alliar médicos à frente
sistema de diagnósticos de saúde

4Q16 EARNINGS RELEASE

Conference Call in Portuguese

March 23, 2017
1:30 pm (Brasília)
12:30 pm (New York)
Telephone: +55 (11) 2188-0155
Code: Alliar

Conference Call in English

March 23, 2017
12:30 pm (Brasília)
11:30 am (New York)
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São Paulo, March 22, 2016 - Centro de Imagem Diagnósticos S.A. (“Alliar” or “Company”) (BM&FBOVESPA: AALR3), the country’s third largest diagnostic company, announces today its results for the fourth quarter of 2016 (4Q16) and full year of 2016.

For comparative purposes, we have presented two scenarios: **Accounting** (audited), including Delfin Imagem S.A. as of March 10, 2016, and Multilab as of December 1, 2016 (date of those companies’ acquisitions); and **Pro forma** (unaudited), including Delfin Imagem S.A. as of January 1, 2015. All comparisons are with the same period in the previous year (YoY) unless otherwise stated.

FINANCIAL HIGHLIGHTS

- **Net Revenue growth** of **36%** in 2016
- **Adjusted pro forma EBITDA** reached **R$207.5** million in 2016 (**22.5% margin**, an 81 bps increase)
- **Recurring net income** of **R$53.7** million in the year versus a net loss of R$19.1 million in 2015; **R$39.7** million excluding minority interest
- **Recurring operating cash flow** of **R$150.6** million in 2016**,** versus **R$ 112.5** million in the previous year **(+ 34%)**, resulting in a cash conversion of **74%**
- **19.9% ROIC** without goodwill, an increase of **243 bps**
- **Initial public offering (IPO) at BM&F Bovespa**, totaling **R$ 268** million in net proceeds for the Company and reducing the Net Debt/EBITDA ratio **from 2.7x** in 2015 to **1.7x**, in addition to providing the necessary funds for the expansion plan

Financial Indicators	Accounting (Delfin as of 03/10/2016 and Multilab as of 12/01/2016)						Pro Forma (Delfin as of 01/01/2015)					
(R$ Million)	2016	2015	YoY	4Q16	4Q15	YoY	2016	2015	YoY	4Q16	4Q15	YoY
Gross Revenue	1,021.0	745.7	37%	281.5	191.4	47%	1,043.6	872.4	20%	281.5	221.9	27%
Net Revenue	951.5	699.7	36%	259.0	181.9	42%	972.8	818.7	19%	259.0	210.6	23%
Net Revenue (ex-construction)[1]	891.0	691.8	29%	223.8	175.6	27%	912.3	810.9	13%	223.8	204.3	10%
Adjusted EBITDA[2]	203.3	151.3	34%	48.1	42.0	14%	207.5	177.7	17%	48.5	46.5	4%
Adjusted EBITDA Margin[3]	22.8%	21.9%	95 bps	21.5%	23.9%	-246 bps	22.5%	21.7%	81 bps	21.4%	22.5%	-108 bps
Recurring Net Income[4]	53.7	-19.1	n/a	23.0	17.4	32%	53.8	-12.1	n/a	23.2	20.2	15%
Recurring Net Margin[3]	6.0%	-2.8%	880 bps	10.3%	9.9%	35 bps	5.8%	-1.5%	730 bps	10.2%	9.8%	46 bps
Recurring Operating Cash Flow[5]	150.6	112.5	34%	51.6	47.5	9%	-	-	n/a	-	-	n/a
Conversion (Recurring Operating Cash Flow/Adj. EBITDA)	74%	74%	-28 bps	107%	113%	-558 bps	-	-	n/a	-	-	n/a
ROIC[6]	19.9%	17.4%	243 bps	19.9%	17.4%	243 bps	-	-	n/a	-	-	n/a

[1] Excludes "construction revenue", accounting entry referring to the investment made at RBD (PPP Bahia)
[2] Excludes non-recurring and non-cash effects; it includes Multilab’s EBITDA in the pro forma view (see chapter EBITDA)
[3] In the pro forma view, it includes Multilab’s net revenues on the ex-construction net revenue
[4] Considers the same adjustments of the EBITDA, except for the write down of parts and of financial asset
[5] Considers the same adjustments of the EBITDA, except for the write down of parts and of financial asset. Includes R$ 2.9M IPO expenses
[6] ROIC without goodwill (adjusted NOPAT divided by average invested capital without goodwill)

OPERATIONAL HIGHLIGHTS

- Acquisitions of **Delfin** (leader in diagnostic imaging in the Northeast region of Brazil) and **Multilab** (one of the main clinical analysis brands of Campo Grande – MS);
- Addition of **27** PSC (3 mega, 15 standard and 9 collection points), being **9** in the quarter (mega unit CDB Ana Rosa, CDB Perdizes and Multilab units);
- **18** new MRI machines (**+ 18%**), with a **9%** increase in the average revenue per equipment;
- **68** new clinical analysis collection rooms (**+ 42%**); service now available in **35%** of the PSCs
- **3.3** million patient visits, a **19%** increase;
- Additional **ONA-3** accreditation (ONA-3 is the sector's **highest quality** certification, and is the internal reference for SIGA – Alliar's internal quality program)

Operational Highlights	Assets					
	2016	2015	YoY	4Q16	3Q16	QoQ
PSCs	113	86	31%	113	104	9%
Mega	12	9	33%	12	11	9%
Standard	91	76	20%	91	92	-1%
Collection Points	10	1	900%	10	1	900%
MRI's	116	98	18%	116	114	2%
Clinical Analysis Rooms	231	163	42%	231	183	26%

Operational Highlights	Performance					
(R$ Million)	2016	2015	YoY	4Q16	4Q15	YoY
Patient visits (million)	3.30	2.77	19%	1.02	0.60	68%
Avg Revenue/MRI	3.06	2.81	9%	0.77	0.66	16%
Avg Revenue/Clinical Analysis Room	0.50	0.62	-20%	0.13	0.14	-7%

MANAGEMENT COMMENTS

2016 was a memorable year for Alliar. The Company delivered another year of strong growth and profitability and achieved an important milestone in its history with the IPO at BM&F Bovespa. This has significantly deleveraged the Company and brought the necessary resources for expansion plan.

When we look back on 2016, it is worth remembering that Brazil has undergone a presidential impeachment, had a 3.6% GDP fall and a 6.3% rise in the consumer price index. Unemployment rate reached nearly 12% (the highest level in more than a decade). Naturally, the supplementary healthcare sector was impacted and the number of healthcare plan beneficiaries dropped 2.8%, regressing to 2013 levels. Nevertheless, the diagnostic medicine sector proved its resilience. The aging of the population guaranteed stability in volume of exams (the number of beneficiaries aged 50+, the main customers of the diagnostic medicine sector, remained stable during 2016).

In the midst of this troubled scenario, Alliar continued focusing on its *hub & spoke* model with the acquisitions of Delfin Imagem and Laboratório Multilab (total of 16 units), the opening of 16 other units and the development of innovative models such as RBD (PPP Bahia). Furthermore, the Company invited another 13 medical doctors to join its shareholders' base and continued to invest in efficiency and innovation through projects such as the zero-based budgeting and the Command Center (which is becoming a worldwide benchmark for the industry).

As a result, in 2016 Alliar registered net revenue growth above 30%, improved its EBITDA margin by 81 bps, achieved a recurring net income of R$ 53.7 million (reverting a loss from the previous period), and returned 19.9% on invested capital (ROIC). If we'd consider only Alliar's four largest brands (CDB, Delfin, RBD and Axial) EBITDA growth reached 40%. Such results were achieved while reinforcing the Company's commitment to its mission: to bring quality diagnostic medicine to any region in Brazil.

Looking forward to 2017, we can already see a resurgence of the economy, with the number of healthcare plan beneficiaries resuming its growth trajectory for the first time in 20 months. Despite the short-term volatility, Alliar will continue to move forward - in the first semester alone 5 new mega units are being inaugurated - and to deliver to patients, physicians and investors the results of the successful combination on technology, managerial discipline and medical leadership.

2016 EXPANSION

Acquisitions	
Mar, 2016	***Dec, 2016***
Delfin Imagem	LABORATÓRIO MULTILAB® TECNOLOGIA A SERVIÇO DA VIDA.
8 PSCs (7 BA, 1 RN)	**8** PSCs (MS)

Organic

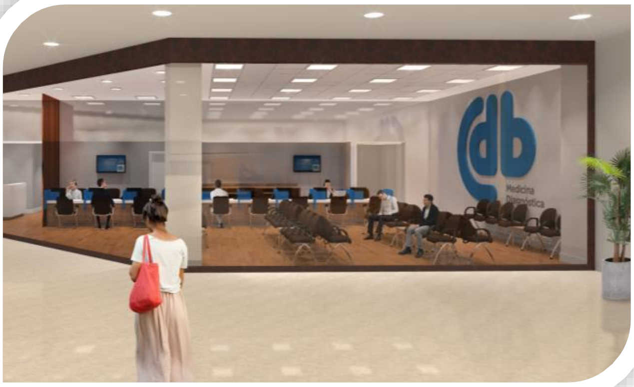
Mega Unit CDB Ana Rosa
+
15 PSCs
(11 BA, 2 SP, 1 MG, 1 ES)

2017 EXPANSION

Mega CDB Morumbi

Mega CDB Móoca

Mega CDB São Bernardo do Campo



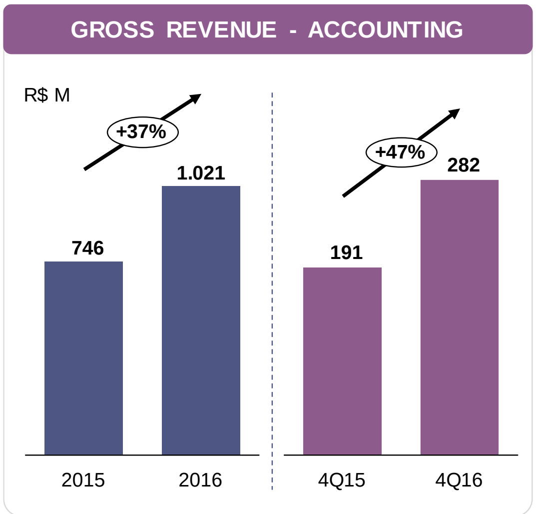
Mega Axial Belo Horizonte

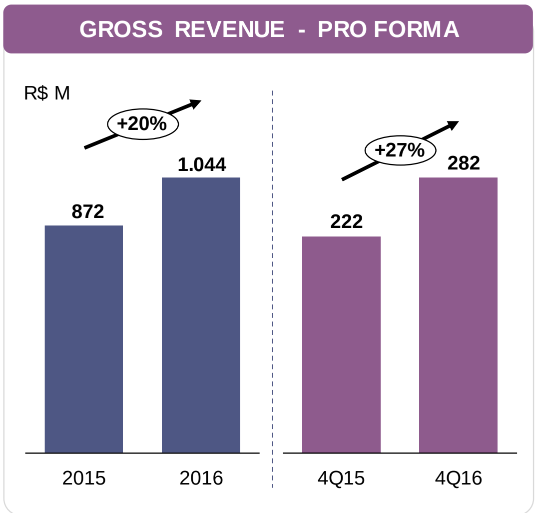
+ Mega Plani São José dos Campos
+ New MRIs in the states of São Paulo, Bahia and Pará
+ New AC collection rooms
+ Acquisitions (M&A)

FINANCIAL PERFORMANCE

REVENUE

Gross revenue grew **37%** in the year, reaching **R$ 1.0 billion** and **47%** in the quarter, totaling R$ 281.5 million.





Gross Revenue (R$ Million)	Accounting (Delfin as of 03/10/2016 and Multilab as of 12/01/2016)						Pro Forma (Delfin as of 01/01/2015)					
	2016	2015	YoY	4Q16	4Q15	YoY	2016	2015	YoY	4Q16	4Q15	YoY
Gross Revenue	1,021.0	745.7	37%	281.5	191.4	47%	1,043.6	872.4	20%	281.5	221.9	27%
Diagnostic imaging	842.5	636.6	32%	213.4	161.1	33%	865.1	763.3	13%	213.4	191.6	11%
MRI Exams	354.6	275.6	29%	89.7	65.1	38%	366.5	349.6	5%	89.7	84.2	7%
Other Imaging Exams	487.9	360.9	35%	123.7	96.0	29%	498.6	413.7	21%	123.7	107.5	15%
Clinical analysis	114.4	100.6	14%	30.8	23.5	31%	114.4	100.6	14%	30.8	23.5	31%
Construction revenue	64.1	8.6	647%	37.3	6.8	446%	64.1	8.6	647%	37.3	6.8	446%
Deductions	-69.5	-46.0	51%	-22.6	-9.5	137%	-70.8	-53.7	32%	-22.6	-11.4	98%
Net Revenue	951.5	699.7	36%	259.0	181.9	42%	972.8	818.7	19%	259.0	210.6	23%
Net Revenue (ex-construction)	891.0	691.8	29%	223.8	175.6	27%	912.3	810.9	13%	223.8	204.3	10%

The main business lines comprising gross revenue are:

Diagnostic imaging: grew by **32%** in the year, reaching R$842.5 million (**R$ 865.1 million** pro forma) and **33%** in the quarter, totaling R$ 213.4 million. These improvements were mainly driven by: (i) higher occupation rate at the MRI machines; (ii) higher supply in ultrasound exams; (iii) expansion in the state of Bahia, with the acquisition of Delfin Imagem and the ramp-up of RBD (PPP); (iv) demand flow from cheaper healthcare plans (downtrade); and (v) price readjustments. At the end of 2016, Alliar offered diagnostic imaging in **103** PSCs, representing **88%** of gross revenue (excluding construction revenue).

- MRI exams: grew by 29% in 2016, with average yearly revenue per equipment reaching R$ 3.1 million (+9%).
- Other imaging exams (ex-MRI): grew by 35% in the year, mainly driven by the growth in US exams and the ramp-up of RBD. The PPP has been gaining traction since 2015, when the Company took over the imaging center of 11 public hospitals. Since that

moment, revenue has been increasing, but without incurring in full operational costs (in accordance with its contract).

Clinical analysis: amounted to R$**114.4** million in 2016, up by 14% and R$ **30.8** million in the quarter, up by 31%. The growth was mainly driven by: (i) new contracts obtained by the CDB brand; (ii) acquisition of Multilab; and (iii) installation of collection points in existing units. At the end of the year, the Company offered this service in **40** PSCs, representing **12%** of gross revenue (excluding construction revenue).

Construction Revenue: this is an accounting line related to the investment made at RBD. This value is offset by the "construction costs" line, in accordance with ICPC 01 (accounting rule applicable to RBD).

Net revenue (ex-construction) registered a **29%** increase in the year, reaching R$891.0 million (**R$ 912.3** million pro forma) and a **27%** increase in the quarter, reaching R$ **223.8** million.

COST OF SERVICES

To facilitate comparison with market indexes (inflation, utilities' readjustment, among other), the comments in this section refers only to pro forma numbers (unaudited).

Cost of Services (R$ Million)	Pro Forma (Delfin as of 01/01/2015)					
	2016	**2015**	**YoY**	**4Q16**	**4Q15**	**YoY**
Total Costs	**-604.4**	**-487.9**	**24%**	**-170.1**	**-123.0**	**38%**
Medical Services	-166.1	-152.5	9%	-43.7	-38.3	14%
Employees	-122.2	-121.0	1%	-23.4	-21.9	6%
Supplies and Support Labs	-122.7	-92.3	33%	-35.1	-27.5	27%
Maintenance	-21.9	-23.2	-6%	-5.6	-5.0	13%
Occupancy	-44.6	-39.5	13%	-11.0	-10.6	4%
Third-party services and others	-18.3	-11.4	61%	-3.6	-4.6	-21%
Depreciation and amortization	-48.3	-40.3	20%	-12.5	-8.9	41%
Construction Costs	-60.5	-7.8	671%	-35.2	-6.2	464%
Total costs ex-construction	**-543.9**	**-480.1**	**13%**	**-134.9**	**-116.8**	**15%**

Costs exclusively related to services (ex-construction) totaled R$ 543.9 million in the year (up by 13%) and R$ 134.9 million in the quarter (up by 15%). These variations reflect:

Medical Services: grew 9% in 2016 and 14% in the quarter, as a result of: (i) strong growth of ultrasound exams (which incur on a higher percentage of medical fees and whose demand was restrained until the middle of the year); (ii) volume growth in cities where medical fees are higher; and (iii) volume ramp-up at RBD.

Employees: grew 1% in the year and 6% in the quarter, as a result of: (i) zero-based budgeting implemented in 4Q15; (ii) efficiency and productivity projects (e.g. command center and lean); and (iii) union-driven collective pay rise, with the second (and last) installment taking place in November.

Supplies and Support Lab: grew 33% in the year and 27% in the quarter. The increase is due to: (i) a higher volume of exams in RBD; (ii) increased volumes of clinical analysis, whose costs are variable due to the outsourcing of the support lab; and (iii) price readjustments by suppliers.

Maintenance: decreased 6% in the year and were up 13% in the quarter. The reduction in the year reflects (i) the renegotiation of contract with suppliers; and (ii) synergy captured by plugging Delfin into Alliar´s maintenance contracts. The positive variation in the quarter is due to a reduced comparison basis in 4Q15, linked to the recognition of discounts obtained in that year.

Occupancy: Grew 13% in the year and 4% in the quarter, as a result of: (i) an increase in rental costs related to new PSCs (pre-operational and operational); and (ii) renegotiation of contracts.

Third-party service and other costs: Grew 61% in the year and fell 21% in the quarter. Growth in the year, in line with management expectations, is mainly due to: (i) adaptation of CDB's IT to Alliar's standards; (ii) outsourcing of functions such as security and cleaning; (iii) RBD's costs ramp-up; and (iv) expenses of new PSCs. On the other hand, the reduction on the quarterly amount relates to: (i) decrease in outsourcing at Delfin (post-integration synergies); and (ii) reallocation of costs associated with the implementation of RBD to investments.

Depreciation and Amortization: grew 20% in the year and 41% in the quarter. This effect is due to the excessively low comparison basis on the fourth quarter of 2015, which benefited from a depreciation reversal after a physical inventory analysis.

Construction Costs: accounting line related to the investment made on RBD. Value is offset by the "net construction revenue" line, in accordance with ICPC 01 (accounting rule applicable to the RBD).

OPERATING EXPENSES

To facilitate comparison with market indexes (inflation, utilities' readjustment, among other), the comments in this section refers only to pro forma numbers (unaudited).

Operating Expenses	Pro Forma (Delfin as of 01/01/2015)					
(R$ Million)	2016	2015	YoY	4Q16	4Q15	YoY
General and administrative expenses	**-266.5**	**-228.8**	**16%**	**-77.4**	**-70.4**	**10%**
Employess	-133.1	-110.8	20%	-42.8	-39.2	9%
Occupancy, third-party services and others	-115.0	-112.7	2%	-29.7	-29.9	-1%
Depreciation and amortization	-7.9	-4.1	93%	-3.4	-1.0	234%
Long-term incentive program	-10.6	-1.2	811%	-1.6	-0.3	435%
Other expenses, net	**-15.0**	**14.5**	**n/a**	**8.2**	**13.1**	**-37%**
Total Expenses	**-281.5**	**-214.3**	**31%**	**-69.2**	**-57.3**	**21%**

Operating expenses totaled R$281.5 million in 2016, up by 31%, and R$69.2 million in the quarter (growth of 21%). These variations reflect:

Employees: grew 20% in the year and 9% in the quarter, as a result of: (i) RBD ramp-up; and (ii) transference of CDB's management team to the parent company (change of allocation, from costs to expenses).

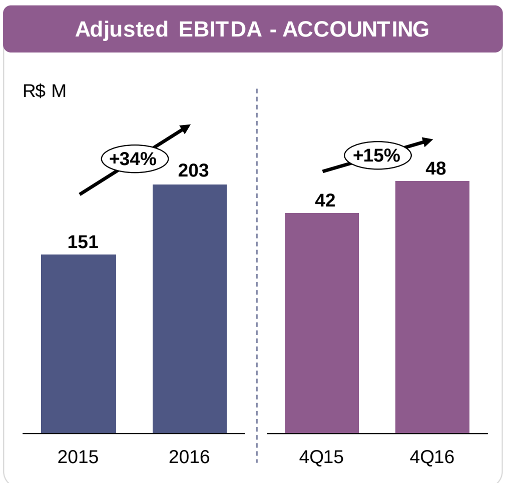
Occupancy, third party service and other: grew 2% in the year and fell 1% in the quarter, reflecting management's discipline in keeping fixed expenses below inflation.

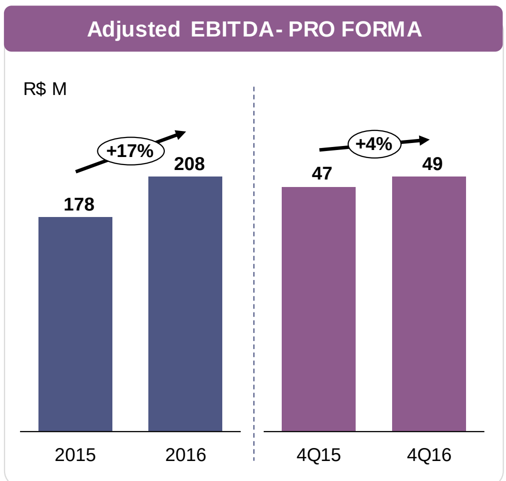
Long-term incentive program: totaled R$ 10.6 million in the year and R$ 1.6 million in the quarter. This amount refers to: (i) the liquidation of the stock options program (discontinued at the time of the IPO), which totaled R$ 9.0 million in 2016; and (ii) the new restricted stock program, which accounted for R$1.6 million in the 4Q16.
The restricted stock program is a long-term incentive plan for eligible management and medical doctors, which seeks to align interests between shareholders and the Company. In this program, after the first anniversary of the grant date, participants start to receive from the Company the shares they are entitled to. This occurs in a phased manner (1/3 each year). The value corresponding to it is provisioned quarterly, pro-rata, for each grant, always under the limit of 0.5% of the Company's shares per year.
The first grant took place in 4Q16, of 1.082.068 shares, at an average acquisition price of R$ 15.10, resulting in a provision of R$ 1.6 million in 4Q16.
As this is a recurring expense, we highlight that this amount is included in the EBITDA calculation **(it is not considered an adjustment).** It is worth to highlight that, unlike the stock options program, **there is no dilution** for the shareholders, as the Company acquires its shares in the stock exchange to deliver it to the executives and physicians.

Other expenses, net: totaled -R$15.0 million in 2016 versus R$14.5 million in the previous year. The substantial change in net expenses is mainly driven by: (i) a high comparison basis in 2015, benefited by the reversal of an M&A earnout provision totaling R$13 million; (ii) a higher amount of parts write-down; and (iii) an impairment in our Ecoclínica brand (Paraíba) investment.

EBITDA

Adjusted EBITDA increased by **34%** in the year, reaching **R$203.3 million** (**R$ 207.5 million pro forma**) and by 14% in the quarter to R$ 48.1 million.





EBITDA	Accounting (Delfin as of 03/10/2016 and Multilab as of 12/01/2016)						Pro Forma (Delfin as of 01/01/2015)					
(R$ Million)	**2016**	**2015**	**YoY**	**4Q16**	**4Q15**	**YoY**	**2016**	**2015**	**YoY**	**4Q16**	**4Q15**	**YoY**
EBIT	**100.6**	**108.7**	**-7%**	**22.5**	**30.3**	**-26%**	**98.4**	**125.2**	**-21%**	**22.5**	**32.5**	**-31%**
Depreciation and amortization	54.4	35.7	52%	15.9	7.2	122%	55.9	44.4	26%	15.9	9.1	75%
EBITDA	**155.0**	**144.4**	**7%**	**38.4**	**37.5**	**3%**	**154.3**	**169.5**	**-9%**	**38.4**	**41.6**	**-8%**
Adjustments	**48.3**	**6.8**	**608%**	**9.6**	**4.6**	**111%**	**53.2**	**8.2**	**552%**	**10.1**	**4.9**	**105%**
Write-down												
Parts	18.0	14.5	24%	4.6	4.2	7%	18.5	14.5	27%	4.6	4.2	7%
PPP Financial Asset	5.3	0.0	n/a	2.0	0.0	n/a	5.3	0.0	n/a	2.0	0.0	n/a
Other Assets	1.7	0.0	n/a	1.7	0.0	n/a	1.7	0.0	n/a	1.7	0.0	n/a
Pre-IPO												
Stock Option expenses	9.0	1.2	678%	0.0	1.2	-100%	9.0	1.2	678%	0.0	1.2	-100%
Consulting/advisory services	1.1	1.5	-27%	0.0	0.8	-100%	1.1	1.5	-27%	0.0	0.8	-100%
Reversal of Earn Out (+)	0.0	-13.0	-100%	0.0	-2.5	-100%	0.0	-13.0	-100%	0.0	-2.5	-100%
M&A												
Delfin Restructuring/integration	6.3	1.4	362%	1.1	0.4	154%	8.5	1.4	525%	1.1	0.4	154%
M&A expenses	6.9	1.2	451%	0.3	0.4	-18%	7.4	1.2	497%	0.3	0.4	-18%
EBITDA Multilab pro forma	0.0	0.0	n/a	0.0	0.0	n/a	1.7	1.3	26%	0.4	0.3	26%
Adjusted EBITDA	**203.3**	**151.3**	**34%**	**48.1**	**42.0**	**14%**	**207.5**	**177.7**	**17%**	**48.5**	**46.5**	**4%**
Adjusted EBITDA Margin %	**22.8%**	**21.9%**	**95 bps**	**21.5%**	**23.9%**	**-246 bps**	**22.5%**	**21.7%**	**81 bps**	**21.4%**	**22.5%**	**-108 bps**

As a result, the **adjusted pro forma EBITDA margin** reached **22.5%** in the year (+ **81** bps) and 21.4% in the quarter (-108 bps). The expansion in 2016 reflects the strong growth in revenues (a consequence of imaging equipment ramp-up and a higher volume in clinical analysis), allied to the constant focus on cost and expense reduction (with initiatives such as the zero-based budgeting, renegotiation with suppliers and the command center). The margin decline in the fourth quarter (vs. 4Q15) can be explained by a disproportionately higher margin in 4Q15 (which represented 26.1% of that year's EBITDA, vs. historical average of 23.5%), benefited by the receival of an insurance related to an MRI equipment broken during transportation (R$ 2.9 million). On the other hand, the 4Q16 was negatively impacted in R$ 1.6 million due to the provision for the restricted stock program.

We believe the following **adjustments** allow a better understanding of the Company's recurring operating performance:

Write-downs

- Parts: residual depreciation of broken and replaced parts; the cost of the new parts is covered by all-inclusive maintenance contracts (reflected in the maintenance capex);
- RBD Financial asset: depreciation of RBD's assets, as per accounting norm ICPC 01 on concessions; and
- Other assets: impairment of investment at Ecoclínica (Paraíba), due to a revision of future performance

Pre-IPO

- Liquidation of stock options program: settlement of the pre-IPO stock option program (as reported in the IPO documents). As of 3Q16, long-term incentives for management and physicians are granted under the new restricted stock program;
- Consultancy / advisory services: projects and initiatives of non-recurring nature (from 2H16 onwards values are no longer posted as adjustments); and
- Reversal of earn-out: reversal of non-operating revenue from the non-payment of a post-acquisition performance bonus (reversal of provision). *Zero in 2016.*

M&A

- Delfin integration: adjustment of Delfin Imagem's provisions to Alliar criteria, payroll termination expenses and other post-integration expenses.
- M&A expenses: refers to the advisors, lawyers and auditors' fees for the acquisition of companies. Before 3Q16 it also included the M&A advisory contract with Pátria Investimentos (discontinued upon the internalization of the M&A team);
- EBITDA Multilab: reflects, on the pro forma view, the EBITDA of the company acquired in 4Q16.

FINANCIAL RESULT

Financial Result (R$ Million)	Accounting (Delfin as of 03/10/2016 and Multilab as of 12/01/2016)						Pro Forma (Delfin as of 01/01/2015)					
	2016	2015	YoY	4Q16	4Q15	YoY	2016	2015	YoY	4Q16	4Q15	YoY
Financial Result, ex-MtM 4131 debt	-71.2	-104.0	-32%	-15.7	-18.6	-16%	-72.6	-110.4	n/a	-15.7	-16.1	-3%
Mark-to-market 4131 debt	5.2	2.2	137%	-2.1	6.3	n/a	5.2	2.2	137%	-2.1	6.3	n/a
Total Financial Result	**-66.0**	**-101.8**	**-35%**	**-17.8**	**-12.3**	**44%**	**-67.4**	**-108.2**	**-38%**	**-17.8**	**-9.8**	**81%**

Note: "4131" debts are loans negotiated in Reais and delivered by banks in the form of foreign currency debt + exchange swap. "Financial result ex-MtM 4131 debt " reflects an estimate of the financial result that the Company would have incurred if these debts were accounted for in Real.

Financial result totaled R$ -66.0 million in the year (improvement of 35%) and R$ -17.8 million in the quarter (44% decrease). This result is composed by:

Financial result ex-MtM effects on 4131 debt: reached R$ -71.2 million in the year (32% improvement) and R$ -15.7 million in the quarter (16% improvement). Amounts were positively influenced by: (i) financial revenue from cash raised in the IPO; and (ii) appreciation of the Brazilian Real against the US Dollar (positive R$ 23.9 million contribution); and negatively influenced by: (i) higher net indebtedness of the Company until the end of the 3rd quarter; and (ii) increase in the risk-free rate.

MtM effects on 4131 debt: totaled R$ 5.2 million in the year (improvement of 137%) and R$ -2.1 million in the quarter (vs. R$ 6.3 million in 4Q15). These amounts are the result of a temporary mismatch in mark-to-market values (debt is marked according to the FX variation; swap contracts are marked according to changes in interest rate and FX coupon curves) - amounts will total R$ 0 (zero) at the end of the loan agreement (debt is 100% hedged).

INCOME TAX AND SOCIAL CONTRIBUTION

Income Tax (R$ million)	Accounting (Delfin as of 03/10/2016 and Multilab as of 12/01/2016)						Pro Forma (Delfin as of 01/01/2015)					
	2016	2015	YoY	4Q16	4Q15	YoY	2016	2015	YoY	4Q16	4Q15	YoY
Profit before income tax (EBT)	34.6	7.0	397%	4.8	18.0	-74%	31.0	17.0	83%	4.8	22.7	-79%
Income Tax ans Social Contribution	-5.9	-18.4	-68%	15.2	-0.9	n/a	-5.7	-22.3	-74%	15.2	-3.0	n/a
Effective Income Tax Rate	-17%	-264%	-94%	n/a	-5%	n/a	-19%	-131%	-86%	n/a	-13%	n/a

In 2016 the Company registered an EBT of R$ **34.6** million and income tax of R$ 5.9 million, resulting in an **effective rate** of **17%** (19% pro forma). In the quarter, EBT totaled R$ 4.8 million and income tax and social contribution was a positive R$ 15.2 million. These figures result from the combination of EBTs and rates of the parent company and subsidiaries:

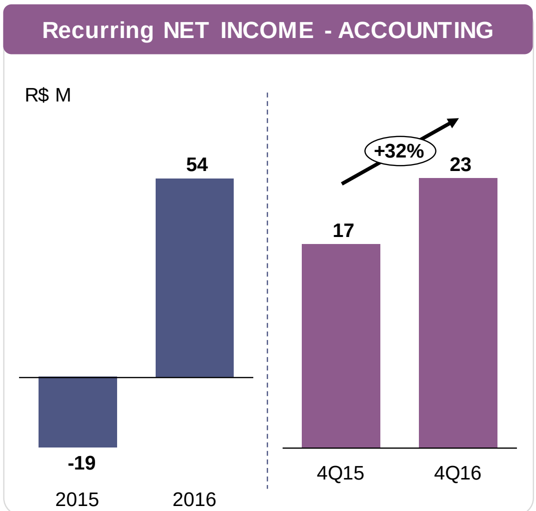
Income Tax (R$ million)	Accounting 2016		
	Parent	Subsidiaries	Consolidated
EBT	-90.3	125.0	34.6
Income Tax and Social Contribution	25.5	-31.3	-5.9
Income Tax Rate	n/a	-25%	-17%

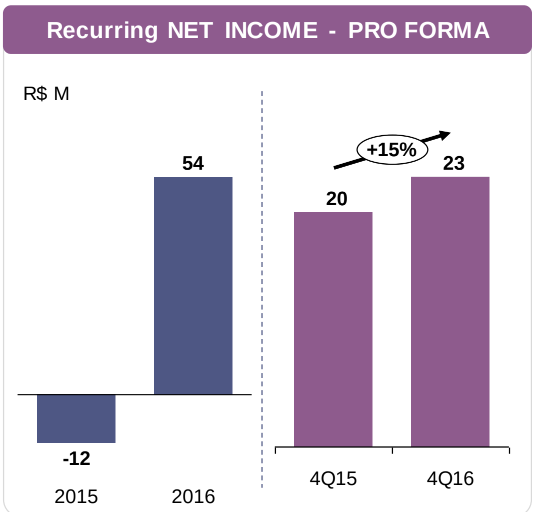
Parent Company: recorded an EBT of R$ -90.3 million in the year. This loss refers to the concentration, in the parent company, of corporate debts (which were high before the IPO) and to non-recurring expenses (such as the settlement of the stock option program and the M&A fees and integration expenses related to the acquisition of Delfin Image). In the year, the parent company obtained tax credits, as a consequence of the approval by the Company's board of directors of a plan to incorporate the CDB subsidiary into the parent company. This incorporation raises the future prospect of profits (and taxes payable), generating R$ 25.5 million in tax credits. These credits add to the R$ 51.6 million in tax credits that already existed in the 9M16 balance sheet, to be used by the parent company over the next 10 years (reducing the effective annual rate by 30%, from 34% to 23.8%).

Subsidiaries: recorded an EBT of R$ 125.0 million in the year. The tax rate reached **25%,** which is a reduced rate due to: (i) amortization of goodwill in companies under the ‘real profit’ regime (which account for 75% of the total revenue of the subsidiaries); and (ii) the ‘deemed profit’ tax regime (lower rates) in companies that account for to 25% of the total revenue of the subsidiaries.

NET INCOME (LOSS)

The Company posted **net income** of R$ 28.8 million in 2016. The **recurring net income** reached **R$53.7 million** (versus a net loss of R$ 19.1 million in the previous year) and R$ 23.0 million in the quarter (**32%** increase).





Net Income	Accounting (Delfin as of 03/10/2016 and Multilab as of 12/01/2016)						Pro Forma (Delfin as of 01/01/2015)					
(R$ million)	**2016**	**2015**	**YoY**	**4Q16**	**4Q15**	**YoY**	**2016**	**2015**	**YoY**	**4Q16**	**4Q15**	**YoY**
Net Income	28.8	-11.4	n/a	19.9	17.1	16%	25.3	-5.3	n/a	19.9	19.7	1%
Adjustments	25.0	-7.7	n/a	3.1	0.3	847%	28.5	-6.8	n/a	3.3	0.5	499%
Recurring Net Income[1]	**53.7**	**-19.1**	**n/a**	**23.0**	**17.4**	**32%**	**53.8**	**-12.1**	**n/a**	**23.2**	**20.2**	**15%**
Excluding noncontrolling shareholders	39.7	-20.5	n/a	19.1	18.9	1%	40.2	-15.6	n/a	19.3	21.0	-8%
Attributable to Noncontrolling Interests	14.0	1.3	944%	3.9	-1.4	n/a	13.6	3.4	293%	3.9	-0.8	n/a
Recurring Net Income Margin[1]	**6.0%**	**-2.8%**	**880 bps**	**10.3%**	**9.9%**	**35 bps**	**5.8%**	**-1.5%**	**730 bps**	**10.2%**	**9.8%**	**46 bps**
Net Income per share (in R$)	0.35	-0.22	n/a	0.17	0.21	-19%	0.35	-0.15	n/a	0.17	0.21	-18%

[1]Adjustments: the same adjustments used for EBITDA (except for the write down of parts and of financial asset)

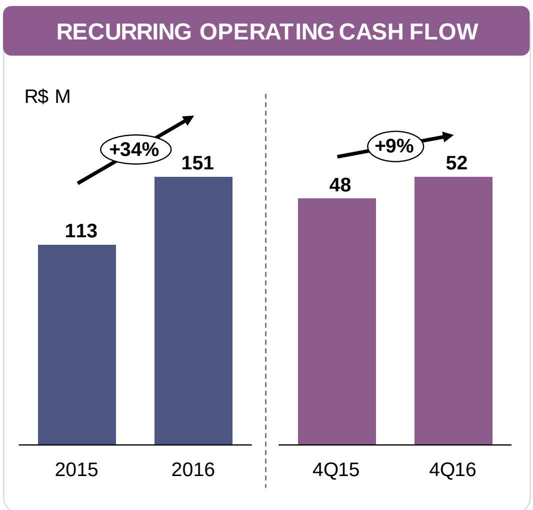
As a result, **recurring net margin** was **6.0%** in the year (**+880 bps**) and 10.3% in the quarter (+35 bps). The substantial improvement in the period is due to the: (i) improvement in operational results; (ii) improvement in net financial result; and (iii) new income tax rate.

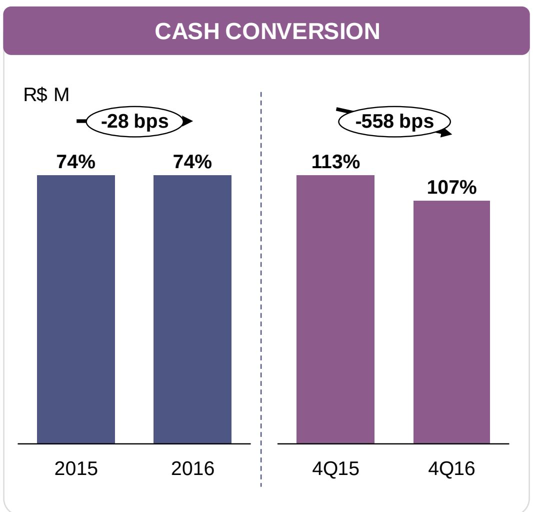
Out of the total adjusted profit of R$ 53.7 million, **R$ 39.7 million** are attributable to Alliar shareholders (R$ **0.35** per share) and R$ 14.0 million are attributable to minority shareholders (mostly shareholders of RBD, of which the Company owns a 50.1% stake).

In order to facilitate the understanding of the Company's profitability, we believe that the same **adjustments** applied to EBITDA should be considered here (except for the ”write down of parts” and of “financial asset” – both are non-cash impacts but also recurring entries).

CASH FLOW

Recurring operating cash flow totaled R$ **150.6** million in 2016, up by 34% yoy. The adjusted EBITDA **conversion** into cash reached **74%**, same as in the previous year. In 4Q16, recurring operating cash reached R$**51.6** million.





Cash Flow R$ Million	2016	2015	YoY	4Q16	4Q15	YoY
(1) Net Income	**28.8**	**-11.4**	**n/a**	**19.9**	**17.1**	**16.5%**
(2) Non-cash items	**133.8**	**141.0**	**-5%**	**-14.5**	**4.6**	**n/a**
(3) Cash Flow from Operations (=(1)+(2))	**162.6**	**129.6**	**25%**	**5.4**	**21.8**	**-75%**
(4) Working Capital[1]	**-38.2**	**-22.4**	**71%**	**44.8**	**23.0**	**95%**
(5) Operating Cash Flow (=(3+4))	**124.4**	**107.2**	**16%**	**50.2**	**44.7**	**12%**
(6) Investing Activities[2]	**-196.1**	**-112.4**	**74%**	**-130.6**	**-41.0**	**218%**
Investments	-150.6	-103.7	45%	-108.6	-34.3	217%
Purchase of property, plant and equipment and intangible assets	-105.6	-102.8	3%	-56.0	-26.4	112%
Others	-45.0	-1.0	4584%	-52.6	-7.9	564%
Financial Asset (Capex RBD)	-45.5	-8.7	424%	-22.0	-6.7	227%
(7) Financing Activities	**209.1**	**-15.1**	**n/a**	**195.0**	**-2.7**	**n/a**
Capital Increase	280.5	24.5	1045%	279.5	23.7	1079%
Others[3]	-71.4	-39.6	80%	-84.5	-26.4	220%
(8) Cash Increase (decrease) (=(5+6+7))	**137.4**	**-20.3**	**n/a**	**114.6**	**1.0**	**10828%**
(9) Non-recurring Effects[4]	**26.2**	**5.2**	**n/a**	**1.4**	**2.8**	**-50%**
Adjusted EBITDA Cash Adjustments	23.3	5.2	344%	1.4	2.8	-50%
IPO Expenses	2.9	0.0	n/a	0.0	0.0	n/a
Recurring Operating Cash Flow (=(5+9))	**150.6**	**112.5**	**34%**	**51.6**	**47.5**	**9%**
Conversion (Recurring Operating Cash Flow/Adjusted EBITDA)	**74%**	**74%**	**-28 bps**	**107%**	**113%**	**-558 bps**
Adjusted EBITDA	203.3	151.3	34%	48.1	42.0	14%

[1] Working capital excluding Financial Asset (RBD Capex).
[2] Includes Financial Asset (RBD Capex)
[3] Includes all itens related to Financial Activities, other than the capital increase (mainly IPO-related)
[4] Same adjustments used for EBITDA except for write-down of parts and of financial asset. It considers R$2.9 million in IPO expenses.

CAPEX

CAPEX (R$ million)	Accounting (Delfin as of 03/10/2016 and Multilab as of 12/01/2016)					
	2016	**2015**	**YoY**	**4Q16**	**4Q15**	**YoY**
Expansion	51.5	57.7	-11%	39.7	8.0	395%
Maintenance	31.0	25.2	23%	6.6	8.2	-20%
Others	23.1	19.9	16%	9.6	10.1	-5%
Total (ex-RBD)	**105.6**	**102.8**	**3%**	**56.0**	**26.4**	**112%**
RBD	45.5	8.7	424%	22.0	6.7	227%
Total	**151.1**	**111.5**	**36%**	**78.0**	**33.1**	**136%**

Capex totaled R$ 151.1 million in 2016. Out of this amount, R$ 51.5 million were directed to expansion, R$31.0 million refer to maintenance contracts (parts of equipment), and R$ 23.1 million to IT investments and other projects. Additionally, R$ 45.5 million were invested in RBD.

ACCOUNTS RECEIVABLES, CANCELLATIONS AND PDA

Accounts Receivable, Cancellations and PDA (R$ million)	Accounting (Delfin as of 03/10/2016 and Multilab as of 12/01/2016)				
	2016	**9M16**	**2015**	**QoQ**	**YoY**
Gross Total	**275.9**	**276.8**	**180.6**	**0%**	**53%**
Cancellations and PDA	-42.6	-43.8	-25.0	**-3%**	70%
Net Total	**233.3**	**233.0**	**155.6**	**0%**	**50%**
Accounts Receivable Days	**80**	**78**	**75**	**1%**	**6%**
Cancellations and PDA as % of revenue	**-0.8%**	**-1.2%**	**-1.2%**	**45 bps**	**40 bps**

By 2016 year-end, the balance of **accounts receivable** net of cancellations and PDA reached R$ 233.3 million (50% increase vs. 2015 and in line with the previous quarter). The increase in both balance and number of days between 2015 and 9M16 is due to the acquisition of Delfin Imagem, which has a longer receival cycle. The increase between 9M16 and 4T16 is due to a partial RBD invoice pending payment.

In the year, **Cancellations and PDA** accounted for **0.8%** of ex-construction gross revenue (reduction of 40 bps). The decrease is due to: (i) the continuous improvement in the Company's billing and collection processes and (ii) a reversion of provisions related to amounts received.

INDEBTNESS

Debt (R$ million)	2016	9M16	2015	QoQ	YoY
Loans, financing and debentures	505.6	552.3	465.4	-8%	9%
Derivative financial statements	38.7	36.2	-29.3	7%	n/a
Gross Debt	**544.3**	**588.5**	**436.1**	**-8%**	**25%**
R$	258.8	295.1	149.1	-12%	74%
US$	85.6	88.1	107.4	-3%	-20%
4131	199.9	205.4	179.7	-3%	11%
Cash and cash-equivalent	202.8	50.2	28.4	304%	615%
Net debt	**341.5**	**538.4**	**407.8**	**-37%**	**-16%**
Net Debt / Adjusted EBITDA	**1.7 x**	**2.7 x**	**2.7 x**	**-37%**	**-38%**

On December 31, 2016, the Company's **Net Debt** was R$341.5 million (**-16%** vs. 2015 and **-37%** vs. 3Q16). As a result, the **net debt/EBITDA** ratio ended the year at **1.7x** (vs 2.7x in 3Q16). The improvement reflects (i) funds raised through the IPO and (ii) the EBITDA growth in the period.

Out of the total **gross debt, 47%** is denominated in BRL, **16%** in USD and **37%** refers to the so-called 4131 loans, where the Company's exposure is actually in BRL (banks borrow money in USD and make an FX swap). The **average weighted cost** of BRL debts is the risk free rate + 2.65% and the average cost for USD denominated debt is Libor + 3.68%. The **average term** is currently 2.1 years (59.4% of gross debt is long-term)

The Company has an approved credit line with BNDES totaling R$ 150 million to be used in investments in organic expansion. Up to the end of 2016, the Company had not yet used this credit line.

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FINANCIAL STATEMENTS
BALANCE SHEETS AT DECEMBER 31, 2016 AND DECEMBER 31, 2015
(R$ thousand)

ASSETS	Consolidated 12/31/2016	Consolidated 12/31/2015
CURRENT ASSETS		
Cash and cash equivalents	159,333	21,920
Securities	37,811	3,672
Accounts receivable	233,260	155,592
Inventories	6,391	4,203
Financial assets	14,407	2,806
Derivative financial instruments	-	8,270
Taxes recoverable	26,373	13,217
Other accounts receivable	16,854	6,246
Total current assets	**494,429**	**215,926**
NONCURRENT ASSETS		
Securities	5,696	2,763
Escrow deposits	22,050	15,149
Contingency reimbursement guarantee	139,229	158,041
Related parties	31,114	-
Deferred income and social contribution	61,530	50,182
Other accounts receivable	893	8,039
Financial assets	64,390	13,254
Derivative financial instruments	-	21,050
Investments	4,694	-
Property and equipment	464,206	411,211
Intangible assets	878,081	640,737
Total noncurrent assets	**1,671,883**	**1,320,426**
TOTAL ASSETS	**2,166,312**	**1,536,352**

LIABILITIES AND EQUITY	Consolidated 12/31/2016	Consolidated 12/31/2015
CURRENT LIABILITIES		
Trade payables	69,737	51,108
Payroll and benefits	41,227	28,209
Borrowings and financing	202,830	79,654
Derivative financial instruments	25,549	-
Tax obligations	35,813	16,263
Tax installment payments	2,088	1,256
Accounts payable - acquisition of companies	13,478	4,354
Other accounts payable	13,857	6,133
Total current liabilities	**404,579**	**186,977**
NONCURRENT LIABILITIES		
Borrowings and financing	302,817	385,790
Derivative financial instruments	13,101	-
Related parties	293	-
Tax installment payments	6,979	7,177
Accounts payable - acquisition of companies	33,487	29,456
Deferred PIS/COFINS/ISS	4,452	-
Provision for legal contingencies	179,478	178,570
Other accounts payable	9,191	15,382
Total dos passivos não circulantes	**549,798**	**616,375**
EQUITY		
Capital stock	580,910	299,249
Capital stock to be paid in	(1,130)	(1,201)
Capital reserves	615,794	474,590
Treasury shares	(4,102)	(23,897)
Accumulated losses	(17,872)	(32,664)
Controlling shareholders' equity	1,173,600	716,077
Minority interest	38,335	16,923
Total equity	**1,211,935**	**733,000**
TOTAL LIABILITIES AND EQUITY	**2,166,312**	**1,536,352**

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INCOME STATEMENTS FOR THE QUARTERS AND FULL YEAR PERIODS ENDED DECEMBER 31, 2016 AND 2015 - ACCOUNTING
(R$ thousand, except for earnings per share)

	Consolidated - Accounting			
	12/31/2016	12/31/2016	12/31/2015	12/31/2015
	Quarter	Year	Quarter	Year
NET SERVICE REVENUE	258,976	951,470	181,855	699,664
Cost of services	(170,079)	(591,019)	(106,063)	(422,180)
GROSS PROFIT	88,897	360,451	75,792	277,484
OPERATING (EXPENSES) INCOME				
General and administrative expenses	(77,397)	(257,275)	(58,558)	(183,152)
Other (expenses) income, net	8,184	(12,703)	13,080	14,406
Equity in the earnings (loss) of subsidiaries	2,848	10,139	-	-
OPERATING INCOME BEFORE FINANCIAL RESULT	22,532	100,612	30,314	108,738
FINANCIAL RESULT	(17,779)	(65,993)	(12,307)	(101,770)
Financial expenses	(46,311)	(193,706)	(11,198)	(134,262)
Financial income	28,532	127,713	(1,109)	32,492
OPERATING INCOME (LOSS) BEFORE INCOME AND SOCIAL CONTRIBUTION	4,753	34,619	18,007	6,968
CURRENT AND DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES	15,181	(5,852)	(893)	(18,397)
NET INCOME (LOSS) FOR THE PERIOD	19,933	28,767	17,114	(11,429)
ATTRIBUTABLE TO CONTROLLING SHAREHOLDERS	16,070	14,792	18,553	(12,767)
ATTRIBUTABLE TO MINORITY INTEREST	3,863	13,975	(1,439)	1,338

INCOME STATEMENTS FOR THE QUARTERS AND FULL YEAR PERIODS ENDED DECEMBER 31, 2016 AND 2015 – PRO FORMA
(R$ thousand, except for earnings per share)

	Consolidated - Pro Forma			
	12/31/2016 Quarter	12/31/2016 Year	12/31/2015 Quarter	12/31/2015 Year
NET SERVICE REVENUE	258,976	972,765	210,558	818,712
Cost of services	(170,079)	(604,417)	(123,033)	(487,938)
GROSS PROFIT	88,897	368,348	87,525	330,774
OPERATING (EXPENSES) INCOME				
General and administrative expenses	(77,397)	(266,503)	(70,375)	(228,769)
Other (expenses) income, net	8,184	(15,023)	13,092	14,453
Equity in the earnings (loss) of subsidiaries	2,848	11,561	2,257	8,713
OPERATING INCOME BEFORE FINANCIAL RESUL	22,532	98,383	32,499	125,171
FINANCIAL RESULT	(17,779)	(67,376)	(9,817)	(108,209)
Financial expenses	(46,311)	(195,635)	(11,060)	(147,754)
Financial income	28,532	128,259	1,244	39,545
OPERATING INCOME (LOSS) BEFORE INCOME AND SOCIAL CONTRIBUTION	4,753	31,007	22,683	16,962
CURRENT AND DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES	15,181	(5,740)	(3,023)	(22,268)
NET INCOME (LOSS) FOR THE PERIOD	19,934	25,267	19,660	(5,306)

CASH FLOW STATEMENTS FOR FULL YEAR PERIODS ENDED DECEMBER 31, 2016 AND 2015
(R$ thousand)

	Consolidated	
	12/31/2016	**12/31/2015**
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income (loss) for the period	**28,767**	**(11,429)**
Adjustments to reconcile net income (loss) for the year to net cash generated by (used in) operating activities:	133,828	141,031
Depreciation and amortization	54,367	35,701
Recognized stock options granted (cancelled)	-	1,160
Residual value of property, plant and equipment disposed of, and investments	34,937	14,544
Finance charges	(22,444)	99,152
Gain (losses) with derivative financial instruments contracts	80,251	-
Income (loss) from subsidiaries	(10,139)	-
Reversal of accounts payable from business acquisition	-	(12,961)
Allowance for doubtful debts	7,506	8,695
Provisions for civil, labor and tax risks	-	111
Reduction in asset value	1,688	-
Diferred PIS/COFINS/ISS	4,452	-
Income Tax and Social Contribution	(18,341)	(5,371)
Restricted Stock	1,551	-
Cash generated in Operating Activites	162,595	129,602
Decrease (increase) in operating assets	(114,397)	(47,983)
Decrease (increase) in clients	(56,662)	(44,232)
Decrease (increase) in inventories	(948)	1,633
Decrease (increase) in recoverable taxes	(9,609)	-
Decrease (increase) in Financial Assets	(45,457)	(8,680)
Decrease (increase) in Escrow Deposits	910	-
Decrease (increase) in Allowances and Provisions for risks	(5,126)	-
Decrease (increase) in other Assets	2,495	3,296
Increase (decrease) in operating liabilities:	30,776	16,937
Increase (decrease) in trade payables	12,435	7,417
Increase (decrease) in payroll and related taxes	5,962	5,649
Increase (decrease) in taxes payable and taxes in installments	17,466	9,593
Increase (decrease) in other liabilities	5,368	(4,083)
Dividends Received	9,868	-
Payed Stock Options	(11,932)	-
Income Tax and Social Contribution paid	(8,391)	(1,639)
Net Cash generated by Operating Activies	**78,974**	**98,556**
CASH FLOW FROM INVESTING ACTIVITIES		
Increase (decrease) in short-term investments	(27,338)	(961)
Acquisition of subsidiaries, net of cash received	(2,091)	-
Advances to Related Parties	(9,089)	-
Increase in Investments	(6,500)	-
Purchase of property, plant and equipment and intangible assets	(105,617)	(102,784)
Net cash used in investing activities	**(150,635)**	**(103,745)**
CASH FLOW FROM FINANCING ACTIVITIES		
Capital Increase	280,451	24,496
IPO Expenses	(22,525)	-
Treasury Shares	1,128	(7,559)
Transaction with shareholders	(1,567)	-
Share buyback	-	(27,000)
Borrowings, net	156,023	133,597
Repayment of borrowings and financing	(159,062)	(93,659)
Interest	(45,374)	(50,022)
Repayment of payables for business acquisitions	-	(3,003)
Net contributions from non-controlling shareholders	-	8,050
Net cash used in investing activities	**209,074**	**(15,100)**
INCREASE IN CASH AND CASH EQUIVALENTS	137,413	(20,289)
CASH AND CASH EQUIVALENTS		
At the beginning of the priod	21,920	42,209
At the end of the period	159,333	21,920