2Q17 EARNINGS RELEASE

CONFERENCE CALL IN PORTUGUESE

August 10, 2017
1:30 pm (Brasília)
12:30 pm (New York)
Telephone: +55 (11) 2188-0155
Code: Alliar

CONFERENCE CALL IN ENGLISH

August 10, 2017
12:30 pm (Brasília)
11:30 am (New York)
Telephone: +1 (646) 843-6054
Code: Alliar

IR CONTACTS

Carlos Araujo: IR Officer
Francisco de Paula: IR Manager
Telephone: + 55 (11) 4369-1387
http://ir.alliar.com
ri@alliar.com

alliar médicos à frente
sistema de diagnósticos de saúde

TABLE OF CONTENTS

São Paulo, August 9th, 2017 - Centro de Imagem Diagnósticos S.A. ("Alliar" or "Company") (B3: AALR3), the country's third largest diagnostic company, announces today its earnings results for the first half and for second quarter of 2017 (6M17 and 2Q17, respectively).

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

HIGHLIGHTS

- **Net revenue**[1] growth of **20%** YTD and **13%** in Q2; same store sales of **13%** e **11%**
- **Adjusted EBITDA** of R$ **108.8** million YTD (**+16%**) and R$ **59.2** million in Q2 (**+13%**)
- **LTM EBITDA** of R$ **218.8** million (R$ **227.5** million when annualizing acquisitions)
- **Net income growth** of **224%** YTD, reaching R$ **13.5** million and loss reversal in Q2, with a profit of R$ **4.7** million (+R$ 10.3 million vs 2Q16)
- **Net income** after minority interests of R$ **9.7** million YTD and R$ **4.0** million in Q2 (vs. net loss of R$ 1.8 million and R$ 9.3 million in 2016)
- **Operating cash flow** of R$ **72.6** million YTD (+**69%**) and of R$ **50.4** million in Q2 (+**77%**)
- **Cash conversion** of **67%** YTD (**+2,105 bps**) and **85%** in Q2 (**+3,057 bps**)
- **ROIC** without goodwill of **15.8%**
- Net promoter score (**NPS**) of **75.0%**, **448** bps improvement vs. Q1
- **Anticipation** of the 2017/2018 **organic expansion** plan, with the opening of **2** new **mega** stores, totaling **4** openings in 2017

(1) Excludes "construction revenue", accounting entry referring to the investment made at RBD (PPP Bahia).

KPIs

Financial KPIs (R$ Million)	6M16	6M17	YoY	2Q16	2Q17	YoY
Gross Revenue	468.4	570.6	22%	260.0	291.5	12%
Net Revenue	438.8	529.7	21%	243.0	270.4	11%
Net Revenue (ex-construction)[1]	421.6	507.1	20%	230.3	260.5	13%
Adjusted EBITDA[2]	94.2	108.8	16%	52.2	59.2	13%
Net Income	4.2	13.5	224%	-5.6	4.7	+10.3
Net Income (AALR3 shareholders)	-1.8	9.7	+11.6	-9.3	4.0	+13.3
Operating Cash Flow	43.1	72.6	69%	28.5	50.4	77%
Cash Conversion	46%	67%	2105 bps	55%	85%	3057 bps
ROIC[3]	17.4%	15.8%	-156 bps	17.4%	15.8%	-156 bps
Adjusted EBITDA Margin[4]	22.3%	21.5%	-88 bps	22.7%	22.7%	2 bps
Net Margin[4]	1.0%	2.7%	167 bps	-2.4%	1.8%	423 bps

1) Excludes "construction revenue", accounting entry referring to the investment made at RBD (PPP Bahia).
2) Excludes non-recurring and/or non-cash effects (see chapter on EBITDA).
3) ROIC without goodwill (adjusted NOPAT divided by average invested capital without goodwill)
4) Margins are calculated on net revenue (ex-construction)

Operational KPIs	Assets					
End of period	6M16	6M17	YoY	1Q17	2Q17	QoQ
PSCs	103	122	18%	115	122	6%
Mega	11	17	55%	15	17	13%
Standard	91	87	-4%	88	87	-1%
Collection Points	1	18	1700%	12	18	50%
MRI equipments	112	122	9%	120	122	2%
Clinical Analysis Rooms	174	287	65%	249	287	15%

Operational Highlights	Performance					
(R$ Million)	6M16	6M17	YoY	2Q16	2Q17	YoY
Avg Revenue/MRI equipment	1.49	1.67	12%	0.82	0.87	6%
Avg Revenue/Clinical Analysis Room	0.30	0.26	-16%	0.15	0.13	-16%
MRI exams ('000)	300	352	17%	165	183	11%
Clinical analysis exams ('000)	3,460	4,350	26%	1,734	2,169	25%
MRI Avg. Ticket (R$)	555	578	4%	562	580	3%
Clinical analysis Avg. Ticket (R$)	15.3	16.9	11%	15.3	17.0	11%
MRI exams / equipment / day	21.4	23.1	8%	23.5	24.0	2%
Clinical analysis / room / day	159.1	121.3	-24%	159.5	120.9	-24%
NPS[5]	n/a	72.8%	n/a	n/a	75.0%	n/a

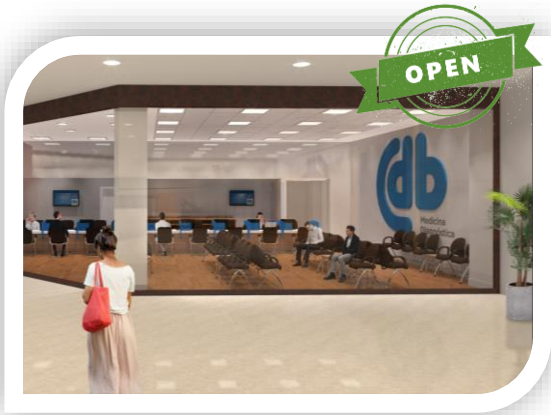
5) Comparison vs previous period is unavailable since the measurement on CDB brand started in 4Q16.

EXPANSION

✓ Opening of **2 mega stores** in 2Q17

Mega CDB São Bernardo do Campo

April / 2017



Mega CDB Móoca

May / 2017

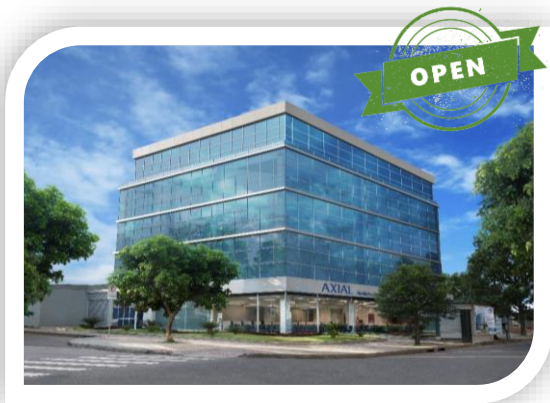
✓ Opening of **2 mega stores** in 1Q17

Mega CDB Morumbi

March / 2017

Mega Axial Bernardo Monteiro

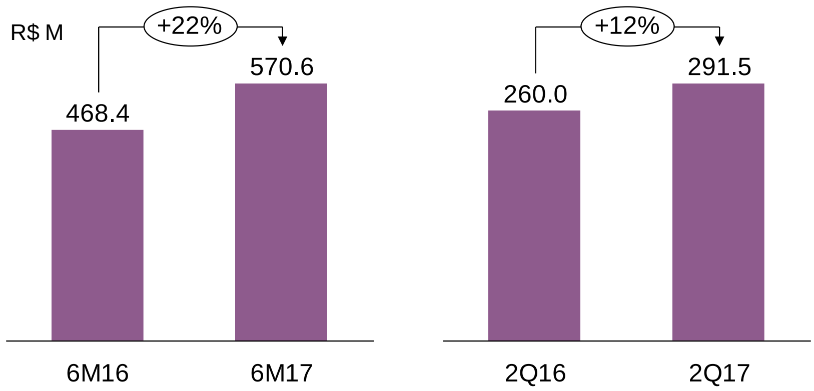
March / 2017



FINANCIAL PERFORMANCE

REVENUE

Gross revenue grew **22%** YTD, reaching **R$ 570.6 million,** and **12%** in the quarter, to **R$ 291.5** million.



Gross Revenue (R$ Million)	**6M16**	**6M17**	**YoY**	**2Q16**	**2Q17**	**YoY**
Gross Revenue	468.4	570.6	22%	260.0	291.5	12%
Diagnostic imaging	397.4	473.1	19%	219.9	244.2	11%
MRI Exams	166.7	203.5	22%	92.4	106.2	15%
Other Imaging Exams	230.8	269.6	17%	127.5	138.0	8%
Clinical analysis	52.8	73.6	39%	26.6	36.8	39%
Construction revenue	18.2	23.9	32%	13.5	10.5	-22%
Deductions	-29.7	-40.9	38%	-17.0	-21.1	25%
Net Revenue	438.8	529.7	21%	243.0	270.4	11%
Net Revenue (ex-construction)	421.6	507.1	20%	230.3	260.5	13%

Gross revenue is composed by:

<u>Diagnostic imaging</u>: grew **19%** YTD, reaching **R$ 473.1** million**,** and **11%** in the quarter, to **R$ 244.2** million. This improvement was driven by: (i) higher equipment utilization; and (ii) increase in the number of stores and equipment. As highlights, the state of São Paulo and the North/Northeast region have posted strong organic growth rates, and the acquisition of Delfin (which took place in March/2016) contributed to a stronger growth in the first quarter. At the end of 2Q17, Alliar offered diagnostic imaging in **107** PSCs, representing **87%** of gross revenue (ex-construction).

- Magnetic resonance (MRI): grew **22%** YTD (volume +17%; price +4%) and **15%** in the quarter (volume +11%; price +3%). In the first half of the year, each machine did, on average, **23.1** exams/day (+8%) with a revenue of R$ **1.67** million (+12%). In 2Q17 each machine did, on average, **24.0** exams/day (+2%) with a revenue of R$ **0.87** million (+6%). The company has added **10** MRIs machines in the last 12 months.

- Other imaging exams (ex-MRI): grew **17%** YTD and **8%** in the quarter, equivalent to **1.3** times the MRI revenue. Main drivers are the ultrasonography specialty (supply expansion project) and CAT scans (RBD ramp-up and volume growth in the state of São Paulo).

Clinical analysis: reached R$ **73.6** million YTD, up **39%** (volume +26%, price: +11%) and R$ **36.8** million in the quarter (up **39%**; volume +25%, price: +11%). The growth was mainly driven by: (i) acquisition of Multilab; (ii) ramp-up of collection rooms in existing units; and (iii) strong growth in the state of São Paulo. In the semester, each room performed, on average, **121.3** exams / day (-24%), leading to sales of R$ **0.26** million (-16%). In the quarter, each room performed, on average, **120.9** exams / day (-24%), leading to sales of R$ **0.13** million (-16%). The lower productivity is a result of the high number of new rooms added during the last 12 months (113 rooms; +65%), which are still ramping-up. This leads to no losses, as all clinical analysis costs are variable. At the end of 2Q17, Alliar offered clinical analysis in **51** PSCs, representing **13%** of gross revenue (ex-construction).

Construction Revenue: accounting line related to the investment made at RBD. This value, after tax, is offset by the “construction costs” line, in accordance with ICPC 01 (public concession accounting rules). On a YoY comparison, the decrease in the construction revenue reflects the fact that Alliar is close to concluding its investments on this project.

Net revenue (ex-construction) registered a **20%** increase YTD and a **13%** increase in the quarter, reaching R$ **507.1** million and R$ **260.5** million, respectively.

COST OF SERVICES

Costs exclusively related to services (ex-construction) totaled R$ **344.8** million in the first half of the year, up **23%,** and R$ **174.6** million in the quarter (+**17%**).

Cost of Services (R$ Million)	6M16	6M17	YoY	2Q16	2Q17	YoY
Medical Services	-76.0	-88.9	17%	-40.1	-44.9	12%
Employees	-68.1	-86.3	27%	-34.7	-43.1	24%
Supplies and Support Labs	-54.2	-67.8	25%	-28.1	-34.6	23%
Maintenance	-12.4	-14.8	20%	-6.8	-7.6	12%
Occupancy	-24.3	-29.7	22%	-13.0	-15.5	20%
Third-party services and others	-16.2	-19.6	21%	-10.2	-9.7	-4%
Depreciation and amortization	-29.0	-37.7	30%	-15.9	-19.1	20%
Total Costs (ex-construction)	**-280.3**	**-344.8**	**23%**	**-148.8**	**-174.6**	**17%**

Note: The costs and expenses for 2016, as presented in the June 30, 2016 statements, were reclassified to allow a comparison according to Alliar’s cost structure in 2017.

Cost of services includes:

Medical Services: grew **17%** YTD and **12%** in the quarter, in line with the imaging revenue (+19% and +11%, respectively).

Employees: grew **27%** YTD and **24%** in the quarter, mainly due to the Delfin, Multilab and Multiscan acquisitions and to the opening of 4 new mega stores.

Supplies and support labs: grew **25%** YTD and **23%** in the quarter. These increases are driven by the acquisitions (specially Multilab and Multiscan) and by the strong volume growth in clinical analysis.

Maintenance: grew **20%** YTD and **12%** in the quarter. Reflects mainly the ramp-up of RBD and the acquisitions.

Occupancy: grew **22%** YTD and **20%** in the quarter due to the opening of the new mega stores and to the acquisitions of Delfin, Multilab and Multiscan.

Third-party service and other costs: grew **21%** YTD (mainly due to acquisitions and to the ramp-up of RBD) and decreased by **4%** in the quarter, reflecting the positive impact of post-integration synergies on Delfin.

Depreciation and Amortization: grew **30%** YTD and **20%** in the quarter, mainly reflecting the strong level of investments made by the Company in the LTM (acquisitions and opening of mega stores). In order to improve its depreciation policy, Alliar is carrying out a physical inventory on its recently acquired companies. This will allow the MRI and CAT scan equipment of these companies to be depreciated over 20 years (in line with Alliar's standard), effectively reducing the quarterly depreciation rate.

OPERATING EXPENSES

Operating expenses totaled R$ **105.5** million in the semester, up by **12%.** In the quarter expenses reached R$ **54.0** million, a **6%** decrease.

Operating (Expenses) Income, Net (R$ Million)	6M16	6M17	YoY	2Q16	2Q17	YoY
General and administrative expenses	**-88.9**	**-109.9**	**24%**	**-55.6**	**-56.4**	**1%**
Employess	-46.2	-56.9	23%	-25.4	-30.9	21%
Occupancy, third-party services and others	-39.6	-44.1	11%	-28.5	-21.3	-25%
Depreciation and amortization	-3.1	-4.2	33%	-1.7	-1.9	11%
Long-term incentive program	0.0	-4.7	n/a	0.0	-2.3	n/a
Other expenses, net	**-9.3**	**-2.6**	**-72%**	**-4.2**	**-1.1**	**-74%**
Equity in the earnings (loss) of subsidiaries	**3.7**	**6.9**	**86%**	**2.6**	**3.5**	**33%**
Total Expenses	**-94.5**	**-105.5**	**12%**	**-57.2**	**-54.0**	**-6%**

Note: The costs and expenses for 2016, as presented in the June 30, 2016 statements, were reclassified to allow a comparison according to Alliar's cost structure in 2017.

Operating expenses include:

Employees: grew **23%** YTD and **21%** in the quarter as a result of: (i) acquisitions of Delfin, Multilab and Multiscan; (ii) strengthening of the accounting, legal and IR teams to handle the workload of a listed company; and (iii) internalization of the M&A team.

Occupancy, third party service and other: grew **11%** YTD and decreased **25%** in the quarter, as a result of a revenue tax provision reversal.

Depreciation and amortization: grew **33%** YTD and **11%** in the quarter, reflecting the strong expansion of the Company in the last 12 months.

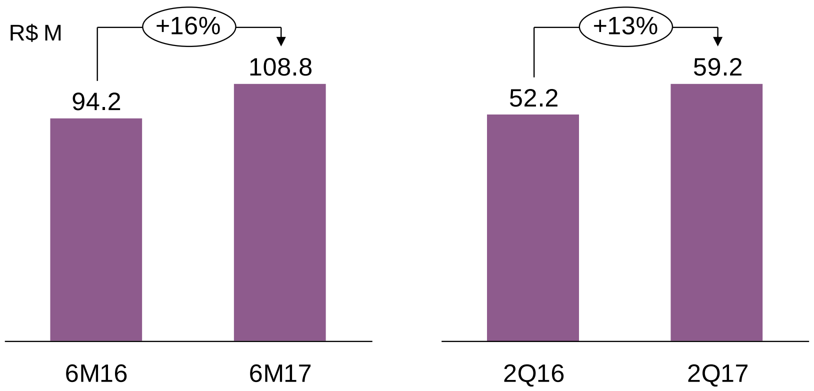
Long-term incentive program: totaled R$ **4.7** million YTD and R$ **2.3** million in the quarter. These values correspond to the provision of the 1st grant of the restricted stocks program (which took place in November/2016). In the 2Q16, due to the stock options program still being active, no relevant expenses related to long-term incentives were reported (its main impact was through shareholder dilution). Until the end of 2017, the quarterly provision shall remain constant at the current level.

Other expenses, net: posted a decrease of **72%** YTD and of **74%** in the quarter.

Equity in the earnings (loss) of subsidiaries: contributed a positive R$ **6.9** million YTD, up by 86% and a positive R$ **3.5** million in the quarter (+33%). This refers to the results of a Delfin hospital facility, over which the Company does not hold operational control.

EBITDA

Adjusted EBITDA grew **16%**, reaching **R$ 108.8** million YTD (R$ **110.4** million considering Multiscan[1] since Jan 1st), with a **21.5%** margin (-88 bps). In the second quarter, adjusted EBITDA grew **13%,** reaching **R$ 59.2 million** and **22.7%** margin (+2 bps).



EBITDA (R$ Million)	6M16	6M17	YoY	2Q16	2Q17	YoY
EBIT	**46.9**	**56.8**	**21%**	**24.2**	**31.9**	**32%**
Depreciation and amortization[2]	32.2	41.9	30%	17.6	21.0	19%
EBITDA	**79.1**	**98.7**	**25%**	**41.9**	**52.9**	**26%**
EBITDA Margin %	**18.7%**	**19.5%**	**72 bps**	**18.2%**	**20.3%**	**212 bps**
Adjustments	**15.1**	**10.1**	**-33%**	**10.4**	**6.3**	**-39%**
Write-downs[3]	1.7	10.1	492%	**1.0**	**6.3**	527%
Pre-IPO	1.7	0.0	-100%	0.8	0.0	-100%
M&A	11.8	0.0	-100%	8.6	0.0	-100%
Delfin integration	5.2	0.0	-100%	3.8	0.0	-100%
M&A expenses	6.5	0.0	-100%	4.8	0.0	-100%
Adjusted EBITDA	**94.2**	**108.8**	**16%**	**52.2**	**59.2**	**13%**
Adjusted EBITDA Margin %	**22.3%**	**21.5%**	**-88 bps**	**22.7%**	**22.7%**	**2 bps**

1) Between January and February 2017 (before being acquired), Multiscan had net revenues of R$ 5.8 million, EBITDA of R$ 1.6 million and net profit of R$ 1.0 million.
2) Includes write-down of parts.
3) In 2017, the write down line refers exclusively to the write-down of financial asset (RBD's depreciation)

When comparing it to the previous year, the **adjusted EBITDA was negatively impacted by:** (i) replacement of the stock option program by the **restricted stock program** (exchanging shareholder dilution for expenses of R$ **4.7** million YTD and of R$ **2.3** million in 2Q17); (ii) opening of **new stores** (primarily marketing, employees and occupancy, with an impact of R$ **3.2** million YTD and of R$ **2.9** million in the quarter); and (iii) **call-center centralization** project (personnel duplicity and severance expenses, an impact of R$ **1.0** million YTD and of R$ **0.7** million in the quarter). Altogether, these **3 effects** have reduced the adjusted EBITDA by R$ **8.8** million YTD and by R$ **5.9** million in Q2. The impact on adjusted EBITDA margins were of **180** bps YTD and **239** bps in the quarter.

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

FINANCIAL RESULT

Financial Result (R$ Million)	6M16	6M17	YoY	2Q16	2Q17	YoY
Financial income	0.5	3.6	622%	0.2	0.3	45%
Financial expenses	-36.6	-34.7	-5%	-36.2	-20.2	-44%
Foreign exchange effect on USD debt	8.4	-0.7	-9.1	15.3	-2.1	-17.3
Total Financial Result	**-27.7**	**-31.8**	**15%**	**-20.7**	**-22.0**	**6%**

Note: Foreign exchange effect no longer include 4131 debt.

Financial result totaled R$ **-31.8** million YTD (+**15%**) and R$ **-22.0** million in the quarter (+**6%**). This result is composed by:

Financial income: reached R$ **3.6** million YTD (income of IPO proceeds), and R$ **0.3** million in the quarter.

Financial expenses: reached R$ **-34.7** million YTD (**5%** decrease) and R$ **-20.2** million in the quarter (**44%** decrease), reflecting a lower risk-free interest rate.
The Company is **issuing bonds** in the amount of up to R$ **270.0** million with rates between 116% and 118% of the risk-free interest rate. The proceeds, alongside with the decrease in the risk-free rate, should lead to lower financial expenses from Q3 onwards.

Foreign exchange effect on USD debt: FX variation led to a R$ **0.7** million loss YTD (vs a R$ **8.4** million gain in 6M16) and to a R$ **2.1** million loss in the quarter (vs a R$ **15.3** million gain in 2Q16). This reflects a **1.5%** depreciation of the Brazilian Real against the US Dollar in the 6M17 (vs an **18%** appreciation in 6M16) and a **4%** depreciation of the Brazilian Real in the quarter (vs a **10%** appreciation in 2Q16). It's worth noticing that, in May 2017, a US$ 10 million debt-into-equity conversion took place (for more information see the Company's publications dated April 28 and May 16, 2017). As a result, Alliar's exposure to US Dollar denominated debt decreased by 40%.

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

INCOME TAX AND SOCIAL CONTRIBUTION

Income Tax	Consolidated					
(R$ Million)	6M16	6M17	YoY	2Q16	2Q17	YoY
EBT	19.2	25.0	30%	3.5	9.9	184%
Income Tax and Social Contribution	-15.0	-11.5	-23%	-9.0	-5.2	-43%
Effective Tax Rate (%)	-78%	-46%	-32 p.p.	-260%	-52%	-208 p.p.

The Company posted an **effective tax rate** of **46%** in the semester (vs 78% in 6M16) and of **52%** in 2Q17 (vs. 260% in 2Q16).

6M Breakdown	6M16			6M17		
(R$ Million)	Parent	Subsidiaries	Consolidated	Parent	Subsidiaries	Consolidated
EBT	-44.2	63.4	19.2	-31.7	56.8	25.0
Income Tax and Social Contribution	0.0	-15.0	-15.0	5.4	-17.0	-11.5
Effective Tax Rate (%)	0%	-24%	-78%	17%	-30%	-46%

2Q Breakdown	2Q16			2Q17		
(R$ Million)	Parent	Subsidiaries	Consolidated	Parent	Subsidiaries	Consolidated
EBT	-30.2	33.6	3.5	-21.8	31.7	9.9
Income Tax and Social Contribution	0.0	-9.0	-9.0	4.6	-9.8	-5.2
Effective Tax Rate (%)	0%	-27%	-260%	21%	-31%	-52%

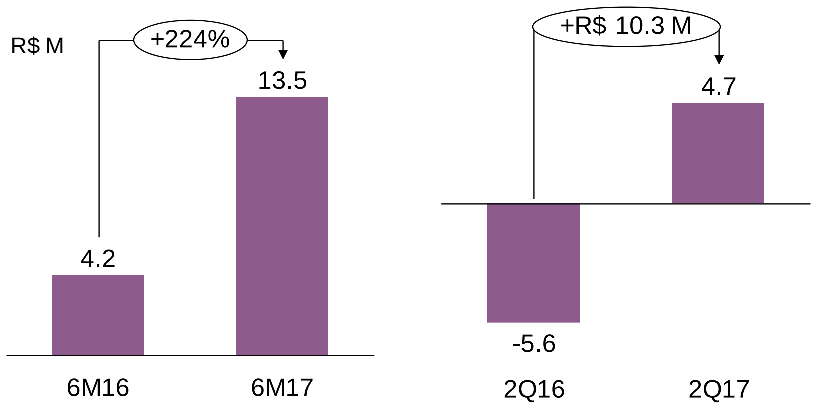
Parent Company: recorded a negative YTD EBT of R$ **31.7** million and a tax credit of R$ **5.4** million. In the quarter, posted a negative EBT of R$ **21.8** million and a tax credit of R$ **4.6** million. These losses refer mainly to the concentration, in the parent company, of corporate debts.

Subsidiaries: recorded an EBT of R$ **56.8** million YTD and an income tax of R$ **17.0** million (effective rate of **30%**). In the quarter, posted an EBT of R$ **31.7** million and an income tax of R$ 9.8 million (effective rate of **31%**).

To solve its high tax rate, the Company expects to incorporate into the parent company some profitable subsidiaries (such as CDB and Delfin). The resulting company will have a positive EBT, effectively eliminating the current distortion and allowing the use of accumulated tax credits. As a result, after these incorporations (which should occur in 2018), the Company expects to achieve an accounting consolidated tax rate of 34%, and a consolidated "cash" rate close to 24%. In parallel, the Company has been conducting short-term initiatives that should result in a gradual reduction of the tax rate still in 2017.

NET INCOME

Net income grew **224%** YTD, reaching R$ **13.5** million (R$ 14.5 million considering Multiscan[1] since Jan 1st), and R$ **4.7** million in the quarter, reverting a loss of R$ **5.6** million in 2Q16 (positive variation of R$ **10.3** million). The net margin was **2.7%** in the semester (+**167** bps) and **1.8%** in the quarter (**+423** bps).



Net Income (R$ Million)	**6M16**	**6M17**	**YoY**	**2Q16**	**2Q17**	**YoY**
Net Income	**4.2**	**13.5**	**224%**	**-5.6**	**4.7**	**+10.3**
AALR3 shareholders	-1.8	9.7	+11.6	-9.3	4.0	+13.3
Attributable to noncontrolling interests	6.0	3.8	-37%	3.8	0.8	-79%
Net Income per share (in R$)	-0.02	0.08	+0.10	-0.09	0.03	+0.13
Net Margin	**1.0%**	**2.7%**	**167 bps**	**-2.4%**	**1.8%**	**423 bps**

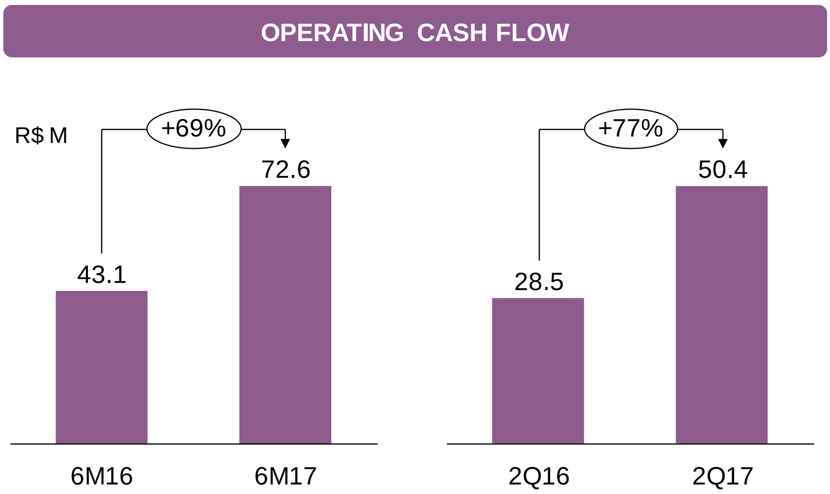
1) Between January and February 2017 (before being acquired), Multiscan had net revenues of R$ 5.8 million, EBITDA of R$ 1.6 million and net profit of R$ 1.0 million.

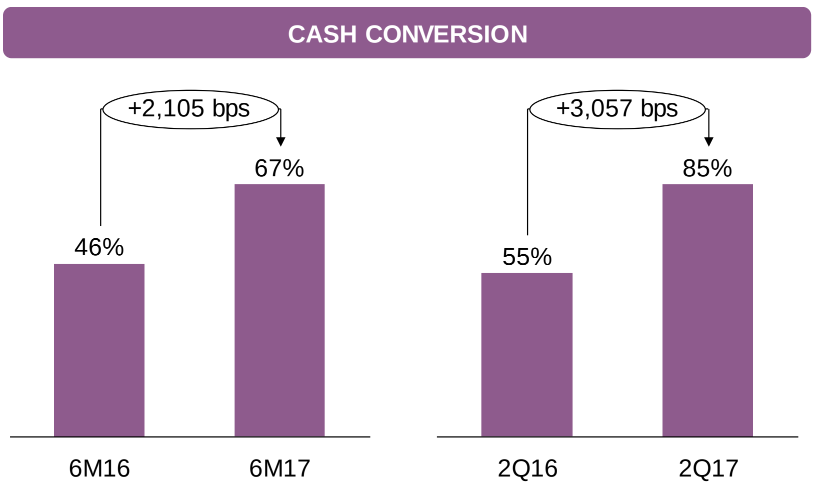
The **increase** of R$ **10.3** million in net income between 2Q16 and 2Q17 happened in spite of a **negative foreign exchange effect** of R$ **17.3** million in the same period. In addition to this impact, **net income** variation reflects: (i) effects that impacted **EBITDA** (top-line growth, change from stock options to restricted stock, opening of new stores and central call center project); (ii) an increase on **depreciation**, reflecting recent investments on expansion; (iii) a better **financial result** (ex-FX); and (iv) a lower effective **tax rate**.

In the 6M17, out of the total R$ **13.5** million profit, R$ **9.7** million are attributable to Alliar shareholders (R$ **0.08** per share) and R$ **3.8** million are attributable to non-controlling interests (mostly shareholders of RBD, of which the Company owns a 50.1% stake). In the 2Q17, out of the total R$ **4.7** million profit, **R$ 4.0** million are attributable to Alliar shareholders.

CASH FLOW

Operating cash flow totaled R$ **72.6** million in the semester, up **69%**, and **cash conversion** reached **67%**, an increase of **2,105** bps. In the 2Q17, operating cash flow totaled R$ **50.4** million, up **77%**, and cash conversion reached **85%**, an increase of **3,057** bps. These improvements are due to the robust operational performance, to savings with M&A fees (team was internalized) and to lower tax rates.





Cash Flow (R$ Million)	6M16	6M17	YoY	2Q16	2Q17	YoY
(1) Net Income	**4.2**	**13.5**	**224%**	**-5.6**	**4.7**	**n/a**
(2) Non-cash items	**67.8**	**62.8**	**-7%**	**29.9**	**20.3**	**-32%**
(3) Cash Flow from Operations (=(1)+(2))	**72.0**	**76.3**	**6%**	**24.4**	**25.0**	**3%**
(4) Working Capital[a]	**-28.9**	**-3.6**	**-88%**	**4.1**	**25.4**	**513%**
(5) Operating Cash Flow (=(3+4))	**43.1**	**72.6**	**69%**	**28.5**	**50.4**	**77%**
(6) Investing Activities[b]	**-24.6**	**-131.5**	**435%**	**-5.3**	**-68.7**	**1206%**
Investments	-8.1	-107.6	1223%	7.1	-54.4	n/a
Purchase of PPE and intangible assets	-10.5	-101.5	868%	8.0	-51.6	n/a
Others	2.4	-6.1	n/a	-0.9	-2.7	194%
Financial Asset (Capex RBD)	-16.5	-23.9	45%	-12.3	-14.3	16%
(7) Financing Activities	**-16.5**	**-49.4**	**198%**	**-24.6**	**16.0**	**n/a**
(8) Cash Increase (decrease) (=(5+6+7))	**1.9**	**-108.2**	**n/a**	**-1.3**	**-2.3**	**76%**
Conversion (Operating Cash Flow/Adjusted EBITDA)	**46%**	**67%**	**2105 bps**	**55%**	**85%**	**3057 bps**
Adjusted EBITDA	94.2	108.8	16%	52.2	59.2	13%

a) Working capital excluding Financial Asset (RBD Capex).
b) Includes Financial Asset (RBD Capex)

INVESTMENTS

CAPEX (R$ Million)	6M16*	6M17	YoY	2Q16*	2Q17	YoY
Organic Expansion	20.5	75.7	270%	14.1	38.3	172%
Maintenance	16.8	14.4	-14%	8.8	7.1	-19%
Others	8.4	11.3	36%	4.2	6.1	45%
Total (ex-RBD)	**45.6**	**101.5**	**122%**	**27.1**	**51.6**	**90%**
RBD	16.5	23.9	45%	12.3	14.3	16%
Total	**62.1**	**125.4**	**102%**	**39.5**	**66.0**	**67%**

*2016 amounts include R$ 35 million of non-cash addition to PPE which was made through financing agreements, as described in note 27 of the financial statements.

CAPEX totaled R$ **125.4** million in the semester (**+102%**) and R$ **66.0** million in the quarter (**+77%**). Out of total capital invested in 2017, R$ **75.7** million were directed to organic expansion, R$ **14.4** million refer to maintenance contracts, R$ **23.9** million were invested in RBD (a project which will still require approximately R$ 10 million), and R$ **11.3** million refers to IT and other projects. In addition, R$ **45.0** million were spent in M&A (Multiscan acquisition).

Due to the strong pace of new store openings and to the Multiscan acquisition, the 6M17 **concentrated most of the investments** planned for 2017, allowing the rest of the year to benefit from the increased capacity.

ACCOUNTS RECEIVABLES, CANCELLATIONS AND PDA

Accounts Receivable, Cancellations and PDA (R$ Million)	2016	6M17	YoY	1Q17	QoQ
Gross Total	**275.9**	**315.2**	**14%**	**297.0**	**6%**
Cancellations and PDA	-42.6	-51.6	21%	-47.8	8%
Net Total	**233.3**	**263.6**	**13%**	**249.2**	**6%**
Accounts Receivable Days	**79.5**	**80.1**	**1%**	**79.5**	**1%**
Cancellations and PDA as % of revenue	**-0.8%**	**-1.5%**	**-68 bps**	**-1.5%**	**1 bps**

The balance of **accounts receivable** net of cancellations and PDA reached R$ **263.6** million in 6M17, a **13%** increase in relation to the 2016 figure. This effect is a result of: (i) a small increase in number of days on **accounts receivable**; and (ii) constant **cancellations and PDA** level as a percentage of revenues (excluding a provision reversal which led to a positive effect in 2016)

DEBT

Debt (R$ Million)	1Q17	2Q17	QoQ
Loans, financing and debentures	484.1	497.5	3%
Derivative financial statements	32.8	27.9	-15%
Gross Debt	**516.9**	**525.4**	**2%**
R$	439.7	478.8	9%
US$	77.3	46.6	-40%
Cash, securities and cash equivalents	59.2	56.5	-4%
Net Debt	**457.8**	**468.9**	**2%**
Net Debt / Adjusted EBITDA[1]	**2.0 x**	**2.1 x**	**1%**

1) Adjusted LTM EBITDA including acquisitions

By the end of 2Q17 **net debt** totaled R$ **468.9** million, 2% above 1Q17. As a result, the **net debt / EBITDA** ratio reached **2.1x** (+1% vs. 1Q17). The cash position is below historical averages due to investments being concentrated in the first half of year.

Out of the total **gross debt, 91%** is denominated in BRL and **9%** is denominated in USD (40% less than in 1Q17). The **average cost** of BRL debts is the Brazilian risk-free rate + 2.6% and the average cost for USD debt is Libor + 2.2%. The **average length** is 2.0 years (47% of the gross debt is due in the long-term).

As disclosed in the material facts of July 21st and August 1st, 2017, the Company's Board of Directors has approved the **issuance of bonds** in the amount of up to R$ **270.0** million. The proceeds will be used to improve the Company's capital structure, to pay debts that are due in 2017 and to anticipate future amortizations. As a result, the Company shall reduce its financial expenses and lengthen the maturity of its debt.

FINANCIAL STATEMENTS

BALANCE SHEETS AT JUNE 30, 2017 AND DECEMBER 31, 2016

(R$'000)

ASSETS	Consolidated	
	12/31/2016	06/30/2017
CURRENT ASSETS		
Cash and cash equivalents	159,333	51,155
Securities	37,811	-
Accounts receivable	233,260	263,584
Inventories	6,391	5,768
Financial assets	14,407	27,738
Taxes recoverable	26,373	45,282
Other accounts receivable	16,854	16,272
Total current assets	**494,429**	**409,799**
NONCURRENT ASSETS		
Securities	5,696	5,349
Escrow deposits	22,050	22,405
Contingency reimbursement guarantee	139,229	122,818
Related parties	31,114	31,586
Deferred income and social contribution taxes	61,530	93,697
Other accounts receivable	893	-
Financial assets	64,390	73,224
Investments	4,694	4,861
Property and equipment	464,206	537,487
Intangible assets	878,081	969,659
Total noncurrent assets	**1,671,883**	**1,861,086**
TOTAL ASSETS	**2,166,312**	**2,270,885**

LIABILITIES AND EQUITY	Consolidated	
	12/31/2016	06/30/2017
CURRENT LIABILITIES		
Trade payables	69,737	66,345
Payroll and benefits	41,227	44,836
Borrowings and financing	202,830	230,071
Derivative financial instruments	25,549	18,470
Tax obligations	35,813	53,246
Tax installment payments	2,088	2,140
Accounts payable - acquisition of companies	13,478	38,919
Other accounts payable	13,857	17,087
Total current liabilities	**404,579**	**471,114**
NONCURRENT LIABILITIES		
Borrowings and financing	302,817	267,424
Derivative financial instruments	13,101	9,415
Related parties	293	-
Tax installment payments	6,979	7,316
Accounts payable - acquisition of companies	33,487	49,867
Deferred income and social contribution taxes	-	29,399
Deferred PIS/COFINS/ISS	4,452	6,641
Provision for legal contingencies	179,478	160,316
Other accounts payable	9,191	9,062
Total non-current liabilities	**549,798**	**539,440**
EQUITY		
Capital stock	580,910	612,848
Capital stock to be paid in	(1,130)	(535)
Capital reserves	615,794	622,876
Stock Options	-	(2,430)
Other comprehensive income	-	(1,165)
Treasury shares	(4,102)	(5,118)
Accumulated losses	(17,872)	(8,132)
Controlling shareholders' equity	1,173,600	1,218,344
Minority interest	38,335	41,987
Total equity	**1,211,935**	**1,260,331**
TOTAL LIABILITIES AND EQUITY	**2,166,312**	**2,270,885**

INCOME STATEMENTS FOR THE QUARTERS ENDED JUNE 30, 2017 AND JUNE 30, 2016 (R$'000)

Consolidated	06/30/2016 6M16	06/30/2017 6M17	06/30/2016 Quarter	06/30/2017 Quarter
NET SERVICE REVENUE	438,758	529,682	243,032	270,405
Cost of services	(270,649)	(367,328)	(148,991)	(184,524)
GROSS PROFIT	168,109	162,354	94,041	85,881
OPERATING (EXPENSES) INCOME				
General and administrative expenses	(115,645)	(109,871)	(68,208)	(56,365)
Other (expenses) income, net	(9,323)	(2,612)	(4,224)	(1,099)
Equity in the earnings (loss) of subsidiaries	3,737	6,935	2,608	3,466
OPERATING INCOME BEFORE FINANCIAL RESULT	46,878	56,806	24,217	31,883
FINANCIAL RESULT	(27,686)	(31,783)	(20,738)	(21,992)
Financial expenses	(28,189)	(35,414)	(20,931)	(22,271)
Financial income	503	3,631	193	279
OPERATING INCOME (LOSS) BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES	19,192	25,023	3,479	9,891
CURRENT AND DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES	(15,027)	(11,523)	(9,039)	(5,153)
NET INCOME (LOSS) FOR THE PERIOD	4,165	13,500	(5,560)	4,738
ATTRIBUTABLE TO CONTROLLING SHAREHOLDERS	(1,812)	9,740	(9,344)	3,954
ATTRIBUTABLE TO MINORITY INTEREST	5,977	3,760	3,784	784

Note: The costs and expenses for 2016 presented in this table follow the June 30, 2016 statements. For a comparable basis, refer to pages 7 and 8.

CASH FLOW STATEMENTS FOR QUARTERS ENDED JUNE 30, 2017 AND JUNE 30, 2016
(R$'000)

	Consolidated	
	6M16	**6M17**
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income (loss) for the period	**4,165**	**13,500**
Adjustments to reconcile net income to net cash generated by (used in) operating activities:	67,821	62,753
Depreciation and amortization	22,338	41,912
Stock options granted and restricted stocks	580	4,652
Residual value of property, plant and equipment disposed of, and investments	12,273	1,302
Finance charges, foreign exchange effect and derivatives	19,695	29,575
Financial asset update	-	(8,361)
Income (loss) from subsidiaries	(3,737)	(6,935)
Allowance for doubtful debts	16,999	7,988
Provisions for civil, labor and tax risks	(2,172)	(4,612)
Income Tax and Social Contribution	1,845	(2,768)
	71,986	76,253
Decrease (increase) in operating assets	(64,347)	(64,286)
Decrease (increase) in clients	(41,938)	(24,158)
Decrease (increase) in inventories	458	623
Decrease (increase) in other assets	(6,417)	(16,849)
Decrease (increase) in Financial Assets	(16,450)	(23,902)
Increase (decrease) in operating liabilities:	18,968	36,778
Increase (decrease) in trade payables	7,387	2,600
Increase (decrease) in payroll and related taxes	8,639	2,374
Increase (decrease) in taxes payable and taxes in installments	4,173	23,088
Increase (decrease) in other liabilities	(1,231)	6,059
Income Tax and Social Contribution paid	-	(3,985)
Dividends received	-	6,642
Net Cash generated by Operating Activies	**26,607**	**48,745**
CASH FLOW FROM INVESTING ACTIVITIES		
Increase (decrease) in short-term investments	(703)	41,789
Acquisition of subsidiaries, net of cash received	902	(42,430)
Related Parties	2,151	-
Increase in Investments	-	(5,454)
Purchase of property, plant and equipment and intangible assets	(10,477)	(101,463)
Net cash used in investing activities	**(8,127)**	**(107,558)**
CASH FLOW FROM FINANCING ACTIVITIES		
Capital Increase	795	595
Treasury Shares	(658)	(7,016)
Related parties	-	(4,482)
Transaction with shareholders	(9,625)	-
Borrowings, net	81,922	113,701
Interest paid	(22,171)	(24,685)
Repayment of borrowings and financing	(66,812)	(127,478)
Net cash used in financing activities	**(16,549)**	**(49,365)**
INCREASE IN CASH AND CASH EQUIVALENTS	1,931	(108,178)
CASH AND CASH EQUIVALENTS		
At the beginning of the priod	21,920	159,333
At the end of the period	23,851	51,155

Note: This table, as presented , considers the line 'decrease/increase in financial asset', which related to the Capex at RBD, as an operating activity. The table on page 14 allocates it on the 'investing activities' section in order to better reflect its nature.