Financial Statements

CVC Brasil Operadora e Agência de Viagens S.A. and Subsidiaries

December 31, 2016
with Independent Auditor's Report

CVC Brasil Operadora e Agência de Viagens S.A.

Financial Statements

December 31, 2016

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Convenience translation into English from the original previously issued in Portuguese.

INDEPENDENT AUDITOR'S REPORT ON INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders, Board of Directors and Management of
CVC Brasil Operadora e Agência de Viagens S.A.
São Paulo – SP

Opinion

We have audited the accompanying individual and consolidated financial statements of CVC Brasil Operadora e Agência de Viagens S.A. ("Company"), identified as Company and Consolidated, respectively, which comprise the statement of financial position as of December 31, 2016 and the related statements of income, of comprehensive income, of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting practices.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of CVC Brasil Operadora e Agência de Viagens S.A. as of December 31, 2016, and its individual and consolidated financial performance and cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and international standards on auditing. Our responsibilities, under those standards, are further described in the "Auditor's Responsibilities for the Audit of the Individual and Consolidated Financial Statements" section of our report. We are independent of the Company and its subsidiaries and comply with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to support our opinion.

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Key audit matters

Key audit matters are those that, in our professional judgment, were of most significance in our audit of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Tax benefit of goodwill from merger

As disclosed in Note 15, the Company used a tax benefit of goodwill arising from the acquisition of the Company's shares by the Investment Fund in 2009, and subsequently the merger. In January 2015, the Company was assessed by the Brazilian Internal Revenue Service and questioned about the deductibility of the tax benefit of the goodwill from merger for purposes of the related income and social contribution taxes for the period from 2010 to 2013.

As of December 31, 2016, the amount related to said benefit amounts to R$ 127,703 thousand and the likelihood of loss in this matter was deemed possible by the external legal counsels and the Company. The evaluation of this estimate was significant for our audit considering the relevance of the amounts involved, in addition to the complexity and subjectivity involved in the evaluation by Management and the external legal advisors and in relation to the progress of the proceeding, which is currently in the administrative level.

Our main audit procedures relating to the matters included the following, among others:

- Discussion of the judgments applied to the tax assessment and its assessment of the likelihood of loss with Management and the departments involved, including the Legal department;

- Involvement of our tax specialists in the discussions and analysis of the correspondence sent by the external legal counsels, which addressed their judgments and considerations regarding the nature of the case and the estimated probability of loss;

- Evaluation of the objectivity and competence of these consultants; and

- Evaluation of the adequacy of the disclosures made by the Company.

Hedge accounting

CVC Brasil has transactions in foreign currency as part of its operations (reservations in hotels abroad, tickets to theme parks and shows, etc.) and contracted derivative instruments with the purpose of protecting cash flows from disbursements in foreign currency, which were designated as hedge accounting. The recording of gains and losses considered effective for purposes of hedge accounting is recorded in equity until the hedged item is recognized in the income statement, i.e. when passengers relating to the hedged transactions are boarded. The gain or loss of each designated instrument is then recognized in profit or loss in the same line of the hedged item, in this case, sales revenue.

As disclosed in note 4.4, the net amount of income tax presented in the statements of changes in equity as of December 31, 2016 is R$ 4,682 thousand. Due to the complexity of the transaction, the high degree of judgment involved and especially the structure for monitoring currency exposure and the effectiveness test, the matter is significant for the individual and consolidated financial statements.

Our audit procedures included, among others:

- Documentation test on the basis of sampling on the individual transactions that are part of the commitments assumed in foreign currency during the year;
- Documentation test on financial instruments acquired and for which a hedge accounting structure was designated;
- Involvement of our specialists in derivative financial instruments in the revision of the concept, methodology, accounting and calculation of the effectiveness of the derivative instruments used for which a hedge accounting structure was designated; and
- We evaluated the adequacy of the respective disclosures in the individual and consolidated financial statements.

Revenue recognition

The revenues of the Company are substantially from the intermediation of tourist services and airline ticket services and include amounts from intermediation services based on service contracts with customers. Revenue amounts are recognized when services are rendered - for tourist services, at the time of boarding and for airline ticket services, at the time of intermediation with the customer according to revenue recognition criteria included in note 22. The Company and its subsidiaries have manual controls and automated controls that are performed daily to record and track revenue recognition. In our view, due to the magnitude of the amounts involved, volume of transactions and nature of its operations, the matter is considered significant for our audit.

Our audit procedures related to revenue recognition included, among others:

- Analysis of the appropriateness of revenue recognition timing for a sample of transactions for the year ended December 31, 2016, considering the effetive dates of boarding and sale, as well as discussions on possible variations in the revenue amount recognized in the year, which might depart from our expectations.

- Testing of the Company's main internal controls related to the risk of service revenue recognition, including controls related to the IT environment and automated controls;
- Documentation testing on the Company's main contracts entered into during the year, the accounting for and subsequent receipt thereof;
- Confirmation of balances of trade accounts receivable for transactions associated with credit card companies; and
- We evaluated the adequacy of the respective disclosures of the Company on the criteria for recognition of revenue and the amounts involved.

Stock option

The objective of the Company's share-based compensation plans is to grant options to purchase shares issued by the Company to the participants, with the purpose of attracting, motivating and retaining key executives. These plans include stock options based on their period of service provided to the Company.

As disclosed in note 18.b, up to December 31, 2016, the balance of equity related to the vesting period of these options amounts to R$ 88,823 thousand, while expenses related to the year 2016 amounts to R$ 18,492 thousand . The procedures adopted by the Company's management in relation to the calculations made to evaluate options at fair value include the use of external experts to determine the fair value and respective expenses of the options and were significant for our audit, considering the complexity, subjectivity and high degree of professional judgment associated with the evaluation process.

Our audit procedures included, among others:

- Documentation test for all new options contracts and contract ammendments occurred during the year;
- Recalculation of the fair value amortization of the options that are recognized in the income statement as an expense over the vesting period;
- Involvement of our specialists in the evaluation of options while reviewing the concept, methodology, accounting and calculation of the fair value of the options granted.
- The assessment of the adequacy of the respective disclosures of the Company on share-based payment plans.

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Other matters

Statement of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2016, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS purposes, were subject to audit procedures performed in conjuction with the audit of the Company's financial statements. For the purposes of forming our opinion, we assessed whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set forth in Technical Pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added have been properly prepared in all material respects in accordance with the criteria set forth in this Technical Pronouncement and are consistent with the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report

The Company management is responsible for other information, including the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in so doing, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated.

If, based on our work, we conclude that there is a material misstatement in the Management Report, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to its going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company and its subsidiaries, or to cease its operations, or has no other realistic alternative but to do so.

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Those charged with governance of Company and its subsidiaries, i.e. Management, Audit Committee and Board of Directors are those responsible for overseeing the financial reporting process.

Auditor's responsibilities the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect material misstatements when they exist. Misstatements can arise from fraud or error and are considered material if, individually or jointly, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of the audit conducted in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess risks of material misstatements of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is appropriate and sufficient to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve override of internal controls, collusion, forgery, intentional omission or misrepresentations.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast substantial doubt as to the ability of Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the corresponding transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit and, consequently, for our audit opinion.

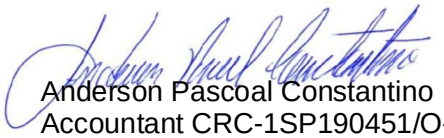
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements for the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, February 15, 2017.

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



Anderson Pascoal Constantino
Accountant CRC-1SP190451/O-5

CVC Brasil Operadora e Agência de Viagens S.A.

Statements of financial position
December 31, 2016 and 2015
(In thousands of reais)

		Company		Consolidated	
	Note	**December 31, 2016**	December 31, 2015	**December 31, 2016**	December 31, 2015
Assets					
Current assets					
Cash and cash equivalents	5	**34,460**	32,051	**55,530**	48,677
Marketable securities	6	**-**	-	**-**	3,022
Derivative financial instruments	4.4/4.5	**-**	49,391	**-**	49,391
Trade accounts receivable	7	**1,539,893**	1,254,699	**1,745,554**	1,394,483
Advances to suppliers	8	**487,568**	480,799	**538,167**	485,570
Prepaid expenses	9	**261,125**	165,977	**263,117**	166,557
Accounts receivable - acquisition of investee	10.c	**-**	13,453	**-**	13,453
Accounts receivable - related parties	20	**56,020**	4,172	**3,421**	-
Other accounts receivable		**5,810**	15,381	**21,249**	20,763
Total current assets		**2,384,876**	2,015,923	**2,627,038**	2,181,916
Assets of discontinued operations	24	**-**	-	**12,001**	-
		-	2,015,923	**2,639,039**	2,181,916
Noncurrent assets					
Accounts receivable - related parties	20	**186**	26,945	**186**	1,326
Deferred taxes	16	**53,634**	79,648	**68,594**	80,918
Property and equipment		**5,700**	6,118	**19,720**	10,273
Intangible assets	12	**137,890**	142,354	**573,538**	535,144
Investments	11	**389,302**	284,670	**-**	-
Other		**23,621**	17,638	**27,352**	38,333
Total noncurrent assets		**610,333**	557,373	**689,390**	665,994
Total assets		**2,995,209**	2,573,296	**3,328,429**	2,847,910

	Note	Company		Consolidated	
		December 31, 2016	December 31, 2015	**December 31, 2016**	December 31, 2015
Liabilities and equity					
Current liabilities					
Loans and financing	13	**216,121**	71,064	**216,121**	71,064
Derivative financial instruments	4.4/4.5	**35,274**	-	**35,274**	
Trade accounts payable		**404,926**	343,333	**539,728**	505,351
Accounts payable - related parties	20	**27,852**	30,105	**3,794**	4,957
Accounts payable - acquisition of investee - related parties	10/20	**36,140**	40,957	**36,140**	40,957
Advanced sales of travel packages	21	**1,288,154**	1,126,510	**1,344,977**	1,126,510
Salaries and social charges		**36,664**	28,491	**64,191**	46,620
Taxes and contributions payable		**9,389**	6,984	**22,610**	15,108
Dividends payable		**22,224**	25,265	**40,032**	25,265
Accounts payable - acquisition of subsidiary	10/17.1	**3,529**	-	**3,529**	-
Other accounts payable		**36,470**	22,129	**27,371**	32,847
Total current liabilities		**2,116,743**	1,694,838	**2,333,767**	1,868,679
Liabilities from discontinued operations	24	**-**	-	**14,189**	-
		2,116,743	1,694,838	**2,347,956**	1,868,679
Noncurrent liabilities					
Loans and financing	13	**76,912**	134,991	**76,912**	134,991
Accounts payable for acquisition of investee - related parties	10/20	**93,797**	98,264	**93,797**	98,264
Provision for administrative and legal proceedings	15	**28,133**	24,191	**39,514**	32,618
Accounts payable for acquisition of subsidiary	10/17.1	**52,931**	51,708	**52,931**	51,708
Other accounts payable			-	**96**	303
Total noncurrent liabilities		**251,773**	309,154	**263,250**	317,884
Equity					
Capital	18	**281,635**	218,103	**281,635**	218,103
Capital reserve	18	**88,823**	133,863	**88,823**	133,863
Income reserve	18	**279,368**	146,081	**279,368**	146,081
Additional dividend proposed	18	**-**	73,183	**-**	73,183
Other comprehensive income		**(4,682)**	3,122	**(4,682)**	3,122
Treasury shares		**(18,451)**	(5,048)	**(18,451)**	(5,048)
Equity		**626,693**	569,304	**626,693**	569,304
Non-controlling interests	25	**-**	-	**90,530**	92,043
Total equity		**626,693**	569,304	**717,223**	661,347
Total liabilities and equity		**2,995,209**	2,573,296	**3,328,429**	2,847,910

See accompanying notes

CVC Brasil Operadora e Agência de Viagens S.A.

Income statements
Years ended December 31, 2016 and 2015
(In thousands of reais, unless otherwise stated)

		Company		Consolidated	
		December 31,		December 31,	
	Note	**2016**	2015	**2016**	2015
Gross revenue	22	**797,481**	763,469	**1,140,276**	942,689
Sales taxes		**(47,867)**	(45,866)	**(76,347)**	(60,810)
Net revenue		**749,614**	717,603	**1,063,929**	881,879
Operating expenses					
Selling expenses	23	**(164,639)**	(170,110)	**(185,157)**	(183,105)
General and administrative expenses	23	**(170,404)**	(168,092)	**(349,258)**	(263,117)
Depreciation and amortization	23	**(30,933)**	(26,857)	**(60,851)**	(31,436)
Equity pickup	11	**32,936**	29,617	**-**	-
Other operating expenses		**(24,966)**	(18,412)	**(29,298)**	(19,770)
Income before financial income (expenses)		**391,608**	363,749	**439,365**	384,451
Financial expenses, net	19	**(140,451)**	(116,080)	**(139,767)**	(116,898)
Income before income and social contribution taxes	16	**251,157**	247,669	**299,598**	267,553
Income and social contribution taxes	16	**(73,443)**	(76,482)	**(100,202)**	(92,319)
Current		**(43,066)**	(19,464)	**(82,388)**	(32,667)
Deferred		**(30,377)**	(57,018)	**(17,814)**	(59,652)
Net income from continuing operations		**177,714**	171,187	**199,396**	175,234
Loss after taxes from discontinued operations	24	**-**	-	**(2,187)**	-
Net income for the year		**177,714**	171,187	**197,209**	175,234
Attributed to controlling interests		**177,714**	171,187	**177,714**	171,187
Attributed to non-controlling interests		-	-	**19,495**	4,047
Earnings per shares - basic (R$)	26	**1,34**	1.29		
Earnings per share - diluted (R$)	26	**1,30**	1.27		

See accompanying notes

CVC Brasil Operadora e Agência de Viagens S.A.

Statements of comprehensive income
Years ended December 31, 2016 and 2015
(In thousands of reais)

	Company		Consolidated	
	December 31,		December 31,	
	2016	2015	**2016**	2015
Net income for the year	**177,714**	171,187	**197,209**	175,234
Effect from cash flow hedge	**(11,824)**	(1,098)	**(11,824)**	(1,098)
Deferred income and social contribution taxes	**4,020**	373	**4,020**	373
Comprehensive income to be reclassified into income statement in subsequent years	**(7,804)**	(725)	**(7,804)**	(725)
Total comprehensive income attributable to:	**169,910**	170,462	**189,405**	174,509
Controlling interests	**169,910**	170,462	**169,910**	170,462
Non-controlling interests	**-**	-	**19,495**	4,047

See accompanying notes

CVC Brasil Operadora e Agência de Viagens S.A.

Statements of changes in equity
Years ended December 31, 2016 and 2015
(In thousands of reais)

			Capital reserve			Income reserve									
	Note	Capital	Share-based payment reserve	Treasury shares	Goodwill reserve	Legal reserve	Working capital reserve	Expansion reserve	Reserve of retained earnings	Additional dividend proposed	Retained earnings (accumulated losses)	Other comprehensive income (loss)	Equity	Non-controlling interests	Total equity
Balances on December 31, 2014		94,026	50,507		158,828	10,392	11,062	11,062	56,218	62,884	-	3,847	458,826	-	458,826
Acquisition of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	87,996	87,996
Capital increase	18.a	28,781	-	-	-	-	-	-	-	-	-	-	28,781	-	28,781
Capitalilzation of goodwill reserve		95,296	-	-	(95,296)	-	-	-	-	-	-	-	-	-	-
Stock options granted	18.b	-	19,824	-	-	-	-	-	-	-	-	-	19,824	-	19,824
Treasury shares	18.e	-	-	(5,048)	-	-	-	-	-	-	-	-	(5,048)	-	(5,048)
Cash flow hedge effect, net		-	-	-	-	-	-	-	-	-	-	(725)	(725)	-	(725)
Net income for the year		-	-	-	-	-	-	-	-	-	171,187	-	171,187	4,047	175,234
Appropriation of legal reserve	18.d	-	-	-	-	8,559	-	-	-	-	(8,559)	-	-	-	-
Minimum mandatory dividends		-	-	-	-	-	-	-	-	-	(25,265)	-	(25,265)	-	(25,265)
Idditional dividends proposed paid		-	-	-	-	-	-	-	-	(62,884)	-	-	(62,884)	-	(62,884)
Additional dividends proposed	18.d	-	-	-	-	-	-	-	-	73,183	(73,183)	-	-	-	-
Interest on equity	18.d	-	-	-	-	-	-	-	-		(15,392)	-	(15,392)	-	(15,392)
Retained earnings	18.d	-	-	-	-	-	-	-	48,788	-	(48,788)	-	-	-	-
Balances on December 31, 2015		218,103	70,331	(5,048)	63,532	18,951	11,062	11,062	105,006	73,183	-	3,122	569,304	92,043	661,347
Capitalization of goodwill reserve		63,532	-	-	(63,532)	-	-	-	-	-	-	-	-	-	-
Stock options granted	18.b	-	18,492	-	-	-	-	-	-	-	-	-	18,492	-	18,492
Treasury shares acquired	18.e	-	-	(14,693)	-	-	-	-	-	-	-	-	(14,693)	-	(14,693)
Options exercised through disposal of treasury shares		-	-	1,290	-	-	-	-	-	-	-	-	1,290	-	1,290
Cash flow hedge effect, net		-	-	-	-	-	-	-	-	-	-	(7,804)	(7,804)	-	(7,804)
Net income for the year		-	-	-	-	-	-	-	-	-	177,714	-	177,714	19,495	197,209
Appropriation of expansion reserve	18.d	-	-	-	-	-	-	33,321	-	-	(33,321)	-	-	-	-
Minimum mandatory dividends		-	-	-	-	-	-	-	-	-	(22,224)	-	(22,224)	(21,008)	(43,232)
Additional dividends proposed paid		-	-	-	-	-	-	-	-	(73,183)	-	-	(73,183)	-	(73,183)
Additional dividend proposed	18.d	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on equity	18.d	-	-	-	-	-	-	-	-	-	(22,203)	-	(22,203)	-	(22,203)
Appropriation of working capital reserve		-	-	-	-	-	33,321	-	-	-	(33,321)	-	-	-	-
Retained earnings	18.d	-	-	-	-	-	-	-	66,645	-	(66,645)	-	-	-	-
Balances on December 31, 2016		281,635	88,823	(18,451)	-	18,951	44,383	44,383	171,651	-	-	(4,682)	626,693	90,530	717,223

See accompanying notes

CVC Brasil Operadora e Agência de Viagens S.A.

Statements of cash flow
Years ended December 31, 2016 and 2015
(In thousands of reais)

	Company		Consolidated	
	December 31,		December 31,	
	2016	2015	**2016**	2015
Cash flow from operating activities				
Net income from continuing operations	**177,714**	171,187	**199,396**	175,234
Net loss from discontinued operations	**-**	-	**(2,187)**	-
Net income for the year	**177,714**	171,187	**197,209**	175,234
Adjustments to reconcile net income for the year with cash generated in operating activities:				
Deferred income and social contribution taxes	**30,377**	57,018	**16,686**	59,652
Depreciation and amortization	**30,933**	26,857	**60,850**	31,436
Allowance for doubtful accounts	**18,652**	18,335	**22,446**	21,842
Expenses related to share-based payments	**18,492**	19,824	**18,492**	19,824
Interest and monetary variation	**67,808**	35,405	**67,808**	35,405
Equity pickup	**(32,936)**	(29,617)	**-**	-
Other provisions	**18,224**	19,161	**24,257**	19,182
	329,264	318,170	**407,948**	362,575
Decrease (increase) in assets				
Accounts receivable	**(303.846)**	115,385	**(346,801)**	136,962
Advances to suppliers	**(6,769)**	(197,824)	**(38,491)**	(202,590)
Prepaid expenses	**(20,972)**	(1,538)	**(22,134)**	1,459
Other accounts receivable	**(36,463)**	(13,382)	**7,803**	(1,705)
Increase (decrease) in liabilities				
Trade accounts payable	**(5,295)**	51,621	**(36,451)**	20,632
Accounts payable - Related parties	**(2,253)**	12,435	**17,305**	(3,709)
Advanced sales of travel packages	**161,644**	(104,515)	**161,644**	(108,861)
Salaries and social charges	**8,173**	2,947	**16,563**	432
Taxes and contributions payable	**2,405**	(11,483)	**7,018**	(9,432)
Dividends received from subsidiaries	**2,969**	-	**-**	-
Other accounts payable	**59**	(22,629)	**(14,367)**	(31,926)
Net cash generated by operating Activities	**128,916**	149,187	**160,037**	163,837
Cash flow from investing activities				
Property and equipment	**-**	(111)	**(10,735)**	(136)
Intangible assets	**(26,051)**	(36,174)	**(58,162)**	(43,482)
Investment in marketable securities	**-**	-	**3,022**	(3,022)
Purchase of businesses, net of cash acquired	**(43.655)**	(78,949)	**(27,307)**	(66,911)
Net cash used in investing activities	**(69,706)**	(115,234)	**(93,182)**	(113,551)
Cash flow from financing activities				
Capital increase	**-**	28,781	**-**	28,781
Loans and financing raised	**348,357**	260,000	**348,357**	260,000
Settlement of loans	**(191,283)**	(110,000)	**(191,283)**	(110,000)
Payment of debt with related parties (earn out)	**-**	(75,000)	**-**	(75,000)
Interest paid	**(65,634)**	(68,282)	**(65,634)**	(68,282)
Settlement of derivative instruments	**(2,363)**	15,787	**(2,363)**	15,787
Dividend paid	**(120,651)**	(98,391)	**(123,852)**	(98,391)
Acquisition of own shares	**(13,403)**	(3,904)	**(13,403)**	(3,904)
Net cash invested in financing activities	**(44,977)**	(51,009)	**(48,178)**	(51,009)
Cash flow hedge effect	**(11.824)**	(1,099)	**(11.824)**	(1,099)
Increase (decrease) in cash and cash equivalents, net	**2,409**	(18,155)	**6,853**	(1,822)
Cash and cash equivalents at beginning of the year	**32,051**	50,206	**48,677**	50,499
Cash and cash equivalents at end of the year	**34,460**	32,051	**55,530**	48,677

See accompanying notes

CVC Brasil Operadora e Agência de Viagens S.A.

Statements of value added
Years ended December 31, 2016 and 2015
(In thousands of reais)

	Company		Consolidated	
	December 31,		December 31,	
	2016	2015	**2016**	2015
1. Revenue	**778,830**	745,134	**1,117,830**	920,847
Gross sales revenue	**797,482**	763,469	**1,140,276**	942,689
Allowance for doubtful accounts	**(18,652)**	(18,335)	**(22,446)**	(21,842)
2. Inputs acquired from third parties	**(144,349)**	(152,940)	**(172,856)**	(176,960)
Third-party services and other	**(144,349)**	(152,940)	**(172,856)**	(176,960)
Gross value added	**634,481**	592,194	**944,974**	743,887
3. Depreciation and amortization	**(30,933)**	(26,857)	**(60,851)**	(31,436)
4. Net value produced by the Company	**603,548**	565,337	**884,123**	712,451
Equity pickup	**32,936**	29,617	**-**	-
5. Value added received in transfer	**636,484**	594,954	**884,123**	712,451
Financial income	**14,199**	7,261	**19,784**	7,803
Total value added to be distributed	**650,683**	602,215	**903,907**	720,254
Value added distributed	**(650,683)**	(602,215)	**(903,907)**	(720,254)
6. Distribution of value added				
Personnel	**(120,732)**	(112,286)	**(241,266)**	(177,615)
Direct compensation	**(86,863)**	(78,675)	**(181,629)**	(126,092)
Share-based payment	**(18,492)**	(19,824)	**(18,492)**	(19,824)
Benefits	**(9,849)**	(8,863)	**(26,969)**	(17,859)
Social security charges	**(5,528)**	(4,924)	**(14,176)**	(13,840)
Taxes, fees and contributions	**(139,748)**	(141,245)	**(214,160)**	(177,545)
Federal	**(122,680)**	(124,850)	**(182,117)**	(154,236)
Local	**(17,068)**	(16,395)	**(32,043)**	(23,309)
Interest and rent	**(212,489)**	(177,497)	**(251,272)**	(189,860)
Interest	**(154,742)**	(120,919)	**(159,446)**	(121,850)
Credit card fee	**(50,162)**	(48,582)	**(56,526)**	(50,541)
Other	**(7,585)**	(7,996)	**(35,300)**	(17,469)
7. Equity remuneration	**(177,714)**	(171,187)	**(197,209)**	(175,234)
Dividends paid or allocated to shareholders	**(44,427)**	(40,657)	**(44,427)**	(40,657)
Appropriation for expansion reserve	**(33,321)**	(8,559)	**(33,321)**	(8,559)
Appropriation for working capital reserve	**(33,321)**	-	**(33,321)**	-
Additional dividends proposed	**-**	(73,183)	**-**	(73,183)
Retained earnings	**(66,645)**	(48,788)	**(66,645)**	(48,788)
Non-controlling interest in retained earnings	**-**	-	**(19,495)**	(4,047)

See accompanying notes

1. Operations

CVC Brasil Operadora e Agência de Viagens S.A. ("CVC" or the "Company") is a publicly-held corporation headquartered in Santo André, São Paulo (SP) state, listed on BM&FBOVESPA - Securities, Commodities and Futures Exchange, under ticker No. CVCB3. CVC and its subsidiaries, are primarily engaged in providing tourism services comprising intermediation, either separately or in an aggregate manner (tour packages), airline tickets, ground transportation, hotel reservations, cruise tickets, culture and professional exchange, among others.

As of December 31, 2016, CVC owned 59 stores (through CVC Serviços), operated 1.036 exclusive CVC travel agencies and more 7 CVC exchange stores, and had commercial relationships with approximately 6,778 travel agents nationwide. CVC also has agreements with local representatives to sell CVC-branded products and services in Argentina and Uruguay.

Tourism services sold through CVC are directly offered to customers by independent service providers, under the General Tourism Legislation (Law No. 11771/08).

In the past years, the Companhia has acquired companies, as follows:

Subsidiary	% acquired	Date	Tourism business
Grupo Duotur	51%	08/31/2015	Corporate Travel
Submarino Viagens	100%	08/31/2015	Online Channel
Viatrix Viagens e Turismo	100%	12/29/2016	Cultural and professional exchange

For more informations see note 10.

The issue of individual and consolidated financial statements was authorized by the Board of Directors on February 15, 2017.

2. Summary of significant accounting practices

The significant accounting policies adopted by the Company are described in the specific notes related to the items presented herein; those generally applicable thereto, in different aspects of the financial statements, are presented in this section.

Accounting practices of transactions considered immaterial were not included in the financial statements.

2. Summary of significant accounting practices -- (Continued)

Accounting practices were uniformly applied in the current year, are in compliance with the prior reporting period and are common to the Company and its subsidiaries; when necessary, the financial statements of subsidiaries are adjusted to meet this criterion.

2.1. Statement of compliance and basis of preparation

The relevant information specific to the financial statements, and only them, has evidenced, and corresponds to those used by Management.

a) Consolidated financial statements

Accounting information was prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), implemented in Brazil through the Brazilian Financial Accounting Standards Board (CPC) and its technical interpretations (ICPC) and guidelines (OCPC), and approved by the Brazilian SEC (CVM).

b) Individual financial statements

The Company's individual financial statements were prepared in accordance with accounting practices adopted in Brazil, which comprise the legal provisions under the current Brazilian Corporation Law No. 6,404/76, provided for in Laws No. 11,638/07 and No 11,941/09, and the accounting pronouncements, interpretations and guidelines issued by the CPC and approved by the CVM.

The individual and consolidated financial information were prepared based on historical cost, except for certain financial instruments measured at their fair values.

2. Summary of significant accounting practices -- (Continued)

2.2. Basis of consolidation and investments in subsidiaries

The consolidated financial statements include:

Subsidiaries		Main activity	Country	Interest 2016	Interest 2015
CVC Serviços	Direct	Tourism services	Brazil	99.9%	99.9%
Duotur Participações S.A.	Direct	Airfare consolidation	Brazil	100%	100%
READ Serviços Turisticos	Indirect	Airfare consolidation	Brazil	51%	51%
Refa Participações S.A.	Direct	Airfare consolidation	Brazil	100%	100%
Reserva Fácil	Indirect	Airfare consolidation	Brazil	51%	51%
Submarino Viagens Ltda.	Direct	Online tourism package	Brazil	100%	100%
Viatrix Viagens	Direct	Cultural and professional intermediation exchange	Brazil	100%	-

The individual financial statements of subsidiaries and indirect subsidiaries were prepared as of the same closing date as the Company and thus adopt consistent accounting policies. All balances between the Company and its subsidiaries and indirect subsidiaries, including income and expenses, unrealized profit and losses and any dividends, are fully eliminated in the consolidated financial statements.

Investments in subsidiaries are measured in accordance with the equity method.

2.3. Functional and reporting currency

The individual and consolidated financial statements are presented in Brazilian reais (R$), the currency of the economic environment in which the Company operates (functional currency).

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction date. Foreign exchange gains and losses resulting from these transactions and from the translation of monetary assets and liabilities in foreign currencies are recognized in the income statements for the year as financial income or expense, except when deferred in equity or classified as cash flow hedging transactions.

2. Summary of significant accounting practices -- (Continued)

2.4. Financial instruments

2.4.1. Financial assets

The Company's financial assets are classified as (i) financial assets measured at fair value through profit or loss, (ii) loans and receivables, and (iii) derivatives classified as effective hedging instruments, as applicable.
Financial assets are recognized initially at fair value plus, in the case of investments not designated at fair value through profit or loss, costs directly attributable to their acquisition.

a) *Financial assets measured at fair value through profit or loss*
These include financial assets held for trading and financial assets designated at fair value through profit or loss upon initial recognition. These financial assets are classified as held for trading if acquired for purposes of being sold in the short term. Gains and losses from these assets are recognized in the income statements. For the years 2016 and 2015 the Company did not have these transactions.

b) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs incurred. The EIR amortisation is included in financial income in the income statement.

The classification includes (i) trade accounts receivable and related party transactions, (ii) advances to suppliers, and (iii) other accounts receivable.

a) *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the income statement for the year) when:
• The rights to receive cash flows from the asset have expired; or
• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. Summary of significant accounting practices -- (Continued)

2.4. Financial instruments--Continued

2.4.1. Financial assets--Continued

a) *Derecognition*

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, and have neither transferred nor retained substantially all the risks and rewards of the asset, and asset is recognized to the extent of the continuous involvement of Company and its subsidiaries with the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(ii) Impairment of financial assets
The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

c) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

2. Summary of significant accounting practices -- (Continued)

2.4. Financial instruments--Continued

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the income statement. Loans, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited in the income statement.

2.4.2. Financial liabilities

Financial liabilities are recognised initially at fair value and, in the case of loans and financing, net of directly attributable transaction costs.

The Company' s financial liabilities are classified as (i) measured at fair value through profit or loss, (ii) loans and financing, or (iii) as derivatives designated as hedging instruments in an effective hedge, as appropriate.

2. Summary of significant accounting practices -- (Continued)

2.4. Financial Instruments--Continued

2.4.2. Financial liabilities--Continued

a) *Financial liabilities measured at fair value through profit or loss*

Financial liabilities measured at fair value through profit or loss include derivative financial instruments, financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Gains and losses from liabilities held for trading are recognized in the income statement. The Company has financial liabilities measured at fair value through profit or loss comprising loans designated as hedge accounting at fair value.

b) *Loans and financing*

After initial recognition, loans and financing subject to interest payments are subsequently measured at amortized cost, using the effective interest rate method. Gains or losses are recognized in the income statement at the time of the liabilities derecognition, as well during the amortization by the effective interest rate method.

2.4.3. Derivative financial instruments and hedge accounting

Derivative financial instruments designated as hedge are accounted for at fair value. Derivatives are presented as financial assets when the instrument's fair value is positive and as financial liabilities when fair value is negative.

The Company recorded gains and losses considered effective for purposes of hedge accounting in a specific account under equity, until the hedged item affects profit or loss at the time of boarding of passengers related to hedged transactions, when gains or losses of each designated instrument should affect income or loss under the same heading of the hedged item, which in our case corresponds to sales revenue.

2. Summary of significant accounting practices -- (Continued)

2.5. Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the fair value prevailing on the acquisition date, and the amount of any non-controlling interests in the acquiree. For each business combination, the acquirer must measure the non-controlling interests in the acquiree at fair value or at its proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of CPC 38 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2. Summary of significant accounting practices -- (Continued)

2.6 Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability; or
• In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purposes of fair value disclosures, the Company and its subsidiaries have determined asset classes and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. The corresponding fair value disclosures of financial instruments and non-financial assets measured at fair value or at the time of disclosure of fair values are summarized in the respective notes.

2.7. Statements of Value Added (SVA)

The statement of value added (SVA) is not required under IFRS and is disclosed as supplementary information in accordance with Brazilian Corporation Law. The objective is to disclose the wealth generated by the Company and its subsidiaries during the period, as well as disclose its distribution among different agents.

2.8. First-time adoption (2016) of new and revised pronouncements

The Company adopted for the first time, certain standards and amendments, effective for annual periods beginning as of January 1, 2016 and thereafter. The Company decided not to adopt any other standard, interpretation or amendment that had been issued but is not yet effective.

These rules and amendments that have been adopted for the first time in 2016 did not have a significant impact on the Company's individual and consolidated financial statements.

The nature and impact of each of the new standards and amendments are described below:

2. Summary of significant accounting practices -- (Continued)

2.8. First-time adoption (2016) of new and revised pronouncements--Continued

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 Business Combinations principles for business combination accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation if joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are applied prospectively. These amendments do not have any impact on the Company and its subsidiaries as there has been no interest acquired in a joint operation during the period.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively and do not have any impact on the Company and it is subsidiaries, given that it has not used a revenue-based method to depreciate its non-current assets.

2. Summary of significant accounting practices -- (Continued)

2.8. First-time adoption (2016) of new and revised pronouncements--Continued

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements have to apply that change retrospectively. These amendments do not have any impact on the Company's consolidated financial statements.

Annual Improvements 2012-2014 Cycle

These improvements include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations Assets (or disposal groups) are generally disposed of either through sale or distribution to the owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment is applied prospectively.

IFRS 7 Financial Instruments: Disclosures

(i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures need not be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment is applied retrospectively.

2. Summary of significant accounting practices -- (Continued)

2.8. First-time adoption (2016) of new and revised pronouncements--Continued

IAS 19 Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment is applied retrospectively.

IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment is applied retrospectively.
These amendments do not have any impact on the Company and its subsidiaries.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

• The materiality requirements in IAS 1

• That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated

• That entities have flexibility as to the order in which they present the notes to financial statements

• That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

2. Summary of significant accounting practices -- (Continued)

2.8. First-time adoption (2016) of new and revised pronouncements--Continued

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments do not have any impact on the Company and its subsidiaries.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 Consolidated Financial Statements. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not na investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments are applied retrospectively and do not have any impact on the Company as the Company does not apply the consolidation exception.

2. Summary of significant accounting practices -- (Continued)

2.9. Pronouncements issued, but not effective as of December 31, 2016

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company and its subsidiaries intend to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted.

Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Company and its subsidiaries plan to adopt the new standard on the required effective date. During 2016, the Company and its subsidiaries has performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Company and its subsidiaries in the future. Overall, the Company and its subsidiaries expects no significant impact on its balance sheet and equity, including the preliminar assessment made present that it will not be necessary additional provision of impairment losses in the recoverable amount, being the actual provision sufficient.

(a) Classification and measurement

The Company and its subsidiaries does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value. Quoted equity shares currently held as available-for-sale with gains and losses recorded in OCI will be measured at fair value through profit or loss instead, which will increase volatility in recorded profit or loss. The AFS reserve currently presented as accumulated OCI will be reclassified to opening retained earnings. Debt securities are expected to be measured at fair value through OCI under IFRS 9 as the Company and its subsidiaries expects not only to hold the assets to collect contractual cash flows but also to sell a significant amount on a relatively frequent basis.

The equity shares in non-listed companies are intended to be held for the foreseeable future. The Company and its subsidiaries expect to apply the option to present fair value changes in OCI, and, therefore, believes the application of IFRS 9 would not have a significant impact. If the Company and its subsidiaries were not to apply that option, the shares would be held at fair value through profit or loss, which would increase the volatility of recorded profit or loss.

2. Summary of significant accounting practices -- (Continued)

2.9. Pronouncements issued, but not effective as of December 31, 2016

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Company and its subsidiaries expect that these will continue to be measured at amortised cost under IFRS 9. However, the Company and its subsidiaries will analyse the contractual cash flow characteristics of those instruments in more detail before concluding whether all those instruments meet the criteria for amortised cost measurement under IFRS 9.

(b) Impairment

IFRS 9 requires the Company and its subsidiaries to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Company and its subsidiaries expect to apply the simplified approach and record lifetime expected losses on all trade receivables. The Company and its subsidiaries do not expect a significant impact on its equity.

(c) Hedge accounting

The Company and its subsidiaries believe that all existing hedge relationships that are currently designated in effective hedging relationships will still qualify for hedge accounting under IFRS 9. As IFRS 9 does not change the general principles of how an entity accounts for effective hedges, the Company and its subsidiaries do not expect a significant impact as a result of applying IFRS 9. The Company and its subsidiaries will assess possible changes related to the accounting in the future.

2. Summary of significant accounting practices -- (Continued)

2.9. Pronunciamentos emitidos, mas que não estavam em vigor em 31 de dezembro de 2016

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Company and its subsidiaries plan to adopt the new standard on the required effective date using the full retrospective method. During 2016, the Company and its subsidiaries performed a preliminary assessment of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. Furthermore, the Group is considering the clarifications issued by the IASB in April 2016 and will monitor any further developments.

The Company and its subsidiaries act in the sector of intermediation of tourism services. The tourism services are rendered individually in separate identified contracts with customers and together as a bundledpackage of services.

The Company and its subsidiaries do not expect significant impacts, and it is described bellow the main analyzed requirements:

(a) Rendering of services

As mentioned above, the Company and its subsidiaries provide intermediation of tourism services. These services are sold separately in the contracts with the customers or bundled together with other services. The Company and its subsidiaries have preliminarily assessed that the services are satisfied over time given that the customer simultaneously receives and consumes the benefits provided.

Consequently, the Company and its subsidiaries do not expect any significant impact on these contract services.

2. Summary of significant accounting practices -- (Continued)

2.9. Pronouncements issued, but not effective as of December 31, 2016

Additionaly was analyzed:

(i) Variable consideration

Some contracts with customers provide a right of return, trade discounts or volume rebates. Currently, the Group recognises revenue from rendered services measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If revenue cannot be reliably measured, the Group defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under IFRS 15, and will be required to be estimated at contract inception. The Group expects that application of the constraint may result in more revenue being deferred than is under current IFRS.

(ii) Loyalty points program

The Company and its subsidiaries determined that the loyalty program offered in the intermediation tourism services give rise to a separate performance obligation because it generally provides a material right to the customer. Thus, the Group will need to allocate a portion of the individual transaction price to the loyalty program instead of permitted allocation methodology by IFRIC 13 Loyalty program. As result, the Company and its subsidiaries do not expect a change in the allocation of received consideration and, consequently, at the time of the revenue recognized regardless of the Loyalty Program.

Consistently, the Group expects that the revenue will still be recognised when the loyalty points are redeemed or expire. The impact of this change is totally immaterial for the financial statements of the Company, but it will be reassessed when the standard will be implemented.

2. Summary of significant accounting practices -- (Continued)

2.9. Pronouncements issued, but not effective as of December 31, 2016

b) Presentation and disclosure requirements

IFRS 15 provides presentation and disclosure requirements, which are more detailed than under current IFRS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in Group's financial statements. Many of the disclosure requirements in IFRS 15 are completely new and the Company and its subsidiaries will develop internal controls, policies and procedures necessary to collect and disclose the required information.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

IAS 7 Disclosure Initiative – Amendments to IAS 7

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosure provided by the Group.

2. Summary of significant accounting practices -- (Continued)

2.9. Pronouncements issued, but not effective as of December 31, 2016

IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. If an entity applies the amendments for an earlier period, it must disclose that fact. These amendments are not expected to have any impact on the Group.

2. Summary of significant accounting practices -- (Continued)

2.9. Pronouncements issued, but not effective as of December 31, 2016

IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. These amendments do not have impacts for the share-based payment plans of the Company.

2. Summary of significant accounting practices -- (Continued)

2.9. Pronunciamentos emitidos, mas que não estavam em vigor em 31 de dezembro de 2016

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classifi classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. The Company will implement a diagnose, monitoring, assessment, measurement, impacts and control implementation for 2017. The Management believe that this pronouncement will have impact on its Financial Statements and will disclose it during 2017.

3. Main use of estimates and judgments

Accounting estimates and judgments are periodically evaluated and are based on historic; experience and other factors, including expected future events, considered reasonable for the circumstances.

The estimates and judgments that have a significant risk of causing a material adjustment to the book values of assets and liabilities within the next year are listed below.

a) Share-based payments

The fair value estimate of share-based payments requires deciding on the most adequate valuation model to value those instruments, which in turn depends on the granting terms and conditions. The valuation also requires determining the most accurate inputs for the valuation model including the expected life of the stock option, volatility, earnings from dividends and corresponding assumptions. The assumptions and models for estimating the fair value of share-based payments is disclosed in Note 18.b.

b) Taxes

The Company sets up provisions, based on applicable estimates, for the probable consequences of audits conducted by tax authorities. The amount of these provisions is based on various factors, such as past tax audit experience and different interpretations of tax regulations by the taxable entity and by the relevant tax authority.

These different interpretations may arise in a wide variety of matters, depending on the conditions prevailing in the respective domicile of the Company. Significant judgment by management is required to determine the recognizable deferred tax assets based on the probable term and level of future taxable profits.

c) Fair value of financial instruments

The fair value of financial assets and liabilities that are not traded in active markets is determined by using valuation techniques, including the discounted cash flow method. The Company uses its judgment to select data and assumptions adopted in these assessments. Changes in assumptions about these factors could substantially affect the stated fair value of financial instruments.

3. Main use of estimates and judgments -- (Continued)

d) Provision for administrative and legal proceedings

The Company recognizes provisions for administrative and legal proceedings. The assessment of the likelihood of an unfavorable outcome includes an evaluation of available evidence, the hierarchy of laws, available case law, recent court decisions and their relevance in the legal system, as well as the opinion of outside legal advisers. The Company reviews its estimates and assumptions at least on a quarterly basis.

e) Customer loyalty plan

The Company offers a customer loyalty program that allows its participants to exchange points accumulated through purchases at the Company's stores for tour packages. Based on the regulations of the current program, the participant receives 1 or 2 points for every R$1.00 spent. Points expire within a period of 24 months from the date of receipt.

The obligations related to the customer loyalty program are valued at the net fair value of the estimated non-usage (breakage) per point and multiplied by the number of points existing at the end of each period.

The obligations are recorded under "Advanced sale of travel packages" and are recognized as revenue upon consumption of the packages purchased with loyalty points.

The Company calculates the estimated non-usage based on historical data. Future developments can significantly change the customer profile. Such changes may result in significant changes in the balance of deferred revenue, as well as in the revenue recognition of this program.

4. Financial risk management

4.1. Financial risk factors

The Company’s activities expose it to various financial risks: market risks (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk, and liquidity risk. The risk management program of the Company is focused on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company’s financial performance.

The Board of Directors establishes principles for risk management, as well as for specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of cash surpluses.

a) Market risk

i) *Currency risk*

The Company's exposure to changes in exchange rates is mainly applicable to checking accounts, accounts payable and loans and financings denominated in foreign currency.

4. Financial risk management -- (Continued)

4.1. Financial risk factors -- (Continued)

a) Market risk (Continued)

i) *Currency risk* (Continued)

Currency risk may significantly impact the Company's future revenue, since the anticipated sales of tour packages include provisions for future payments to international suppliers of tour packages. The foreign exchange rate can also affect the Company's financial income due to loans and financings denominated in foreign currency.

To manage currency risk, the Company uses foreign currency purchase agreements, NDF (non-deliverable forwards) derivative contracts and exchange swaps. The Company also hedges currency risk by paying foreign suppliers in advance.

ii) *Cash flow risk or fair value risk associated with interest rate risk*

The Company's exposure to the risk of changes in interest rates is primarily related to the Company's cash equivalents and finance leases, both adjusted based on Interbank Deposit Certificate (CDI) and LIBOR rate, which can affect the Company's results and cash flows.

iii) *Sensitivity analysis*

To test the sensitivity of the Company's exposure to checking accounts in foreign currency, cash equivalents and loans and financing as of December 31, 2015, the Company created three different interest rate scenarios. Based on financial institutions' forecasts, the Company created probable forecasts for exchange rate movements and CDI (scenario 1). Based on scenario 1, the Company varied scenarios by by 25% (scenario 2) and 50% (scenario 3).

4. Financial risk management -- (Continued)

4.1. Financial risk factors -- (Continued)

a) Market risk (Continued)

iii) *Sensitivity analysis*

"Gross financial revenue and expense" were calculated for each scenario, excluding taxes on income from short-term investments.

			Balance on	Market projections					
Operations	Risk		December 31, 2016	Index 1	Scenario 1	Index 2	Scenario 2	Index 3	Scenario 3
Checking account in foreign currency - USD	USD depreciation	3.2591	16,074	3.3333	16,443	2.5000	12,332	1.6667	8,221
Checking account in foreign currency – EUR	EUR depreciation	3.4384	6,797	3.6689	7,255	2.7517	5,441	1.8344	3,627
Checking account in foreign currency – GBP	GBP depreciation	4.0364	1,653	4.3288	1,774	3.2466	1,330	2.1644	887
Checking account in foreign currency – CAD	CAD depreciation	2.4258	4,056	4.3830	7,330	3.2873	5,497	2.1915	3,665
Checking account in foreign currency – AUD	AUD depreciation	2.3462	1,183	2.5044	1,258	1.8783	943	1.2522	629
Checking account in foreign currency – CHF	CHF depreciation	3.2056	141	3.2858	145	2.4644	109	1.6429	73
Cash equivalents (Note 5)	CDI depreciation	12.99%	25,626	12.99%	26,980	9.74%	26,973	6.49%	26,966
NDF (Note 4.4)	USD	3.3885	(3,306)	3.4066	(2,129)	3.3906	(3,389)	3.3928	(3,476)
NDF (Note 4.4)	EUR	3.6907	(3,534)	3.6960	(2,014)	3.6950	(3,782)	3.6995	(4,033)
Swap	CDI appreciation	13.70%	321,467	12.88%	321,351	17.13%	323,156	20.56%	324,646

			Balance on	Market projections					
Operações	Risco		December 31, 2016	Index 1	Scenario 1	Index 2	Scenario 2	Index 3	Scenario 3
Checking account in foreign currency - USD	USD depreciation	3.9048	21,206	4.0133	21,799	3.0100	16,349	2.0067	10,899
Checking account in foreign currency – EUR	EUR depreciation	4.2504	1,881	4.4274	1,961	3.3205	1,471	2.2137	980
Checking account in foreign currency – GBP	GBP depreciation	5.7881	108	6.1530	115	4.6148	86	3.0765	57
Checking account in foreign currency – CAD	CAD depreciation	2.8171	28	5.3051	54	3.9788	40	2.6525	27
Cash equivalents (Note 5)	CDI depreciation	14.29%	20,074	14.29%	20,122	10.72%	20,110	7.15%	20,091
NDF (Note 4.4)	USD	3.9048	164	4.0133	269	3.9048	103	3.9048	41
NDF (Note 4.4)	EUR	4.2504	-	4.4274	-	4.2504	-	4.2504	-
Swap	CDI appreciation	14.14%	157,012	14.14%	157,000	17.97%	158,773	21.93%	160,410

b) Credit risk

The Company is primarily exposed to credit risk related to cash and cash equivalents and trade accounts receivable. Credit risk is minimized through the following policies:

Cash and cash equivalents: The Company limits the amounts allocated to a single financial institution and analyzes the credit ratings of the financial institutions with which it transacts.

4. Financial risk management -- (Continued)

4.1. Financial risk factors (Continued)

b) Credit risk Continued

Trade accounts receivable: The Company enters into transactions associated with credit cards and financial institutions, since the credit risk is fully transferred to those parties. Direct sales to individual customers paying with post-dated checks are limited and accounted for 7.2% and 5.4% of sales for the years ended December 31, 2015 and 2014, respectively. For the quarter ended on December 31, 2015 and 2014 the direct sales to individual customers paying with post-dated checks are limited and accounted for 7.7% and 5.5% of sales, respectively.

Advances to suppliers: The Company analyzes the financial and equity situations of its suppliers, and monitors the outstanding balances with its suppliers on an ongoing basis.

c) Liquidity risk

The treasury department continuously monitors the Company's liquidity to ensure there is sufficient cash to meet operational needs.

Cash surpluses are invested in checking accounts bearing interest, time deposits, short-term deposits and marketable securities, by choosing instruments with suitable maturity or liquidity to provide sufficient margin as determined by the cash flow forecast.

The table below shows the Company’s financial liabilities, by maturity corresponding to the remaining period from the balance sheet date up to the contractual term.

	Consolidated			
	Less than 3 Months	**3 to 12 months**	**1 to 5 Years**	**Total**
Balances on December 31, 2016				
Trade accounts payable	**489,437**	**47,912**	**2,379**	**539,728**
Accounts payable - related parties	**3,794**	**36,140**	**93,797**	**133,731**
Other accounts payables	**13,009**	**14,362**	**96**	**27,467**
Accounts payable - acquisition of subsidiary	**-**	**3,529**	**52,931**	**56,460**
Loans and financing	**49,270**	**166,851**	**76,912**	**293,033**
	555,510	**268,794**	**226,115**	**1,050,419**

	Consolidated			
	Less than 3 Months	**3 to 12 months**	**1 to 5 Years**	**Total**
Balances on December 31, 2015				
Trade accounts payable	490,735	14,616	-	505,351
Accounts payable - related parties	-	45,914	98,264	144,178
Other accounts payables	32,847	-	303	33,150
Accounts payable - acquisition of subsidiary	-	-	51,708	51,708
Loans and financing	-	71,064	134,991	206,055
	523,582	131,594	285,266	940,442

4. Financial risk management -- (Continued)

4.2. Capital management

In order to maintain or adjust its capital structure, the Company may review its policy regarding factoring of receivables, payment of dividends, return of capital to shareholders, or the issuance of new units of shares to reduce, for example, the level of indebtedness.

The capital management is not performed at the Company level, but at the Consolidated, as below:

	Consolidated	
	December 31, 2016	December 31, 2015
Loans and financing	**293,033**	206,055
Swap (Note 4.6)	**28,434**	(49,227)
Accounts payable - related party - acquisition of Duotur Group (Notes 10/b/20.a)	**99,798**	139,221
Accounts payable - acquisition of subsidiary Submarino Viagens (Notes 10.c/17)	**56,460**	51,708
Accounts payable - acquisition of related party Viatrix (Notes 10.a/20)	**30,139**	-
Accounts receivable - acquisition of subsidiary (Note 10.c)	**-**	(13,453)
(-) Cash and cash equivalents	**(55,530)**	(48,677)
(=) Net debt	**452,334**	285,627
(+) Equity	**717,223**	661,347
(=) Equity and net debt	**1,169,557**	946,974

4.3. Fair value

The following is a comparison of the book value and fair value of the Company's financial instruments:

	Company			
	Book value		Fair value	
	December 31, 2016	December 31, 2015	**December 31, 2016**	December 31, 2015
Financial assets				
Cash and cash equivalents	**34,460**	32,051	**34,460**	32,051
Derivative financial instruments	**-**	49,391	**-**	49,391
Trade accounts receivable	**1,539,893**	1,254,699	**1,539,893**	1,254,699
Accounts receivable - acquisition of subsidiary	**-**	13,453	**-**	13,453
Accounts receivable - related parties	**56,206**	31,117	**56,206**	31,117
Total	**1,630,559**	1,380,711	**1,630,559**	1,380,711
Financial liabilities				
Loans and financing	**293,033**	206,055	**321,467**	206,055
Derivative financial instruments	**35,274**	-	**35,274**	
Trade accounts payable	**404,926**	343,333	**404,926**	343,333
Accounts payable - related parties	**27,852**	30,105	**27,852**	30,105
Accounts payable - acquisition of subsidiary - related parties	**129,937**	139,221	**129,937**	139,221
Accounts payable - acquisition of subsidiary	**56,460**	51,708	**56,460**	51,708
Total	**947,482**	770,422	**975,916**	770,422

4. Financial risk management -- (Continued)

4.3. Fair value -- (Continued)

	Consolidated			
	Book value		Fair value	
	December 31, 2016	December 31, 2015	**December 31, 2016**	December 31, 2015
Financial assets				
Cash and cash equivalents	**55,530**	48,677	**55,530**	48,677
Derivative financial instruments	**-**	49,391	**-**	49,391
Trade accounts receivable	**1,745,554**	1,394,483	**1,745,554**	1,394,483
Accounts receivable - acquisition of subsidiary	**-**	13,453	**-**	13,453
Accounts receivables - related parties	**3,607**	1,326	**3,607**	1,326
Total	**1,804,691**	1,507,330	**1,804,691**	1,507,330
Financial liabilities				
Loans and financing	**293,033**	206,055	**321,467**	156,933
Derivative financial instruments	**35,274**	-	**35,274**	-
Trade accounts payable	**539,728**	505,351	**539,728**	505,351
Accounts payable - related parties	**3,794**	4,957	**3,794**	4,957
Accounts payable of acquisition of subsidiary - related parties	**129,937**	139,221	**129,937**	139,221
Accounts payable - acquisition of subsidiary	**56,460**	51,708	**56,460**	51,708
Total	**1,058,226**	907,292	**1,086,660**	858,170

The Company estimated that cash and cash equivalents, trade accounts receivable, trade accounts payable, and short-term accounts with related parties are equivalent to their book values, mainly due to the short-term maturities of these instruments.

For measuring and determining the fair value of financial assets and liabilities, the Company has adopted the following assumptions:

- Long-term receivables at pre-and post-fixed rates are assessed by the Company based on parameters such as interest rates, particular risk factors, individual credibility of the customer or counterparty. As of December 31, 2016 and 2015, the book value of these receivables approximated their fair value.

- The fair value of non-trading instruments, loans and financing and other debts, as well as other noncurrent financial liabilities is estimated through discounted future cash flow analyses assuming rates currently available for debts of similar maturities.

- The Company follows CPC 40/IFRS 7 guidelines for financial instruments that are recorded on the balance sheet at fair value. The fair value of the financial instruments traded in active markets (such as held-for-trading and available-for-sale securities) is based on market prices quoted ats of the balance sheet date. The quoted market price used for the financial assets held by the Company corresponds to the price of current competitors. The fair value of financial instruments that are not traded in active markets (for example, over-the-counter derivatives) is determined by using valuation

4. Financial risk management -- (Continued)

4.4. Hedge accounting

The Company uses hedge accounting to value its derivative financial instruments for hedging cash flows of future payments in foreign currency to foreign suppliers and future payments to domestic suppliers indexed in foreign currency. The Company does not enter into transactions with derivative financial instruments considered exotic.

The Company granted, in fiduciary assignment for its loan contracted with Banco Bradesco, the value of its receivables of credit card in the amount of R $ 150,000 thousand (US $ 46,970 thousand) and also of possible positive adjustments of the derivative financial instrument contracted to protect it.

As of December 31, 2016 and 2015, the fair value of transactions involving hedges was measured through observable factors, such as prices quoted on active markets or discounted cash flow analyses based on market curves. Fair values are shown below:

	December 31, 2016					
	Notional value	**Fair value (a)**	**Fair value (b)**	**Total**	**Income**	**Equity**
Currency risk						
USD	**3,464**	**3,413**	**6,208**	**9,621**	**(5,355)**	**(726)**
EUR	**7,775**	**7,492**	**(2,646)**	**4,846**	**(4,143)**	**(1,054)**
NDF	**150,892**	**(6,840)**	**-**	**(6,840)**	**(3,213)**	**(5,315)**
Total assets	**162,131**	**4,065**	**3,562**	**7,627**	**(12,711)**	**(7,095)**

	December 31, 2015					
	Notional value	**Fair value (a)**	**Fair value (b)**	**Total**	**Income**	**Equity**
Currency risk						
USD	4,727	4,752	16,454	21,206	28,827	4,028
EUR	1,693	1,674	207	1,881	2,218	703
NDF	3,532	164	-	164	28,421	-
Total assets	9,952	6,590	16,661	23,251	59,466	4,731

(a) Balances of derivative financial instruments for hedging operations associated with tour packages to be boarded.

(b) Balance of derivative financial instruments related to boarded tour packages whose suppliers have not yet been paid.

As of December 31, 2016, the effect of deferred taxes on the balance of hedging cash flows in other comprehensive income totaled R$2,412 ((R$1,609) as of December 31, 2015)

4. Financial risk management -- (Continued)

4.4. Hedge accounting (Continued)

The table below shows the outstanding positions, organized by maturity, of NDF contracts used to hedge currency risk:

December 31, 2016

Derivative	Position	Contract	Date	Maturity	Notional value	Fair value
Forward	Long position	NDF	From 02/29/2016 to 12/29/2016	From 01/02/2017 to 11/02/2017	**150,892**	**(6,840)**

December 31, 2015

Derivative	Position	Contract	Date	Maturity	Notional value	Fair value
Forward	Long position	NDF	From 07/10/2015 to 12/30/2015	From 03/10/2016 to 08/25/2016	**3,532**	**164**

4.5. Currency risk

The table below shows the outstanding positions, organized by maturity, of swap contracts used to hedge currency risk as of December 31, 2016 (as of December 31, 2015 there were no similar outstanding positions):

December 31, 2016.

Derivative	Position	Contract	Date	Maturity	Notional value	Fair value
SWAP (*)	LIBOR 3M X CDI	CITIBANK	02/26/2015	03/02/2018	**139,344**	**(27,187)**
SWAP (*)	Pré 3.65% a.a.	BRADESCO	10/08/2016	04/18/2017	**153,689**	**(1,246)**

December 31, 2015.

Derivative	Position	Contract	Date	Maturity	Notional value	Fair value
SWAP (*)	LIBOR 6M X CDI	CITIBANK	02/26/2015	03/02/2018	150,000	49,227

(*) These swap transactions have the sole purpose of hedging currency risk related to loans in foreign currency described in Note 13. The swaps are being used to hedge exposure to changes in the fair value of loans guaranteed at the above-mentioned rates for both financial institutions.

4.6. Fair value estimate

Financial assets and liabilities recorded or disclosed at fair value are classified based on the following levels:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is either directly or indirectly observable;

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is not observable.

The table below presents the Company's assets measured at fair value:

	December 31, 2016			
	Company and Consolidated			
	Level 1	Level 2	Level 3	Total balance
Liabilities				
Loans and financing	-	293,033	-	293,033
NDF	-	6,840	-	6,840
SWAP	-	28,434	-	28,434
	-	328,307	-	328,307

	December 31, 2015			
	Company and Consolidated			
	Level 1	Level 2	Level 3	Total balance
Assets				
NDF	-	164	-	164
SWAP	-	49,227	-	49,227
	-	49,391	-	49,391
Liabilities				
Loans and financing	-	206,055	-	206,055

There were no transfers of assets or liabilities among the levels in 2016 and 2015.

5. Cash and cash equivalents

	Company		Consolidated	
	December 31, 2016	December 31, 2015	**December 31, 2016**	December 31, 2015
Cash equivalents	**14,136**	7,230	**18,076**	20,074
Cash and bank accounts:				
cash and current account in local currency	**5,404**	1,598	**7,550**	5,380
Current account in foreign currency - USD	**9,621**	21,206	**16,074**	21,206
Current account in foreign currency - EUR	**4,846**	1,881	**6,797**	1,881
Current account in other foreign currencies	**453**	136	**7,033**	136
	20,324	24,821	**37,454**	28,603
Cash and cash equivalents	**34,460**	32,051	**55,530**	48,677

Cash equivalents are investments in Bank Deposit Certificates (CDBs) and are held by the Company to meet short-term cash commitments rather than for investment or any other purposes. Cah equivalents can be redeemable at any time, are of short time and do not suffer risk of value changes.

6. Marketable securities

Short-term investments refer primarily to non-exclusive investment funds with daily liquidity and maturities of no more than three months that bear interest according to their short-term deposit rates, mainly CDI (Brazilian interbanking deposit rates). As of December 31, 2016, neither the parent company nor the consolidated entity held marketable securities. (R$0 in the parent company and R$3,022 in the consolidated on December 31, 2015).

Financial investments have been classified as "financial assets measured at fair value through profit or loss."

7. Trade accounts receivable

Trade accounts receivable are recognized at the total amount of the transaction and adjusted by allowance for doubtful accounts, if necessary. The provision is substantially based on overdue receivables in addition to specific accounts receivable deemed not collectible.

	Company		Consolidated	
	December 31, 2016	December 31, 2015	**December 31, 2016**	December 31, 2015
Resulting from sales through:				
Credit cards (a)	**929,436**	640,618	**1,006,826**	693,954
Invoices (b)	**513,334**	482,941	**633,691**	572,726
Invoices - internal credit activities (c)	**77,222**	113,448	**94,845**	113,448
Other	**50,711**	41,167	**54,330**	49,882
	1,570,703	1,278,174	**1,789,692**	1,430,010
Allowance for doubtful accounts (d)	**(30,810)**	(23,475)	**(44,138)**	(35,527)
	1,539,893	1,254,699	**1,745,554**	1,394,483

(a) Credit card installment sales over a period of no more than one year. Such installments are not subject to interest payments.

(b) Trade accounts receivable from invoices are receivables from financial institutions that structure and negotiate financial services for the Company's customers. All financial risks and benefits of these transactions are transferred to such institutions upon completion of the transaction.

(c) Accounts receivable from invoices - internal credit activities refer to receivables originated from credit facilities offered directly to the customers.

(d) The recognition and reversal of allowance for doubtful accounts has been recognized as "sales expenses" in the income statement.

The aging of our balance of trade accounts receivable and other receivables is shown below:

	Company		Consolidated	
	December 31, 2016	December 31, 2015	**December 31, 2016**	December 31, 2015
Falling due	**1,517,429**	1,238,631	**1,709,073**	1,359,726
Overdue:				
Overdue for less than 30 days	**26,311**	15,693	**40,327**	27,461
Overdue for more than 30 days	**26,963**	23,850	**40,292**	42,823
Total	**1,570,703**	1,278,174	**1,789,692**	1,430,010

Changes in allowance for doubtful accounts

	Company	Consolidated
Balance on December 31, 2014	(15,944)	(15,944)
Business combination	-	(16,455)
Additions	(18,335)	(21,842)
Recognized losses	10,804	18,714
Balance on December 31, 2015	**(23,475)**	**(35,527)**
Business combination	**-**	**(884)**
Additions	**(18,652)**	**(22,446)**
Write-offs	**(4,224)**	**(4,110)**
Recognized losses	**15.541**	**18.829**
Balance on December 31, 2016	**(30,810)**	**(44,138)**

8. Advances to suppliers

	Company		Consolidated	
	December 31, 2016	December 31, 2015	**December 31, 2016**	December 31, 2015
Airline companies (a)	**410,691**	286,254	**446,423**	288,096
Hotels in Brazil and abroad (b)	**60,241**	186,868	**60,241**	188,668
Educational Institutions	**-**	-	**10,645**	
Other	**16,636**	7,677	**20,858**	8,806
	487,568	480,799	**538,167**	485,570

(a) Payments to airlines related to air tickets already sold and not yet used.

(b) Advances to hotels are mainly resulting from transactions carried out between the Company and its suppliers to ensure the availability of rooms in the current and future seasons.

9. Prepaid expenses

	Company		Consolidated	
	December 31, 2016	December 31, 2015	**December 31, 2016**	December 31, 2015
Sales commissions (a)	**182,018**	135,845	**182,018**	136,244
Credit card management fee (b)	**13,182**	13,396	**13,432**	13,416
Advertising and promotion (c)	**13,732**	12,790	**13,732**	12,790
Sea cruises freight (d)	**44,808**	-	**44,808**	-
Other	**7,385**	3,946	**9,127**	4,107
	261,125	165,977	**263,117**	166,557

a) Commissions paid to travel agents as compensation for services provided by the agencies, which are expensed upon the actual boarding of passengers.

b) The percentage of credit card sales paid (based on agreements between the Company and credit card institutions) to transfer the credit risk of credit card sales to such institutions.

c) Expenses for advertising services and promotions that have yet to be rendered.

d) Expenses for chartering a Pullmantur cruiseship for 2016-2017 not shipped.

10. Business combinations

The acquisitions in 2016 are described below.

a) Viatrix Viagens e Turismo

a.1) - Acquisition

On October 29, 2016, as disclosed in Material Fact, was signed between the Company and quotaholders of Viatrix Viagens e Turismo Ltda ("Experimento"), a company specialized in exchange program travel and one of the leaders of segment, an sale and purchase agreement to acquisition of 100% of quotas of its capital by CVC.

The acquisition has the objective to viabilize the expansion of the Company in the exchange program travel and will enforce much more the relationship with its commercial partners and distribution channels of this sector.

The estimated basis price for the acquisition of 100% of Experimento is R$41,079, tooking in consideration the EBITDA, net cash, sales forecast and working capital of Experimento for the end period on December 31, 2016.

The price basis will be paid to the sellers as the follow form:

(a) 50% in cash corresponding to the amount of R$20,540 paid in the acquisition date; and

(b) 50% in two annual and sucessive installments in the years 2017 and 2018, to be updated by CDI.

It is yet foreseen the payment of additional price ("Earn-out") for sellers' performance, in case of achievement of sales goals in the years 2017 and 2018, which the Company recorded R$9,600 on December 31, 2016, based on projections of the company acquired, which at this moment presents that these goals will be achieved.

Purchase price	50,679
Payment in cash (50% of basis price)	(20,540)
Payable balance as of 12/31/2016	30,139
Current	10,269
Noncurrent	19,870

10. Business combinations -- (Continued)

a) Viatrix Viagens e Turismo -- (Continued)

a.2) Fair value of identifiable assets and liabilities

The fair values of Experimento's identifiable assets and liabilities as of the acquisition date were as follows:

Interest acquired	100%
Transaction value	50,679
Amount paid at acquisition date	20,540
Amount payable	30,139
Assets	
Cash and cash equivalents	16,348
Accounts receivable	26,714
Advance to suppliers	14,106
Prepaid expenses	250
Other	5,661
Property and equipent	673
Intangible assets	19,764
Total identifiable assets	83,516
Liabilities	
Suppliers	3,940
Advanced sales of travel packages	56,823
Taxes payables	1,492
Provision for contingencies	5,102
Accounts payable	170
Total identifiable liabilities	67,527
Total identifiable net assets (fair value)	15,989
Goodwill on transaction – preliminar	34,690
Total consideration	50,679

The investment balance on the individual balance sheet on December 31, 2016 is as follows:

	12/31/2016
Investment	**15,989**
Goodwill	**34,690**
Total	**50,679**

10. Business combinations -- (Continued)

a) Viatrix Viagens e Turismo -- (Continued)

a.3)Fair value of identifiable assets and liabilities – (Continued)

Consolidating goodwill was based on the concepts of business combination (IFRS 3/CPC 15) and the allocation of goodwill among intangible assets identified by the Company. Preliminar allocation of goodwill is as follows:

	Amount of allocated intangible	Usefull lives
Intangible assets:		
Customer list	**12,033**	10 years
Brand	**5,507**	20 years
Non competition agreement	**1,807**	5 years
Total allocated	**19,347**	-
Goodwill not allocated	**34,690**	indefinite
Total intangible assets	**54,037**	-

The fair value of accounts receivable is R$26,714. The gross amount of accounts receivable from customers is R$26,714. No impairment was recorded in the trade accounts receivable, and the full contractual amount is expected to be received.

Since the acquisition occurred on December 29, 2016 and no have changes until December 31, 2016, no have contribution of net revenue and operating income for the Company by this subsidiary. If the business combination had occurred at the beginning of year, net revenues of the investee would have amounted to R$18,083 and operating income would have amounted to R$5,923.

Costs related to the acquisition totaled R$1,014 and were recognized on the income statement as administrative expenses.

Purchase consideration	50.679
Total consideration	**50,679**
Analysis of cash flows related to the acquisition**:**	
Transactions costs of acquisition (1)	1,014
Net cash acquired from the subsidiary (2)	16,348

(1) Included in cash flow from operating activities

(2) Included in cash flow from investing activities

10. Business combinations -- (Continued)

a) Viatrix Viagens e Turismo -- (Continued)

Provision for contingencies

In accordance with contractual clauses, was defined that all any past contingencies prior to the signed of sales and purchase agreement will be the responsibility of the former quotaholders and, therefore, this amounts will be reimbursed or discounted of the debt payable as mentioned in the related party transactions note. The investee recorded a provision for contingencies in the amount of R$5,102, which its counterpart was recorded in other assets for purpose of reimbursement by the prior quotaholders when it occurs.

a.4) *Cash Generating Unit*

The goodwill and intangible allocations are associated with the cash generating unit of owned Experimento subsidiary.

The acquisitions in 2015 are described below.

b) Duotur Group

b.1 - Acquisition

The Duotur Group is a market leader in the airfare consolidation market and is recognized for its strong relationships with independent travel agents and airlines. It serves as an intermediary between travel agencies (third parties) and airlines. The Duotur Group is comprised of the following companies: Advance Viagens e Turismo S.A. (“Advance”), Rextur Viagens e Turismo Ltda. (“Rextur”) and Reserva Fácil Tecnologia S.A. (“Reserva Fácil”). READ Serviços Turísticos S.A. (“READ”) (formerly RA Viagens e Turismo S.A.), Duotur Participações S.A. (“Duotur Participações”) and Refa Participações S.A. (“Refa Participações”) are entities established exclusively for completing the corporate reorganization.

Through the acquisition of an interest in the Duotur Group, the Company entered the corporate travel business, complementing its existing operations in the leisure tourism business and strengthening its relationships with commercial partners and distribution channels.

To facilitate the transaction, the shareholders of Duotur Group conducted a corporate restructuring, through which assets and liabilities of the operations of Advance and Rextur were transferred to READ. READ became 51% controlled by Duotur Participações, and Reserva Fácil became 51% controlled by Refa Participações, with the outstanding 49% interest being held by the selling shareholders. The shareholders of Duotur Group held 100% of the equity interest in Duotur Participações and Refa Particpações.

10. Business combinations -- (Continued)

b) Duotur Group -- (Continued)

On December 18, 2014, as disclosed in the related press release, the Company entered into a purchase agreement with the shareholders of Duotur Group to acquire a 51% interest of the Group.

The closing terms of the transaction, such as the corporate restructuring described above and approval by the Administrative Council for Economic Defense (CADE), concluded in August 2015, and the transaction was consummated on August 31, 2015. The Company acquired 100% of the equity interests in Duotur Participações and Refa Participações, which in turn, held 51% of READ Viagens and Reserva Fácil.

The acquisition value is as follows:

Details	Duotur Participações	Refa Participações	Total
Amount paid on the closing date of the transaction (08.31.2015)	50,698	3,302	54,000
Amount payable	152,038	9,900	161,938
Total consideration transferred(i)	202,736	13,202	215,938

(i) The total consideration transferred of R$215,938 was determined based on the EBITDA for 2013, 2014 and the last twelve months period ending July 30, 2015, as well as minimum operational cash and working capital for business operations as agreed upon in the purchase agreement. The Company paid R$54,000 at closing and will pay the remaining balance in six equal, consecutive annual installments, beginning on December 18, 2015. Each installment will be adjusted by the fluctuations in the CDI rate, with quarterly interest payments starting three months after the closing date.

Changes in accounts payable relating to the acquisition of Duotur Group since the consummation of the transaction are as follows:

Description	Amounts
Balance payable at 08/31/2015	161,938
Monetary restatement	7,060
Interest payments	(4,928)
Principal payments	(24,849)
Balance payable at 12/31/2015	**139,221**
Monetary restatement	**16,318**
Interest payments	**(17,411)**
Principal payments	**(38,330)**
Balance payable at 12/31/2016	**99,798**
Current	**25,871**
Noncurrent	**73,927**

Since the balance payable is due to the former controlling shareholders of Duotur Group, who continue to own 49% of the Group's total shares, the total outstanding amount as of December, 31, 2016 of R$99,798 was recorded as an accounts payable to a related party (see note 20).

10. Business combinations -- (Continued)

b) Duotur Group -- (Continued)

b.2) Call and put option

b.2.1) Call option

As provided for in the shareholders' agreement, CVC Brasil owns a free call option expressly granting CVC Brasil the right, but not the obligation, to acquire the remaining stake of Duotur Participações S.A. and Refa Participações S.A., in full or in part. Upon exercise, the noncontrolling shareholders will be required to sell their shares to the Company ("call option").

The call option can be exercised by any controlling shareholder between March 1 and May 31 of each year, for three years after the closing date (August 31, 2015).

The call option can be exercised in one or successive acts, in order to acquire in full or in part the shares representing the 49% equity interest held by the noncontrolling shareholders. However, CVC cannot perform partial acquisitions that would result in the equity interest of the noncontrolling shareholders falling below 15%.

The call option strike price shall correspond to the (x) percentage of total equity interest of Duotur Group being acquired multiplied by (y) the value of Duotur Participações S.A. and Refa Participações S.A., based on the multiple paid for the acquired business on August 31, 2015 and the annual consolidated EBITDA for the fiscal year prior to the date of exercise. As of the acquisition date and December 31, 2016, the call option is “at the money.” The fair value of the call option as of December 31, 2016 was inconsequential and was therefore not recorded on the balance sheet.

The call option strike price will be paid in local currency as follows: i) 30% upon transaction closing and ii) 70% in three annual installments.

At the sole discretion of the controlling shareholders, the portion of the transaction value provided for in item ii above can be paid, in full or in part, on the closing date of the call option transaction through delivery of the Company’s shares to the noncontrolling shareholders. The number of CVC Brasil shares to be transferred will be based on the Volume Weighted Average Price (VWAP) of shares of CVC Brasil for the 20 trading sessions of BMF&BOVESPA prior to the closing date of the call option transaction.

10. Business combinations -- (Continued)

b) Duotur Group -- (Continued)

b.2) Put option -- (Continued)

b.2.2) Put option

The Company granted the noncontrolling shareholders the right, but not the obligation, at the sole discretion of the noncontrolling shareholders, to jointly sell all of their shares, in whole, that have not been acquired by the controlling shareholders, which, upon the exercise thereof by noncontrolling shareholders, will require the Company to acquire the shares of noncontrolling shareholders ("put option").

The put option can only be exercised if the call option is not exercised by the Company. The put option can be exercised in 2018, 2019, or 2021, with the price to be paid for the remaining equity interest calculated as the (x) percentage of total equity interest of Duotur Group being acquired multiplied by (y) the annual consolidated EBITDA for the fiscal year prior to the date of exercise multiplied by the respective EBITDA multiple defined in the purchase contract.

If the aforementioned conditions are not fulfilled, the put option cannot be exercised, and will not be effective for all legal purposes.

The put option contract contains no obligation to deliver cash or another financial asset for the remaining equity interest; the Company could transfer equity instruments of the Company. As CVC Brasil has the option to pay with CVC shares, the Company concluded that it would be unnecessary to record a full liability for the redemption amount but could instead account for the put option as a derivative financial liability at the net value of the derivative. As of the acquisition date and December 31, 2016, the put option is valued as "at the money"; the fair value of the option is zero. The Company will monitor the fair value of the derivative and the value of the put option.

10. Business combinations -- (Continued)

b) Duotur Group -- (Continued)

b.3) Fair value of identifiable assets and liabilities

The fair values of Duotur and Refa's identifiable assets and liabilities as of the acquisition date were as follows:

	Duotur Consolidated	Refa Consolidated	Total
Interest acquired	100% (i)	100% (i)	100%
Transaction value	202,736	13,202	215,938
Amount paid at acquisition date	50,698	3,302	54,000
Amount payable	152,038	9,900	161,938
Assets			
Cash and cash equivalents	8,849	1,298	10,147
Accounts receivable	144,680	991	145,671
Other assets	7,606	126	7,732
Fixed assets	2,453	433	2,886
Intangible assets	146,148	10.310	156.558
Total identifiable assets	309,836	13,158	322,994
Liabilities			
Suppliers	(120,032)	-	(120,032)
Taxes payable	(2,280)	(376)	(2,656)
Provision for contingencies	-	-	-
Accounts payable	(19,084)	(1,629)	(20,713)
Total identifiable liabilities	(141,396)	(2,005)	(143,401)
Noncontrolling interests	(82,536)	(5,465)	(88,001)
Total identifiable net assets(fair value)	85,904	5,688	91,592
Goodwill on transaction	116,832	7,514	124,346
Total consideration	202,736	13,202	215,938

(i) Equity interest equivalent to 100% of Duotur Participações S.A. and Refa Participações S.A., which hold 51% of the equity interest of READ Viagens and Reserva Fácil, respectively.

10. Business combinations -- (Continued)

b) Duotur Group -- (Continued)

b.3) Fair value of identifiable assets and liabilities (Continued)

The investment balance on the individual balance sheet on December 31, 2016 and December 31, 2015 was as follows:

	December 31, 2016	December 31, 2015
Investment (*)	**108,501**	**95,808**
Goodwill	**124,346**	**124,346**
Total	**232,847**	**220,154**

(*) value based on the equity method.

Consolidating goodwill was based on the concepts of business combination (CPC 15) and the allocation of goodwill among intangible assets identified by the Company. Allocation of goodwill is as follows:

	Amount of allocated intangible	Useful lives
Intangible assets:		
Customer list (100%)	**145,427**	10 years
Software surplus (100%)	**10,310**	5 years
Total allocated	**155,737**	
Goodwill not allocated	**124,346**	
Total intangible assets	**280,083**	

The fair value of accounts receivable from customers is R$145,671. The gross amount of accounts receivable is R$156,892. No impairment was recorded for the trade accounts receivable, as the full contractual amount is expected to be received.

Since the acquisition date, the investee has contributed to the Company net revenues of R$43,533 and operating income of R$12,749. If the business combination had occurred at the beginning of year, the net revenues of the investee would have amounted to R$143,334 and operating income would have amounted to R$42,206.

Purchase consideration	215,938
Total consideration	215,938
Analysis of cash flows related to the acquisition:	
Transactions costs of acquisition (1)	2,567
Net cash acquired from the subsidiary (2)	10,147

(1) Included in cash flow from operating activities

(2) Included in cash flow from investing activities

10. Business combinations -- (Continued)

b) Duotur Group -- (Continued)

Provision for contingencies

In accordance with contractual clauses between the Company and the Duotur Group's noncontrolling shareholders, any past contingencies (prior to the acquisition date, August 31, 2015) related to companies included in the Duotur Group that could generate financial losses for the Group are not incumbent upon the Company or the Group and are instead the responsibility of the former shareholders of the Group. Thus, no provision was set up for contingencies or claims prior to August 31, 2015 based on the agreement between the parties.

b.4) *Cash Generating Unit*

The goodwill and intangible allocations are associated with the cash generating unit of Duotur Group.

c) Submarino Viagens

c.1 - Acquisition

Submarino Viagens (formerly B2W Viagens e Turismo Ltda) is responsible for the activities of the online travel agency B2W - Companhia Digital operating under the brand name "Submarino Viagens," as well as the license of certain brands and the online domain "Submarino Viagens"

The acquisition bolsters the Company's position as a leading player in the Brazilian online travel market.

On May 27, 2015, as disclosed in the related press release, the Company entered into a share purchase agreement with the shareholders of B2WViagens to acquire 100% of the equity of the company.

The closing terms of the transaction, including CADE approval, were concluded in August 2015, and on August 31, 2015, the Company consummated its acquisition of 100% control of the equity of Submarino Viagens.

The amount payable for the acquisition of Submarino Viagens is determined as follows:

(a) Initial installment - Upon execution of the agreement, the Company paid R$100;

(b) Subsequent installments - The amount to be paid by the Company to the former shareholders of Submarino Viagens was set at (and limited to) R$80,000, adjusted by the variation in Brazil's Central Bank benchmark rate (SELIC).

10. Business combinations -- (Continued)

c) Submarino Viagens -- (Continued)

c.1 – Acquisition **--** (Continued)

Subsequent installments will be paid over 10 years by the Company and will be due every 12 months following the transaction closing date (August 31, 2015) to the former controlling shareholders of Submarino Viagens. Installment payments are based on the number of visits to the website, adjusted by inflation and subject to the achievement of a minimum conversion rate. Each installment amount is calculated by multiplying the acquisition price per visit by the number of visits to the website and the variation in the General Market Price Index (IGPM).

	Accounts payable	Accounts receivable	Net
Balance on August 31, 2015	49,354	(13,453)	35,901
Monetary restatement	2,354	-	2,354
Balance on December 31, 2015	51,708	(13,453)	38,255
Monetary restatement	**7,030**	**(1,762)**	**5,268**
Payments	**(2,278)**	**15,215**	**12,937**
Balance on December 31, 2016	**56,460**	**-**	**56,460**
Current	**3,529**	**-**	**3,529**
Noncurrent	**52,931**	**-**	**52,931**

If the total purchase price established by the sellers is not paid within 10 years, the sellers can choose to either:

(i) Extend the brand use agreement until the maximum balance (R$80,000) is received, adjusted by the variation in the SELIC rate; or

(ii) Terminate the brand license agreement, in which case CVC Brasil may choose to extend the agreement for another 18 months.

Pursuant to IFRS 3 (CPC 15): "The consideration transferred in exchange for control in the acquiree in a business combination should be measured at its fair value, which is calculated by the sum of the fair values on the acquisition date of: a) the assets transferred by the acquirer; b) liabilities incurred by the acquirer with former owners of the acquiree; c) equity interests issued by the acquirer. (...)"

In addition, IFRS 3 (CPC 15) states the following: "The consideration the acquirer transfers in exchange for control of the acquiree should include any assets or liabilities resulting therefrom based on contingent consideration (...). The acquirer should recognize a contingent consideration at its fair value on the acquisition date as part of consideration transferred in exchange for control in the acquiree.(...)"

10. Business combinations -- (Continued)

c) Submarino Viagens-- (Continued)

CVC determined that the acquisition fair value as of August 31, 2015 was R$49,454 (based on the net present value of estimated future installment payments). However, on the acquisition date, B2W had less working capital and more debt than the contractual amounts agreed upon in the purchase agreement with Submarino Viagens' former shareholders; thus, the sellers are obligated to reimburse the Company R$13,453. After paying the initial installment of R$100, the Company recorded a liability of R$49,354 and accounts receivable of R$13,453, such that the final net acquisition price is R$35,901.

c.2) Fair value of identified assets and liabilities

The fair value of identifiable assets and liabilities of Submarino Viagens on the acquisition date was as follows:

Interest acquired	100%
Purchase consideration	36,001
Amount paid at acquisition date	100
Amount payable	35,901
Assets	
Cash and cash equivalents	1,891
Accounts receivable	12,389
Accounts receivable - contingencies	7,675
Other assets	1,258
Fixed assets	1,155
Intangible assets	10,906
Total identiable assets	35,274
Liabilities	
Suppliers	(45,463)
Taxes payable, salaries and social charges	(3,579)
Deferred revenue	(30,422)
Provision for contingencies	(7,675)
Accounts payable	(6,627)
Total identiable liabilities	(93,766)
Total identifiable net liabilities (fair value)	(58,492)
Goodwill generated in the transaction	94,493
Total consideration transferred	36,001

The investment on December 31, 2016 and December 31, 2015 was valued as follows:

	December 31, 2016	December 31, 2015
Investment(*)	**(38,205)**	(56,989)
Goodwill	**94,493**	94,493
Total	**56,288**	37,504

(*) value based on the equity method.

10. Business combinations -- (Continued)

c) Submarino Viagens -- (Continued)

c.2) Fair value of identified assets and liabilities (continued)

For consolidation purposes, based on the concepts of business combination (IFRS 3/CPC 15), the consideration was allocated into assets and liabilities and the residual amount was recorded as goodwill in intangible assets. Allocation of goodwill is as follows:

	Amount of allocated intangible	Useful lives
Intangible assets:		
Brand	8,260	10 years
Total allocated	8,260	
Goodwill not allocated	94,493	
Total intangible assets	102,753	

The fair value of accounts receivable is R$12,389. The gross amount of accounts receivable from customers is R$12,389. No impairment was recorded in the trade accounts receivable, and the full contractual amount is expected to be received.

Since the acquisition date, the investee has contributed to the Company net revenues of R$25,794 and operating income of R$2,642. If the business combination had occurred at the beginning of year, net revenues of the investee would have amounted to R$80,273 and operating loss would have amounted to R$(6,355).

Costs related to the acquisition totaled R$2,190 and were recognized on the income statement as administrative expenses.

Purchase consideration	36,001
Total consideration	36,001
Analysis of cash flows related to the acquisition:	
Transactions costs of acquisition (1)	2,190
Net cash acquired from the subsidiary (2)	1,891

(1) Included in cash flow from operating activities

(2) Included in cash flow from investing activities

10. Business combinations -- (Continued)

c) Submarino Viagens -- (Continued)

Provision for contingencies

The purchase agreement states that all contingencies related to periods prior to the execution of the purchase agreement would be the responsibility of the former controlling shareholders; losses associated with these contingencies would be reimbursed or netted against the installments payable. The investee has recognized contingencies of R$8,427, of which R$5,460 was already settled, and the remaining balance will be reimbursed by former controlling shareholders in the subsequent month of the payment made by Submarino Viagens related to these contingencies.

c.3) *Cash Generating Unit*

The goodwill and intangible allocations are associated with the cash generating unit of Submarino Viagens.

10. Business combinations -- (Continued)

d) Acquisitions effect on cash flow

The cost of the acquisitions noted above shall be paid in five years for Duotur Group and until ten years for Submarino Viagens. The cash flow effect in the twelve-months period ended December, 31, 2016 (cash disbursement, deducted by the cash contribution) was as follows:

	Consolidated	
	Cash	**Non cash**
Duotur – (9.a)	**38,330**	**99,798**
Submarino (9.b/ 16)	**(15,215)**	**56,460**
Total	**23,115**	**156,258**

The payment made to Viatriax was R$20,540 (company), and the net cash received was R$4,192 (consolidated).

11. Investments

The investment balance is as follows:

	CVC Serviços (a)	Duotur Participações (b)	Refa Participações (c)	Submarino Viagens (antiga B2W Viagens) (d)	Viatrix Viagens e Turismo	Total
Balance on December 31, 2014	3,114	-	-	-	-	3,114
Acquisition of businesses 08/31/2015	-	11,736	431	(66,753)	-	(54,586)
Allocated intangibles	-	74,168	5,258	8,260	-	87,686
Goodwill generated on acquisition of businesses	-	116,832	7,514	94,493	-	218,839
Equity pickup	23,900	3,550	663	1,504	-	29,617
Balance on December 31, 2015	27,014	206,286	13,866	37,504	-	284,670
Acquisition of businesses 12/29/2016	**-**	**-**	**-**	**-**	**(3,358)**	**(3,358)**
Allocated intangibles	**-**	**-**	**-**	**-**	**19,347**	**19,347**
Goodwill generated on acquisition of business	**-**	**-**	**-**	**-**	**34,690**	**34,690**
Capital increase	**-**	**-**	**-**	**28,620**	**-**	**28,620**
Distributed dividends	**-**	**(6,518)**	**(1,085)**	**-**	**-**	**(7,603)**
Equity pickup	**22,474**	**18,470**	**1,828**	**(9,836)**	**-**	**32,936**
Balance on December 31, 2016	**49,488**	**218,238**	**14,609**	**56,288**	**50,679**	**389,302**

Information on subsidiaries is as follows:

a) CVC Serviços

	December, 31 2016	December, 31 2015
Assets	**68,598**	48,009
Liabilities	**19,106**	20,995
Equity	**49,492**	27,014
Net revenue	**95,711**	94,949
Net income for the period	**22,474**	23,900
Interest (%)	**99.90%**	99.9%

On December 7, 2016, the Board of Directors' Meeting approved the merger of CVC Serviços into Submarino Viagens. To this mergertakes in place, it should be submitted to the Shareholders' Meeting, whose estimate to occur will be on March 2017.

b) Duotur Participações

	December, 31 2016	December, 31 2015 (*)
Assets	**36,702**	15,698
Liabilities	**4,161**	-
Equity	**32,542**	15,698
Net income for the period (a)	**18,470**	3,550
% - Direct interest	**100%**	100%

(*) Refers to the four-month period ending on December 31, 2015.

(a) Included the amounts of amortization of intangibles from purchase price allocation, net of taxes effect.

11. Investments-- (Continued)

b.1) READ Serviços Turísticos (Formerly RA Viagens)

Duotur Participações holds control and 51% of the equity interest in READ Serviços Turísticos (formerly RA Viagens). In the table bellow is presented data of direct investee of Duotur Participações:

	December, 31 2016	December 31, 2015 (*)
Assets	**297,514**	141,683
Liabilities	**259,110**	110,919
Equity	**38,404**	30,764
Net revenue	**163,024**	39,991
Net income for the period (a)	**36,215**	6,961
Interest (%)	**51%**	51%
Equity results attributable to Duotur Participações	**18,470**	3,550

(*) Refers to the four-month period ending on December 31, 2015.

(a) Included the amounts of amortization of intangibles from purchase price allocation, net of taxes effect.

(c) Refa Participações

	December, 31 2016	December, 31 2015 (*)
Assets	**3,161**	1,154
Liabilities	**573**	2
Equity	**2,589**	1,152
Net revenue	**1,828**	663
Net income for the period (a)	**100%**	100%

(*) Refers to the four-month period ending on December 31, 2015.

(a) Included the amounts of amortization of intangibles from purchase price allocation, net of taxes effect.

11. Investments-- (Continued)

c.1.) Reserva Fácil

Refa Participações holds control and 51% of the equity interest in Reserva Fácil. In the table bellow is presented data of direct investee of Refa Participações:

	December, 31 2016	December, 31 2015 (*)
Assets	**7,913**	4,103
Liabilities	**5,426**	1,845
Equity	**2,486**	2,258
Net revenue	**10,177**	3,505
Net income for the period (a)	**3,585**	1,300
Interest (%)	**51%**	51%
Equity results attributable to Refa Participações	**1,828**	663

(*) Refers to the four-month period ending on December 31, 2015.

(a) Included the amounts of amortization of intangibles from purchase price allocation, net of taxes effect.

(d) Submarino Viagens

	December, 31 2016	December, 31 2015 (*)
Assets	**65,446**	51,910
Liabilities	**111,321**	117,117
Equity (capital deficiency)	**(45,875)**	(65,207)
Net revenue	**45,015**	25,794
Net losses for the period (a)	**(9,836)**	(1,504)
Interest (%)	**100%**	100%

(*) Refers to the four-month period ending on December 31, 2015.

(a) Included the amounts of amortization of intangibles from purchase price allocation, net of taxes effect.

On March 31, 2016, the Company increased its subsidiary's capital by R$28,620 through capital contributions.

(e) Viatrix Viagens e Turismo

	December, 31 2016
Assets	**64,170**
Liabilities	**67,528**
Equity	**(3,358)**
Interest (%)	**100%**

No transactions was ocurred between the acquisition date (December 29, 2016) to December 31, 2016. Therefore, no have equity pickup for this period.

12. Intangible assets

Intangible assets are accounted for at cost, less accumulated amortization and accumulated impairment.

Software

Costs associated with software maintenance are recognized as expenses as they are incurred. Development costs that are directly attributable to the project and testing of identifiable and exclusive software products, controlled by the Company, are recognized as intangible assets when the established criteria are met.

Other development expenditures not meeting these criteria are recognized as expenses, when incurred.

Website

Expenses for the acquisition of rights to sell through the virtual store from exclusive agents and expenses attributable to the development of the website are capitalized as intangible assets.

Exclusivity agreement

The exclusivity agreement (payments to third-party agents to convert into franchises) refers to amounts paid to franchisees to guarantee the exclusive sale of CVC-brand products.

Customer list

The customer base of Duotur Group was assessed according to the MEEM method ("Multi-period Excess Earnings Method"), which is based on a calculation of discounted future economic benefits cash flows attributable to the customer base, net of eliminations of contributions involved in the generation of the cash flows.

To estimate the remaining useful life of the customer base, a weighted average analysis of customer relationships was completed using a withdrawal rate method.

The purpose of this analysis is to estimate a survival curve that predicts future churn rates related to the current customer base. The fair value allocated to the customer list at the date of acquisition was R$145,427, which will be amortized over the average term of 10 years.

12. Intangible assets--Continued

Brand

The fair value of the brand "Submarino Viagens" was calculated using the "relief-from-royalty." method. According to this method, the value of the asset is determined capitalizing the royalties saved by the owning the intellectual property. In other words, the owner of the trademark obtains a benefit for owning the intangible asset instead of having to pay royalties for its use. The economy of royalties has been determined by applying a market royalty rate (expressed as a percentage of revenues) to future revenues expected from the sale of the product or service associated with the intangible asset. A market royalty rate is the rate usually expressed as a percentage of net revenues, an interested owner would charge a user interested in the use of an asset of his property in a market transaction, with both parties fully informed. The fair value allocated to Submarino Viagens at the acquisition date was R$8,260, which will be amortized over 10 years.

Goodwill

Goodwill is initially measured as the excess of the consideration transferred over the net assets acquired (identifiable assets acquired net of liabilities assumed). If payment is lower than fair value of acquired net assets, the difference is directly recognized on the income statements.

After the initial recognition, goodwill is measured at cost, net of any accumulated losses of impairment. Goodwill and other intangible assets with indefinite useful lives are not amortized, but impairment is tested at least on an annual basis.

Useful lives

Intangible assets are amortized by the straight line method based on the following useful lives:

	Years
Software and website	4.87 years
Software surplus	5 years
Exclusivity agreement	10 years
Customer list	10 years
Brand	10 years
Goodwill	Indefinite

12. Intangible assets--Continued

Company	Software and website	Exclusivity agreement	Total intangible assets
Cost			
December 31, 2014	104,221	81,184	185,405
Additions	31,947	4,227	36,174
Transfers	(1,215)	-	(1,215)
Write-offs	(26)	-	(26)
December 31, 2015	**134,927**	**85,411**	**220,338**
Additions	**24,567**	**1,483**	**26,051**
Transfers	**(2,388)**	**-**	**(2,388)**
Write-offs	**-**	**-**	**-**
December 31, 2016	**157,106**	**86,894**	**244,001**
Accumulated amortization			
December 31, 2014	(37,661)	(17,187)	(54,848)
Amortization	(14,818)	(10,983)	(25,801)
Write-offs	20	2,645	2,665
December 31, 2015	**(52,459)**	**(25,525)**	**(77,984)**
Amortization	**(19,526)**	**(8.601)**	**(28,127)**
Write-offs	**-**	**-**	**-**
December 31, 2016	**(71,985)**	**(34,126)**	**(106,111)**
Net book value			
December 31, 2016	**85,122**	**52,768**	**137,890**
December 31, 2015	82,468	59,886	142,354

Consolidated	Software and website	Exclusivity agreement	Goodwill	Customer list	Brand	Trade fund	Other	Total intangible assets
Cost								
December 31, 2014	105,225	81,184	-	-	-	-	2,300	188,709
Business combination	15,086	-	218,839	145,427	8,260	-	-	387,612
Additions	39,270	4,227	-	-	-	-	460	43,957
Reversal/(Provision)for obsolescence	7	-	-	-	-	-	-	7
Transfers	(1,216)	-	-	-	-	-	-	(1,216)
Write-offs	(24)	-	-	-	-	-	-	(24)
December 31, 2015	**158,348**	**85,411**	**218,839**	**145,427**	**8,260**	**-**	**2,760**	**619,045**
Business combination	**-**	**-**	**34,690**	**12,033**	**5,513**	**-**	**2,218**	**54,454**
Additions	**44,679**	**1,483**	**-**	**-**	**-**	**12,000**	**-**	**58,162**
Descontinued Operation	**-**	**-**	**-**	**-**	**-**	**(12,000)**	**-**	**(12,000)**
Transfers	**(3,963)**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,963)**
Write-offs	**(3,018)**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,018)**
December 31, 2016	**196,046**	**86,894**	**253,529**	**157,460**	**13,773**	**-**	**4,978**	**712,680**
Accumulated amortization								
December 31, 2014	(38,401)	(17,187)	-	-	-	-	(8)	(55,596)
Business combination	(1,309)	-	-	(1,212)	(69)	-	-	(2,590)
Amortization	(17,301)	(10,983)	-	-	-	-	(96)	(28,380)
Write-off	20	2,645	-	-	-	-	-	2,665
December 31, 2015	**(56,991)**	**(25,525)**	**-**	**(1,212)**	**(69)**	**-**	**(104)**	**(83,901)**
Amortization	**(31,321)**	**(8,601)**	**-**	**(14,543)**	**(826)**	**-**	**(96)**	**(55,387)**
Write-off	**146**	**-**	**-**	**-**	**-**	**-**	**-**	**146**
December 31, 2016	**(88,166)**	**(34,126)**	**-**	**(15,755)**	**(895)**	**-**	**(200)**	**(139,142)**
Net book value								
December 31, 2016	**107,880**	**52,768**	**253,529**	**141,705**	**12,878**	**-**	**4,778**	**573,538**
December 31, 2015	101,356	59,886	218,839	144,215	8,191	-	2,656	535,144

The Company did not identify evidence for the need to record a provision for impairment for the year ended December 31, 2016.

12. Intangible assets--Continued

Goodwill paid for expected future profitability and intangible assets with indefinite useful lives

Goodwill acquired through business combinations is allocated to the respective cash-generating units for impairment testing. The impairment test for 2015 was performed at the acquisition date of investees, since there were no other acquisitions prior to 2015.

The Company performed the impairment test on December 31, 2016 and considered, among other factors, the relationship between its market capitalization and its book value. As of December 31, 2016, the Company's market capitalization exceeded the carrying value of its capital; thus, there was no indication of impairment for the goodwill and for the recoverable amount of assets.

12. Intangible assets -- (Continued)

Cash-generating unit

The recoverable amounts of the cash generating units of Duotur Group, Submarino Viagens and Viatrix Viagens e Turismo were R$289,556[1], R$69,254 and R$53,173, respectively, as of December 31, 2016, e was determined by the value in use, based on the discounted cash flow analysis of value of five-year cash flow projections. The discount rate before taxes applied to cash flow projections for Duotur Group, Submarino Viagens and Viatrix was approximately 18%, and the cash flows for the terminal period were extrapolated using growth rate of 4.5% for the investees. Based on the analyses, the Company concluded that there was no impairment of goodwill as of December 31, 2016.

Key assumptions used in calculating the value in use

The calculation of the value in use of Duotur Group, Submarino Viagens and Viatrix is sensitive to the following assumptions:

- Gross margins; discount rates;

Gross margins

Gross margins are based on values for the two years prior to the beginning of the projection period and are kept stable over the projections period at level about of 6% for Duotur Group, 11% for Submarino Viagens and 20% for Viatrix Viagens.

Discount Rates

Discount rates represent the assessment of risks in the current market, specific to each cash generating unit, and take into account the carrying value of money and idiosyncratic risks of the underlying assets that have not been incorporated in the cash flow projections. The calculation of the discount rate is based on the Company's specific circumstances, based on the weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by investors of the Company. The cost of debt is based on the interest rate on loan obligations. The idiosyncratic risk is quantified through individual beta factors, which are evaluated annually based on market data available to the public. As taxas são baseadas em pesquisa publicada sobre o segmento de atuação.

[1] 51% of the total value of Duotur Group, in accordance with the equity interest percentage acquired of Duotur.

12. Intangible assets--Continued

Growth rate estimates

Rates are based on published research on the companies' respective segments.

Sensitivity to changes in assumptions

The implications of the key assumptions for the recoverable amount are discussed below:

- Growth rate - Management recognizes that the speed of technological change and the entry of new competitors in the market could impact growth rate assumptions. The entry of new competitors in the market would not materially affect growth rates adopted in the projections;
- EBITDA margins - Reduction in demand could pressure on EBITDA margins. A 5 point reduction in EBITDA margin would decrease the value of Duotur Group by 5.7%. A 5 point reduction in EBITDA margin would decrease the value of Submarino Viagens by 11.1% and 5.7% of Viatrix Viagens, respectively;
- Discount rates - A 1 point increase in the discount rate before taxes would decrease the value of the Duotur Group by 9.7%. A similar increase in the discount rate before taxes would decrease the value of Submarino Viagens and Viatrix Viagens by 8.5% and 8.6%, respectively.
- Market share during the forecast period - The Company projects that the Duotur Group's share of the airline ticket sales market will be stable over the forecast period. Likewise, the Company projects that Submarino Viagens' share of the online sales market will increase over the forecast period and also for the share of Viatrix in the intermediation of cultural and professional program exchanges.

13. Loans and financing

			Company and Consolidated		
			December 31, 2016		
	Mature	Interest rates	Current	Non Current	Total
Citibank USD (ii)	March 2019	Libor 3 months + 2.07% a.a.	**62,705**	**76,912**	**139,617**
Bradesco USD (iii)	April 2017	Pré 3.65% a.a.	**153,416**	**-**	**153,416**
Total			**216,121**	**76,912**	**293,033**

			Company and Consolidated		
			December 31, 2015		
	Maturity	Charges	Current	Noncurrent	Total
Citibank USD (i)	March 2018	Libor 6 months + 1.56% a.a.	71,064	134,991	206,055

The payment schedule of noncurrent payments of loans and financing is as follows:

Year	Amount
2018	58,564
2019	18,348
Total	**76,912**

13. Loans and financing

(i) The loan bears LIBOR interest rate of 6 months + 1.56% with semi-annual interest payments and principal amortization beginning March 2, 2016. This debt was fully-hedged in Brazilian reais through a swap with Citibank which, in combination with the loan, resulted in an annual interest rate of 107.5% of CDI. The funds were used for working capital.

(ii) On March 1, 2016, the Company renegotiated its loan with Citibank. The amended loan carries the following terms: interest rate of LIBOR 3 months + 2.07% p.a., with quarterly interest payments and principal amortization beginning December 2, 2016. This debt is fully hedged in Brazilian reais through a swap with Citibank which, in combination with the loan, results in an annual interest rate of 108.0% of CDI.

(iii) As collateral, the Company granted a minimum amount of R$150,000 in credit rights related to credit card receivables that have been issued or will be issued. This debt was fully-hedged in Brazilian reais through a swap with Citibank which, in combination with the loan, resulted in an annual interest rate of 117.6% of CDI.

The payment schedule of noncurrent payments is as follows:

The Company analyzed the covenants of its loan agreements and concluded that it is in compliance with all of its financial and non-financial obligations.

14. Commitments

Total minimum lease payments, according to non-cancellable operating leases are as follows:

	Consolidated	
	December 31, 2016	December 31, 2015
Less than one year	**8,063**	4,885
More than one year and less than five years	**19,306**	14,811
Over five years	**6,840**	-
	34,209	19,696

The operating lease expenses for the year ended December 31, 2016 totaled R$16,453 (R$13,814 for the year ended December 31, 2015).

All agreements that include penalty clauses for breaches thereof provide for penalties of up to three months of rent. If the Company terminated these agreements, the total amount of fines would be approximately R$2,713.

15. Provision for administrative and legal proceedings

As of December 31, 2016 and 2015, the Company was party to labor and civil proceedings at both the administrative and judicial levels. When applicable, such proceedings are supported by escrow deposits (included in other accounts receivable). Provisions for any losses arising from these proceedings are estimated and updated by management, based on the opinion of its legal advisors.

15. Provision for administrative and legal proceedings -- (Continued)

	Company		
	Labor	**Civil**	**Total**
Balance on December 31, 2014	3,058	15,879	18,937
Additions	1,202	18,687	19,889
Reversals/payments	(791)	(13,844)	(14,635)
Balance on December 31, 2015	**3,469**	**20,722**	**24,191**
Additions	**247**	**17,977**	**18,224**
Reversals/payments	**(83)**	**(14,199)**	**(14,281)**
Balance on December 31, 2016	**3,633**	**24,500**	**28,133**

	Consolidated		
	Labor	**Civil**	**Total**
Balance on December 31, 2014	3,058	15,879	18,937
Business combination	-	7,675	7,675
Additions	1,202	19,439	20,641
Reversals/payments	(791)	(13,844)	(14,635)
Balance on December 31, 2015	**3,469**	**29,149**	**32,618**
Business combination	**2,896**	**2,206**	**5,102**
Additions	**247**	**24,257**	**24,504**
Reversals/payments	**(83)**	**(22,627)**	**(22,710)**
Balance on December 31, 2016	**6,529**	**32,985**	**39,514**

Federal tax notice - goodwill

On January 7, 2015, the Company was notified of a tax assessment by the Brazilian tax authorities seeking the payment of certain amounts in relation to the Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL) for periods from 2010 to 2013 and corresponding amortization of goodwill, which the tax authorities assessed was non-deductible. The total principal amount of the tax assessment is R$127,073. Based on the analysis of external legal counsels, the probability of a positive outcome for the Company is 70% (possible).

16. Deferred income and social contribution taxes

Deferred income and social contribution taxes are recognized on the amortization of goodwill and on temporary differences between the tax bases of assets and liabilities and their book values. The value of deferred taxes is determined based on a Corporate Income Tax (IRPJ) rate of 25% and a Social Contribution Tax on Net Profit (CSLL) rate of 9%.

IRPJ and CSLL are recognized on the income statement, except to the extent that they are related to items directly recognized as equity or as comprehensive income. In this case, the tax is recognized as equity or comprehensive income.

Deferred tax assets are recognized to the extent that future taxable income are likely to offset temporary differences, based on projections of future revenue. Projections are prepared based on internal assumptions and future economic scenarios that may change.

a) Reconciliation of income tax expense

	Company		Consolidated	
	Year ended December 31,		Year ended December 31,	
	2016	2015	**2016**	2015
Income before income and social contribution taxes from continued operations	**251,157**	247,669	**299,598**	267,553
Income before income and social contribution taxes from descontinued operations	**-**	-	**(3,314)**	-
Income before income and social contribution taxes	**251,157**	247,669	**296,284**	267,553
Income and social contribution taxes at statutory rate - 34%	**(85,393)**	(84,207)	**(100,737)**	(90,968)
Stock options granted and recognized shares	**(6,301)**	(6,742)	**(6,301)**	(6,742)
Equity pickup	**11,198**	10,070	**-**	-
Interest on equity	**7,549**	5,233	**7,549**	5,233
Other	**(496)**	(836)	**413**	158
Income and social contribution taxes	**(73,443)**	(76,482)	**(99,075)**	(92,319)
Current	**(43,066)**	(19,464)	**(82,388)**	(32,667)
Deferred	**(30,377)**	(57,018)	**(17,814)**	(59,652)
Current – discontinued operations	**-**	-	**1,127**	-
Income tax and social contribution expense	**(73,443)**	(76,482)	**(99,075)**	(92,319)
Effective rate	**29%**	31%	**33%**	35%

b) Composition of deferred income and social contribution taxes

	Company		Consolidated	
	December 31, 2016	December 31, 2015	**December 31, 2016**	December 31, 2015
Income tax on goodwill CBTC	**-**	36,284	**-**	36,284
Provision for administrative and judicial disputes	**9,565**	8,225	**9,644**	8,225
Provision for bonuses	**7,371**	5,364	**9,435**	5,364
Provision for losses due to advances	**9,017**	9,608	**9,017**	9,608
Provision for financial expenses on discount of receivables	**7,072**	6,937	**7,072**	6,937
Tax loss carryforwards of subsidiary	**-**	-	**4,785**	-
Other (*)	**20,609**	13,230	**28,641**	14,500
Deferred tax assets	**53,634**	79,648	**68,594**	80,918

(*) includes deferred tax assets of business combinations and other provisions that are not individually significant and powdered.

Based on future projections prepared using internal assumptions and future economic scenarios, which can be changed; for December 31, 2016 is presented that the deferred tax asset will for the Company be used in 2017and for the Consolidated, it will be used until 5 years.

16. Deferred income and social contribution taxes -- (Continued)

c) Changes in deferred income taxes

	Company		Consolidated	
	December 31, 2016	December 31, 2015	**December 31, 2016**	December 31, 2015
Opening balance	**79,648**	136,293	**80,918**	140,197
Additions	**8,719**	6,200	**22,409**	7,280
Compensation	**(34,733)**	(62,845)	**(34,733)**	(66,559)
Ending balance	**53,634**	79,648	**68,594**	80,918

17. Accounts payable and receivable from subsidiary acquisition

17.1. Accounts payable due to acquisition of subsidiary

As mentioned in Note 10.c, the balance of accounts payable due to the acquisition of a subsidiary refers to the acquisition of Submarino Viagens. The balance payable is adjusted by the variation in the SELIC rate and the discount rate used was 15% per annum. Changes in the accounts payable account are as follows:

Details of transactions	Amounts
Remaining balance payable on 12/31/2016	51,708
Amount payable from 12/31/2016	(2,278)
Interest for the period from 2/1 to 12/31/2016	7,030
Balance payable on 12/31/2016	**56,460**
Current	3,529
Noncurrent	52,931

Scheduled payments will be due as follow:

Consolidated	
Year	**Amount**
2017	3,529
2018	3,718
2019 onwards	49,213
Total	56,460

17. Accounts payable and receivable from subsidiary acquisition -- (Continued)

17.2. Accounts receivable from acquisition of subsidiary

Reduction in purchase price

As mentioned in Note 10.c, the subsidiary had less working capital and more debt than the contractual amounts agreed upon in the purchase agreement, so the seller is obligated to reimburse the Company R$13,453 within 90 days of the purchase date. The balance reduces the purchase price and is recorded as an accounts receivable. The guarantee for this amount is the same amount payable to sellers. The Company has agreed with the previous shareholder and that amount was fully received until the end of fourth quarter of 2016.

Provision for legal claims

In addition, in accordance with the agreement between the Company and the former controlling shareholder of Submarino Viagens, any past contingencies (existing prior to the acquisition date) are not the responsibility of the Company, but rather the responsibility of the former controlling shareholder. However, as the Company will be responsible for the payment of the contingencies, the provisions for contingencies and claims existing prior to the acquisition date were recorded as a liability and, in line with the above mentioned, the Company has also booked an accounts receivable from the former controlling shareholder in the same amount of these contingencies. The balance of accounts receivable as of December 31, 2016 was R$3,377. This balance was recorded at the subsidiary.

18. Shareholders' equity

a) Capital

The share capital at December 31, 2016 is represented by 134,330,243 common shares (134,330,243 as of December 31, 2015), without par value, and is distributed as follows:

	December 31, 2016		December 31, 2015	
	Shares	**Value**	**Shares**	**Value**
FIP BTC (*)	**-**	**-**	60,415,697	98,093
FIP GJP (*)	**-**	**-**	32,278,259	52,408
Stock market	**134,330,243**	**281,635**	41,636,287	67,602
Total	**134,330,243**	**281,635**	134,330,243	218,103

(*) FIP GJP left to be a controlling shareholder as from of conclusion of the Follow On in August 2016 and FIP BTC as from November 4, 2016, when it completed the alienation of almost all of its own ordinary shares in the Company.

18. Shareholders' equity -- (Continued)

Pursuant to CVC's share repurchase program, the Company repurchased 400,000 shares in December 2015 and an additional 1,172,800 shares in the three months ended March 31, 2016. In the second quarter of 2016, three stock options plan beneficiaries exercised 72,900 share options, as described in the note 18.b) and in the fourth quarter of 2016, one beneficiary exercised 13,500 share options, for which the Company granted him the same quantity of its own shares.

The authorized capital as of December 31, 2016, and December 31, 2015 is R$5,000,000 without par value.

On August 10, 2016, the Company priced its restricted efforts public offering of secondary common shares issued by the Company ("Offering" and "Shares", respectively) and owned by BTC Fundo de Investimento em Participações ("FIP BTC") and GJP Fundo de Investimento em Participações ("FIP GJP", and together with BTC FIP, "Selling Shareholders").

The Offering consisted of a secondary public offering of 39,058,660 Shares held by FIP BTC and 20,941,340 Shares held by FIP GJP. The Offering priced at R$20.50 per share, resulting in a total offering size of R$1,230,000.

As the follow-on offering was of secondary shares, the Company did not receive any proceeds. The Selling Shareholders received all proceeds from the sale of the Shares and are responsible for the payment of all costs and expenses incurred.

As a result of the Offering's settlement, FIP BTC now holds 21,056,669 common shares of the Company, representing 15.68% of the Company's share capital, and GJP FIP now holds 11,336,919 common shares issued by the Company, representing 8.44% of the Company's capital.

On November 9, 2016, in the terms of article 12 of CVM Instruction No. 358, the Company was notified by BTC Fundo de Investimento em Participações ("FIP BTC") that it alienated, by the transactions realized on stock exchange in the sale form of block trade on November 4, 2016, 20,756,303 of its own ordinary shares of the Company. Therefore, with the physical and finance liquidation at this date, FIP BTC left to be a significant shareholder of the Company.

18. Shareholders' equity -- (Continued)

a) Capital--Continued

The Board of Directors approved the following events:

- On October 1, 2014, the Board of Directors approved the Company's capital increase of R$47,659 within the authorized capital limit, without the issuance of new shares and for the benefit of all shareholders, in proportion to their respective shareholdings in the Company's capital, which the minute was recorded effectively in 2015.

- The Board of Directors' meeting on June 8, 2015 approved a capital increase of R$17,734, through the issuance of 1,836,860 shares related to the exercise of stock options pursuant to the Company's stock option Plans 1, 3 and 4.

- The Board of Directors' meeting on July 13, 2015 approved a capital increase of R$1,496, through the issuance of 108,000 shares related to the exercise of Plan 4 stock options.

- The Board of Directors' meeting on September 22, 2015 approved a capital increase of R$9,551, through the issuance of 15,188 shares related to the exercise of Plan 4 stock options and through the issuance of 904,860 shares related to the exercise of Plan 3 stock options.

- On September 30, 2015, the Board of Directors approved the Company's capital increase of R$47,637 within the authorized capital limit, without the issuance of new shares and for the benefit of all shareholders, in proportion to their respective shareholdings in the Company's capital.

- On December 7, 2016 – It was approved the capital increase of the Company by the capitalization of final portion of the special goodwill reserve, which was amortized for purposes of tax benefit realization related in Financial Statements ended on September 2016, within the limit of authorized capital, without issuance of new shares and for benefit of all shareholders, in proportion of its shares in the Company's capital, in the amount of R$63,532.

b) Stock option plan

The Company grants compensation through share-based payments to its main executives and managers. The fair value estimate of share-based payments depends on the valuation model selected for granting these equity securities, as well the use of several assumptions for inputs, which in turn depends on the granting terms and conditions.

18. Shareholders' equity -- (Continued)

Expenses related to these transactions are recognized on the income statement (as general and administrative expenses) during the period in which the right is granted against the reserve for share-based payments, an equity account.

The strike price of options granted is the fair market value of shares on the grant date, adjusted by variation in the Extended Consumer Price Index (IPCA) from the grant date to the exercise date. The options granted are divided as follows:

Time Based Options (TBO) - provides the beneficiary the right to buy shares at a predetermined price based on the employee's continuous length of service at the Company. The beneficiary's right to exercise the option is subject to a vesting period and exercisable upon completion of such period.

Performance Based Options (PBO) - Provides the beneficiaries the right to buy shares subject to achieving rate of return of at least 25% per year on invested capital of the shareholders, in U.S. dollars. In the case of a qualified IPO and if the rate of return on invested capital is higher than 30% per annum, all PBOs will be converted into TBOs. Additionally, the beneficiaries must maintain the duration of continuous employment as defined by the Company's stock option plan prior to the exercise of the options granted and must observe a one-year lockup period after the vesting date. These terms and conditions are applicable only to the first stock option plan.

The options can be exercised within 10 years of the grant date. In the event of the termination of an employment agreement, all vested options should be exercised within 90 days from the date the beneficiary leaves the Company.

During the Extraordinary General Meeting on September 1, 2014, shareholders approved amendments to the Company's stock option Plans 3 and 4 in order to make them economically attractive in relation to the market value of the Company's shares. The exercise price of the stock options of both plans was adjusted from R$13.53 and R$14.63 to R$11.82, and the total number of stock options was reduced by 10%. These changes are consistent with the Company's strategic plan to retain key management personnel and ensure that they are properly incentivized to create long-term value for the Company.

On October 9, 2015, the Special General Meeting of shareholders approved the Fifth Stock Option Plan. The Plan's main objective is to attract, motivate and retain the Company's key executives, who have been selected to receive such options in order to ensure that a relevant part of their compensation is tied to long-term value creation for the Company. The maximum number of shares that can be issued for the exercise of options under the Plan is 1,363 shares, which represents 0.95% of the diluted share capital of the Company.

18. Shareholders' equity -- (Continued)

On December 9, 2016, the Board of Directors' Meeting approved the Sixth Stock Option Plan. The Plan's main objective is to attract, motivate and retain the Company's key executives, who have been selected to receive such options in order to ensure that a relevant part of their compensation is tied to long-term value creation for the Company. The maximum number of shares that can be issued for the exercise of options under the Plan is 1,500 shares, which represents 1.13% of the diluted share capital of the Company. Additionally also was approved the amendment of Fourth and Fifth Stock Option Plans. This amendment predict that the exercise price (a) should not be restate monetarily, and (b) deduction of exercise price of the amount per share possibly to be paid as dividends or interest on equity. The impact of this amendment generated an additional expense of R$1,609 in the results of 2016.

Changes in the stock option plans are detailed below:

		(In thousands of options)								
		Plan 1			Plan 2		Plan 3	Plan 4	Plan 5	Plan 6
		Tranche 1.1		Tranche 1.2	Tranche 2.1 to 2.3	Tranche 2.4 and 2.5	Tranche 3.1	Tranche 4.1 to 4.3	Tranche 1	Tranche 1
	Note	PBO	TBO	TBO	TBO	TBO	TBO	TBO	TBO	TBO
December 31, 2014		103	501	851	69	-	7,403	1,822	-	-
Granted	(iii)	-	-	-	-	-	-	-	1,363	-
Expired	(i)	-	-	-	-	-	-	(54)	-	-
Exercised	(ii)	-	-	(851)	-	-	(1,810)	(204)	-	-
December 31, 2015		**103**	**501**	**-**	**69**	-	**5,593**	**1,564**	**1,363**	**-**
Granted	(iii)	-	-	-	-	-	-	-	-	1,500
Expired	(i)	-	-	-	-	-	-	-	-	-
Exercised	(ii)	-	-	-	-	-	-	-	-	
December 31, 2016		103	501	-	69	-	5,593	1,398	1,363	**1,500**

(i) Forfeited stock options of executives who left the company;

(ii) Exercise of stock options (Note 15.a);

(iii) Grant of stock options approved by the Board of Directors mainly related to replacement of options forfeited by executives who left the Company.

The expense for the year ended December 31, 2016 totaled R$18,492 (R$19,824 for the year ended December 31, 2015).

18. Shareholders' equity -- (Continued)

b) Stock option plan (Continued)

The weighted average fair value of options granted, determined based on the valuation model "Customized Binomial Tree Model" is detailed below:

	(in thousand of options)								
	Plan 1		Plan 2	Plan 3		Plan 4		Plan 5	Plan 6
Details	Tranche 1.1	Tranche 1.2	Tranche 2.1	Tranche 3.1	Tranche 4.1	Tranche 4.2	Tranche 4.3	Tranche 1	Tranche 1
Beginning date (first granting)	5/3/2010	1/1/2010	11/10/2013	3/11/2013	11/10/2011	4/1/2013	10/31/2013	8/31/2014	12/09/2015
Number of options - PBO (thousands)	103	-	-	-	-	-	-	-	-
Number of options - TBO (thousands)	501	-	69	5,593	966	216	216	1,363	1,500
Exercise price - R$	R$4.99	R$4.99	R$22.46	R$11.82	R$11.82	R$11.82	R$11.82	R$15.79	R$10.32
Expected volatility	32.83%	47.00%	44.35%	30.58%	30.58%	30.58%	30.58%	33.75%	38.33%
Expected inflation (IPCA)	5.87%	5.87%	5.58%	-	-	-	-	-	-
Estimated exercise period	5 years	4 years	5 years	4 years	5 years	5 years	5 years	4.4 years	5 years
Fair value of stock option	R$2.56	R$4.58	R$14.44	R$6.38	R$5.07	R$5.23	R$5.54	R$6.19	R$7.51

18. Shareholders' equity -- (Continued)

c) Income reserve

Legal reserve: The legal reserve is recorded based on the allocation of 5% of annual net income, limited to 20% of capital stock.

Reserve for working capital: The account is set up based on the allocation of up to 25% of the remaining net income, after the allocation of net income to the legal reserve and distribution of dividends. The account is intended to maintain the Company's working capital and is limited to 30% of capital stock.

Expansion reserve: The expansion reserve is set up based on the allocation of up to 25% of the remaining net profit, after the allocation of net income to the legal reserve and distribution of dividends. The account is intended to expand the Company's business and is limited to 50% of capital stock.

Retained earnings reserve: Up to 50% of the net income remaining after the aforementioned allocations can be retained based on the capital budget approved by the General Shareholders' Meeting (GSM), pursuant to Article 196 of Brazilian Corporation Law.

d) Distribution of dividends and interest on equity

The Company's Articles of Incorporation provide for mandatory dividend payments each year of at least 25% of the adjusted net income for the year.

In addition, the Company's dividend policy states that 50% of the adjusted annual net income will be paid as dividends, subject to certain conditions described in the aforementioned dividend policy.

18. Shareholders' equity -- (Continued)

At the Board of Directors' Meeting held on February 17, 2016, the Board approved a proposal to distribute additional dividends for the 2015 fiscal year, calculated as shown below in accordance with the Company's bylaws.

At the Board of the Directors' meeting on December 17, 2016, the Board approved the prepayment of interest on equity of R$22,203, related to the net income for the year ended on December 31, 2016.

Distribution of dividends and interest on equity

	December 31, 2016	December 31, 2015
Net income for the year	**177,714**	171,187
Legal reserve (5%)	**-**	(8,559)
Dividends calculation basis	**177,714**	162.628
Minimum dividends	**44,427**	40,657
Interest on equity paid	**(22,203)**	(15,392)
Dividends payable	**22,224**	25,265
Additional dividends proposal	**-**	**73,183**

e) Treasury shares

Treasury shares are repurchased shares recognized at cost in a separate account and deducted from shareholders' equity. No gain or loss is recognized on the income statement upon the purchase, sale, issuance or cancellation of the Company's own treasury shares. Any difference between the book value of the shares and the consideration is recognized in other capital reserves.

On December 31, 2016, the Company held 1,486,400 treasury shares (400,000 on December 31, 2015).

19. Financial income (expenses)

	Company		Consolidated	
	Year ended December 31,		Year ended December 31,	
	2016	2015	2016	2015
Financial expenses				
Tax on Financial Transactions (IOF)	**(2,326)**	(2,300)	**(2,533)**	(2,417)
Financial charges (a)	**(129,028)**	(112,409)	**(130,213)**	(109,917)
Interest on the acquisitions of investees	**(23,343)**	(9,414)	**(23,343)**	(9,414)
Other	**(2,855)**	-	**(6,559)**	(3,567)
Total financial expenses	**(157,552)**	(124,123)	**(162,648)**	(125,315)
Financial income				
Short-term investment income	**8,564**	3,652	**10,827**	4,517
Other	**5,635**	3,609	**8,959**	3,286
Total financial income	**14,199**	7,261	**19,785**	7,803
Exchange variation, net	**2,902**	782	**3,096**	614
Financial income, net	**(140,451)**	(116,080)	**(139,767)**	(116,898)

a) Financial expenses primarily related to interest expense accrued under banks loans and financial services fees, including interest expense from credit card factoring.

20. Related party transactions

Transactions with related parties are carried out in the normal course of business, according to the specific prices agreed upon between the parties and consistent with market conditions for similar transactions between independent parties.

a) Principal balances and payments arising from transactions with related parties

	December 31, 2016					
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Result	Payment
Company						
CVC Serviços Agência de Viagens Ltda.	**-**	**-**	**24,058**	**-**	**-**	**101,011**
Accounts payable for acquisition of Duotur Group (ii)	**-**	**-**	**25,871**	**73,927**	**(16,318)**	**55,741**
Accounts payable for acquisition of Viatrix viagens (v)	**-**	**-**	**10,269**	**19,870**	**-**	**20,539**
Operadora e Agência de Viagens Tur Ltda.	**-**	**186**	**-**	**-**	**-**	**552**
GJP Administradora de Hotéis (i)	**3,421**	**-**	**3,794**	**-**	**-**	**39,848**
Duotur Participações(iv)	**20,539**	**-**	**-**	**-**	**-**	**-**
Refa Participações(vi)	**539**	**-**	**-**	**-**	**-**	**-**
Submarino Viagens (iii)	**31,521**	**-**	**-**	**-**	**-**	**-**
Total	**56,020**	**186**	**63,992**	**93,797**	**(16,318)**	**217,691**
Consolidated						
Accounts payable for acquisition of Duotur Group (ii)	**-**	**-**	**25,871**	**73,927**	**(16,318)**	**55,741**
Accounts payable for acquisition of Viatrix viagens (v)	**-**	**-**	**10,269**	**19,870**	**-**	**20,539**
Operadora e Agência de Viagens Tur Ltda.	**-**	**186**	**-**	**-**	**-**	**552**
GJP Administradora de Hotéis (i)	**3,421**	**-**	**3,794**	**-**	**-**	**39,848**
Total	**3,421**	**186**	**39,934**	**93,797**	**(16,318)**	**116,680**

20. Related party transactions -- (Continued)

a) Principal balances and payments arising from transactions with related parties (Continued)

	December 31, 2015				
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Payment
Company					
CVC Serviços Agência de Viagens Ltda.	-	-	25,148	-	66,135
Accounts payable for acquisition of Duotur Group (iv)	-	-	40,957	98,264	78,849
Operadora e Agência de Viagens Tur Ltda.	-	182	-	-	-
FIP GJP	-	-	-	-	123,367
GJP Administradora de Hotéis (i)	-	1,143	4,957	-	36,056
Duotur Participações(vi)	4,172	-	-	-	-
Submarino Viagens (v)	-	25,620	-	-	-
Total	4,172	26,945	71,062	98,264	304,407
Consolidated					
Accounts payable for acquisition of Duotur Group (iv)	-	-	40,957	98,264	78,849
Operadora e Agência de Viagens Tur Ltda.	-	183	-	-	-
FIP GJP	-	-	-	-	123,367
GJP Administradora de Hotéis (i)	-	1,143	4,957	-	39,056
Total	-	1,326	45,914	98,264	241,272

(i) Includes room reservations in related hotels. Advance payments can be made to ensure the availability of rooms in the current and future seasons;

(ii) As mentioned in Note 10.b., the balance refers to accounts payable related to the acquisition of a 51% equity interest in Duotur Group. The changes is in Note 10.a.1.

(iii) Advance payment for general expenses.

(iv) Sales of airline tickets and hotels reservations between CVC Brasil and the Duotur Group.

(v) As mentioned in Note 10.a., the balance refers to accounts payable related to the acquisition of a 100% equity interest in Viatrix Viagens. The changes is in Note 10.a.1.

(vi) Declared dividends.

b) Compensation of key management personnel

Key management personnel includes directors and officers.

	Year ended December 31,	
	2016	2015
Salaries and other short-term benefits	**50,570**	34,606
Share-based payment	**18,492**	19,824
	69,062	54,430

21. Advanced sales of travel packages

The intermediated travel packages are recorded as advanced sales of travel packages in noncurrent liabilities, due are represented by sold travel packages and not yet used by the passengers. All expenses related to the travel are recorded together with revenue, when the passenger made the boarding.

As of December 31, 2016, the balance of advanced sales of travel packages amounted to R$1,288,154 at the Company (R$1,126,510 as of December 31, 2015) and R$1,344,977 at the Consolidated level (R$1,126,510 as of December 31 2015).

22. Revenue

Gross revenue comprises the fair value of the consideration received or receivable for the development and intermediation of travel services and tour packages. Packages can include airline tickets, ground transportation, daily reservations, land tour packages, and cruise packages, among other services, intermediated by the Company.

Substantially all travel services are provided directly to customers by partners, to whom the Company charges a percentage of income or from whom the Company receives a commission for services rendered. The portion charged or commission received corresponds to the revenue recognized. CVC Serviços accounts for commissions on the sale of travel packages prepared and managed by the Company as its own revenue, which is eliminated upon consolidation.

For sale of airline ticket (consolidator) the transfer of risks and obligations occur at the time of sale, and the intermediation revenues are received from airlines companies.

The Company recognizes revenue when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the entity and when the risks are substantially transferred, which occur at the time of departure. CVC recognizes the sale of travel packages at the time of departure and the sale of tickets through the Duotur Group and Submarino Viagens' airline aggregators at the time of booking.

Service revenue is subject to the following taxes and contributions, at the following statutory rates:

· Contribution Tax on Gross Revenue for Social Integration Program (PIS) - 0.65%

· Contribution Tax on Gross Revenue for Social Security Financing (COFINS) - 3%

· Municipal Service Tax (ISSQN) - 2% to 5%

Segregation of revenue

The Company has a sole operating segment engaged in "Tourism Intermediation." The Company management analyzes gross revenue by line of business, including domestic travel, international travel and cruise lines. Substantially all of the operations are based in Brazil.

22. Revenue -- (Continued)

Segregation of revenue (Continued)

The Company's gross revenue by business line is as follows:

	Consolidated	
	Year ended December 31,	
	2016	**2015**
Domestic	**741,750**	616,853
International	**351,406**	291,698
Cruise	**22,838**	21,316
Other	**24,282**	12,822
Total	**1,140,276**	942,689

23. Operating expenses

	Company		Consolidated	
	Year ended December 31,		Year ended December 31,	
	2016	**2015**	**2016**	**2015**
Personnel	**134,699**	126,134	**271,362**	198,508
Third-parties services	**129,756**	141,970	**166,409**	163,751
Credit card fees	**50,162**	48,582	**56,526**	50,541
Depreciation and amortization	**30,933**	26,857	**60,851**	31,436
Allowance for doubtfull accounts	**18,652**	18,335	**22,446**	21,842
Other	**1,774**	3,181	**17,672**	11,580
Total	**365,976**	365,059	**595,266**	477,658
Sales expenses	**164,639**	170,110	**185,157**	183,105
General and administrative expenses	**170,404**	168,092	**349,258**	263,117
Depreciation and amortization	**30,933**	26,857	**60,851**	31,436
Total	**365,976**	365,059	**595,266**	**477,658**

24. Held for sale operation

In October 2016, the Company's management took a decision to acquire, by the amount of R$12.000, 22 commercial points of some franchisee stores of CVC, acting predominantly in the state of Rio de Janeiro. Such stores were operated by franchisees linked with the ex-master franchisee of the state of Rio de Janeiro, which had breaked its agreement by the Company on August 7, 2016.

The Company intend to sold the majority of these stores to new franchisees until the end of the first quarter of 2017. On December 31, 2016, these stores are classified as group of assets held for sale (AFS) and as descontinued operations.

Net income for the period of these net assets held for sale is presented as follows:

Mainly classes of assets and liabilities classified as held for sale on December 31, 2016 are as follow:

Asset	**Consolidated**
Cash	**1**
Intangible asset	**12,000**
Assets classified as held for sale	**12,001**
Liabilities	
Other accounts payable	(14,188)
Liabilities directly associated with assets classified as held for sale	(14,188)
Net liabilities directly associated with the assets held for sale	**(2,187)**

	Consolidated
Revenue	**914**
Expenses	**(4,228)**
Loss from discontinued operations before income taxes	**(3,314)**
Income taxes	**1,127**
Net loss from discontinued operations	**(2,187)**
Earnings per share:	
Basic (R$) – from descontinued operations	-
Diluted (R$) – from descontinued operations	-

	2016
Operational activities	12,001
Investment activities	**(12,000)**
Financing activies	**-**
Net cash generated	**1**

25. Subsidiaries with signifcant stakes held by non-controlling shareholders

The financial information of subsidiaries with signifcant stakes held by non-controlling shareholders is as follows:

Proportion of equity held by non-controlling shareholders:

Subsidiaries	Country of incorporation and operation	2016	2015
READ Serviços Turísticos S.A. ("READ")	Brazil	**49%**	49%

The Company holds 100% of the equity interest of Duotur Participações S.A., which owns 51% of RA Viagens, and 100% of the equity interest of Refa Participações S.A., which owns 51% of Reserva Fácil.

The accumulated balance of non-controlling interest as of December 31, 2015 is as follows:

Subsidiaries	2016	2015
READ	**84,982**	85,941
Reserva Fácil	**5,548**	6,102

Net income attributable to non-controlling shareholders:

Subsidiaries	2016
READ	**17,736**
Reserva Fácil	**1,755**

The summary financial information of these subsidiaries is provided bellow. This information is based on amounts before eliminations among the companies.

The summary of income statement for the twelve-month period ended on December 31, 2016:

	RA Viagens	Reserva Fácil
Gross revenue	**179,486**	**11,399**
Sales taxes	**(16,462)**	**(1,222)**
Net revenue	**163,024**	**10,177**
Operating expenses		
Selling expenses	**(1,639)**	**-**
General and administrative expenses	**(83,243)**	**(3,278)**
Depreciation and amortization	**(16,157)**	**(2,796)**
Other operating expenses	**(7,371)**	**-**
Income before financial results	**54,615**	**4,103**
Financial expenses, net	**44**	**18**
Income before income tax and social contribution	**54,658**	**4,121**
Income tax and social contribution	**(18,453)**	**(538)**
Current	**(26,257)**	**(1,239)**
Deferred	**7,804**	**701**
Net income	**36,205**	**3,583**
Net income attributable to controlling shareholders	**18,470**	**1,828**
Net income attributable to non-controlling interests	**17,736**	**1,755**

25. Subsidiaries with signifcant stakes held by non-controlling shareholders (Continued)

The summary of financial position as of December 31, 2016:

	RA Viagens	Reserva Fácil
Cash and cash equivalentes	**1,871**	**2,157**
Accounts receivable	**154,238**	**49**
Advance to suppliers	**35,141**	**-**
Accounts receivable - related parties	**330**	**953**
Other accounts receivable	**5,783**	**-**
Deferred tax asset	**8,216**	**760**
Fixed assets	**6,798**	**122**
Intangible assets	**133,246**	**12,709**
Suppliers	**(98,119)**	**(1,859)**
Accounts payable - related parties	**(17,790)**	**32**
Salaries and social charges	**(12,881)**	**(1,029)**
Taxes payable and contributions	**(10,110)**	**(349)**
Dividends payable	**(32,635)**	**(1,817)**
Other accounts payable	**(513)**	**(355)**
Provision for contingencies	**(232)**	**(18)**
Shareholders' equity	**173,433**	**11.323**
Attributable to:		
Controlling shareholders	**88,451**	**5,775**
Non-controlling interests	**84,982**	**5,548**

The summary of cash flow for four-months period ended on December 31, 2016:

	RA Viagens	Reserva Fácil
Operating activities	283	5,590
Investing activities	(6,097)	(4,302)
Financing activities	(5,064)	(1,105)
Increase in cash and cash equivalents	(10,878)	183

26. Earnings per share

	Year ended December 31,	
	2016	**2015**
Profit attributable to Company's shareholders	**177,714**	171,187
Weighted average number of common shares issued in the year (in thousands of shares)	**132,845**	132,996
Earnings per share - basic (R$)	**1.34**	1.29
Weighted average number of common shares for basic earnings per share (in thousands of shares)	**132,845**	132,996
Dilution effect: Share-based payment (thousands of shares)	**4,202**	2,259
Weighted average number of common shares adjusted by dilution effect (in thousands of shares)	**137,047**	135,255
Earnings per share - diluted (R$)	**1.30**	1.27

27. Insurance

The Company buys different types of insurance in amounts determined sufficient by management to cover risks including, among others, fires, property damage and civil liability. The Company also buys life insurance for its employees. The coverage of these policies is in compliance with the Company's risk management policy.

The costs of insurance premiums are recorded as prepaid expenses and recognized on the income statement on a straight line basis during the term of the insurance policies.

Type	Insured amounts as of December 31, 2016
Risk - civil liability	**48,971**
Risk - civil liability administrators and directors	**75,000**
Risks - general/civil	**57,939**

28. Subsequent events

On January 16, 2017, subsidiary CVC Serviços ended the sale for new franchisees of 15 of 22 stores (trade funds acquired in 2016), located in state of Rio de Janeiro, which are classified as held for sale operations (note 24) in the financial statements.