Estácio, aiming to increase cash generation.

Table 27 – Breakdown of the Financial Result

R$ MM	1Q17	1Q18	Change
Financial Revenue	**31.4**	**27.6**	**-12.2%**
Fines and interest charged	10.0	9.7	-3.0%
Inflation adjustment to FIES receivables	4.6	2.8	-38.2%
Investments income	11.8	8.8	-25.3%
Active monetary variation	2.4	0.9	-61.4%
Adjustment to present value (APV) - FIES	2.6	-	N.A
Sale of client portfolio	-	5.2	N.A
Other	0.1	0.1	55.0%
Financial Expenses	**(69.0)**	**(53.7)**	**-22.1%**
Bank charges	(4.1)	(5.3)	30.0%
Interest and financial charges	(43.3)	(16.7)	-61.5%
Contingencies	-	(4.1)	N.A
Financial Discounts	(5.4)	(22.3)	311.1%
Passive exchange variation	(5.3)	(0.0)	-99.2%
Outras	(10,8)	(5,3)	-41,7%
Resultado Financeiro	**(37,6)**	**(26,1)**	**-30,4%**

Net Income

Estácio's **Net Income** came to R$197.4 million in 1Q18, with a **Net Margin** of 21.1%, a 6.3 p.p. gain year over year. The R$115.3 million increase in EBITDA and the R$11.5 million decrease in financial result offset the 15.8 p.p. increase in the income tax and social contribution effective rate. The increase of the actual rate of the income tax and of the social contribution was mainly due to the impact of PROUNI in one of the Corporate Taxpayer's IDs of the Company, as detailed in the Message from Management. It is worth noting that: (i) this did not impact the cash; (ii) it was non-recurring event in March; and that (iii) Estácio is carrying out all the due measures to reestablish the actual rates to their regular levels as of April 2018.

Table 28 – Reconciliation of EBITDA and Net Income

Financial Indicators (R$ MM)	1Q17	1Q18	Change
EBITDA	**214.8**	**330.1**	**53.7%**
EBITDA Margin (%)	*26.2%*	*35.3%*	*9.1 p.p.*
Financial Result	(37.6)	(26.1)	-30.6%
Depreciation and amortization	(46.4)	(48.6)	4.7%
Social Contribution	(2.5)	(15.6)	524.0%
Income Tax	(6.5)	(42.5)	553.8%
Net Income	**121.8**	**197.4**	**62.0%**
Net Income Margin (%)	***14.8%***	***21.1%***	***6.3 p.p***

Accounts Receivable and Average Receivables Days

Net accounts receivable totaled R$1,183.5 million in 1Q18, R$113.6 million down on 1Q17, essentially due to the 22% decline of the FIES accounts receivable, as a result of the lower student base related to the program and the R$167.4 million received from PN23 in 2017.

In 1Q18, the balance of long-term receivables is mainly related to the PAR installment payment and the DIS campaign.

Table 29 – Accounts Receivable

R$ MM	1Q17	1Q18
Tuition monthly fees	401.0	620.4
Exchange Deals	15.8	20.7
FIES	923.5	720.6
Credit Cards receivables	76.4	89.1
Renegotiation receivables	101.5	89.1
Gross Accounts Receivable	**1.518.3**	**1.539.9**
Provision for bad debts	(198.3)	(320.9)
Credits to identify	(5.4)	(0.3)
Adjustment to Present Value (APV) FIES	(10.6)	-
Adjustment to Present Value (APV) PAR	(7.0)	(23.5)
Adjustment to Present Value (APV) EDUCAR	-	(0.3)
Adjustment to Present Value (APV) DIS	-	(11.5)
Net Accounts Receivable	**1.297.1**	**1.183.5**

** A significant portion of the balances receivables from credit cards arises from negotiations of overdue monthly installments.*

Estácio's average receivables days came to 122 in 1Q18, 23 days lower than the in 1Q17. The FIES average receivables days was 36 days lower than 1Q17, totaling 230 days.

It is worth noting that, as of 1Q18, Estácio has recorded FIES revenue based on the amendment of the agreements entered with FNDE, pursuant to IFRS 15 rules.

Table 30 – Average Receivables Days

R$ MM	1Q17	2Q17	3Q17	4Q17	1Q18
Net Account Receivable	**1.297.1**	**1.341.4**	**1.144.6**	**1.024.1**	**1.183.5**
Net Revenue (last twelve months)	3.214.3	3.292.4	3.337.4	3.379.0	3.495.7
Average Receivables Days	**145**	**147**	**123**	**109**	**122**

** Figures not reviewed by the auditors*

Table 31 - Average non-FIES Receivables Days

R$ MM	1Q17	2Q17	3Q17	4Q17	1Q18
Net Account Receivable Ex-APV	1.307.7	1.349.3	1.150.7	1.024.1	1.183.5
Net Account Receivable Ex-FIES and APV	**384.1**	**421.7**	**404.3**	**423.4**	**462.8**
Net Revenue Ex-FIES	1.964.2	2.016.3	2.121.4	2.219.9	2.365.5
Average non-FIES Receivables Days	**70**	**75**	**69**	**69**	**70**

** Figures not reviewed by the auditors*

Table 32 – Average FIES Receivables Days

R$ MM	1Q17	2Q17	3Q17	4Q17	1Q18
Net Account Receivable FIES	**923.5**	**927.5**	**746.4**	**600.7**	**720.6**
Revenue FIES (last twelve months)	1.397.3	1.434.2	1.369.9	1.308.4	1.278.6
FGEDUC Deductions (last twelve months)*	(92.1)	(100.1)	(97.7)	(94.8)	(92.4)
Taxes (last twelve months)*	(55.1)	(58.1)	(56.3)	(54.4)	(56.0)
Net Revenue FIES (last twelve months)*	**1.250.1**	**1.276.1**	**1.216.0**	**1.159.1**	**1.130.2**
Receivables Days FIES	**266**	**262**	**221**	**187**	**230**

** Figures not reviewed by the auditors*

Table 33 - Evolution of FIES Accounts Receivable

R$ MM	1Q17	2Q17	3Q17	4Q17	1Q18
Opening Balance	**823.6**	**920.3**	**589.2**	**745.1**	**600.0**
FIES Revenue	313.5	375.3	310.7	308.9	283.7
Transfer	(193.9)	(685.8)	(133.2)	(434.6)	(145.7)
FIES Deduction/Provision	(27.4)	(22.3)	(22.9)	(22.7)	(21.7)
Inflation Adjustment of FIES Accounts Receivable	4.6	1.6	1.3	3.3	2.8
Ending Balance	**920.3**	**589.2**	**745.1**	**600.0**	**719.1**

Table 34 - Evolution of FIES Carry-Forward Credits

R$ MM	1Q17	2Q17	3Q17	4Q17	1Q18
Opening Balance	**5.0**	**3.2**	**338.3**	**1.3**	**0.7**
Transfer	193.9	685.8	133.2	434.6	145.7
Tax payment	(60.4)	(94.6)	(47.6)	(63.1)	(52.2)
Repurchase auctions	(135.4)	(256.0)	(422.7)	(372.1)	(92.7)
Ending Balance	**3.2**	**338.3**	**1.3**	**0.7**	**1.5**

** Management figures changed due to the review in the allocation criterion by revenue source (FIES and non-FIES). There were no changes to reported total accounts receivable and revenue.*

Table 35 – *Aging of Total Gross Accounts Receivable*

R$ MM	1Q17	%	1Q18	%
FIES	923.5	61%	720.6	47%
PRONATEC	7.7	1%	2.6	0%
Distance Learning Franchise Sites	2.3	0%	1.7	0%
Not yet due	158.3	10%	394.4	26%
Overdue up to 30 days	116.5	8%	92.4	6%
Overdue from 31 to 60 days	20.7	1%	34.3	2%
Overdue from 61 to 90 days	24.5	2%	6.5	0%
Overdue from 91 to 179 days	87.0	6%	102.3	7%
Overdue more than 180 days	177.8	12%	185.0	12%
Total Gross Accounts Receivable	**1.518.3**	100%	**1.539.9**	100%

Table 36 – *Aging of Agreements Receivable **

R$ MM	1Q17	%	1Q18	%
Not yet due	51.9	51%	37.0	41%
Overdue up to 30 days	4.6	5%	7.1	8%
Overdue from 31 to 60 days	2.8	3%	4.2	5%
Overdue from 61 to 90 days	2.9	3%	3.7	4%
Overdue from 91 to 179 days	10.9	11%	14.3	16%
Overdue more than 180 days	28.4	28%	22.8	26%
Aging of Agreements Receivable	**101.5**	100%	**89.1**	100%
% over Accounts Receivable	**17%**	-	**11%**	-

** Note: Excludes credit card agreements*

Investments (CAPEX and Acquisitions)

The first-quarter **CAPEX** totaled R$37.4 million, up by 39.9%, approximately R$10.7 million more than in 1Q17, essentially due to higher maintenance investments.

Table 37 – CAPEX Breakdown

R$ MM	1Q17	1Q18	Change
Total CAPEX	**26.7**	**37.4**	**39.9%**
Buildings and Improvements	8.3	10.8	29.7%
Mobile, Machines. Equipment and Utensils	6.7	10.5	56.1%
Software	7.4	10.4	39.6%
Projects	3.6	4.5	26.0%
Others	0.7	1.3	78.0%

** Figures not reviewed by the auditors*

Capitalization and Cash

Table 38 – Capitalization and Cash

R$ MM	03/31/2017	03/31/2018
Shareholders' Equity	**2.559.5**	**2.926.2**
Cash & Cash Equivalents	**458.1**	**627.1**
Total Gross Debt	**(1.171.6)**	**(657.8)**
Loans and Financing	**(1.041.0)**	**(572.1)**
Short Term	(487.2)	(358.9)
Long Term	(553.8)	(213.3)
Commitments Payable (Acquisitions)	**(115.3)**	**(71.8)**
Taxes Paid in Installments	**(15.2)**	**(13.9)**
Net Debt	**(713.5)**	**(30.7)**
Net Debt/ EBTDA	**1.06 x**	**0.04 x**

Cash and cash equivalents totaled R$627.1 million on March 31, 2018, conservatively invested in fixed-income instruments pegged to the CDI interbank rate, government bonds and certificates of deposit with top-tier Brazilian banks.

The bank **loan** of R$572.1 million corresponds mainly to:

- The Company's debenture issues (2nd series of R$300 million and 4th series of R$100 million);
- The loans from the IFC (the first totaling R$48.5 million and the second in the amount of approximately R$20 million);

- The issue of promissory notes totaling R$300.0 million;
- R$13.5 million in financings granted by regional branches and development banks; and;
- The capitalization of equipment leasing expenses in compliance with Law 11,638.

On March 31, 2018, the bank loan fell by R$468.9 million year over year, chiefly due to the settlements of the Third Debenture Issue, of R$197 million, in the second half of 2017 and the payment of the first tranche of the Promissory Note, in the amount of R$187 million, in November 2017.

Including bank loans, commitments for future payments related to acquisitions, which totaled R$71.8 million, as well as taxes payable in installments of R$13.9 million, Estácio's gross debt came to R$657.8 million at the close of 1Q18, resulting in net debt of R$30.7 million.

The debt and operating cash generation levels allow the Company to carry out its operating activities, meet its financial commitments and implement new expansion and growth strategies using its own funds, as well as contract loans and financing.

Cash Flow Statement

The **operating cash generation after Capex** was positive by R$111.0 million in 1Q18, an upturn of 78.1% and R$48.7 million over the same period last year. In addition to the increase in operating result, the R$106.5 million upturn in collection (non-FIES), mainly due to a more sustainable student base, also contributed to improve this indicator.

The increase in the changes in assets and liabilities line mainly refers to the upturn in accounts receivable in 1Q18, which was impacted by the Solidarity Dilution campaign implemented by Estácio during the intake cycle.

The first-quarter EBITDA to cash conversion rate came to 33.6%, a 4.6 p.p. margin gain over 1Q17.

Table 39 – Cash Flow Statement

R$ MM	1Q17	1Q18
Profit before taxes and after results from discontinued operations	130.9	255.4
Adjustments to reconcile the result to the cash generated	142.2	130.4
Results after reconciliation to net cash generated	273.1	385.8
Change in assets and liabilities	(184.1)	(237.5)
Operating cash generation before Capex	**89.1**	**148.4**
Acquisition of property and equipment items	(15.8)	(22.6)
Acquisition of intangible assets	(11.0)	(14.8)
Operating cash generation after Capex	**62.3**	**111.0**
Cash flow from financing activities	(8.2)	(8.3)
Free cash flow	**54.1**	**102.7**
Cash and cash equivalents at the beginning of the period	**404.0**	**524.4**
Increase (decrease) in cash	54.1	102.7
Cash and cash equivalents at the end of the period	**458.1**	**627.1**
EBITDA	**214.8**	**330.1**
Operating cash generation before Capex / EBITDA	**41.5%**	**44.9%**
Operating cash generation after Capex / EBITDA	**29.0%**	**33.6%**

Income Statement by Business Unit

In R$ million	On-Campus 1Q17	On-Campus 1Q18	On-Campus Change	Distance Learning 1Q17	Distance Learning 1Q18	Distance Learning Change	Corporate 1Q17	Corporate 1Q18	Corporate Change
Gross Operating Income	**1,198.2**	**1,239.7**	**3.5%**	**166.5**	**210.6**	**26.5%**	-	-	
Deductions from Gross Income	(469.1)	(440.3)	-6.1%	(76.6)	(74.3)	-3.0%	-	-	
Net Operating Income	**729.1**	**799.4**	**9.6%**	**89.9**	**136.3**	**51.6%**	-	-	
Cost of Services	**(401.9)**	**(367.9)**	**-8.5%**	**(17.0)**	**(15.5)**	**-8.8%**	-	-	
Personnel	(287.8)	(260.9)	-9.3%	(16.6)	(11.3)	-31.5%	-	-	
Rents, condominium and IPTU (property tax)	(63.2)	(58.4)	-7.6%	(0.1)	(0.0)	-61.5%	-	-	
Teaching Material	(3.2)	(2.3)	-29.1%	(0.2)	(0.0)	-77.8%	-	-	
Third-Party Services and Others	(24.7)	(23.0)	-7.0%	(0.0)	(3.9)	N.A.	-	-	
Depreciation	(23.0)	(23.3)	1.7%	(0.2)	(0.2)	4.4%	-	-	
Gross Profit	**327.3**	**431.6**	**31.9%**	**72.9**	**120.8**	**65.7%**	-	-	
Selling and G&A Expenses	**(90.7)**	**(87.5)**	**-3.5%**	**(12.1)**	**(14.4)**	**19.0%**	**(128.9)**	**(168.9)**	**31.0%**
Personnel	(7.2)	(7.3)	0.1%	(2.4)	(2.9)	21.5%	(29.9)	(32.3)	8.1%
Advertising	-	-	N.A.	-	-	N.A.	(63.6)	(80.6)	26.8%
Profit Sharing (PCLD)	(39.9)	(33.8)	-15.3%	(7.6)	(9.5)	24.5%	-	-	N.A.
Other Expenses	(36.7)	(40.5)	10.4%	(1.6)	(1.7)	3.9%	(19.5)	(37.2)	90.3%
Depreciation	(6.8)	(5.9)	-13.7%	(0.5)	(0.3)	-29.4%	(16.0)	(18.8)	18.1%
Operating Profit	**236.6**	**344.1**	**45.4%**	**60.8**	**106.4**	**75.0%**	**(128.9)**	**(168.9)**	**31.0%**
Operating Margin (%)	*32.4%*	*43.0%*	*10.6 p.p.*	*67.6%*	*78.1%*	*10.4 p.p.*	-	-	N.A.
Financial Income	(3.6)	(14.2)	289.3%	0.1	(1.9)	N.A.	(34.0)	(10.0)	-70.6%
Profit before Taxes	**232.9**	**329.9**	**41.6%**	**60.9**	**104.4**	**71.4%**	**(163.0)**	**(178.9)**	**9.8%**
Income Tax/ Social Contribution	(4.5)	(8.3)	85.9%	-	-	N.A.	(4.6)	(49.8)	974.0%
Net Profit	**228.5**	**321.6**	**40.8%**	**60.9**	**104.4**	**71.4%**	**(167.6)**	**(228.7)**	**36.5%**
Net Margin (%)	*31.3%*	*40.2%*	*8.9 p.p.*	*67.8%*	*76.6%*	*8.9 p.p.*	-	-	N.A.
EBITDA	**266.4**	**373.3**	**40.2%**	**61.4**	**106.9**	**74.0%**	**(113.0)**	**(150.1)**	**32.9%**
EBITDA Margin (%)	36.5%	46.7%	*10.2 p.p.*	68.3%	78.4%	*10.1 p.p.*	-	-	N.A.

Balance Sheet

Em R$ milhões	03/31/2017	03/31/2018
Short-Term Assets	**1,623.4**	**1,810.0**
Cash & cash equivalents	67.9	9.4
Short-term investments	390.1	617.7
Accounts receivable	971.1	1.060.7
Advance to employees / third-parties	8.6	6.1
Prepaid expenses	35.7	13.6
Taxes and contributions	102.7	55.3
Others	47.2	47.1
Long-Term Assets	**2,690.8**	**2,480.5**
Non-Current Assets	**620.8**	**469.1**
Accounts receivable	326.0	122.8
Prepaid expenses	5.6	5.0
Judicial deposits	122.0	102.4
Taxes and contributions	38.9	86.4
Deferred taxes and others	128.3	152.6
Permanent Assets	**2,070.0**	**2,011.4**
Investments	0.2	0.2
Fixed assets	612.0	600.4
Intangible	1,457.8	1,410.8
Total Assets	**4,314.2**	**4,290.6**

Short-Term Liabilities	**1,001.2**	**965.4**
Loans and Financing	487.2	358.9
Fornecedores	66.2	105.2
Salaries and payroll charges	200.8	199.2
Taxes payable	67.0	123.7
Prepaid monthly tuition fees	22.4	7.7
Advances under partnership agreement	2.6	-
Taxes Paid in Installments	3.0	4.2
Related Parties	0.6	-
Dividends Payable	87.4	100.8
Acquisition price to be paid	55.4	54.6
Others	8.6	11.2
Long-Term Liabilities	**753.5**	**398.9**
Loans and financing	553.8	213.3
Contingencies	65.9	104.5
Taxes Paid in Installments	12.2	9.7
Provision for asset retirement obligations	22.2	22.4
Deferred Taxes	20.6	11.7
Acquisition price to be paid	59.9	17.2
Others	18.9	20.2
Shareholders' Equity	**2,559.5**	**2,926.2**
Share capital	1,130.8	1,130.8
Share issuance costs	(26.9)	(26.9)
Capital reserves	664.1	666.9
Earnings reserves	816.0	1.088.5
Period result	121.8	197.4
Treasury stocks	(146.4)	(130.4)
Total Liabilities and Shareholders' Equity	**4,314.2**	**4,290.6**

Quarterly Cash Flow Statement

R$ MM	1Q17	1Q18
Profit before income taxes and social contribution	**130.9**	**255.4**
Adjustments to reconcile profit to net cash generated:	**142.2**	**130.4**
Depreciation and amortization	46.4	48.6
Amortization of funding costs	6.5	0.4
Provision for impairment of trade receivables	47.5	43.3
Granted options - stock options	2.9	2.9
Provision for long term incentive	0.1	0.0
Provision for contingencies	8.9	29.6
Inflation adjustment to FIES receivables	-4.6	-2.8
Adjustment to present value - FIES receivables	-2.6	0.0
Tax credits	34.6	-0.9
Interest on borrowings	0.0	13.3
(Gain) loss on the write-off of property and equipment and intangible assets	0.1	0.3
Provision with asset decommissioning	0.4	0.2
Commitments payable	4.4	0.9
Adjustment to present value (APV) - Sale of client portfolio	-2.2	-5.2
Others	-0.3	0.1
Result after reconciliation to net cash generated	**273.1**	**385.8**
Changes in assets and liabilities:	**-184.1**	**-237.5**
(Increase) in accounts receivable	-172.5	-265.3
Decrease (increase) in other assets	-6.0	-4.2
Increase) decrease in advances to employees / third parties	5.7	0.0
(Increase) decrease in prepaid expenses	0.7	-7.1
(Increase) decrease in taxes and contributions	7.4	31.6
Increase (decrease) in suppliers	0.0	34.3
Increase (decrease) in taxes payable	-13.0	-22.5
Increase (decrease) in payroll and related charges	45.5	40.5
(Decrease) in prepaid monthly tuition fees	-5.0	-11.7
Civil/Labor claims	-7.9	-11.4
(Decrease) in acquisition price to be paid	-15.0	-16.2
Provision for asset decommissioning obligations	-0.5	0.0
Increase (decrease) in other liabilities	0.2	-1.2
Decrease (increase) in taxes paid in installments	0.0	0.0
Decrease (Increase) in installments of taxes	-1.1	-0.8
(Decrease) in non-current assets	1.2	5.1
Increase in judicial deposits	-2.5	0.4
Interest paid on borrowings	-14.5	-0.5
IRPJ and CSLL paid	-6.8	-8.4
Net cash provided by (used in) operating activities	**89.1**	**148.4**
Net cash provided by (used in) operating activities	**-26.7**	**-37.4**
Acquisition of property and equipment items	-15.8	-22.6

Intangible Assets	-11.0	-14.8
Net cash provided by (used in) investing activities	**62.3**	**111.0**
Cash flows from financing activities	**-8.2**	**-8.3**
Cost of the enrollments borrowings	-	0.2
Net increase in borrowings	-8.2	-8.6
Net cash provided by (used in) financing activities	**54.1**	**102.7**
Cash and cash equivalents at the beginning of the period	**404.0**	**524.4**
Increase (decrease) in cash and cash equivalents	54.1	102.7
Cash and cash equivalents at the end of the period	**458.1**	**627.1**