1Q17 EARNINGS RELEASE

CONFERENCE CALL IN PORTUGUESE

May 11, 2017
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CONFERENCE CALL IN ENGLISH

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São Paulo, May 10, 2017 - Centro de Imagem Diagnósticos S.A. ("Alliar" or "Company") (BM&FBOVESPA: AALR3), the country's third largest diagnostic company, announces today its earnings results for the first quarter of 2017 (1Q17).

All figures are presented in the accounting scenario (audited) and compared with the same period in the previous year (YoY – year on year) unless otherwise stated. The figures and their historical series (when available) can be obtained in the excel format at http://ir.alliar.com

HIGHLIGHTS

- **Net Revenue growth** of **32%**, with **13%** coming from same stores (SSS)
- Acquisition of **Multiscan** (leader in diagnostic imaging in the Espírito Santo state);
- Addition of **4** mega stores and **11** collection points; closure of **4** standard units
- Magnetic Resonance (MRI): **6** new MRIs machines**; 28%** growth in number of exams, **22%** increase in daily average occupation (**22.6** exams per machine)
- Clinical Analysis (CA): **80** new clinical analysis rooms; **26%** growth in number of exams, **11%** average ticket increase
- Adjusted **EBITDA** of **R$ 49.7** million (R$ **51.3** million considering Multiscan since Jan 1st), with **20.1%** margin
- **Recurring operating cash flow** of **R$ 24.1** million**, 29%** growth
- **17.2% ROIC** without goodwill, increase of **141** bps
- Net Promoter Score (**NPS**) of **70.5%**

KPIs

Financial KPIs (R$ Million)	Accounting 1Q17	1Q16	YoY
Gross Revenue	279.0	208.4	34%
Net Revenue	259.3	195.7	32%
Net Revenue (ex-construction)[2]	246.7	191.4	29%
Adjusted EBITDA[3]	49.7	41.9	18%
Net Income	8.8	9.7	-10%
Recurring Operating Cash Flow[4]	24.1	18.6	29%
Cash Conversion	48%	44%	415 bps
ROIC[5]	17.2%	15.8%	141 bps
Adjusted EBITDA Margin[6]	20.1%	21.9%	-179 bps
Net Margin[6]	3.6%	5.1%	-153 bps

1) Between January and February (before being acquired), Multiscan had net revenues of R$ 5.8 million, EBITDA of R$ 1.6 million and net profit of R$ 1.0 million.
2) Excludes "construction revenue", accounting entry referring to the investment made at RBD (PPP Bahia).
3) Excludes non-recurring and/or non-cash effects (see chapter EBITDA).
4) Includes EBITDA cash adjustments and R$ 1.8M IPO expenses.
5) ROIC without goodwill (adjusted NOPAT divided by average invested capital without goodwill)
6) Margins are calculated on net revenue (ex-construction)

Operational KPIs End of period	Assets 1Q17	1Q16	YoY	4Q16	QoQ
PSCs	116	105	10%	112	4%
Mega	15	11	36%	12	25%
Standard	89	93	-4%	90	-1%
Collection Points	12	1	1100%	10	20%
MRI equipments	120	114	5%	116	3%
Clinical Analysis Rooms	249	169	47%	226	10%

Operational KPIs (R$ Million)	Performance 1Q17	1Q16	YoY	4Q16	QoQ
Avg Revenue/MRI equipment	0.81	0.65	24%	0.77	5%
Avg Revenue/Clinical Analysis Room	0.15	0.16	-5%	0.14	8%
MRI exams ('000)	169	132	28%	158	7%
Clinical analysis exams ('000)	2,183	1,726	26%	1,978	10%
MRI Avg. Ticket (R$)	575	562	2%	566	2%
Clinical analysis Avg. Ticket (R$)	17	15	11%	16	6%
MRI exams / equipment / day	22.6	18.6	22%	21.9	3%
Clinical analysis / room / day	140.3	163.4	-14%	140.1	0%
NPS[7]	70.5%	n/a	n/a	n/a	n/a

7) Comparison vs 1Q16 is unavailable since the measurement on CDB brand started on 4Q16

EXPANSION

✓ Opening of **2 mega stores** on 1Q17

Mega CDB Morumbi

March / 2017

Mega Axial B. Monteiro

March / 2017

✓ **Multiscan** acquisition

Multiscan

- Imaging diagnostics market **leader** in the Espírito Santo state
- **4** PSCs and **8** MRIs
- 2017e: EBITDA R$ **15**M; net inc. R$ **10**M
- Valuation of **6.9x** EV/EBITDA and **9.2x** P/E
- Payment in 5 years

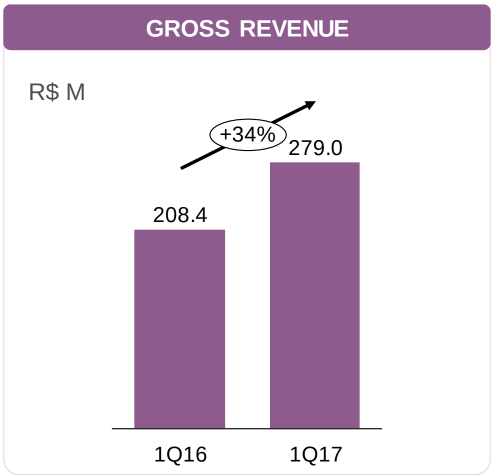
March / 2017

FINANCIAL PERFORMANCE

REVENUE

Gross revenue grew **34%** in the period, reaching **R$ 279.0 million.**

Gross Revenue (R$ Million)	Accounting		
	1Q17	1Q16	YoY
Gross Revenue	279.0	208.4	34%
Diagnostic imaging	228.9	177.6	29%
MRI Exams	97.3	74.3	31%
Other Imaging Exams	131.7	103.3	28%
Clinical analysis	36.8	26.2	40%
Construction revenue	13.4	4.6	189%
Deductions	-19.8	-12.7	56%
Net Revenue	259.3	195.7	32%
Net Revenue (ex-construction)	246.7	191.4	29%



The main business lines comprising gross revenue are:

Diagnostic imaging: grew by **29%**, reaching **R$228.9 million**. This improvement was mainly driven by: (i) higher occupation rate at the machines, helped by new contracts; (ii) acquisition of Delfin; and (iii) RBD´s ramp-up. At the end of 1Q17, Alliar offered diagnostic imaging in **107** PSCs, representing **86%** of gross revenue (excluding construction revenue).

- MRI exams: grew by **31%** on the quarter (volume +28%; price +2%). Each machine did, on average, **22.6** exams/day **(+22%)** with a revenue of R$ 0.81 million **(+24%).** The company added **6** MRIs machines in the period.
- Other imaging exams (ex-MRI): grew by **28%**, equivalent to **1.35x** of the MRI revenue. Main drivers are the ultrasonography specialty (supply expansion project) and Computerized tomography (RBD ramp-up).

Clinical analysis: reached R$**36.8** million, up by **40%** (volume +26%, price: +11%). The growth was mainly driven by: (i) new contracts obtained by the CDB brand; (ii) acquisition of Multilab; and (iii) ramp-up of collection points in existing units. In total, the company added **80** clinical analysis rooms (+47%), each performing an average of **140.3** exams daily (-14%). The lower productivity per rooms led to no losses, as all clinical analysis costs are variable. At the end of the 1Q17, the Company offered this service in **42** PSCs, representing **14%** of gross revenue (excluding construction revenue).

Construction Revenue: this is an accounting line related to the investment made at RBD. This value, after tax, is offset by the “construction costs” line, in accordance with ICPC 01.

Net revenue (ex-construction) registered a **29%** increase in the period, reaching R$ **246.7** million.

COST OF SERVICES

Costs exclusively related to services **(ex-construction)** totaled R$ **170.2** million, up by **29%**.

Cost of Services (R$ Million)	Accounting		
	1Q17	1Q16	YoY
Total Costs	**-182.8**	**-135.8**	**35%**
Medical Services	-44.0	-35.9	23%
Employees	-43.1	-33.4	29%
Supplies and Support Labs	-33.2	-26.1	27%
Maintenance	-7.2	-5.5	32%
Occupancy	-14.2	-11.3	25%
Third-party services and others	-9.9	-6.1	61%
Depreciation and amortization	-18.6	-13.1	42%
Construction Costs	-12.6	-4.4	189%
Total costs ex-construction	**-170.2**	**-131.4**	**29%**

Note: The costs and expenses for 2016, as presented in the March 31, 2016 statements, were reclassified to allow a comparison according to Alliar's cost structure in 2017.

Cost of services includes:

Medical Services: grew 23%, less than the imaging exams revenue (+29%). This is due a better mix of exams, with MRIs growing more than other imaging exams, which incur on a higher percentage of medical fees.

Employees: grew 29%, mainly due to the Delfin and Multiscan acquisitions and to the opening of new stores.

Supplies and Support Lab: grew 27%, in line with volume growth of imaging exams (MRIs +28%) and clinical analysis (+26%)

Maintenance: grew 32% due to: (i) an increase in number of equipment (driven by the Delfin and Multiscan acquisitions); and (ii) the start-up of RBD operations in new hospitals. The 1Q16 had benefited by renegotiations with suppliers and one-time discounts.

Occupancy: grew 25% due to: (i) acquisitions (mainly Delfin); and (ii) to pre-operational costs of new stores.

Third-party service and other costs: grew 61%, mainly due to (i) standardization of recently acquired companies' IT systems; (ii) RBD's ramp-up (including the cost of the independent verifier); and (iii) opening of new stores.

Depreciation and Amortization: grew 42%, reflecting the R$ 132 million increase in the Company's fixed asset (driven by acquisitions and investments in organic expansion, which will start bearing fruits on the 2nd quarter).

Construction Costs: accounting line related to the investment made on RBD. After tax, construction costs are offset by the "net construction revenue" line, in accordance with ICPC 01.

OPERATING EXPENSES

Operating expenses totaled R$ **51.6** million, up by 38%.

Operating Expenses (R$ Million)	Accounting		
	1Q17	1Q16	YoY
General and administrative expenses	**-53.5**	**-37.7**	**42%**
Employess	-26.1	-20.7	26%
Occupancy, third-party services and others	-22.8	-15.5	47%
Depreciation and amortization	-2.3	-1.5	60%
Long-term incentive program	-2.3	0.0	n/a
Other expenses, net	**-1.5**	**-0.7**	**127%**
Equity in the earnings (loss) of subsidiaries	**3.5**	**1.1**	**207%**
Total Expenses	**-51.6**	**-37.2**	**38%**

Note: The costs and expenses for 2016, as presented in the March 31, 2016 statements, were reclassified to allow a comparison according to Alliar's cost structure in 2017.

Operating expenses include:

Employees: grew 26%, as a result of: (i) acquisitions of Delfin, Multilab and Multiscan; (ii) start-up of central call center operations (a project which will deliver savings and performance improvement through the unification of 12 call centers; however, in the first moment, will incur in personnel duplication and termination expenses); (iii) strengthening of the accounting, legal and IR teams to handle the workload of a listed company; (iv) internalization of the M&A team; and (v) ramp-up of RBD. Excluding these effects, employees expense grew in line with inflation.

Occupancy, third party service and other: grew 47%, impacted by: (i) acquisitions; (ii) upgrade of the shared-services center IT systems; (iii) advertising related to the opening of new stores; and (iv) RBD's ramp-up.

Long-term incentive program: totaled R$ 2.3 million, corresponding to the provision of the 1st grant of the restricted stocks program (which took place in November/2016). In 1Q16, due to the stock options program still being active, no relevant expenses related to long-term incentives were reported (its main impact was through shareholder dilution). Until the end of 2017, the quarterly provision shall remain constant at the current level.

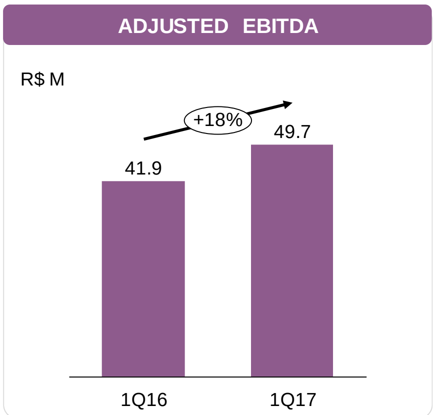
Other expenses, net: grew 127%, mainly due to additional provision for doubtful accounts.

Equity in the earnings (loss) of subsidiaries: contributed a positive R$ 3.5 million, up by 207%. This refers mainly to the results of a Delfin hospital facility, over which the Company holds financial but not operational control.

EBITDA

Adjusted EBITDA reached **R$ 49.7 million** (R$ **51.3** million considering Multiscan[1] since Jan 1st), up by **18%** (**22%** with Multiscan). The adjusted EBITDA margin reached **20.1%**, a change of **-179** bps.

EBITDA (R$ Million)	Accounting 1Q17	1Q16	YoY
EBIT	**24.9**	**22.7**	**10%**
Depreciation and amortization[2]	20.9	14.5	44%
EBITDA	**45.9**	**37.2**	**23%**
EBITDA Margin %	**18.6%**	**19.4%**	**-85 bps**
Adjustments	**3.8**	**4.7**	**-20%**
Write-down	3.8	0.7	441%
PPP Financial Asset	3.8	0.7	441%
Pre-IPO	0.0	0.8	-100%
M&A	0.0	3.2	-100%
Adjusted EBITDA	**49.7**	**41.9**	**18%**
Adjusted EBITDA Margin %	**20.1%**	**21.9%**	**-179 bps**



1) Between January and February (before being acquired), Multiscan had net revenues of R$ 5.8 million, EBITDA of R$ 1.6 million and net profit of R$ 1.0 million.
2) Includes write-down of parts both in 1Q17 and 1Q16.

Adjusted EBITDA growing less than net revenue can be explained by: (i) replacement of the stock option program by the restricted stock program (impact of R$ 2.3 million in 1Q17); (ii) post-M&A integration costs and consulting expenses no longer being considered EBITDA adjustments (R$ 1.9 million in 1Q16); (iii) initial costs of new stores; and (iv) start-up of central call center operations (1st phase of the project).

The only EBITDA **adjustment** considered in 1Q17 is the "write-down of PPP financial asset" (depreciation of RBD's assets, as per accounting norm ICPC 01 on concessions). From 1Q17, the write-down of parts is booked in the depreciation account, no longer being considered an EBITDA adjustment.

FINANCIAL RESULT

Financial Result (R$ Million)	Accounting 1Q17	1Q16	YoY
Financial income	3.4	0.3	981%
Financial expenses	-15.3	-16.8	-9%
Foreign exchange effect on USD debt	2.2	9.5	-77%
Total Financial Result	**-9.8**	**-6.9**	**41%**

Note: Foreign exchange effect no longer include 4131 debt.

Financial result totaled R$ **-9.8** million (a worsening of **41%**). This result is composed by:

Financial income: reached R$ **3.4** million (an improvement of R$ **3.1** million), benefited by income from the IPO proceeds.

Financial expenses: reached R$ **-15.3** million (**9%** improvement), influenced by a lower average CDI rate and the lower gross debt of the Company.

Foreign exchange effect on USD debt: reached R$ **2.2** million in the quarter (vs R$ **9.5** million in 1Q16). This reflects an appreciation of the Brazilian Real against the US Dollar of **3%** on the quarter vs a **9%** appreciation in 1Q16.

Starting from 1Q17, the Company has adopted the hedge accounting methodology for its 4131 debt. As a result, these loans are once again accounted for in Reais and no longer cause foreign exchange variation.

INCOME TAX AND SOCIAL CONTRIBUTION

Consolidated Income Tax (R$ million)	Accounting		
	1Q17	1Q16	YoY
EBT	15.1	15.7	-4%
Income Tax and Social Contribution	-6.4	-6.0	6%
Effective Income Tax Rate	-42%	-38%	4%

In 1Q17 the Company registered an EBT of R$ **15.1** million and income tax of R$ **6.4** million, resulting in an **effective rate** of **42%**. These figures result from the combination of EBTs and rates of the parent company and its subsidiaries:

Income Tax (R$ million)	Accounting					
	1Q17			1Q16		
	Parent	Subsidiaries	Consolidated	Parent	Subsidiaries	Consolidated
EBT	-9.9	25.0	15.1	-14.1	29.8	15.7
Income Tax and Social Contribution	0.8	-7.2	-6.4	0.0	-6.0	-6.0
Income Tax Rate	n/a	-29%	-42%	0%	-20%	-38%

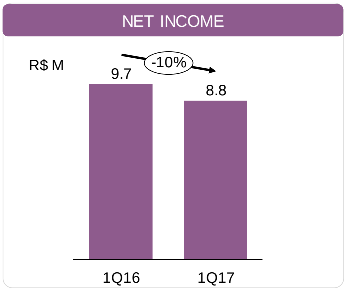
Parent Company: recorded an EBT of R$ **-9.9** million (**30%** improvement). This loss refers to the concentration, in the parent company, of corporate debts. As a result, the parent company obtained tax credits valued at R$ 0.8 million, which adds to tax credits that already existed in the 2016 balance sheet. These credits are to be used by the parent company over the next 10 years (reducing the effective annual rate by 30%, from 34% to 23.8%).

Subsidiaries: recorded an EBT of R$ **25.0** million (a **16%** decrease), and presented an effective rate of **29%,** as a result of a higher % of revenues coming from subsidiaries under the 'real profit' regime (RBD changed from 'deemed profit' to 'real profit').

NET INCOME

The **net income** reached R$ **8.8** million (R$ **9.8** million considering Multiscan[1] since Jan 1st), a change of **-10%** (**+1%** with Multiscan). The net margin reached **3.6%**, delta of **-153** bps.

Net Income (R$ million)	Accounting 1Q17	1Q16	YoY
Net Income	**8.8**	**9.7**	**-10%**
AALR3 shareholders	5.8	7.5	-23%
Attributable to noncontrolling interests	3.0	2.2	36%
Net Income per share (in R$)	0.05	0.08	-33%
Net Margin	**3.6%**	**5.1%**	**-153 bps**



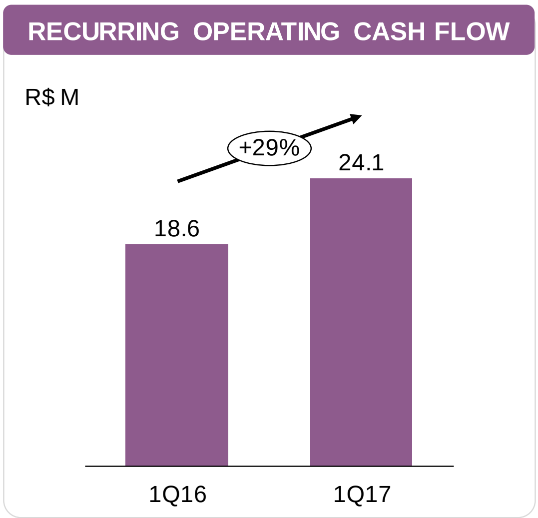
1) Between January and February (before being acquired), Multiscan had net revenues of R$ 5.8 million, EBITDA of R$ 1.6 million and net profit of R$ 1.0 million.

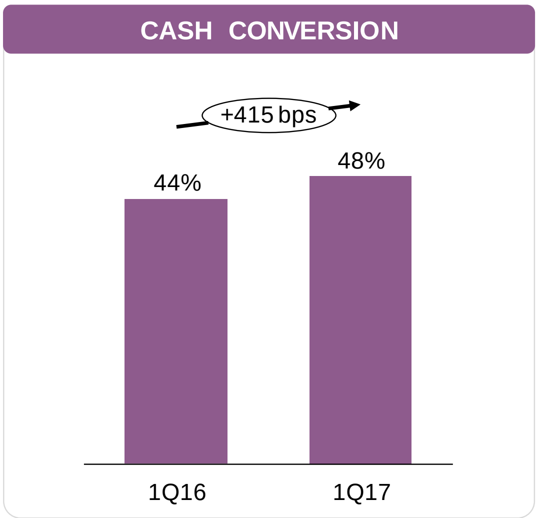
The change in net income is mainly a result of: (i) effects that impacted EBITDA (change from stock options to restricted stock, post-M&A integration costs and consulting no longer being considered non-recurring, opening of new stores and start-up of the central call center); (ii) an increase on depreciation, reflecting recent investments on expansion; (iii) a lower foreign exchange contribution (-R$ 7.3 million between 1Q17 and 1Q16); and (iv) an increase on the effective tax rate.

Out of the total R$ **8.8** million profit, **R$ 5.8** million are attributable to Alliar shareholders (R$ **0.05** per share), or R$ **6.8** million considering Multiscan since Jan 1st, 2017. The remaining R$ **3.0** million are attributable to non-controlling interests (mostly shareholders of RBD, of which the Company owns a 50.1% stake). The share attributable to non-controlling interests grew in line with RBD ramp-up.

CASH FLOW

Recurring operating cash flow totaled R$ **24.1** million on the period, up by **29%** yoy. The adjusted EBITDA **conversion** into cash reached **48%**, an increase of **415** bps.





Cash Flow R$ Million	**1Q17**	**1Q16**	**YoY**
(1) Net Income	**8.8**	**9.7**	**-10%**
(2) Non-cash items	**42.5**	**37.9**	**12%**
(3) Cash Flow from Operations (=(1)+(2))	**51.3**	**47.6**	**8%**
(4) Working Capital[1]	**-29.0**	**-33.1**	**-12%**
(5) Operating Cash Flow (=(3+4))	**22.3**	**14.5**	**53%**
(6) Investing Activities[2]	**-62.8**	**-19.3**	**225%**
Investments	-53.2	-15.2	250%
Purchase of PPE and intangible assets	-49.8	-18.5	170%
Others	-3.4	3.3	-203%
Financial Asset (Capex RBD)	-9.6	-4.1	133%
(7) Financing Activities	**-65.4**	**8.0**	**n/a**
(8) Cash Increase (decrease) (=(5+6+7))	**-105.8**	**3.3**	**n/a**
(9) Non-recurring Effects[3]	**1.8**	**4.0**	**-56%**
Adjusted EBITDA Cash Adjustments	0.0	4.0	-100%
IPO Expenses	1.8	0.0	n/a
Recurring Operating Cash Flow (=(5+9))	**24.1**	**18.6**	**29%**
Conversion (Recurring Operating Cash Flow/Adjusted EBITDA)	**48%**	**44%**	**415 bps**
Adjusted EBITDA	49.7	41.9	18%

1) Working capital excluding Financial Asset (RBD Capex).
2) Includes Financial Asset (RBD Capex)
3) Same adjustments used for EBITDA except for write-downs. It considers R$1.8 million in IPO expenses.

INVESTMENTS

CAPEX	**Accounting**		
(R$ million)	**1Q17**	**1Q16**	**YoY**
Organic Expansion	36.5	5.7	535%
Maintenance	7.3	8.6	-16%
Others	6.1	4.1	47%
Total (ex-RBD)	**49.8**	**18.5**	**170%**
RBD	9.6	4.1	133%
Total	**59.4**	**22.6**	**163%**

Investments totaled R$ **59.4** million in 1Q17. Out of this amount, R$ **36.5** million were directed to expansion, R$ **9.6** million were invested in RBD (a project which will still require approximately R$ 20 million), R$ **7.3** million refer to maintenance contracts and R$ **6.1** million to IT and other projects. Additionally, R$ 45 million were spent on M&A (Multiscan acquisition).

Due to the strong pace of new stores openings, 1Q17 concentrated **most of the investments** planned for 2017, allowing the rest of the year to benefit from the increased capacity.

ACCOUNTS RECEIVABLES, CANCELLATIONS AND PDA

Accounts Receivable, Cancellations and PDA (R$ million)	Accounting				
	1Q17	1Q16	YoY	2016	QoQ
Gross Total	**297.0**	**237.9**	**25%**	**275.9**	**8%**
Cancellations and PDA	-47.8	-38.8	23%	-42.6	12%
Net Total	**249.2**	**199.1**	**25%**	**233.3**	**7%**
Accounts Receivable Days	**79.5**	**79.4**	**0%**	**79.5**	**0%**
Cancellations and PDA as % of revenue	**-1.5%**	**-5.9%**	**439 bps**	**-0.8%**	**-70 bps**

The net balance of **accounts receivable**, cancellations and PDA reached R$ **249.2** million, a **25%** increase (in line with the increase on net revenues). This reflects: (i) a stable number of days on **accounts receivable**; and (ii) a decrease on cancellations and PDA as a percentage of revenue **(439 bps).** The comparison base for this KPI was negatively impacted on 1Q16 (provision after Unimed Paulistana bankruptcy) and positively impacted on 2016 full year (provision reversal). We believe that throughout 2017 the cancellations and PDAs as % of revenue will remain close to / below the 1Q17 figures.

DEBT

Debt (R$ million)	1Q17	2016	QoQ
Loans, financing and debentures	484.1	505.6	-4%
Derivative financial statements	32.8	38.7	-15%
Gross Debt	**516.9**	**544.3**	**-5%**
R$	439.7	458.7	-4%
US$	77.3	85.6	-10%
Cash, securities and cash equivalents	59.2	202.8	-71%
Net debt	**457.8**	**341.5**	**34%**
Net Debt / Adjusted EBITDA[1]	**2.0 x**	**1.6 x**	**24%**

1) Adjusted LTM EBITDA including acquisitions

The **net debt** totaled R$ **457.8** million, **34%** above the result at the end of 2016. As a result, the **net debt / EBITDA** ratio reached **2.0x** on the quarter (**+24%**). The increase on net debt figure reflects a smaller cash position at the end of the period (weakest quarter of the year), and the anticipation to 1Q17 of the largest portion of organic expansion and M&A investments, in addition to debt repayment. The cash balance is temporarily reduced because the BNDES line for expansion works under a "reimbursement" model (disbursements done by the Company in 1Q17 will be reimbursed in 2Q17).

Out of the total **gross debt, 85%** is denominated in BRL (including 4131 debt) and **15%** in USD. The **average weighted cost** of BRL debts is the Brazilian risk free rate + 2.73% and the average cost for USD debt is Libor + 3.08%. The **average term** is currently 2.0 years (56% of gross debt is long-term).

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FINANCIAL STATEMENTS

BALANCE SHEETS AT MARCH 31, 2017 AND DECEMBER 31, 2016

(R$ thousand)

ASSETS	Consolidated 03/31/2017	Consolidated 12/31/2016
CURRENT ASSETS		
Cash and cash equivalents	53,505	159,333
Securities	-	37,811
Accounts receivable	249,166	233,260
Inventories	6,222	6,391
Financial assets	19,349	14,407
Taxes recoverable	35,818	26,373
Other accounts receivable	20,093	16,854
Total current assets	**384,153**	**494,429**
NONCURRENT ASSETS		
Securities	5,657	5,696
Escrow deposits	22,217	22,050
Contingency reimbursement guarantee	137,350	139,229
Related parties	26,632	31,114
Deferred income and social contribution taxes	90,051	61,530
Other accounts receivable	910	893
Financial assets	71,757	64,390
Investments	5,536	4,694
Property and equipment	507,018	464,206
Intangible assets	967,389	878,081
Total noncurrent assets	**1,834,517**	**1,671,883**
TOTAL ASSETS	**2,218,670**	**2,166,312**

LIABILITIES AND EQUITY	Consolidated 03/31/2017	Consolidated 12/31/2016
CURRENT LIABILITIES		
Trade payables	56,803	69,737
Payroll and benefits	42,940	41,227
Borrowings and financing	208,758	202,830
Derivative financial instruments	20,740	25,549
Tax obligations	44,106	35,813
Tax installment payments	1,805	2,088
Accounts payable - acquisition of companies	38,831	13,478
Other accounts payable	15,288	13,857
Total current liabilities	**429,271**	**404,579**
NONCURRENT LIABILITIES		
Borrowings and financing	275,330	302,817
Derivative financial instruments	12,089	13,101
Related parties	235	293
Tax installment payments	7,120	6,979
Accounts payable - acquisition of companies	49,458	33,487
Deferred income and social contribution taxes	25,980	-
Deferred PIS/COFINS/ISS	5,147	4,452
Provision for legal contingencies	178,862	179,478
Other accounts payable	10,768	9,191
Total dos passivos não circulantes	**564,989**	**549,798**
EQUITY		
Capital stock	580,095	580,910
Capital stock to be paid in	-	(1,130)
Capital reserves	620,550	615,794
Stock Options	(2,430)	-
Other comprehensive income	(1,442)	-
Treasury shares	(1,782)	(4,102)
Accumulated losses	(12,086)	(17,872)
Controlling shareholders' equity	1,182,905	1,173,600
Minority interest	41,505	38,335
Total equity	**1,224,410**	**1,211,935**
TOTAL LIABILITIES AND EQUITY	**2,218,670**	**2,166,312**

INCOME STATEMENTS FOR THE QUARTERS ENDED MARCH 31, 2017 AND MARCH 31, 2016 - ACCOUNTING (R$ thousand)

	Consolidated - Accounting	
	03/31/2017 Quarter	03/31/2016 Quarter
NET SERVICE REVENUE	259,277	195,726
Cost of services	(182,804)	(121,658)
GROSS PROFIT	76,473	74,068
OPERATING (EXPENSES) INCOME		
General and administrative expenses	(53,506)	(47,437)
Other (expenses) income, net	(1,513)	(5,099)
Equity in the earnings (loss) of subsidiaries	3,469	1,129
OPERATING INCOME BEFORE FINANCIAL RESULT	24,923	22,661
FINANCIAL RESULT	(9,791)	(6,948)
Financial expenses	(13,143)	(7,258)
Financial income	3,352	310
OPERATING INCOME (LOSS) BEFORE INCOME AND SOCIAL CONTRIBUTION	15,132	15,713
CURRENT AND DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES	(6,370)	(5,988)
NET INCOME (LOSS) FOR THE PERIOD	8,762	9,725
ATTRIBUTABLE TO CONTROLLING SHAREHOLDERS	5,786	7,532
ATTRIBUTABLE TO MINORITY INTEREST	2,976	2,193

Note: The costs and expenses for 2016 presented in this table follow the March 31, 2016 statements. For a comparable basis, refer to pages 7 and 8.

CASH FLOW STATEMENTS FOR QUARTERS ENDED MARCH 31, 2017 AND MARCH 31, 2016

(R$ thousand)

	Consolidated	
	1Q17	**1Q16**
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income (loss) for the period	**8,762**	**9,725**
Adjustments to reconcile net income to net cash generated by (used in) operating activities:	42,497	37,886
Depreciation and amortization	20,932	10,108
Recognized stock options granted (cancelled)	-	580
Residual value of property, plant and equipment disposed of, and investments	1,353	6,337
Finance charges and foreign exchange effect	9,487	9,382
Income (loss) from subsidiaries	(3,469)	(1,129)
Allowance for doubtful debts	4,175	13,736
Provisions for civil, labor and tax risks	1,323	(3,522)
Income Tax and Social Contribution	6,370	2,704
Financial income	-	(310)
Restricted stock	2,326	-
Cash generated in Operating Activites	51,259	47,611
Decrease (increase) in operating assets	(38,057)	(40,030)
Decrease (increase) in clients	(16,025)	(29,144)
Decrease (increase) in inventories	169	(163)
Decrease (increase) in recoverable taxes	(9,445)	-
Decrease (increase) in Financial Assets	(9,553)	(4,107)
Decrease (increase) in Escrow Deposits	(167)	-
Decrease (increase) in Allowances and Provisions for risks	(418)	-
Decrease (increase) in other Assets	(2,618)	(6,616)
Increase (decrease) in operating liabilities:	(473)	2,858
Increase (decrease) in trade payables	(6,826)	8,861
Increase (decrease) in payroll and related taxes	499	2,940
Increase (decrease) in taxes payable and taxes in installments	(607)	(1,256)
Increase (decrease) in other liabilities	5,189	(7,687)
Dividends Received	2,627	-
Income Tax and Social Contribution paid	(1,355)	-
Net Cash generated by Operating Activies	**12,729**	**10,439**
CASH FLOW FROM INVESTING ACTIVITIES		
Increase (decrease) in short-term investments	37,850	220
Acquisition of subsidiaries, net of cash received	(41,671)	-
Advances to Related Parties	2,547	2,151
Increase in Investments	(2,103)	902
Purchase of property, plant and equipment and intangible assets	(49,830)	(18,482)
Net cash used in investing activities	**(53,207)**	**(15,209)**
CASH FLOW FROM FINANCING ACTIVITIES		
Capital Increase	315	795
Treasury Shares	(3,680)	-
Borrowings, net	20,112	53,843
Repayment of borrowings and financing	(70,573)	(35,912)
Interest	(11,524)	(10,693)
Net cash used in financing activities	**(65,350)**	**8,033**
INCREASE IN CASH AND CASH EQUIVALENTS	(105,828)	3,263
CASH AND CASH EQUIVALENTS		
At the beginning of the priod	159,333	21,920
At the end of the period	53,505	25,183