(A free translation of the original in Portuguese)

T4F Entretenimento S.A.

Quarterly Information - ITR
at March 31, 2017
and report on review of
quarterly information

(A free translation of the original in Portuguese)

Report on review of the Quarterly Information

To the Board of Directors and Stockholders
T4F Entretenimento S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of T4F Entretenimento S.A. (the "Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2017, comprising the balance sheet as at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

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

Scope of review

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

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

(A free translation of the original in Portuguese)

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the quarter ended March 31, 2017. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

São Paulo, May 9, 2017

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Ricardo Novaes de Queiroz
Contador CRC 1DF012332/O-2 "S" SP

T4F ENTRETENIMENTO S.A.

BALANCE SHEET
(In thousands of Reais - R$)

ASSETS	Note	Company 31/03/17	Company 31/12/16	Consolidated 31/03/17	Consolidated 31/12/16
CURRENT ASSETS					
Cash and cash equivalents	6.a)	73.214	84.968	122.336	123.147
Financial investiments	6.b)	3.415	14.314	3.415	14.314
Restricted cash	7	4.350	5.724	4.350	5.724
Trade accounts receivables	8	60.527	46.426	90.853	68.188
Inventory		78	105	1.755	1.343
Recoverable taxes	9	3.727	3.256	27.830	24.032
Advances to suppliers	10	3.816	4.612	11.535	14.497
Prepaid costs	11	53.589	18.636	65.491	25.430
Dividends receivable from subsidiaries		1.938	1.938	-	-
Other receivables		1.183	1.895	15.736	6.736
Total current assets		205.837	181.874	343.301	283.411
NON-CURRENT ASSETS					
Long-term assets:					
Deferred income and social contribution taxes	27	67.239	70.494	70.353	73.139
Escrow deposits	20	22.508	22.159	25.120	24.780
Related parties	12	17.697	15.370	5.756	6.436
Total long-term assets		107.444	108.023	101.229	104.355
Investments in subsidiaries	13.a)	89.345	89.612	-	-
Goodwill on acquisitions of investments	13.b)	110.487	110.487	-	-
Property, plant and equipment	14.a)	10.160	10.573	30.312	31.676
Intangible assets:					
Goodwill on acquisition of investments	13.b)	-	-	113.609	113.603
Other intangible assets	14.b)	3.959	4.291	4.939	5.345
Total non-current assets		321.395	322.986	250.089	254.979
TOTAL ASSETS		527.232	504.860	593.390	538.390

LIABILITIES AND SHAREHOLDERS EQUITY	Note	Company 31/03/17	Company 31/12/16	Consolidated 31/03/17	Consolidated 31/12/16
CURRENT LIABILITIES					
Trade payables	15	39.216	24.141	80.679	52.708
Borrowing, financing and debentures	16	16.826	18.462	16.826	18.462
Accrued payroll and related taxes		5.453	3.469	7.374	5.462
Taxes payable	17	5.475	3.976	15.649	10.579
Advances from customers	18	86.108	77.996	112.637	96.491
Sponsorships - Cultural Incentive Law	19	1.300	249	1.300	249
Dividends payable		6.315	6.315	6.315	6.315
Related parties	12	29.127	30.484	-	-
Other payables		377	415	7.155	3.740
Total current liabilities		190.197	165.507	247.935	194.006
NON-CURRENT LIABILITIES					
Borrowing, financing and debentures	16	16.717	25.072	16.717	25.072
Provision for tax, civil and labor risks	20	21.733	21.523	23.336	23.100
Provision for losses in subsidiaries	13.a)	1.245	611	-	-
Deferred income and social contribution taxes	27	-	-	421	466
Taxes payable	17	4.794	4.932	6.196	6.414
Other payables		1.642	1.742	5.891	1.742
Total non-current liabilities		46.131	53.880	52.561	56.794
Total liabilities		236.328	219.387	300.496	250.800
SHAREHOLDERS EQUITY					
Capital	21	243.022	243.022	243.022	243.022
Share issuance costs	21	(9.665)	(9.665)	(9.665)	(9.665)
Capital reserve	21	3.924	3.733	3.924	3.733
Treasury stocks	14.c)	975	995	975	995
Revaluation reserve	21	43.049	37.090	43.049	37.090
Earnings retention reserve	21	9.599	10.298	9.599	10.298
Valuation adjustments to equity		290.904	285.473	290.904	285.473
Equity attributable to controlling shareholders					
non-controlling interests in subsidiaries' equity		-	-	1.990	2.117
Total consolidated shareholders' equity		290.904	285.473	292.894	287.590
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		527.232	504.860	593.390	538.390

The accompanying notes are an integral part of these financial statements.

T4F ENTRETENIMENTO S.A.

STATEMENTS OF INCOME
FOR THE QUARTERS ENDED MARCH
(In thousands of Brazilian Reais - R$, except earnings per share)

	Note	Company		Consolidated	
		31/03/2017	31/03/2016	31/03/2017	31/03/2016
NET REVENUE	22	97.639	214.367	137.517	333.988
COSTS OF SERVICES AND SALES	23.b)	(75.677)	(190.142)	(108.789)	(290.585)
GROSS PROFIT		21.962	24.225	28.728	43.403
OPERATING (EXPENSES) INCOME					
Selling expenses	23.a)	(255)	(413)	(397)	(808)
General and administrative expenses	23.a)	(9.740)	(9.384)	(15.496)	(16.315)
Management compensation	12.2 e 23.a)	(2.798)	(2.562)	(3.490)	(3.073)
Share of profits of subsidiaries	13	(199)	3.464	-	-
Other operating (expenses) income, net	26	(637)	137	194	(1.186)
OPERATING PROFIT BEFORE FINANCIAL INCOME		8.333	15.467	9.539	22.021
FINANCIAL (EXPENSES) INCOME	25				
Financial expenses		(3.557)	(3.791)	(4.119)	(5.793)
Financial income		2.647	3.013	3.758	8.864
Exchange and monetary variations, net		1.770	(155)	1.862	(4.637)
OPERATING PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		9.193	14.534	11.040	20.455
INCOME TAX AND SOCIAL CONTRIBUTION					
Current	27	-	-	(2.515)	(1.726)
Deferred	27	(3.254)	(3.831)	(2.718)	(8.266)
PROFIT FOR THE PERIOD		5.939	10.703	5.807	10.463
PROFIT (LOSS) ATTRIBUTABLE TO:					
Controlling Shareholders				5.939	10.703
Non-controlling interests				(132)	(240)
				5.807	10.463
BASIC EARNINGS (LOSS) PER SHARE - R$	34	0,0880	0,1534		
DILUTED EARNINGS (LOSS) PER SHARE - R$	34	0,0869	0,1513		

The accompanying notes are an integral part of these financial statements.

T4F ENTRETENIMENTO S.A.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTERS ENDED MARCH 31
(In thousands of Brazilian Reais - R$)

	Company		Consolidated	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
NET PROFIT (LOSS) FOR THE PERIOD	5.939	10.703	5.807	10.463
Other comprehensive income:				
Exchange differences on translating foreign operations	(699)	(1.150)	(699)	(1.150)
Total comprehensive income for the period	5.240	9.553	5.108	9.313
Total comprehensive income attributable to:				
Controlling Shareholders			5.240	9.553
Non-controlling interests			(132)	(240)
			5.108	9.313

The accompanying notes are an integral part of these financial statements.

T4F ENTRETENIMENTO S.A.

STATEMENTS OF CHANGES IN EQUITY
(In thousands of Brazilian Reais - R$)

	Note	Share capital	Share issuance costs	Capital reserve		Revaluation reserve	Earnings reserve			Equity valuation adjustment	Equity attributable to controlling shareholder	Non-controlling interests in subsidiaries' equity	Consolidated equity
				Share-based payments	Effects on capital transactions		Legal reserve	Earnings retention reserve	Income period				
BALANCES AS AT DECEMBER 31, 2015		243.022	(9.665)	5.228	(2.043)	1.075	10.713	5.937	-	15.101	269.368	2.723	272.091
Share-based payments	31	-	-	81	-	-	-	-	-	-	81	-	81
Realization of revaluation reserve	21	-	-	-	-	(19)	-	19	-	-	-	-	-
Profit for the period	21	-	-	-	-	-	-	-	10.703	-	10.703	(240)	10.463
Other comprehensive income	21												
Exchange variation on net investment of foreign subsidiaries		-	-	-	-	-	-	-	-	(1.150)	(1.150)	(11)	(1.161)
Total comprehensive income for the period		-	-	-	-	-	-	-	10.703	(1.150)	9.553	(251)	9.302
BALANCES AS AT MARCH 31, 2016		243.022	(9.665)	5.309	(2.043)	1.056	10.713	5.956	10.703	13.951	279.002	2.472	281.474
BALANCES AS AT DECEMBER 31, 2016		243.022	(9.665)	5.776	(2.043)	995	12.043	25.047	-	10.298	285.473	2.117	287.590
Share-based payments	31	-	-	191	-	-	-	-	-	-	191	-	191
Realization of revaluation reserve	21	-	-	-	-	(20)	-	20	-	-	-	-	-
Profit for the period	21	-	-	-	-	-	-	-	5.939	-	5.939	(132)	5.807
Other comprehensive income	21												
Exchange variation on net investment of foreign subsidiaries		-	-	-	-	-	-	-	-	(699)	(699)	5	(694)
Total comprehensive income for the period		-	-	-	-	-	-	-	5.939	(699)	5.240	(127)	5.113
BALANCES AS AT MARCH 31, 2017		243.022	(9.665)	5.967	(2.043)	975	12.043	25.067	5.939	9.599	290.904	1.990	292.894

The accompaning notes are na integral part of these financial statements

T4F ENTRETENIMENTO S.A.

STATEMENTS OF CASH FLOWS
FOR THE QUARTERS ENDED MARCH 31
(In thousands of Brazilian Reais - R$)

	Note	Company 31/03/2017	Company 31/03/2016	Consolidated 31/03/2017	Consolidated 31/03/2016
CASH FLOW FROM OPERATING ACTIVITIES					
Profit for the period		5.939	10.703	5.807	10.463
Adjustments to reconcile net profit for the period to net cash generad by (used in) operating activities:					
Share of profits of subsidiaries	13	199	(3.464)	-	-
Depreciation and amortization	23.b)	1.254	1.342	2.616	2.919
Residual value of propety, plant and equipment written-off		-	5	9	15
Deferred income tax and social contribution		3.254	3.831	1.824	8.266
Financial charges and exchange differences on balances with subsidiaries, financing, borrowing and taxes payable		1.219	(717)	1.572	(2.956)
Share-based payments	20	191	81	191	81
Constitution (Reversal) of provision for tax, civil and labor risks		148	(193)	151	1.079
Reversal of allowance for doubtful accounts	23.a)	8	(400)	75	(466)
(Increase) decrease in operating assets and increase (decrease) in operating liabilities:					
Trade accounts receivables		(14.109)	52.513	(22.737)	69.253
Inventory		27	26	(411)	(1.577)
Depósito bancário em garantia		-	553	-	553
Recoverable taxes		(471)	779	(3.777)	860
Advances to suppliers		796	828	2.962	5.387
Other receivables		712	556	(8.991)	(2.464)
Escrow deposits		(349)	(1.030)	(340)	(1.008)
Prepaid costs		(34.953)	5.932	(40.058)	25.650
Trade payables		15.045	27.858	27.707	42.807
Taxes payable		1.361	8.285	4.847	6.638
Accrued payroll and related taxes		1.984	430	1.910	379
Advances from customers		8.112	(154.729)	16.146	(230.890)
Other payables		2.287	(3.317)	9.984	(935)
Net cash (used in) operating activities		(7.346)	(50.128)	(513)	(65.946)
CASH FLOW FROM INVESTMENT ACTIVITIES					
Financial investments		10.899	-	10.899	-
Purchase of property, plant and equipment and intangibles	14	(480)	(371)	(630)	(1.302)
Net cash provided by (used in) investment activities		10.419	(371)	10.269	(1.302)
CASH FLOW FROM FINANCING ACTIVITIES					
Related parties		(3.623)	(5.896)	743	966
Contracting of borrowing and financing		-	-	-	5.130
Payment of borrowing and financing		-	-	-	(9.492)
Payment of debentures - principal		(8.333)	-	(8.333)	-
Payment of debentures - interest		(3.193)	(3.987)	(3.193)	(3.987)
Net cash (used in) financing activities		(15.149)	(9.883)	(10.783)	(7.383)
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS		322	(1.884)	216	6.344
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(11.754)	(62.266)	(811)	(68.287)
CASH AND CASH EQUIVALENTS					
Cash and cash equivalents at beginning of period		84.968	129.365	123.147	239.060
Cash and cash equivalents at end of period		73.214	67.099	122.336	170.773
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(11.754)	(62.266)	(811)	(68.287)

The accompanying notes are an integral part of these financial statements.

T4F ENTRETENIMENTO S.A.

STATEMENTS OF VALUE ADDED
FOR THE QUARTERS ENDED MARCH 31
(In thousands of Brazilian Reais - R$)

	Company		Consolidated	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
REVENUE				
From services	112.719	246.868	153.620	383.099
Constitution/allowance for doubtful accounts	(8)	400	(75)	466
INPUTS PURCHASED FROM THIRD PARTIES				
Cost of services and sales	(73.606)	(187.246)	(101.900)	(280.449)
Supplies, power, outside services and other	(5.768)	(5.338)	(10.183)	(11.610)
Loss of assets	(125)	(669)	(175)	(978)
GROSS VALUE ADDED	33.212	54.015	41.287	90.528
DEPRECIATION NA AMORTIZATION	(1.254)	(1.342)	(2.616)	(2.919)
VALUE ADDED NET	31.958	52.673	38.671	87.609
VALUE ADDED RECEIVED IN TRANSFER	4.141	6.618	6.557	3.421
Financial income including exchange variations	4.417	2.991	5.789	4.377
Share of profits of subsidiaries	(199)	3.464	-	-
Other	(77)	163	768	(956)
TOTAL VALUE ADDED FOR DISTRIBUTION	36.099	59.291	45.228	91.030
VALUE ADDED DISTRIBUTED				
Personnel	6.913	6.914	11.784	11.974
Salaries and wages	5.763	6.004	10.275	10.734
Benefits	916	669	1.180	883
Serverance pay fund (FGTS)	234	241	329	357
Taxes and fees	19.796	37.918	23.140	61.063
Federal	15.155	28.250	18.190	50.817
State	-	-	292	549
Municipal	4.641	9.668	4.658	9.697
Lenders and lessors	3.451	3.756	4.497	7.530
Interest	3.399	3.668	4.130	7.122
Leases	52	88	367	408
Shareholders	5.939	10.703	5.807	10.463
Porfit for the period	5.939	10.703	5.939	10.703
Non-controlling interests	-	-	(132)	(240)
TOTAL VALUE ADDED DISTRIBUTED	36.099	59.291	45.228	91.030

The accompanying notes are an integral part of these financial statements.

1. GENERAL INFORMATION

T4F Entretenimento S.A. (the "Company"), located in the city of São Paulo, State of São Paulo, is a publicly-held corporation, whose shares are traded in the Novo Mercado segment of the São Paulo Mercantile and Futures Exchange (BM&FBOVESPA) under the ticker symbol "SHOW3", which together with its subsidiaries ("T4F Group"), is engaged in the management, promotion, organization, production, representation, programming and undertaking of live entertainment-related activities in general, such as sports, artistic and cultural events, and shows and performances of any type or nature, as well as the management and operation of performing arts venues.

The Company manages six venues in South America: Citibank Hall, Teatro Cetip and Teatro Renault, in São Paulo, Metropolitan, in Rio de Janeiro, BH Hall, in Belo Horizonte, and Teatro Opera Allianz, in Argentina. Overseas operations include events in Argentina, Chile and Peru, through its subsidiaries. With respect to sports events, the Company is responsible for the promotion and advertising of formula car races, which together form the main motorsports event in Brazil.

2. BASIS OF PREPARATION

Statement of compliance and basis of preparation

The Company's financial quarterly information comprise:

The individual and consolidated financial statements contains the relevant information of the Company which are used by Company as a management tool, and have been prepared based on the historical cost, except for certain financial instruments measured at fair value.

• The consolidated accounting information has been prepared in accordance with the Accounting Pronouncement CPC 21 - Interim Financial Reporting, and the International Accounting Standard IAS 34 - Interim Financial Reporting, applicable to the preparation of the interim information, and is being presented in accordance with the above referred to Pronouncements and the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR).

• The parent company accounting information has been prepared in accordance with Accounting Pronouncement CPC 21 - Interim Financial Reporting, and the International Accounting Standard IAS 34 - Interim Financial Reporting, applicable to the preparation of the interim information, and is being presented in accordance with the referred to pronouncements and the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of the Quarterly Information (ITR). It is disclosed together with the consolidated financial information.

The accounting practices adopted in Brazil comprise those included in the Brazilian Corporate Law and the Pronouncements, Guidelines and Interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities Commission (CVM). The significant accounting policies applied to the preparation of these individual and consolidated financial statements are described below (Note 3).

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies described below have been consistently applied to the Company's and consolidated financial statements:

a) General principles

Assets, liabilities, income and expenses are carried on the accrual basis. Sales revenue is recognized in the income statement when the risks and rewards of ownership of the products sold are transferred to the buyer or when the services are effectively provided. Sales revenue is carried net of deductions, including taxes on sales.

b) Cash and cash equivalents

Comprise cash, banks and short-term investments. Short-term investments are stated at their fair values at the end of the reporting period, have maturities lower than 90 days, no fixed term for redemption, are highly-liquid, and are subject to an immaterial risk of change in value.

c) Trade accounts receivables and allowance for doubtful accounts

Trade receivables are stated and kept at their original amounts which approximate the amortized cost method, less the allowance for doubtful accounts, which is recognized based on an analysis of all receivables past-due for more than 90 days with respect to: (i) the customer's justification for the delay; (ii) renegotiation and/or payment in installments of receivables; (iii) actual likelihood of receiving such amounts; and (iv) customer history. An allowance is recognized for receivables whose receiving is possible or remote. These amounts are not adjusted to present value since they have a short-term maturity and have an immaterial impact on the financial statements.

d) Prepaid costs

Refers mainly to amounts paid in advance to conduct events, shows and performances, and are recorded in the income statement for the period as the related events are held. Management reviews the carrying amount of these assets to determine and assess their impairment periodically or whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

e) Other current and noncurrent assets

Stated at the lower of cost or realizable value plus income and monetary corretions, when applicable.

f) Investments in subsidiaries

In the individual financial statements, investments in subsidiaries are accounted for by the equity method.

g) Property, plant and equipment

Stated at purchase cost, including interest, when applicable, plus revaluation write-up, less depreciation calculated under the straight-line method at rates based on the estimated useful lives of the assets (note 14). Leasehold improvements, which are depreciated over the shorter of estimated useful lives of the assets or the lease terms.

h) Revaluation reserve

Recognized for the assets existing on January 1, 2006 and supported by appraisal reports issued by independent experts. Revalued assets refer to own assets represented by constructions, installations, leasehold improvements, furniture and fixtures, IT equipment and machinery and equipment, and is being realized as a credit to retained earnings accumulated by depreciation based on the revised estimated useful lives of the assets and/or by disposal. The related deferred income tax and social contribution are classified in balance sheet (note 27).

i) Acquisitions of subsidiaries - goodwill

Business acquisitions are accounted for under the acquisition method. The valuable consideration transferred to the former owners of the acquiree and the equity interests by the Company in exchange for the control of the acquiree in a business combination are measured at fair value, which is calculated by adding the fair values of the transferred assets and the liabilities incurred by the entity on the date of acquisition.

<u>Acquisitions carried out before the date of transition to IFRSs</u>

As required by the accounting practices adopted in Brazil prior to Law 11638/07, the difference between the amount paid and the acquired subsidiary's equity is accounted as goodwill, based on the expected future earnings of the acquired business.

When the Company merged its direct shareholder ADTSPE Empreendimentos e Participações S.A. ("ADTSPE") in June 2007, goodwill that was originally recorded at ADTSPE was written off by means of a provision at ADTSPE itself. In addition, in accordance with prevailing tax regulations, this provision became deductible for tax purposes only after the merger of the company and based on the expected generation of operating profits. Therefore, an asset related to deferred income tax and social contribution arising from the merger process was recognized.

Beginning January 1, 2008, goodwill is no longer amortized for accounting purposes and is tested for impairment.

The Company adopted the option granted by IFRS 1 First-time Adoption of International Financial Reporting Standards and did not adjust goodwill on business acquisitions carried out prior to January 1, 2008, and maintained such acquisitions at their carrying amounts on the transition date.

When the Company identifies changes in circumstances that indicate an impairment of goodwill, it recognizes a provision to reflect the recoverable amount of the impaired assets.

j) Other intangible assets (excluding goodwill)

Refers mainly to (i) software licenses (ii) trademarks and (iii) copyrights, patents and other industrial property rights, services and operations. The amortization of software licenses is calculated on a straight-line basis at rates that take into consideration the estimated useful lives (note 14). When there is evidence that an asset does not generate any more economic benefits, this asset is charged to profit or loss.

k) Impairment of goodwill

Management established that the cash-generating units that correspond to each operating segment to which goodwill was allocated to conduct the impairment tests. These cash-generating units are tested for impairment annually or more frequently whenever there is an indication that a unit might be impaired. If the recoverable amount of a cash-generating unit is lower that its carrying amount, impairment losses are firstly allocated to write down the carrying amount of any goodwill allocated to the cash-generating units and subsequently to the other assets of it, prorated to the carrying amount of each of its assets. In the case of assets with finite useful lives, a goodwill impairment loss is not reversed in a subsequent period. Upon the sale of a subsidiary, the attributable goodwill amount is included in the calculation of the related gain or loss.

l) Impairment of assets

The Company's management reviews the carrying amounts of long-lived assets, to determine and assess possible impairment on a periodic basis or whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets might be impaired.

Analysis are performed in order to identify circumstances that could require testing long-lived assets for impairment and measure potential impairment losses. Assets are grouped and tested for impairment based on expected future cash flows over the estimated remaining useful lives of the assets. In this case, an impairment loss would be recognized based on the amount by which the carrying amount exceeds the probable recoverable amount of a long-lived asset. The probable recoverable amount of an asset is determined as the higher of: (i) fair value of assets less estimated costs to sell, and (ii) its value in use, which is equal to the present value of discounted cash flows derived from the asset or cash-generating unit.

Intangible assets with indefinite useful lives or not yet ready for use are tested for impairment at least annually or when there is any indication that such assets may be impaired.

If the recoverable amount of an asset is lower than its carrying amount, the carrying amount is written down to its recoverable amount. An impairment loss is immediately recognized in profit or loss. When an impairment loss is reversed in a subsequent period, the carrying amount of the asset is written up to reflect the revised estimate of its recoverable amount so that this amount does not exceed the carrying amount that would have been determined any impairment loss had not been recognized for the asset in prior years. The reversal of an impairment loss is immediately recognized in profit or loss.

m) Borrowings, financing and debentures

Borrowings financing and debentures are initially recognized at fair value, upon de recognition of the funds, net of the transaction costs. Subsequently, they are measured at amortized cost, i.e., plus foreign exchange differences or inflation adjustments and the related financial charges incurred through the end of the reporting period, according to contractual terms and conditions, using the effective interest method. Transaction costs incurred when funds are raised are accounted for as a reduction in fair value initially recognized.

n) Other current and noncurrent liabilities

Stated at known or estimated amounts plus, when applicable, charges and inflation adjustments incurred, pursuant to agreements in effect.

o) Provision

Recognized only when a past event results in a legal or constructive obligation, it is probable that disbursements will be required to settle an obligation, and the obligation amount can be reliably estimated. The amount recognized as a provision corresponds to the best estimate of the payment required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties that surround such obligation.

p) Advances from customers

Refer to the amounts received in advance for services related to sponsorship agreements, lease of box sets and boxes in performing arts venues, space assignment and sales in installments of tickets, which will be recorded in the income statements as the services are provided.

q) Revenue recognition

Rendering of services: Revenue from ticket sales (box office) is recognized when the events are held.

Revenue from convenience and delivery fees, originated in the sales of tickets via the Internet, by telephone, or in the points of sales is recognized when the convenience or ticket delivery service is provided.

Revenue from naming of the venues (naming rights) and is recognized in income as the services are provided, based on the agreement's effective period and characteristics.

Revenue from sponsorship agreements is recognized when certain contractual obligations, such as, but not limited to, use of sponsor trademarks/images in media used to publicize the event, granting exclusivity in the sponsor's market segment, granting rights to use official trademarks and images of the event, and granting the right to the purchase in advance of tickets to customers of a certain sponsor, are complied with and/or discharged.

Product sale revenue: Food and beverage sales and merchandising are recognized when the goods are transferred to customers.

r) Current and deferred income tax and social contribution

Current and deferred income tax and social contribution are recognized in the income statement except, when applicable, in the proportion related to items recognized directly in equity or comprehensive income. In this case, taxes are recognized directly in equity or comprehensive income.

Except for the foreign subsidiaries, where the tax rates prevailing in each of the countries where they are located are applied, and subsidiary T4F Alimentos, Bebidas e Ingressos Ltda., which calculated income tax (IRPJ) and social contribution (CSLL) based on deemed income, income tax and social contribution on the Company's and other Brazilian subsidiaries' profits are calculated at the tax rates of 25% and 9%, respectively, based on actual income.

Current income tax and social contribution expenses are calculated pursuant the tax law prevailing at the end of the reporting period, pursuant to Brazilian tax regulations. Management periodically measures the positions assumed in the income tax return regarding the situations where applicable tax law is subject to possibly different interpretations and, when appropriate, recognizes provisions based on the amounts it expects to pay.

Deferred income tax and social contribution are calculated under the liability method on temporary differences arising from differences between the tax basis of assets and liabilities and their carrying amounts. Deferred income tax and social contribution are calculated using the tax rates effective at the end of the reporting periods, which must be applied when the corresponding deferred tax asset is realized or deferred tax liability is settled.

Deferred income tax and social contribution assets are recognized only to the extent that there is a reasonable certainty that future taxable income will be available and against which temporary differences can be utilized.

The amounts of deferred income tax and social contribution assets and liabilities are only utilized when there is a legally enforceable right to offset current tax assets against tax liabilities and/or when deferred income tax and social contribution assets and liabilities are related to the income tax and social contribution levied by the same tax authorities on the taxable entity or different taxable entities, where there is intention to settle the net balances.

s) Foreign currency transactions

Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate prevailing at the end of the reporting period. Gains and losses arising on the adjustment of these assets and liabilities are recognized in profit or loss for the period as foreign exchange differences.

t) Functional and reporting currency

Items included in the financial statements of the Company and each one of the subsidiaries included in the consolidated financial statements are measured using the currency of the main economic environment in which the companies operate ("functional currency"). The functional currency of the Company and its subsidiaries located in Brazil is the Brazilian real. The functional currencies of the foreign subsidiaries are as follows: (i) Argentina: Argentinean peso; (ii) Chile: Chilean peso; Peru: Peruvian Nuevo Sol and (iv) United States: US dollar. The financial statements of the foreign subsidiaries are translated into Brazilian reais and the exchange differences arising on such translations are recorded in equity, in line item "Other comprehensive income" and recognized in income when such investments are realized. The consolidated financial statements are presented in Brazilian reais.

The results of operations and the financial positions of the subsidiaries that have a functional currency different from the reporting currency are translated to the reporting currency, as follows:

i) Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period;

ii) Income and expense accounts are translated at the average monthly rate;

iii) All exchange differences are recognized in the statement of comprehensive income, in line item 'Exchange differences on translating foreign operations'.

u) Segment reporting

The report on operating segments is consistent with the internal report provided to the chief operating decision maker. The chief operating decision maker, responsible for allocating resources to the operating segments and assessing their performance, is represented by the Company's executive committee.

v) Financial instruments

Financial assets and financial liabilities are recognized when a Group entity becomes a party to the underlying contract.Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial assets and financial liabilities, as applicable, on their initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through income are immediately recognized in income.

Classification

The Company's financial assets are classified according to the purpose for which they were acquired or contracted into the following categories:

Loans and receivables: Include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recorded in current assets, except for maturities greater than 12 months after the end of the reporting period, when applicable, which are classified as noncurrent assets. As at March 31, 2017 and December 31, 2016, comprises cash and cash equivalents (note 6), the balances of trade receivables (note 8), and related parties (note 12).

Measurement

Regular purchases and sales of financial assets are recognized on trade day, i.e., on the date the Company agrees to buy or sell the asset. Financial assets at fair value through profit or loss are initially recognized at their fair value and transaction costs are expenses. Loans and receivables are accounted for at the amortized cost.

Gains or losses resulting from changes in the fair value of financial assets at fair value through profit or loss are recognized in the income statement in 'Financial income' or 'Financial expenses', respectively, in the period in which they occur. Changes in financial assets classified as available for sale, when applicable, are recorded in 'Other comprehensive income' until the financial assets are settled, when they are ultimately reclassified to profit or loss for the period.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is recorded in the balance sheet when there is a legally enforceable right to set off recognized amounts and intention to either settle them on a net basis or to recognize the asset and settle the liability simultaneously.

Derivative financial instruments

Derivative transactions contracted by the Company are restricted to non-deliverable forwards (NDFs) intended exclusively to mitigate the foreign exchange risks associated to the positions in the balance sheet and the projected foreign currency-denominated cash flows.

The fair value of derivatives (note 28) is calculated by the Company's treasury function based on information on each transaction and related market inputs available at the end of the reporting period, such as interest rates and exchange coupon. When applicable, these inputs are compared with the positions reported by the trading desks of each involved financial institution.

Even though the Company and its subsidiaries use derivatives for hedging purposes, they do not adopt the hedge accounting. The Company has no balance of operations with derivative financial instruments at March 31, 2017.

Other financial liabilities

Other financial liabilities, including debentures, are measured at the amortized cost using the effective interest method.

w) Share-based payments

Measured at their fair values using the Black & Scholes pricing model at the grant date, individually for each executive, since the first grant date. The expense corresponding to the fair value of the consideration for the services provided by the benefited executives is recognized in the income statement for the period when more stock options become vested, i.e., the accrual period of the service consideration (note 31).

x) Leases

Leases are classified as finance leases when they substantially transfer all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases.

Operating leases payments are recognized as expenses on a straight-line basis over the lease term, except when another approach is more appropriate to reflect the timing the economic benefits of the leased asset are consumed. Contingent payments arising on operating leases are recognized as expenses for the period they are incurred.

y) Statements of value added

The statement of value added was prepared using in the same accounting records used to prepare the financial statements. The first part of this statement presents the wealth created by the Company, represented by revenue (gross sales revenue, including taxes levied thereon, other income, and the effects of the allowance for doubtful accounts), inputs acquired from third parties (cost of sales and purchases of materials, electrical power, and outside services, including taxes levied at the time of the acquisition, the effects of impairment losses, and depreciation and amortization), and the wealth received from third parties (equity in subsidiaries, financial income and other income). The second part of the statement of value added presents the distribution of wealth among personnel, taxes, fees and contributions, lenders and lessors, and shareholders.

z) New and revised standards and interpretations

Up to March 31, 2017 some the new standards issued by the IASB became effective, and other issued standards will become effective in a subsequently period. The Company's management assessed these new standards and does not expect any material impacts on the reported amounts.

4. KEY ESTIMATES AND JUDGMENTS

The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors that are considered to be relevant in the circumstances. The Company uses assumptions and estimates for the future to provide an understanding how the Company make its judgments on future events, including the variables and the assumptions used in the estimates, which require judgment regarding the impacts of relatively uncertain issues on the carrying amounts of its assets and liabilities; actual results may differ from these estimates.

In applying the accounting policies described above, the Company's and its subsidiaries' management adopted the following assumptions that could affect their financial statements:

a) Deferred income tax and social contribution

The liability method of accounting for income tax is used for deferred income taxes arising from temporary differences between the carrying amount of assets and liabilities and their tax amounts. Deferred income tax assets are revised at the each end of the annual reporting period and written down by the amount that is not realizable using future taxable income. Deferred income tax assets and liabilities are calculated tax rates applicable to taxable income in the years in which those temporary differences are expected to be realized. Future taxable income may be higher or lower than estimates made when determining whether it is necessary to record a tax asset.

Credits recognized on tax loss carryforwards are supported by taxable income projections, based on feasibility studies annually submitted to the Board of Directors. These studies consider the Company's and its subsidiaries' history of profitability, and profitability maintenance prospects, which permit to make a credit recovery estimate in future years. Other credits, based in temporary differences, especially the reserve for contingent tax liabilities, and the allowance for losses, were recognized according to their expected realization.

b) Derivative financial instruments

The Company measures its derivative financial instruments at fair value at the end of the reporting period, and the main evidence of fair value are the quotations obtained from market participants. However, the extreme volatility of the currency and interest rate markets in Brazil caused, in certain periods, significant changes in future exchange rates and interest rates over very short periods of time, producing significant changes in the market value of swaps and other financial instruments over a short timeframe. The fair value recognized in the consolidated financial statements may not necessarily reflect the cash amount the Company would receive or pay, as applicable, if it settled the transactions at the end of the reporting period.

c) Impairment test of long-lived assets

There are specific rules to test the impairment of long-lives assets, in particular property, plant and equipment, and goodwill and other intangible assets (note 3). Annually, the Company conducts a test to determine if there is any evidence that long-lived assets might be impaired.

d) Provision for tax, civil, and labor risks

The Company is a party to several lawsuits and administrative proceedings (note 20). Provisions are set up for all contingent liabilities that represent probable losses and can be reliably estimated. The likelihood of loss is assessed based on the available evidence, the hierarchy of laws, available case rulings, most recent court decisions and their relevance within the legal system, and the assessment made by the legal counsel. Management believes that the provision for risks is accurately presented in the financial statements.

e) Allowance for doubtful accounts

The allowance for doubtful accounts on trade receivables is estimated based on the history of losses and is considered sufficient by management to cover probable losses.

f) Revenue recognition

Certain sponsorship agreements provide for the delivery of services and/or contractual rights, which are provided in different time periods over the term of the agreements, which require management to make a judgment on the portion of revenue corresponding to each agreement and their appropriate recognition.

5. CONSOLIDATION

The financial statements of all investees used in preparing the consolidated financial statements were prepared as of the same reporting date, using accounting policies consistent with those described in note 3. The Company's investments in proportion to the investor's interest in the subsidiaries' equity and profit or losses, and intragroup balances and transactions have been eliminated. Noncontrolling interests in subsidiaries are separately stated.

Consolidation encompasses the financial information of the Company and the following direct and indirect subsidiaries:

Direct subisidiaries	Equity Interest - %		subisidiarie	Equity Interest - %	
	2017	2016		2017	2016
Time for Fun Mídia Ltda (1)	99,99	99,99	Ticketek Argentina S.A.	100,00	100,00
Metropolitan Empreendimentos S.A.	99,99	99,99	Clemente Lococo S.A.	100,00	100,00
T4F Alimentos, Bebidas e Ingressos Ltda.	99,99	99,99	T4F Chile S.A.	100,00	100,00
T4F Inversiones S.A. e B.A. Inversiones S.A.	100,00	100,00	Tickets For Fun Chile S.A. (3)	100,00	100,00
T4F USA Inc.	100,00	100,00	Promaser S.A.	100,00	100,00
Aurolights Equipamentos e Produção de Eventos S.A. (3)	100,00	100,00	T4F Entretenimientos Argentina S.A. (5)	1,71	1,71
Vicar Promoções Desportivas S.A.	85,00	85,00			
Ticket Co. SpA	100,00	100,00			
T4F Peru Entretenimientos S.A.C.	99,99	99,99			
Ticketek S.A.C	99,99	99,99			
T4F Entretenimientos Argentina S.A. (4)	98,29	98,29			
T4F Bizarro Producciones SpA.(2)	60,00	60,00			

(1) Current corporate name of Area Marketing Brazil Ltda amended on June 30, 2015.

(2) Established in September 2015 in Chile by agreement between T4F Entretenimento S.A and Eventos Bizarro Spa at the rate of 60% and 40% respectively.
(3) At the end of 2015, we acquired the remaining of Aurolights Equipamentos e Produção S/A, which is now 100% owned by T4F.
(4) On November 30, 2015, the Company holds direct control of T4F Entretenimientos Argentina S.A., before being consolidated directly in T4F Inversiones S.A. by mutual capitalization.

The balances of assets and liabilities of direct and indirect subsidiaries as at March 31, 2017 and 2016 and the net revenue for the quarter ended 2017 and 2016 are shown below:

	31/03/2017			31/12/2016		31/03/16
Direct subsidiaries	Total Assets	Total Liabilities	Net Revenue	Total Assets	Total Liabilities	Net Revenue
Time for Fun Mídia Ltda (1)	1.366	1.063	-	1.352	1.063	-
Aurolights Equipamentos e Produção de Eventos S.A.	18.528	1.717	2.835	18.654	1.783	1.664
Metropolitan Empreendimentos S.A.	14.198	15.443	2.574	7.172	7.783	3.133
T4F Alimentos, Bebidas e Ingressos Ltda.	20.404	8.054	8.338	14.181	3.904	9.835
T4F Inversiones S.A. e B.A. Inversiones S.A. e controladas indiretas	66.009	25.932	6.027	54.884	14.563	17.036
T4F USA Inc.	2.379	8	-	2.428	3	-
Ticket Co. SpA	162.016	156.188	1.554	163.423	157.339	1.552
Vicar Promoções Desportivas S.A.	15.320	4.950	1.322	18.900	8.296	1.748
T4F Peru Entretenimientos S.A.C.	3.504	3.456	1	2.223	2.174	-
T4F Bizarro Producciones SpA.	32.746	31.659	18.977	23.924	22.610	3.990
T4F Entretenimientos Argentina S.A.	26.485	24.360	633	14.970	11.416	81.666

The Company's subsidiaries are engaged in:

• Time for Fun Mídia Ltda. – Current corporate name of Área Marketing Brazil Ltda, is mainly engaged is lease, production or assembly of outdoor media (outdoor) or indoor, the agency advertising and publicity, implementation, dissemination vehicles spoken press, written and televised and marketing, promotion and programming of shows and artistic, cultural and sporting events.

• Aurolights Equipamentos e Produção de Eventos S.A. – it is mainly engaged is the sale and lease of equipment and accessories for events.

• Metropolitan Empreendimentos S.A. – the promotion and organization of, and holding artistic and cultural events, concerts, and shows in general.

• T4F Alimentos, Bebidas e Ingressos Ltda. – the sale of tickets to concerts and artistic performances in performing arts venues; the sale of food and beverages in general; the rendering of box office automation services; and the rendering of ticket production, distribution, sales and/or intermediation services for any type of sports, cultural or entertainment events in general.

• T4F Inversiones S.A. and B.A. Inversiones S.A. – located in Argentina, these are holding companies whose purpose is to invest to companies incorporated or to be incorporated in Argentina or abroad. T4F Inversiones S.A. currently holds direct or indirect interests in the following companies: T4F Entretenimientos Argentina S.A. (1.63%), Ticketek Argentina S.A. (12.3%), Clemente Lococo S.A. (95%), T4F Chile S.A. (99.31%), Ticketmaster Chile S.A. (99.35%), and B.A. Inversiones S.A. (5%). B.A. Inversiones S.A., in turn, holds direct or indirect interests in the following companies: T4F Inversiones S.A. (41.07%), T4F Entretenimientos Argentina S.A. (0.08%), Clemente Lococo S.A. (5%), Ticketek Argentina S.A. (87.7%), and T4F Chile S.A. (0.0005%).

• T4F USA Inc. – located in USA, is engaged in intermediating international concerts.

• Ticket Co. SpA. – located in Chile, is mainly engaged in selling and marketing concerts tickets.

• T4F Entretenimientos Argentina S.A. – it is engaged is the production, marketing and organization of live shows national and international.

• T4F PERU Entretenimentos S.A.C. – Started on December 4, 2013 it is engaged is the organization, promotion, production, marketing, management and development of all kinds of musical and artistic events in general.

• T4F Bizarro Producciones Spa. - located in Chile, mainly engaged in the representations, organization, promotion, production, marketing, management and development of all kinds of musical and artistic events in general.

• Ticketek S.A.C - located in Peru, is mainly engaged in selling and organization sports events and concerts tickets and is not in operational.

• Vicar Promoções Desportivas S.A. – mainly engaged in providing publicity, promotion and organization services in the sports events area.

6. CASH AND CASH EQUIVALENTS AND FINANCIAL APPLICATIONS

6.a) CASH AND CASH EQUIVALENTS

	Company		Consolidated	
	31/03/17	31/12/16	31/03/17	31/12/16
Cash and banks (c)	1.363	1.749	11.056	8.989
Short-term investments:				
Balanced Fund (a) (d)	70.750	72.149	90.066	88.303
Bank Certificates of Deposit (CDBs) (b)	387	423	9.628	501
DI repurchase agreement (b)	714	10.647	11.586	25.354
Total	73.214	84.968	122.336	123.147

a) The fund aims, through active management in the interest markets, overcome the CDI's performance published by CETIP, maintaining a conservative performance profile. The composition is basically Private Credit and Financial Institutions FIDC. Investments in highly-liquid, fixed-income securities in the subsidiaries in Chile, average rate of 0.70% to 0.89% of MPR (Monetary Policy Rate - the basic interest rate of the Chilean Central Bank) with an immaterial risk of change in value and average yield pegged to market rates.

b) Highly-liquid, fixed-term CDBs and deposits, which yield rates ranging from 85% to 100% of the interbank deposit rate (CDI) fluctuation (88% to 100% as at December 31, 2016), maintained in Brazilian financial institutions. CDB are classified in line item 'Cash and cash equivalents' because they are financial assets that can be immediately redeemed without any decrease in redeemable amounts.

c) Refers substantially to the balance in Dollar in the Parent Company, which is maintained in current account abroad to meet the commitments contracted in that currency.

d) Financial applications made through an investment agent in Argentina in diversified portfolios.

6.b) FINANCIAL APPLICATIONS

Refers to applications in Structured Transaction Certificate ("COE") which is a certificate that represents a unique set of rights and obligations whose profitability for the Customer at maturity depends on the variation of the COE Reference Indexes, the Company indexed the operations According to the PTAX Dollar in the amount of R$ 3,415 as of March 31, 2017. (R$ 14.314 as of December 31, 2016)

7. RESTRICTED CASH

Refer to the funds that will be invested in cultural projects exploited by the Company, linked exclusively to their use in Rouanet Act projects (note 19). Total restricted cash in the individual and consolidated amounts is R$4,350 (R$5,724 as at December 31, 2016).

8. TRADE ACCOUNTS RECEIVABLES

a) Broken down as follows:

	Company		Consolidated	
	31/03/17	31/12/16	31/03/17	31/12/16
Billed receivables (i)	10.223	6.483	18.755	20.523
Box office (ii)	33.452	30.242	39.118	38.136
Unbilled sponsorships, box sets and boxes (iii)	17.090	9.931	37.872	14.388
Total trade receivables	60.765	46.656	95.745	73.047
Allowance for doubtful accounts	(238)	(230)	(4.892)	(4.859)
Total	60.527	46.426	90.853	68.188

(i) Billed amounts related to sponsorship, box set and box, and naming rights contracts.

(ii) Receivables originated by the sale of tickets through credit card companies.

(iii) Unbilled amounts arising from services provided related to sponsorship, box set, box, and naming rights contracts.

b) The aging list of trade receivables is as follows:

	Company		Consolidated	
	31/03/17	31/12/16	31/03/17	31/12/16
Falling due:	58.560	44.902	79.016	62.519
Past-due:				
Up to 30 days	1.551	800	8.433	3.953
31 to 60 days	114	88	1.068	294
61 to 90 days	291	636	1.317	1.781
91 to 180 days	53	33	1.589	145
Over 180 days	196	197	4.322	4.355
Total trade receivables	60.765	46.656	95.745	73.047

c) Allowance to write down trade receivables to their recoverable amounts.

The changes in the allowance for doubtful accounts are as follows:

	Company	Consolidated
Balances at December 31, 2016	230	4.859
(+) Additions	8	84
(-) Reversals and write-offs	-	(51)
Balances at March 31, 2017	238	4.892

9. RECOVERABLE TAXES

	Company		Consolidated	
	31/03/17	31/12/16	31/03/17	31/12/16
Prepaid income tax and social contribution	-	-	2.713	2.606
Withholding income tax (IRRF)	2.148	1.689	9.754	7.032
Tax on revenue (PIS)	-	-	35	18
Tax on revenue (COFINS)	-	-	159	85
Value Added Tax (VAT)	-	-	2.881	3.056
Taxes on billings (i)	-	-	3.253	3.071
Income tax credit first category - Chile	-	-	5.184	4.673
Other	1.579	1.567	3.851	3.491
Total	3.727	3.256	27.830	24.032

i) Tax on gross revenue levied at the rates of 3-4 percent, withheld by the credit card companies when they pay to the Argentinean subsidiaries for tickets sold and pay using credit cards. Taxes are offset as the taxable event occurs. As the tickets are sold before the shows, the tax is withheld before there is an actual payment obligation and, therefore, this is how the right to offset is recognized.

10. ADVANCES TO SUPPLIERS

	Company		Consolidated	
	31/03/17	31/12/16	31/03/17	31/12/16
Contracted events, concerts and performances (i)	3.220	4.105	8.292	8.149
Other	596	507	3.243	6.348
Total	3.816	4.612	11.535	14.497

(i) Refer to advances to suppliers of events, concerts and performances, not yet invoices by these suppliers, which will be recognized in income as such events, concerts and performances are held.

11. PREPAID COSTS

	Company		Consolidated	
	31/03/17	31/12/16	31/03/17	31/12/16
Contracted events, concerts and performances	51.543	17.665	60.622	22.296
Others	2.046	971	4.869	3.134
Total	53.589	18.636	65.491	25.430
Current,	53.589	18.636	65.491	25.430

The appropriation of the result for the events, hired concerts and shows, are as follows:

	Company	Consolidated
1 st quarter 2017	7.543	12.892
2 nd quarter 2017	43.237	45.746
3 rd quarter 2017	16	814
4 th quarter 2017	-	420
So as from 2018	746	748
	51.543	60.622

12. RELATED PARTIES

As at March 31, 2017 and December 31, 2016, the Company had transactions with the following related companies:

12.1. Intragroup transactions

Company:

		3/31/17			12/31/16		
	Category	Noncurrent assets	Current liabilities	Financial (expenses) income	Noncurrent assets	Current liabilities	Financial (expenses) income
Time for Fun Mídia Ltda	Subsidiary	950	-	-	950	-	-
Aurolights Equipamentos e Produção de Eventos S.A.	Subsidiary	-	3.194	(1.908)	-	4.029	(8.348)
CIE Internacional S.A. de C.V. (i)	Shareholder	-	3.827	(148)	-	3.851	151
F.A. Comércio e Participações S.A.	Shareholder	-	-	-	-	-	2
Metropolitan Empreendimentos S.A. (v)	Subsidiary	13.228	-	(1.075)	11.241	-	(5.098)
Ocesa Entretenimiento, S.A. de C.V.	Shareholder	-	-	-	-	-	19
T4F Alimentos, Bebidas e Ingressos Ltda.	Subsidiary	589	-	-	589	-	(48)
T4F Chile S.A. (ii)	Indirect subsidiary	-	17.995	719	-	18.397	1.154
T4F Entretenimientos Argentina S.A.(i)	Subsidiary	-	1.831	76	-	1.884	(493)
T4F USA Inc. (iii)	Subsidiary	-	2.280	29	-	2.323	(44)
Vicar Promoções Desportivas S.A.	Subsidiary	851	-	203	486	-	1.091
T4F Peru Entretenimientos S.A. (iv)	Subsidiary	2.079	-	(59)	2.104	-	(617)
Total		17.697	29.127	(2.163)	15.370	30.484	(12.231)

Consolidated:

		31/03/2017		2016	
	Category	Noncurrent assets	Current liabilities	Noncurrent assets	Current liabilities
CIE Internacional S.A. de C.V. (ii)	Shareholder	3.466	(148)	3.188	151
F.A. Comércio e Participações S.A.	Shareholder	-	-	-	2
Ocesa Entretenimiento, S.A. de C.V.	Shareholder	-	-	-	19
Eventos Bizarro Spa.	Other related parts	2.290	-	3.248	-
Total		5.756	(148)	6.436	172

(i) On January 2015, the Company raised na intragroup loan with shareholders CIE International controllers in the amount of A R$12,000. The loan is annually adjusted at CDI plus two percent interest.

(ii) On December 14, 2009, the Company raised an intragroup loan with subsidiary T4F Chile S.A. totaling US$5,500,000. The loan is annually adjusted at LIBOR plus one percent interest.

(iii) It is represented by the amount receivable under the loan agreement entered into in June 2016 by the Company and its subsidiary T4F USA S.A., in the amount of US$700,000. The loan is annually adjusted at LIBOR plus two percent interest.

(iv) In assets, it is represented by the amount receivable under the loan agreement entered into in november 2014 by the Company and its subsidiary Peru Entretenimientos S.A., in the amount of US$6,800,000. The loan is annually adjusted at 7.6% interest.

(v) The subsidiary received amounts for payment of operation costs in the period.

The other balances refer to transfers of funds between related parties for the payment of expenses, which do not bear any interest and have no maturities.

12.2 Management compensation

Total management compensation is as follows:

Company	3/31/17				2016			
	Fixed	Variable	Stock Options	Total	Fixed	Variable	Stock Options	Total
Administrative council	112	-	-	112	111	-	-	111
Officers	1.055	1.440	191	2.686	1.169	1.216	66	2.451
Total	1.167	1.440	191	2.798	1.280	1.216	66	2.562

Consolidated	3/31/17				2016			
	Fixed	Variable	Stock Options	Total	Fixed	Variable	Stock Options	Total
Administrative council	112	-	-	112	111	-	-	111
Officers	1.496	1.691	191	3.378	1.322	1.574	66	2.962
Total	1.608	1.691	191	3.490	1.433	1.574	66	3.073

Management does not receive: (i) postemployment benefits; (ii) other long-term benefits; and (iii) severance benefits.

Management compensation's ceiling for the year ending March 31, 2017 was set at R$11,689 and includes: i) Fixed remuneration ii) benefits; iii) short-term variable remuneration; iv) long-term variable remuneration and v) Share-based payment.

13. INVESTMENTS IN SUBSIDIARIES

a) Information on subsidiaries

a.1) March 31, 2017

Direct or indirect subsidiaries	Equity	Net Profit (loss) for the period	Equity interests - %	Share of profits of subsidiaries	Provision for losses in subsidiaries	Investments in subsidiaries
Time for Fun Mídia Ltda.	303	14	99,99	14	-	303
Aurolights Equip. e Prod. de Eventos S.A.	16.811	(60)	100,00	(60)	-	16.811
Metropolitan Empreendimentos S.A.	(1.245)	(634)	99,99	(634)	(1.245)	-
T4F Entretenimientos Argentina S.A	2.125	(1.398)	98,29	(1.374)	-	2.089
T4F Alimentos, Bebidas e Ingressos Ltda.	12.350	2.073	99,99	2.073	-	12.350
T4F Inversiones S.A. e B.A Inversiones S.A.	40.077	319	100,00	319	-	40.077
T4F USA Inc.	2.371	14	100,00	14	-	2.371
Ticket Co. SpA.	5.828	(172)	100,00	(172)	-	5.828
T4F Peru Entretenimientos S.A.C.	48	(34)	99,99	(34)	-	48
T4F Bizarro Producciones Spa.	1.087	(243)	60,00	(146)	-	653
Vicar Promoções Desportivas S.A.	10.370	(234)	85,00	(199)	-	8.815
Total				(199)	(1.245)	89.345

a.2) December 31, 2016

Direct or indirect subsidiaries	Equity	Profit (loss) for the period	Equity interests - %	Share of profits of subsidiaries	Provision for losses in subsidiaries	Investments in subsidiaries
Time for Fun Mídia Ltda.	289	35	99,99	35	-	289
Aurolights Equip. e Prod. de Eventos S.A.	16.871	(322)	100,00	(322)	-	16.871
Metropolitan Empreendimentos S.A.	(611)	(757)	99,99	(757)	(611)	-
T4F Entretenimientos Argentina S.A	3.554	5.578	98,29	5.483	-	3.493
T4F Alimentos, Bebidas e Ingressos Ltda.	10.277	7.750	99,99	7.750	-	10.276
T4F Inversiones S.A. e B.A Inversiones S.A.	40.321	3.342	100,00	3.342	-	40.321
T4F USA Inc.	2.425	(144)	100,00	(144)	-	2.425
Ticket Co. SpA.	6.084	247	100,00	247	-	6.084
T4F Peru Entretenimientos S.A.C.	49	(1.353)	99,99	(1.353)	-	49
T4F Bizarro Producciones Spa.	1.315	253	60,00	152	-	789
Vicar Promoções Desportivas S.A.	10.604	(4.453)	85,00	(3.785)	-	9.015
Total				10.648	(611)	89.612

a.3) Changes in line item ‘Investments in subsidiaries’ and 'Provision for losses in subsidiariesas' at March 31, 2017 and 2016

	Company 3/31/17	Company 3/31/16
Net investment	89.001	70.737
Share of profits of subsidiaries	(199)	3.464
Exchange variation on cumulative translation adjustments	(702)	(1.180)
Net investment	88.100	73.021
Provision for losses in subsidiaries	1.245	23.523
Net investment of provision for losses	89.345	96.544

b) Goodwill on acquisition of investments

	Company		Consolidated	
	31/03/17	31/12/16	31/03/17	31/12/16
Vicar Promoções Desportivas S.A. (i)	9.244	9.244	9.244	9.244
Metropolitan Empreendimentos S.A. (ii)	36.269	36.269	36.269	36.269
T4F Entretenimento S.A. (iii)	213.625	213.625	213.625	213.625
Allowance for write-off of goodwill	(213.625)	(213.625)	(213.625)	(213.625)
T4F Inversiones S.A. e B.A. Inversiones S.A. (iv)	83.205	83.205	83.205	83.205
Impairment losses (iv)	(20.002)	(20.002)	(20.002)	(20.002)
Aurolights Equipamentos e Produção de Eventos S.A. (v)	1.771	1.771	1.771	1.771
Companies acquired in Argentina (vi)	-	-	3.122	3.116
Total	110.487	110.487	113.609	113.603

The recoverable amount of a CGU is determined on the basis of value-in-use calculations. These calculations use cash flow projections, before income and social contribution taxes, based on financial budgets approved by management for a period of five years.

The key assumptions used in the calculation of the value in use at December 31, 2016 and 2015 are as follows:

	2016			2015		
Cálculo do CAPM & WACC	Brasil	Argentina	Chile	Brasil	Argentina	Chile
Risk Free	2,0%	2,0%	2,0%	1,8%	1,8%	1,8%
Market Risk Premium	5,3%	13,2%	2,9%	6,6%	11,8%	3,8%
Beta	50,0%	50,0%	50,0%	63,4%	63,4%	63,4%
Country Risk (bps)	3,3%	11,2%	0,9%	4,9%	10,0%	2,0%
Inflation	10,5%	16,8%	4,4%	6,0%	10,8%	3,0%
Income Tax Rate	34,0%	35,0%	22,5%	34,0%	35,0%	20,0%
Before Tax Cost of Debt	16,7%	27,0%	5,0%	14,3%	27,0%	5,0%
Kd	11,0%	17,6%	3,9%	9,4%	17,6%	4,0%
Ke	18,4%	36,5%	8,7%	16,9%	30,1%	9,2%
WACC	16,6%	31,8%	7,5%	15,4%	27,6%	8,2%

(i) Goodwill arising on the acquisition of equity interest in Vicar's parent company, which is justified by future earnings.

(ii) In May 2007, in connection with the corporate restructuring process, ADTSPE, merged with and into the Company on June 30, 2007, acquired 85% of the capital of Metropolitan Empreendimentos S.A., which generated adjusted goodwill of R$40,298, recorded in books at its total amount, based on the same economic rationale that justified such goodwill.

(iii) As part of the corporate restructuring on June 30, 2007 the Company merged its direct parent ADTSPE for the purpose of aligning the corporate interests of its shareholders, reducing administrative costs, and maximizing the efficiency in information flow and management.

However, upon the acquisition of the equity interests in the Company, ADTSPE determined goodwill of R$237,361 based on expected future earnings. As a result of the downstream merger, net goodwill recorded at ADTSPE, amounting to R$237,361, was reduced to nil through an allowance account recognized by ADTSPE itself before the merger. After the amortization of goodwill and the reversal of the deferred tax incurred through December 31, 2007, the balances of goodwill and the allowance for goodwill write-off are R$213,625. As after the downstream merger this goodwill will be amortized for tax purposes based on expected generation of operating profits, ADTSPE recorded the related deferred income tax and social contribution assets totaling R$80,705, which were transferred to the Company at the time of the downstream merger. Said tax credit, net of the realized portions, is recorded in line item 'Deferred income tax and social contribution', in non-current assets.

(iv) The capital contribution transaction through the assignment of equity interests in the companies B.A. Inversiones S.A. and T4F Inversiones S.A., occurred in 2007, generated goodwill, recorded in the books at its total amount, based on the same economical rationale that originated such goodwill. As of December 31, 2014, when subject to impairment test, based on a projected cash flow, an allowance for impairment loss was recognized in the amount of R$20,002, under line item "Other operating expenses" in the income statement. A discount rate of 13% and growth rate of 5% was adopted in preparing the cash flow. The following main factors, among others, resulted in the recognition of impairment: non-renewal of a few contents and increase in operating expenses denominated in foreign currency.

(v) Goodwill recognized on the acquisition of an equity interest in Aurolights. Initially recognized goodwill amounting to R$2,012, was analyzed by specialized professional as to the purchase price allocation. As a result of this allocation, it was determined that the amount R$241 refers to the trademark intangible assets and the remaining amount R$1,771 is duly justified by future earnings.

(vi) Subsidiaries B.A. Inversiones S. A. and T4F Inversiones S.A. acquired all the shares of the companies Pop Art S.A., Ticketek Argentina S.A., and Clemente Lococo, and these transactions generated said goodwill.

14. PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

a) Breakdown of property, plant and equipment

	Company		Consolidated	
Revalued cost:	31/03/17	31/12/16	31/03/17	31/12/16
Land	-	-	220	219
Leasehold constructions, installations and improvements	76.008	76.000	98.315	98.332
Furniture and fixtures	4.971	4.968	9.705	9.700
Machinery and equipment	14.020	13.985	37.396	37.264
Data processing equipment	7.517	7.510	12.535	12.490
Structures	9.054	9.053	21.119	20.971
Vehicles	862	419	6.473	6.030
Advances for property, plant and equipment	137	123	181	164
Total	112.569	112.058	185.944	185.170

	Annual average depreciation rate - %	Company		Consolidated	
		31/03/17	31/12/16	31/03/17	31/12/16
Accumulated depreciation:					
Leasehold constructions, installations and improvements	13	(73.909)	(73.797)	(92.340)	(91.992)
Furniture and fixtures	6	(3.436)	(3.339)	(7.199)	(7.030)
Machinery and equipment	12	(9.316)	(9.141)	(24.256)	(23.634)
Data processing equipment	18	(6.737)	(6.603)	(11.162)	(10.957)
Structures	13	(8.654)	(8.252)	(15.133)	(14.445)
Vehicles	20	(357)	(353)	(5.542)	(5.436)
Total		(102.409)	(101.485)	(155.632)	(153.494)

	Company		Consolidated	
	31/03/17	31/12/16	31/03/17	31/12/16
Property, plant and equipment, net:				
Land	-	-	220	219
Leasehold constructions, installations and improvements	2.099	2.203	5.975	6.340
Furniture and fixtures	1.535	1.629	2.506	2.670
Machinery and equipment	4.704	4.844	13.140	13.630
Data processing equipment	780	907	1.373	1.533
Structures	400	801	5.986	6.526
Vehicles	505	66	931	594
Advances for property, plant and equipment	137	123	181	164
Total	10.160	10.573	30.312	31.676

On January 1, 2006, the Company accounted for revaluation amounting to R$31,265, and revalues assets (constructions in leased properties, installations, furniture and fixtures, machinery and equipment, and data processing equipment) started to be depreciated on a straight-line basis over their new useful lives, except for leasehold constructions, installations and improvements, which are depreciated over the lease terms.

b) Breakdown of other intangible assets

Represents basically software licenses and Copyrights, patents and other industrial property rights, service and operating, as follows:

	Annual average amortization rate - %	Company		Consolidated	
		31/03/17	31/12/16	31/03/17	31/12/16
Cost	-	11.800	11.800	16.583	16.574
Amortization	20	(7.841)	(7.509)	(11.644)	(11.229)
Total		3.959	4.291	4.939	5.345

c) Breakdown of revalued property, plant and equipment:

Company:

	3/31/17			12/31/16
	Revaluation	Accumulated revaluation depreciation	Residual revaluation amount	Residual revaluation amount
Constructions in leased properties	25.334	(25.334)	-	-
Furniture and fixtures	605	(403)	202	212
Machinery and equipment	2.129	(922)	1.207	1.226
Data processing equipment	209	(141)	68	69
	28.277	(26.800)	1.477	1.507
Taxes (34% - income tax and social contribution)			(502)	(512)
Revaluation reserve recognized in equity of period			975	995

Consolidated:

	3/31/17			12/31/16
	Revaluation	Accumulated revaluation depreciation	Residual revaluation amount	Residual revaluation amount
Constructions in leased properties	25.334	(25.334)	-	-
Furniture and fixtures	1.181	(892)	289	305
Machinery and equipment	3.912	(2.171)	1.741	1.773
Data processing equipment	276	(205)	71	72
	30.703	(28.602)	2.101	2.150
Taxes (34% - income tax and social contribution)			(714)	(731)
Eliminations in consolidation (i)			(412)	(424)
Revaluation reserve recognized in equity of period			975	995

(i) Revaluation reserve in subsidiary Metropolitan Empreendimentos S.A.

d) Changes in property, plant and equipment

	Company		Consolidated	
	31/03/17	31/12/16	31/03/17	31/12/16
Opening balance	10.572	12.893	31.679	37.790
Additions:				
Leasehold constructions, installations and improvements in leased properties	8	216	8	599
Furniture and fixtures	4	386	23	762
Machinery and equipment	35	239	132	1.385
Data processing equipment	7	132	84	340
Structures	-	241	148	675
Vehicles	442	-	442	-
Advances for property, plant and equipment	14	512	17	408
Total additions	510	1.726	854	4.169
Write-offs, net	-	(56)	(9)	53
Depreciation	(922)	(3.990)	(2.197)	(9.520)
Exchange variations effects	-	-	(15)	(816)
	(922)	(4.046)	(2.221)	(10.283)
Closing balance	10.160	10.573	30.312	31.676

The Company and the subsidiary Metropolitan Empreendimentos S.A. pledged as collateral data processing equipment, machinery and equipment, and furniture and fixtures totaling R$404, for tax collection lawsuits, labor claims and customers' complaints.

The Company assessed its current position and concluded it does not hold property, plant and equipment under construction/in progress that would justify capitalizing the financial charges on the an asset's cost. Certain property, plant and equipment items of the Company are used according to the demand for performance/events, and can be temporarily idle, but are not obsolete or out of order. As at March 31, 2017, there is approximately R$14,222, fully depreciated still in use.

e) Changes in intangible assets

	Company		Consolidated	
	31/03/17	31/12/16	31/03/17	31/12/16
Opening balance	4.291	5.678	5.344	7.136
Additions:				
Software	-	1	22	297
Amortization (*)	(332)	(1.388)	(419)	(1.819)
Write-offs, net	-	-	(8)	(269)
End of period	3.959	4.291	4.939	5.345

(*) Amortization is accounted for as cost of services provided and product sales (note 23.b).

15. TRADE PAYABLES

	Company		Consolidated	
	31/03/17	31/12/16	31/03/17	31/12/16
Domestic suppliers	37.720	23.801	78.992	52.337
Foreign suppliers	1.496	340	1.687	371
Total	39.216	24.141	80.679	52.708

16. EMPRÉSTIMOS, FINANCIAMENTOS E DEBÊNTURES

Type	Annual interest rate - %	Company		Consolidated	
		31/03/17	31/12/16	31/03/17	31/12/16
Debentures (a)	CDI + 2.40%	33.407	43.377	33.407	43.377
Borrowing (b)	3.5%	136	157	136	157
Total		33.542	43.534	33.542	43.534
Current portion		16.826	18.462	16.826	18.462
Noncurrent portion		16.717	25.072	16.717	25.072

Maturities of noncurrent parcels are as follows, by year:

	Company and Consolidated
2018	8.383
2019	8.334
Total	16.717

a) Debentures

On March 11, 2015, the Company entered into an Agreement for the second Issuance of Simple, Nonconvertible Debentures; the Company issued 50 single series debentures, totaling R$50,000, as authorized by the Extraordinary Shareholders' Meeting held on March 11, 2015. This transaction was settled in the first quarter 2015.

The issuance was carried out in accordance with CVM Instruction 476, and other relevant statutory and regulatory provisions.

As at March 31, 2017, the Company is compliant with all restrictive covenants set out in the debenture indenture.

The debentures do not contain any restructuring clauses.

Debentures are guaranteed by:

i) Fiduciary assignment, the sponsorship and naming rights of concert halls.

ii) Collateral transfer, under a condition precedent, of all credit, purchase and/or debit card receivables.

b) Borrowings and financing

The type of credit BNDES - Finame credit available with the exclusive destination for purchasing equipment, maturity 54 months at a rate of 3.5% per year and a term of discharge in October 2018. The credit facility was used for performing art venues BH Hall.

17. TAXES PAYABLE

	Company		Consolidated	
	31/03/17	31/12/16	31/03/17	31/12/16
Tax on revenue (COFINS)	887	1.695	1.075	2.343
Tax on revenue (PIS)	188	367	229	506
Service tax (ISS)	3.688	1.284	4.043	1.657
Income tax and social contribution	-	-	8.267	2.249
Refis (a) (b)	259	252	183	252
Taxes on billings (c)	-	-	141	292
VAT	-	-	716	2.272
Tax on revenue (ICMS)	2			
Third-party social security tax (INSS)	243	229	330	332
Other	208	149	338	350
Installment of taxes on foreign subsidiaries (d)	-	-	327	326
Current liabilities	5.475	3.976	15.649	10.579
Installment tax service (b)	990	935	990	935
Refis (a) (b)	3.804	3.997	3.804	3.997
Installment of taxes on foreign subsidiaries (d)	-	-	1.402	1.482
Noncurrent liabilities	4.794	4.932	6.196	6.414

(a) On May 27, 2009, the Federal Government issued Law 11941, which, among other amendments to the tax law, provides for a new tax installment plan for the payment of debts managed by the Federal Revenue Service of Brazil, the National Institute of Social Security (INSS), and the National Treasury Attorney General's Office (PGFN). The Company joined the mentioned tax installment plans in light of the existence certain debts than, until date, were being challenged at the administrative level and/or in courts. The remaining balance of in installments of R$5,599, is payable in 120 months, commencing June 2011. As at December 31, 2016, the remaining balance was R$3,997 (R$3,651 at December 31, 2015). This balance was subject to a tax credit and negative social contribution basis as provided for in the Joint Ordinance PGFN / RFB Nr. 15/2014, pending further approval by the Federal Revenue Service of Brazil.

(b) Tax installment program: On July 8, 2011, the City of São Paulo enacted Law 15406, which, among other amendments, establishes a new deadline for the enrollment, with the Incentive Tax Installment Plan (PPI), created under Law 14129, 2006, as prescribed in a tax installment plan.

Pursuant to the established rules, for compliance with the first stage of the installment plans, the Company filed, a request for enrollment with said tax installment plan in August 2011 to include debts challenged at the administrative level or in courts and the loss likelihood as possible. The consolidation of these installment plans was completed on August 30, 2011 and, on this date, the Company dropped the proceedings challenging taxes included in the installment plan, negotiated for payment in 120 months. As at March 31, 2017, these tax debts included in the tax installment plan total R$1,249 (R$1,187 at December 31, 2016).

(c) Tax on gross revenue levied at the rates of 3-4 percent on the Argentinean subsidiaries.

(d) At March 31, 2017, foreign subsidiary T4F Entretenimientos Argentina S.A. is a party to tax restructuring programs with the Argentinean tax authorities aimed at paying the following tax debts in installments: (i) taxes on revenue (installment plans agreed on 2015, totaling 120 monthly installments, with 110 monthly installments still outstanding); (ii) value added tax and income tax (installment plan agreed on 2009, totaling 120 monthly installments, with 38 monthly installments still outstanding).

18. ADVANCES FROM CUSTOMERS

	Company		Consolidated	
	31/03/17	31/12/16	31/03/17	31/12/16
Naming rights agreements (a)	16.455	3.834	16.455	3.834
Sponsorships, box sets and boxes (b.1)	5.539	6.083	19.930	15.563
Private events (b.2)	223	795	332	1.034
Advance ticket sales (c)	63.891	67.284	75.814	75.724
Equipment leasing	-	-	106	336
Current liabilities	86.108	77.996	112.637	96.491

(a) Naming rights agreements: consist of sponsorship agreements, the purpose of which is to grant the sponsor the right to name venues or a specific event for a certain consideration. The agreements set out the terms and conditions under which the sponsor is entitled to name a certain venue or event, as a form of publicizing its trademark.

(b) Contracts: sponsorships, box sets, boxes, and private events

(b.1) Sponsorships: the contracts aim at ensuring compliance and fulfillment of certain obligations, such as, but not limited to, use of sponsor trademarks/images in media used to publicize the event, granting exclusivity in the sponsor's market segment, granting rights to use official trademarks and images of the event, and granting the right to the purchase in advance of tickets to customers of a certain sponsor, are complied with and/or discharged.

Box sets and boxes: the purpose of these agreements is the assignment of box sets and boxes located inside the venues, for a defined period.

(b.2) Private events: the purpose of these agreements is the assignment of rights to use part of the facilities of the venues to produce and hold private events, on certain dates.

(c) Advance ticket sales: refer to the advance sale of tickets, both in cash and by credit card, for the events, concerts and performances promoted and organized by the Company and its subsidiaries.

19. SPONSORSHIPS - CULTURAL INCENTIVE LAW

The Company raises funds that are invested in its own cultural projects approved by the Ministry of Culture, where the Company does not earn any benefits from the amounts received, as prescribed by Law 8313/91, as amended by Law 9874/99 (Rouanet act).

The amounts received are held in a bank account or in short-term investments specific and exclusive for each project and are recorded in line item 'Restricted cash' (note 7).

The balancing item of the amounts received is also a specific and single line item for each project, in current liabilities, and represents the Company's obligation to invest these funds in the approved project. Expenses incurred in each project are deducted directly from this line item, whose balance should be nil at the end of the project. Amounts possibly unrealized are returned to the Ministry of Culture when the company files the project's expense report.

The recognition of transactions with Rouanet Act incentives is temporary, and there is no recording in income or expense accounts. The table below shows the breakdown of the involved amounts:

Company e Consolidated	Pronac #	Approved amount	3/31/17	12/31/16
Wicked	15 9521	18.106	-	249
Fuerza Bruta	16 1195	5.802	-	-
Les Miserábles	16 3306	14.935	1.300	
Total		38.843	1.300	249

20. PROVISION FOR TAX, CIVIL AND LABOR RISKS

The Company and its subsidiaries are parties to certain contingencies that include ongoing labor, tax and civil lawsuits, involving contingent liabilities. It is the management policy to recognize provisions for risks assessed as probable losses.

The accrued amounts for legal proceedings are broken down as follows:

	Company		Consolidated	
	31/03/17	31/12/16	31/03/17	31/12/16
Labor	6.742	6.661	7.750	7.650
Civil	14.812	14.686	15.158	15.027
Tax	179	176	428	423
Total	21.733	21.523	23.336	23.100
Noncurrent	21.733	21.523	23.336	23.100

20.1) Tax provisions

As at March 31, 2017, the Company and its subsidiaries are parties to potential tax contingencies classified as of possible risk of loss by their legal counsel, amounting to R$89,905 (R$81,076 at December 31, 2016).

The main tax lawsuits that correspond to material contingencies for the Company are as follows:

a) ISS-related proceedings: most tax proceedings, whether lawsuits or administrative proceedings, refer to the discussion of the service tax (ISS) levied by municipalities, plus statutory fine and interest. As at March 31, 2017, the overall amount classified as possible losses for these proceedings is approximately R$35,113.

b) In December 2009, the Federal Revenue Service assessed the Company, which in brief refers to the collection of income tax and social contribution related to: (i) the disallowance of depreciation and amortization expenses deducted in calendar 2004; (ii) fine of 50% on the differences between the amounts recorded as monthly income tax and social contribution estimate in 2007 and 2006 and the amounts reported in the Declaration of Federal Tax Debits and Credits (DCTF), and (iii) underpayment of income tax and social contribution in 2005. The legal counsel's opinion on this lawsuit is that the likelihood of loss is possible. As at March 31, 2017 the adjusted amount in dispute is R$11,873 (R$11,692 at December 31, 2016).

c) In April 2010, the Federal Revenue Service assessed the Company to collect IRPJ and Social Contribution on Net Income (CSLL) related to the disallowance of tax loss carryforwards offset in previous years by Ocesa Mercury Entretenimento S/A, whenever the offset amount exceeded 30% of the adjusted net income. The possibility of full offset of these amounts in the year the company was liquidated through merger is being discussed, which would allow the utilization of all the tax loss carryforwards, without any percentage ceiling. The Company filed an objection against the assessment is awaits its judgment by the administrative court. The legal counsel's opinion on this lawsuit is that the likelihood of loss is possible. As at March 31, 2017, this proceeding's adjusted amount is R$5,091 (R$5,007 at December 31, 2016).

d) The Federal Revenue Service assessed the Company 2010 and 2012 to collect amounts related to the Economic Intervention Contribution (CIDE). The Company filed an objection against these assessments is awaits its judgment by the administrative court. The legal counsel's opinion on these proceedings is that the likelihood of loss is possible. As at March 31, 2017, these two proceedings' adjusted amount is R$11,490 (R$11,158 at December 31, 2016).

e) In December 2013, the Company filed a lawsuit against Chile’s Internal Revenue Services, the federal agency that assessed the Company by approximately R$14,268 as at March 31, 2017, aiming at annulling the assessed alleged violations involving the following issues: (i) difference in the application of the withholding income tax rate on certain types of agreements; (ii) nonpayment of the income tax in light of international treaties that avoid doubly taxation between certain countries; and (iii) difference in the payment date of income tax when a show is contracted. The legal counsel’s opinion on the likelihood of an unfavorable outcome in issues (i) and (iii) is possible, in the estimated amount of 50 percent of total, and remote for issue (ii), in the estimated amount of 50 percent of total as at March 31, 2017 (R$14,579 at December 31, 2016).

f) On January 31, 2014 the Company was assessed by the Federal Revenue Service (“SRF”), which in summary challenges the claim of tax credits PIS and COFINS, levied on a noncumulative basis, referring to calendar 2009, where the SRF disallowed the tax credits claims on inputs that would allegedly be at odds with the statutory criteria and, therefore, would not entitle an entity to claim tax credits. TThe company filed a challenge to the tax assessment notice, which was judged partially valid, and the legal counsel's opinion on the aforementioned ruling is that the likelihood of loss is possible in relation to 40% of the launch. On March 31, 2017, the adjusted amount of debt classified as possible loss is R $ 7,449 (R$7,784 at December 31, 2016).

20.2) Provision for labor contingencies

As at March 31, 2017, the Company and its subsidiaries are parties to labor lawsuits with a possible likelihood of loss, amounting to R$10,000 (R$10,517 at December 31, 2016).

20.3) Provision for civil and other contingencies

As at March 31, 2017 the Company and its subsidiaries are involved in civil lawsuits classified as possible losses by its legal counsel amounting to R$24,741 (R$23,987 at December 31, 2016).

The main civil lawsuits that correspond to material contingencies for the Company are as follows:

a) The Company filed a lawsuit against Galaxy do Brasil Ltda., cross-defendant, to seek compensation for the damages caused by the rescission of a sponsorship agreement for one of its venues, and Galaxy do Brasil Ltda. is seeking that the Company be sentenced to discontinuing the use of certain trademarks and the payment of compensation for property damages and pain and suffering, as well as loss of profits. The lawsuit filed by the Company was dismissed and the lawsuit filed by Galaxy do Brasil Ltda. was judged partially grounded, and the Company was sentenced to paying compensation amounting to 5% of the net revenue earned from May 1, 2004 to June 24, 2005. Should the Company’s appeal be rejected, the sentenced amount will be assessed during the award determination process. The amounting estimated as at March 31, 2017 is approximately R$2,082 (R$2,039 at December 31, 2016), and according to the legal counsel the likelihood of loss is possible. THowever, the Company also has amounts receivable from the Galaxy, which shall be determined in liquidation due to portions corresponding compensation due to the Company by Galaxy because of the sponsorship contract on occasion, during a certain period fixed by the Justice of São Paulo. We are currently awaiting the final decision of all appeals filed by the parties.

b) The Company is a defendant in public civil lawsuits “ACPs”, as follows: (i) ACP filed by the Curitiba State Public Prosecution Office and attributed to the lawsuit R$1,029, to claim that the collection of the convenience fee be discontinued when a ticket is bought online or by telephone, or at various outlets at the official box office.The Company filed defense arguments and awaits a court decision. The legal counsel's opinion on the aforementioned ruling is that the likelihood of loss is possible.(ii) ACP filed by ADECON - Association of Rio Grande do Sul Consumers, having been assigned to the case the amount of R$ 2,176, to claim that the collection of the convenience fee be discontinued when a ticket is bought online or by telephone, or at various outlets at the official box office, and the delivery fee when the consumer elects to withdraw the ticket personally at the event’s venue. The action was dismissed in 2 nd. And according to the assessment of the Company's legal counsel, the likelihood of loss is possible, and we await a judgment of the author of the lawsuit.

c) The Company is the defendant in civil actions related to the show “Quidam”, performed in the cities mentioned below, in June-September 2009, as follows: (i) ACP filed by the Pernambuco State Public Prosecution Office, which attributed to the lawsuit R$1,000, to claim that the collection of (a) the convenience fee be discontinued when a ticket is bought online or by telephone, and (b) the delivery fee when the consumer elects to withdraw the ticket personally at the event’s venue. The Company filed defense arguments and awaits a court decision; (ii) filed by the Bahia State Public Prosecution Office, which attributed to the lawsuit R$305, which is suing the Company for not granting the statutory 50% discount to preschool students on the sale of tickets to said show or any other event to which the Company will sell tickets in the future. The Company filed defense arguments and awaits a court decision. The Company’s legal counsel assessed the likelihood of an unfavorable outcome in these cases as possible.

d) The City of São Paulo filed a Civil class action claiming that the different defendants are responsible for several irregularities in the management of a public property, which is the Pacaembu Stadium. With respect to the Company, the plaintiff alleges the Company has unduly benefited from exemption on the payment of public price when it used said stadium to hold a concert by the band Iron Maiden, in January 2004. As at March 31, 2017 the amount under litigation is R$1,430 (R$1,402 at December 31, 2016). According to the Company’s legal counsel the likelihood of loss is possible.

As at March 31, 2017, the Company has escrow deposits amounting to R$25,120 (R$24,780 at December 31, 2016) made as guarantee of some lawsuits, which are disclosed in the balance sheet in a specific line item.

20.4) Changes in the provision for tax, civil and labor risks

Company	12/31/16	Provision (reversal)	Inflation adjustment	3/31/17
Labor	6.661	61	20	6.742
Civil	14.686	88	38	14.812
Tax	176	-	3	179
Total	21.523	149	61	21.733

Consolidated	12/31/16	Provision (reversal)	Inflation adjustment	Effects of exchange variation	3/31/17
Labor	7.650	62	38	-	7.750
Civil	15.027	89	40	2	15.158
Tax	423	-	5	-	428
Total	23.100	151	83	2	23.336

21. SHAREHOLDERS EQUITY

a) Capital

As at March 31, 2017 na at December 31, 2016, the Company's capital of R$243,022 and is represented by 67,500,665 registered common shares without per value.

b) Dividend policy: shareholders are entitled to a noncumulative minimum annual dividend of 25% of profit, adjusted in accordance with the rules provided for in the bylaws.

	2016
Net income	26.592
(-) Legal reserve	(1.330)
Dividends calculation base	25.262
Compulsory dividends - 25%	6.316

c) Legal reserve: according to the prevailing law, the legal reserve is recognized at the rate of 5% of adjusted net income for the year.

d) An earnings retention reserve was established under Article 196 of Law No. 6,404/76, with the purpose of use in future investments.

e) Comprehensive income: Refer to the gain corresponding to foreign exchange differences arising on translating the interim financial statements of foreign subsidiaries.

f) Capital reserve: refers to the amount corresponding to the consideration for the services provided by the executives entitled to the Stock Option Plan (note 31).

22. NET REVENUE

	Company		Consolidated	
	31/03/17	31/03/16	31/03/17	31/03/16
Gross revenue:				
Services	112.536	246.482	143.959	369.821
Products	183	386	9.661	13.278
Taxes levied	(15.080)	(32.501)	(16.103)	(49.111)
Net revenue	97.639	214.367	137.517	333.988

23. COSTS AND EXPENSES BY NATURE

a) Expenses by nature

	Company		Consolidated	
	31/03/17	31/03/16	31/03/17	31/03/16
Employee benefit expenses (note 24)	(7.286)	(6.603)	(10.516)	(10.492)
Outside services	(4.809)	(4.797)	(6.449)	(6.543)
Utilities and facilities	(310)	(281)	(1.247)	(1.239)
Reversal (constitution) of allowance for doubtful accounts	(8)	400	(75)	466
Other operating expenses	(380)	(1.078)	(1.096)	(2.388)
Operating expenses	(12.793)	(12.359)	(19.383)	(20.196)
Selling expenses	(255)	(413)	(397)	(808)
General and administrative expenses	(9.740)	(9.384)	(15.496)	(16.315)
Management compensation (note n° 12.2)	(2.798)	(2.562)	(3.490)	(3.073)
Total expenses by nature	(12.793)	(12.359)	(19.383)	(20.196)

b) Cost by nature:

	Company		Consolidated	
	31/03/17	31/03/16	31/03/17	31/03/16
Performers' fees, copyrights and agency fees	(34.213)	(119.723)	(43.187)	(151.663)
Transportations and leases	(12.414)	(23.068)	(14.767)	(27.295)
Third-part services	(8.625)	(16.118)	(12.134)	(29.747)
Travel and commuting	(1.455)	(1.542)	(1.545)	(2.578)
Utilities and facilities	(6.943)	(6.011)	(7.802)	(9.881)
Media and advertising	(3.700)	(3.966)	(4.253)	(5.339)
Depreciation and amortization	(1.254)	(1.342)	(2.616)	(2.899)
Employee benefit expenses (note 24)	(569)	(1.178)	(2.145)	(3.498)
Production costs	(6.504)	(17.194)	(20.340)	(57.685)
Total	(75.677)	(190.142)	(108.789)	(290.585)

24. EXPENSES ON EMPLOYEE

	Company		Consolidated	
	31/03/17	31/03/16	31/03/17	31/03/16
Payroll and bonuses	(2.611)	(3.208)	(5.691)	(7.516)
Vacation pay	(603)	(587)	(849)	(844)
13th salaries	(206)	(215)	(366)	(406)
Payroll taxes	(1.402)	(1.444)	(2.205)	(2.605)
Profit sharing - bonuses	(2.088)	(1.622)	(2.145)	(1.681)
Share-based payments	(191)	(80)	(191)	(81)
Other employee benefits (i)	(754)	(625)	(1.213)	(857)
Total expenses on employee benefits	(7.855)	(7.781)	(12.660)	(13.990)
Benefits classified as cost of services	(569)	(1.178)	(2.144)	(3.498)
Benefits classified as general and administrative expenses	(7.286)	(6.603)	(10.516)	(10.492)
Total	(7.855)	(7.781)	(12.660)	(13.990)

(i) The Company does not offer any defined contribution or defined benefit plan to its employees.

25. FINANCIAL INCOME (EXPENSES)

	Company		Consolidated	
	31/03/17	31/03/16	31/03/17	31/03/16
Financial expenses:				
Interest payable	(170)	(260)	(887)	(902)
Tax on financial transactions (IOF)	(157)	(123)	(499)	(1.633)
Net losses on swap transaction	(669)	(458)	(669)	(458)
Interest on debentures	(1.557)	(1.996)	(1.557)	(1.996)
Other	(1.004)	(954)	(507)	(804)
Total	(3.557)	(3.791)	(4.119)	(5.793)

	Company		Consolidated	
	31/03/17	31/03/16	31/03/17	31/03/16
Financial income:				
Interest receivable	202	46	534	590
Income from short-term investments	2.406	2.667	3.182	8.257
Other	39	300	42	17
Total	2.647	3.013	3.758	8.864

	Company		Consolidated	
	31/03/17	31/03/16	31/03/17	31/03/16
Exchange variation, net:				
Losses	(946)	(10.745)	(4.808)	(15.103)
Gains	1.812	10.212	5.543	9.882
Inflation adjustments, net:				
Losses	(43)	(79)	(49)	(86)
Gains	947	457	1.176	670
Total	1.770	(155)	1.862	(4.637)

26. OTHER OPERATING INCOME (EXPENSES), NET

	Company		Consolidated	
	31/03/17	31/03/16	31/03/17	31/03/16
Provision for tax, civil and labor risks	(631)	23	(699)	(1.536)
Loss on write-off of property, plant and equipment	-	(5)	1	(5)
Other operating income (expense), net	(6)	119	892	355
Total	(637)	137	194	(1.186)

27. INCOME TAX AND SOCIAL CONTRIBUTION

a) Income tax and social contribution expense recognized in income statement

	Company		Consolidated	
	31/03/17	31/03/16	31/03/17	31/03/16
Current income tax expense	-	-	(2.311)	(1.584)
Current social contribution expense	-	-	(204)	(142)
Deferred IRPJ and CSLL	(3.254)	(3.831)	(2.718)	(8.266)
Total	(3.254)	(3.831)	(5.233)	(9.992)

b) The reconciliation of income tax and social contribution recorded in income statement is as follows:

	Company		Consolidated	
	31/03/17	31/03/16	31/03/17	31/03/16
Profit (loss) before IRPJ and CSLL	9.193	14.534	11.040	20.455
Statutory rate	34%	34%	34%	34%
Income tax and social contribution benefit (expense) at statutory rate	(3.126)	(4.942)	(3.754)	(6.955)
Effect of income tax and social contribution on:				
Nondeductible fines and expenses	(8)	(40)	(12)	(129)
Offset of tax loss carryforwards and temporary differences	-	-	176	(1.806)
Subsidiary taxed based on the deemed income	-	-	270	569
Subsidiary taxed abroad	-	-	(1.848)	(1.643)
Share of profits of subsidiaries	(68)	1.178	-	-
Share-based payment plan	(65)	(27)	(65)	(27)
Others	12	-	-	-
Income tax and social contribution benefit (expense)	(3.254)	(3.831)	(5.233)	(9.992)
Percentage of effective rate	35%	26%	47%	49%

c) Changes in and breakdown of deferred income tax and social contribution

The table below corresponds to the analysis of deferred tax assets (liabilities) presented in Company and consolidated financial statements:

	31/12/16	Variation	3/31/17
Company			
Deferred tax assets on:			
Noncurrent:			
Goodwill arising on mergers (note 13.b)	14.318	(4.035)	10.283
Allowance for doubtful accounts	78	-	78
Provision for tax, civil and labor risks	7.318	71	7.389
Income tax loss carryforwards	34.500	1.074	35.574
Social contribution tax loss carryforwards	13.298	387	13.685
Revaluation reserve for property, plant and equipment	(763)	10	(753)
Other provisons	1.745	(762)	983
Total net assets	70.494	(3.255)	67.239

Consolidated	31/12/16	Variation	Recognized in other comprehensive income	3/31/17
Deferred tax assets on:				
Noncurrent:				
Goodwill arising on mergers (note 13)	14.318	(4.035)	-	10.283
Allowance for doubtful accounts	141	(62)	-	78
Provision for tax, civil and labor risks	7.531	(136)	-	7.395
Income tax loss carryforwards	34.500	1.402	-	35.902
Social contribution tax loss carryforwards	13.298	387	-	13.685
Revaluation reserve for property, plant and equipment	(763)	10	-	(753)
Other provisons	4.114	(373)	23	3.763
Total assets	73.139	(2.808)	23	70.353
Deferred tax liabilities on-				
Noncurrent:				
Revaluation reserve for property, plant and equipment	(466)	45	-	(422)
Total liabilities	(466)	45	-	(422)
Total net	72.673	(2.763)	23	69.932

d) Unrecognized deductible temporary differences, and unutilized tax losses and credits.

Deductible temporary differences, and unutilized tax losses and credits for which no deferred tax assets were recognized are attributable as follows:

	Consolidated	
	3/31/17	12/31/16
Subsidiaries' tax loss carryforwards	27.385	26.577
Deductible temporary differences	18	68
	27.403	26.645
Statutory rate	34%	34%
Deferred tax assets not recognized at the end of the period	9.317	9.059

Pursuant to CPC 32 and CVM Instruction 371/02, the Company recognized deferred income tax and social contribution basically arising from the revaluation reserve, temporary differences, and tax loss carryforwards. The tax credit was recognized because the Company recorded future taxable income based on its net income projections, which show that such amounts will be recovered in the coming years.

These credits are maintained in current and noncurrent assets according to their expected realization, based on taxable income generation projections, within the 30-percent limit of annual taxable income to offset tax loss carryforwards, pursuant to legislation in force. The Company prepared feasibility studies, which are reviewed and approved by the Board of Directors, which indicated the full recovery of the deferred tax amounts recognized.

The estimated realization is as follows:

Year	Company	Consolidated
2017	3.040	6.153
2018	8.952	8.952
2019	5.728	5.728
2020	7.171	7.171
2021	7.966	7.966
2022	8.699	8.699
2023	9.154	9.154
2024	16.529	16.530
Total	67.239	70.353

28. FINANCIAL INSTRUMENTS

28.1. Capital management

The Company and its subsidiaries enter into transactions involving financial instruments, all recorded in balance sheet accounts, which are intended to meet their cash requirements and reduce the exposure to market, currency, and interest rate risks. These risks and instruments are managed by means of strategies, control systems and foreign exchange exposure limits, which is monitored by Company´s executive committee. The Company has intercompany borrowings, trade payables, and borrowings and financing, classified as financial instruments.

The Company manages its capital to ensure that both its parent and its subsidiaries can continue as going concerns, and at the same time maximizes the return of all its stakeholders by optimizing the balance debt and equity.

The Company's equity structure consists of its net debt (debentures and borrowings detailed in note 16, less cash and banks) and the equity (note 21).

28.2. Classification of financial instruments

Line Item	Classification (iii)	Notes	Company 3/31/17	Company 12/31/16
Debentures (i)	Other financial liabilities	16	(33.543)	(43.534)
Banks	Loans and receivables	6	1.363	1.749
Short-term investments (ii)	Loans and receivables	6	75.266	97.533
Trade receivables of related parties (iii)	Loans and receivables	12.1	17.697	15.370
Trade payavles of related parties (iii)	Other financial liabilities	12.1	(29.127)	(30.484)
Trade receivables	Loans and receivables	8	60.527	46.426
Trade payables	Other financial liabilities	15	(39.216)	(24.141)
Total exposure			52.967	62.919
Effect on net income (loss)			(1.240)	(10.552)

Line item	Classification (iii)	Notes	Consolidated 2016	Consolidated 2015
Debentures (i)	Other financial liabilities	16	(33.543)	(43.534)
Banks	Loans and receivables	6	11.056	8.989
Short-term investments (ii)	Loans and receivables	6	114.695	128.472
Trade receivables of related parties (iii)	Loans and receivables	12.1	5.756	6.436
Trade receivables	Loans and receivables	8	90.853	68.188
Trade payables	Other financial liabilities	15	(80.679)	(52.708)
Total exposure			108.138	115.843
Effect on net income (loss)			(1.376)	(2.368)

(i) Debentures issued by the Company pay interest equivalent to 100% of the accumulated fluctuation of the average daily overnight interbank rates (DI), expressed as a percentage per base year of 252 business days (CETIP), compounded by a scaled surcharge, starting at 2.09% per year for 2010 and 2.40% per year for 2015 (note 16).

(ii) Short-term investments are basically realized based on the yield rates effectively negotiated, pegged to the CDI, and reflect usual market terms and conditions prevailing at the end of the report period (note 6).

(iii) The income, expenses, gains and losses related to the different categories of financial instruments are classified in line item 'Financial (expenses) income' (note 25).

Management considers that the carrying amount of the financial assets and financial liabilities described above, except for the derivatives, approximate their fair values. Additionally, the measurement of financial assets and financial liabilities at fair value is made using standards terms and conditions, are traded in active markets, and is based on observable market prices (level 2).

28.3. Risk factors that may affect the Company's business

a) Exposure to interest rate risks

This risk arises from the possibility of losses (or gains) due to fluctuations in the interest rates applicable to the Company's assets or liabilities obtained in the market. In order to minimize possible impacts resulting from interest rate fluctuations, the Company has alternated between fixed rates and variable rates, such as Libor and the interbank deposit rate (CDI) and periodically renegotiated their contracts to adjust them to the market. The sensitivity analysis of the financial instruments to interest rate fluctuations is shown in c) below.

b) Exposure to foreign exchange risk

This risk arises from the possibility of fluctuations in exchange rates affecting financial expenses (or income) and the liability (or asset) balance of contracts denominated in a foreign currency.

It is the Company's policy to contract non-deliverable forwards (NDFs) and units in a foreign exchange fund whenever its foreign currency-denominated assets and liabilities are exposed to foreign exchange fluctuations arising from contracts with international suppliers or the opening of foreign bank accounts. As at March 31, 2017, Company has not financial instruments.

As at March 31, 2017, the Company records the following foreign currency transactions in balance sheet:

			Company		Consolidated	
Line item	Classification	Currency	3/31/17	12/31/16	3/31/17	12/31/16
Banks	Loans and receivables	US Dollars	1.363	1.749	1.363	1.749
Short-term investments	Loans and receivables	US Dollars	3.415	14.314	3.415	14.314
Loan to Peru subsidiary	Loans and receivables	US Dollars	2.079	2.103	-	-
Loans to shareholders and foreign subsidiaries	Financial other liabilities	US Dollars	(22.106)	(22.604)	-	-
Trade payables	Financial other liabilities	US Dollars	(1.496)	(340)	(1.687)	(371)
Total exposure			(16.745)	(4.778)	3.091	15.692
Effect on net income (loss)			(205)	(1.309)	91	399

• Banks and financial application: the Company has amounts in its bank account abroad as part of capital management policy and exchange variation exposure protection. These resources will be used for payments of future operational costs.

• Intragroup loans: refers to the balances receivable and payable arising from loan agreements entered into by the Company with its subsidiaries, denominated in foreign currencies.

• Except for the intercompany loan between the Company and subsidiary T4F Chile S.A., the remaining value of US$5,500,000, the balance of due to related parties derives from transactions whose terms and conditions could have been different if carried out with unrelated parties, and thus would represent part of the investment and not necessarily the fair value of the financial transactions.

• Trade payables: refer to balances payable in foreign currency.

c) Sensitivity analysis of exchange rate and interest rate fluctuations

The fluctuations of exchange rates and interest rates, such as the CDI, can have a positively or an adverse effect on the consolidated interim financial statements because of the increase in the balance denominated in foreign currency or indexed interest rate.

As Management considers that the carrying amounts of financial assets and financial liabilities approximate their fair values, the sensitivity analyses below show results applicable both to carrying amounts and the fair values of financial assets and financial liabilities.

Risk of changes in interest rates

In compliance with CVM Instruction 475/2008, as at March 31, 2017, management estimated, based on the quotations set down in the Focus report issued by the Central Bank of Brazil (BACEN), future interest rates, showing in each scenario the effect of the changes on fair value, as shown in the table below:

			Company		
			Scenario		
		3/31/17	Probable (i)	Possible (ii)	Remote (iii)
	Risks				
Debentures	Increase	(33.407)	(36.314)	(37.043)	(37.768)
Borrowings and financing	Increase	(136)	(141)	(142)	(143)
Short-term investments	Reduction	71.851	78.136	79.711	81.279
Net exposure		38.308	41.681	42.526	43.368

			Consolidated		
			Scenario		
	Risks	3/31/17	Probable (i)	Possible (ii)	Remote (iii)
Debentures	Increase	(33.407)	(36.246)	(36.958)	(37.666)
Borrowings and financing	Increase	(136)	(141)	(142)	(143)
Short-term investments	Reduction	111.281	120.519	122.540	124.552
Net exposure		77.738	84.132	85.440	86.743

(i) In the probable scenario the Company would have a positive result of R$3,373 and R$6,394 (Company and consolidated) over the next twelve (12) months, resulting from future CDI estimates for interest on debentures plus the surcharge of 2.40% per year. For short-term investments, the Company considered the same future CDI estimates and the average yield rate obtained by the Company on these investments at March 31, 2017.

(ii) In the possible scenario, by adopting the same criteria described for the probable scenario plus a 25% increase of the rates used, the estimates would generate a positive result of R$4,218 and R$7,702 (Company and consolidated, respectively).

(iii) In the remote scenario, by adopting the same criteria described for the probable scenario plus a 50% increase of the rates used, the estimates would generate a positive result of R$5,060 in a Company and a of R$9,005 in the consolidated.

The loan to subsidiary T4F Argentina S.A. is adjusted using the Current Nominal Rate (TNA).

Risk of changes in foreign exchange rates

In compliance with CVM Instruction 475/2008, as at March 31, 2017, management estimated future foreign exchange rates, showing in each scenario the effect of the changes on fair value, as shown in the table below:

			Company		
			Scenário		
	Risks	3/31/17	Probable (i)	Possible - (ii)	Remote - (iii)
Banks	Reduction	1.363	1.420	1.775	2.129
Trade payables	Increase	(1.496)	(1.558)	(1.948)	(2.337)
Net exposure		(133)	(138)	(173)	(208)

			Consolidated		
			Scenário		
	Risks	2016	Probable (i)	Possible - (ii)	Remote - (iii)
Banks	Reduction	11.056	11.515	14.394	17.273
Financial applications	Increase	3.415	3.557	4.446	5.335
Trade payables	Increase	(1.687)	(1.757)	(2.196)	(2.636)
Net exposure		12.784	13.315	16.644	19.972

(i) In the probable scenario the Company would have result of (i) In the probable scenario the Company would have negative result of R$5 and positive R$531 (Company and consolidated, respectively) over the next twelve (12) months, resulting from the estimated exchange rates for said period.

(ii) In the possible scenario, based on the exchange rates used in the probable scenario stressed by 25%, the estimates would generate negative result of R$40 and positive of R$3.860 (Company and consolidadted, respectively).

(iii) In the remote scenario, based on the exchange rates used in the probable scenario stressed by 50%, the estimates would generate a negative result of R$75 and positive of R$7.188 (Company and consolidated, respectively).

Gains or losses on financial instruments derivatives transactions are recorded in ‘Financial (expenses) income (note 25).

Credit risk

Arises from the possibility of the Company and its subsidiaries not receiving amounts generated by sales transactions and receivables from financial institutions generated by short-term investments. To mitigate this risk, the Company and its subsidiaries adopt the procedure of analyzing in detail the financial position of its customers, establishing credit limits, and constantly monitoring their balances. Amounts receivable are substantially tied to credit card sales where credit risk which is not imposed on the Company. Additionally, the Company maintains bank accounts and investments with major financial institutions line, approved by management, in accordance with objective criteria for diversification of credit risks.

Liquidity risk

Effectively managing liquidity risk implies to maintain enough cash and marketable securities, funds available through credit facilities used and the ability to settle market positions. Due to the dynamic nature of the Company and its subsidiaries’ business, the treasury function maintains flexibility in funds available through the maintenance of credit lines used.

Management monitors the Company’s consolidated liquidity level considering the expected cash flows against unused credit facilities, and cash and cash equivalents.

29. INSURANCE

The insurance coverage is determined according to the nature of the assets’ risks, and is considered sufficient to cover potential losses arising from claims. As at March 31, 2017 and 2016, insurance coverage is as follows:

		Insured amount	
	Type	3/31/17	3/31/16
General and premises civil liability	General and events, commercial and/or industrial premises, employer, valet, and pain and suffering. Promotions of artistic, sports and similar events, restaurants and athletes	82.489	68.424
Asset insurance - premises	Fire, lightning, explosion, windstorm, smoke, loss of rent, equipment, neon signs, amounts, riots, strikes, glass, asset theft/robbery, amount in transit, electric damages, floods, loss of profits, and all risk due to sprinkler leakage	159.835	110.874
		242.324	179.298

30. CO-OBLIGATIONS, LIABILITIES AND COMMITMENTS

a) Sponsorship agreements

The Company has entered into long-term sponsorship agreements, as follows: (i) naming rights of the venues where the Company operates, which, in brief, provide for the right of the sponsor to name said venues and the way its trademark is disclosed; (ii) access technology sponsorship agreement, which consists of a tool that grants access to the shows organized and promoted by the Company using a credit card; (iii) sponsorship agreement, which provides for granting benefits to the sponsor’s customers in certain events promoted by the Company, including, but not limited to, the presale of tickets, discounts, and preferred parking; and (iv) circus show sponsorship agreement.

b) Lease of venues

The lease agreements of venues were entered into for a period above five years, which ensures the Company the right of mandatory renewal of the lease, if legal requirements are met. In the event of noncompliance with the defined lease term, an amount equal to three months of the rent prevailing on the date of termination will be charged to the lessee, and the lessee agrees to return the property in perfect usage conditions.

Lease payments, based on the monthly amounts in effect in March 31, 2017, are broken down as follows:

	Company	Consolidated
Up to year 1	14.412	19.030
From year 2 to 5	43.224	45.443
Total	57.636	64.473

c) Stand-by letters and guarantees

The Company had bank stand-by letters in effect the purpose of which is to ensure the payment of leases and certain lawsuits, and which total approximately R$18,401.

d) Service agreements

Under service agreements entered into among the Company and Inspiração Organização de Espetáculos Ltda., a Cirque du Soleil Group company, between 2006 and 2008, T4F recognized, based on the terms and conditions of the abovementioned agreements, that it is responsible for indemnifying Inspiração in connection with certain claims relating to contingencies related to the Service Tax (ISS), an obligation ratified in a specific agreement for ISS indemnity. This because of the discrepancy between municipal tax authorities in relation to the services provided by Inspiração (if classified in item 12.03 of the ISS service list, or item 12.13), impacting the place of payment of such tax. T4F's understanding, based on the opinion of its legal counsel, was that Inspiração's services are classified in item 12.03, and the ISS is due in the place where services are effectively provided, that is, where the Circus shows are held. In December 2014, Inspiração was notified by the municipal government of São Paulo, which intends to receive the ISS arising from the Cirque de Soleil's shows held in other cities (Rio de Janeiro, Belo Horizonte, Distrito Federal and Porto Alegre), in addition to the amount paid to the municipal government of São Paulo. T4F, based on the abovementioned agreements, assumed the burden of defense of such notifications, which were considered as unreasonable by the municipal government through lower court decision; the cases pending judgment of appeal which, in the opinion of the Company's legal counsel, have possible likelihood of loss. The amount related to the 11 administrative proceedings is R$28,000 at March 31, 2017.

31. SHARE-BASED PAYMENTS

The Annual and Extraordinary Shareholders' Meeting held on September 28, 2007 approved the Company's common stock option plan, ratified by the Extraordinary Shareholders' Meeting held on January 13, 2011 as amended by the Extraordinary General Meeting held on April 27, 2012 and extended by the Extraordinary General Meeting of April 20, 2016. Under this Plan, the Board of Directors can grant stock options to directors, employees in leadership positions, or other companies under its control. Stock options are granted under grant agreements entered into between the Company and the beneficiaries. All stock options granted under such Plan cannot exceed 5% of total shares of capital stock. The option can be partially or fully exercised during the period established in the related Option Agreement, within the plan's effective period.

The annual tranches that are not yet vested will expire immediately if the employment contract or term of office as director is, for any reason, terminated.

The agreements entered into before the registration of the Company's listing and the related IPO provided for the payment of any gains on the related stock options in cash; however, they also provided for that if an IPO were conducted, the Company would no longer be liable for the payment of such gains in cash as the benefited executives would be able to exercise their vested stock options through the issue of the granted stock.

The granted stock options were duly measured at their fair values on the grant dates, calculated using the Black & Scholes pricing model. The impacts on net income or loss for the year are as follows:

Grant year	Number of options granted	Amounts recorded in profit to 2016	Amounts recorded in profit to 2017	Amounts to be recorded in future periods
2012	438.300	26	-	-
2013	406.000	32	6	1
2014	1.322.000	19	-	-
2015	950.000	141	34	233
2016	488.000	413	151	929
Total	3.604.300	631	191	1.163

In determining the fair value of stock options, the following economic assumptions were used:

Individual plans of each executive benefited

Grant dates	9/28/2007	10/1/2007	2/23/2010	7/4/2012	10/24/2012	7/1/2013	7/1/2014	11/10/2014	4/1/2015		4/28/2016
Number of executives benefited	1	1	1	2	8	10	13	1	8	1	6
End of last tranche options vesting period	02/23/17	10/01/14	02/23/17	04/15/17		07/01/17	07/01/18	12/30/18	04/14/20		04/27/21
Share price volatility	32,98%			34,60%	34,60%	37,39%	36,85%	38,80%	41,72%		54,77%
Risk-free interest rate	12,06%			12,06%	12,06%	12,06%	12,06%	12,06%	12,06%		13,25%
Exercise price per option in R$	10,98			11,93	11,93	6,02	5,03	4,77	2,36		6,03
Index	Not indexed			Indexed to IGP-M				Not indexed	Indexed to IGP-M		Not indexed
Exercise price adjusted - R$	10,98			15,52	15,52	7,37	5,79	4,77	2,63		4,77
Fair value per option – R$:											
Série 1	5,02	5,02	-	5,04	1,54	1,51	0,79	0,12	0,49	0,27	2,5
Série 2	5,02	5,02	1,48	5	1,95	1,68	0,97	0,18	0,56	0,4	3,19
Série 3	5,02	5,02	2,22	4,95	2,17	1,76	1,07	-	-	0,5	3,71
Série 4	5,5	5,51	2,74	4,89	2,31	1,81	1,12	-	-	0,56	4,14

As approved by the Company's Board of Directors, by the end of the reporting period ended March 31, 2017, the Company issued 601,015 subscribed, paid-in shares amounting to R$5,899, since some of the executives entitled to the Stock Option Plan have already exercised their vested stock options.

32. SEGMENT INFORMATION

IFRS 8 - Operating Segments requires that operating segments be identified based on internal reports on Company business components that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

a) Segment revenue and results

The segment information reported is consistent with other management reports provided to the main strategic and operating decision-makers to assess the performance of each segment and the allocation of funds. The main segmentation of the Company's business is based on the performance of activities related to: (i) promotion of events, which includes holding live concerts and shows, stage plays, and exhibits; (ii) operations, which includes ticket sales, sale of food and beverages, and operation of venues; and (iii) sponsorships. Segmentation by activity is also broken down by geographical areas, as follows: (i) Brazil; (ii) Argentina; and (iii) Chile.

The performance of the Company's operating segments was assessed based on gross operating revenues, taxation, net operating revenues, costs of services, expenses, the Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), net income for the year, and noncurrent assets. This measurement basis excludes the effects of interest, income tax and social contribution, and depreciation and amortization.

The tables below include summarized financial information of the Company's operating segments as at and for the periods ended March 31, 2017 and 2016.

	Consolidated			
	3/31/17			
	Event promotion	food and beverages, venues operation in venues	Sponsorships	Total
Net revenue	82.259	32.809	22.449	137.517
Costs	(82.229)	(26.560)	-	(108.789)
Gross profit	30	6.249	22.449	28.728
Operating expenses allocable to segments	(3.194)	(4.485)	-	(7.679)
	(3.164)	1.764	22.449	21.049
Administrative expenses				(11.510)
Financel income (cost)				1.501
Pretax income				11.040

	Consolidated			
	3/31/16			
	Event promotion	Box office, food and beverages, venues operation in venues	Sponsorships	Total
Net revenue	260.947	37.123	35.918	333.988
Costs	(259.872)	(30.713)	-	(290.585)
Gross (loss) profit	1.075	6.410	35.918	43.403
Operating expenses allocable to segments	(4.582)	(5.842)	-	(10.424)
	(3.507)	568	35.918	32.979
Administrative expenses				(10.958)
Financel income (cost)				(1.566)
Loss Before Income Tax and Social Contribuition				20.455

b) Geographical information

Company revenue by geographical area is broken down as follows:

	Consolidated	
	31/03/17	31/03/16
Net revenue:		
Argentina	5.924	87.292
Brasil	110.328	229.744
Chile	21.265	16.952
	137.517	333.988

	Consolidated	
	31/03/17	31/03/16
Gross profit:		
Argentina	1.784	15.538
Brasil	24.846	23.628
Chile	2.099	4.242
Peru	(1)	(5)
	28.728	43.403

	Consolidated	
	31/03/17	31/03/16
Operating (loss) profit:		
Argentina	(495)	11.894
Brasil	11.203	8.149
Chile	352	352
Peru	(34)	(15)
USA	14	75
	11.040	20.455

33. ADDITIONAL DISCLOSURES TO THE STATEMENTS OF CASH FLOWS

The following changes in the financial position during period ended March 31, 2017 and 2016 did not have any impact on cash and cash equivalents:

• Purchase of property, plant and equipment items and intangible assets, for which no payments were made in the period ended March 31, 2017, amounting to R$30 in company and R$248 on a consolidated (R$91 in company and R$453 on a consolidated on December 31, 2016).

• Changes in Rouanet Act restricted cash that does not affect cash, related to cultural projects, amounting to R$1,374 (R$7,448 at December 31, 2016).

34. EARNINGS PER SHARE

Basic loss per share are calculated by dividing profit for the period by the weighted average number of common shares outstanding in the same period.

Diluted loss per share are calculated by adjusting the weighted average outstanding common shares supposing that all potential common shares that would cause dilution are converted. Diluted earnings per share are calculated by adjusting the weighted average outstanding common shares supposing that all potential common shares that would cause dilution are converted. Accordingly, the o calculation of this weighted average has been affected by the stock option instruments (note 31).

The table below shows the calculation of earnings per share:

	Company	Company
	31/03/17	31/03/16
Profit for the period attributable to the shareholders of the Company	5.939	10.703
Number of common shares for basic earnings per share calculation purposes	67.500.665	69.791.465
Weighted average number of common shares for diluted earnings per share calculation purposes	68.390.665	70.731.465
Basic earnings per share - R$	0,0880	0,1534
Diluted earnings per share - R$	0,0869	0,1513

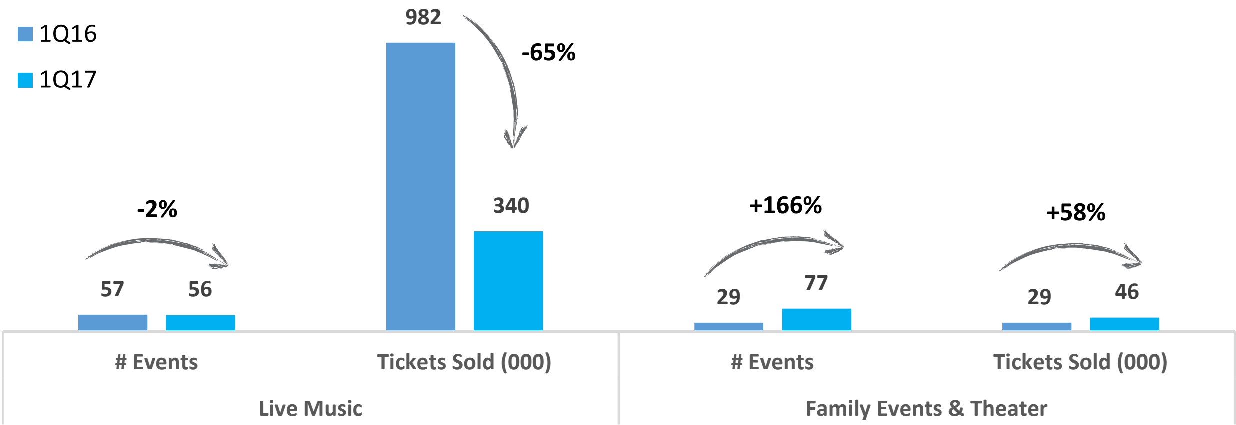
35. APPROVAL OF THE FINANCIAL STATEMENTS

These individual and consolidated financial statements were approved by the Board of Directors at the meeting held and authorized for issue on May 8, 2017.

***

We report below comments on the financial statements related to the quarter ended on March 31, 2017 (1Q17). We recommend reading this material together with the Quarterly Financial Statements ("ITR").

Comments on the Consolidated Financial Performance



Operating Indicators

In 1Q17 we promoted 133 live music, theater and family events with 387 thousand tickets sold. Compared to 1Q16, the number of events increased 55%, but the number of tickets sold decreased 62%.

In live music, we delivered 56 shows with 340 thousand tickets sold. Even with virtually the same number of events, we sold 65% less tickets year-on-year as 1Q16 was atypical in terms of outdoor concerts, concentrating 21 of the 35 shows in 2016 (7 shows of the Rolling Stones' tour, 9 shows of Maroon 5, 2 days of Lollapalooza Brazil Festival, 2 shows in arenas of Simply Red and 1 show of Coldplay). On the other hand, in 1Q17 we promoted only 2 days of the 6th edition of Lollapalooza Brazil Festival, 1 concert of Justin Bieber's tour in Rio de Janeiro and 1 show of the tour of Elton John & James Taylor in Curitiba. In terms of outdoor concerts, 1Q17 is similar to the 4Q16, in which we promoted 4 outdoor shows of Black Sabbath's tour and 1 arena festival in Chile.

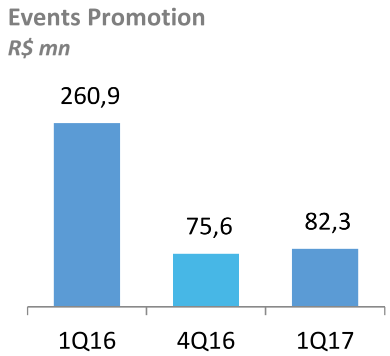
In family and theater, the number of events and tickets sold increased 166% and 58%, respectively. While in 1Q16 we presented only the musical Wicked, in 1Q17 we had the premiere of the musical Les Misérables and we promoted the show Fuerza Bruta in Rio de Janeiro, in January and February.

Net Revenue

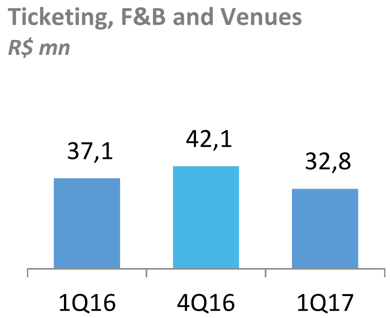
Net Revenue (R$ million)	1Q16	4Q16	1Q17	Chg. % 1Q17/4Q16	Chg. % 1Q17/1Q16
Events Promotion	260.9	75.6	82.3	9%	-68%
Live Music	257.0	65.9	75.7	15%	-71%
Family Events and Theater	3.4	7.1	5.5	-23%	63%
Sports Events	0.6	2.7	1.1	-59%	77%
Ticketing, F&B and Venues Operation	37.1	42.1	32.8	-22%	-12%
Sponsorship	35.9	16.7	22.4	34%	-37%
Events Promotion	33.0	13.1	16.9	29%	-49%
Ticketing, F&B and Venues Operation	2.9	3.6	5.5	55%	89%
TOTAL	334.0	134.4	137.5	2%	-59%

Net revenue in 1Q17 totaled R$137.5 million, down 59% from 1Q16 and in line with 4Q16.

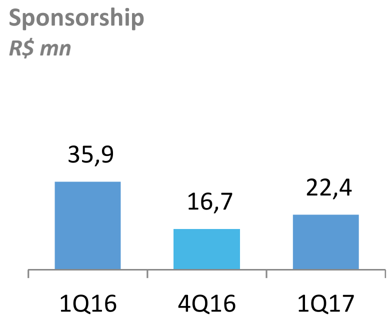
Net revenue in event promotion amounted to R$82.3 million. The comparison with 1Q16 is distorted due to the atypical concentration of 21 outdoor concerts in that quarter versus 4 shows in 1Q17. Compared to 4Q16, in which we delivered more events and virtually the same number of outdoor concerts, net revenue increased 9%, due mainly to the higher average ticket price, from R$174 to R$210.



Net revenue of ticketing, F&B and venues operations decreased 12% in 1Q17 versus 1Q16 due mainly to the lower revenue in food, beverage and merchandising as a consequence of the lower activity level, in addition to the fact that we did not start ticket sales for large events in the future.



Net revenue of sponsorship totaled R$22.4 million in 1Q17, down 37% from 1Q16 and growth of 34% from 4Q16, reflecting the different mix and calendar of shows between quarters.



Gross Profit

Gross Profit (R$ million)	1Q16	4Q16	1Q17	Chg. % 1Q17/4Q16	Chg. % 1Q17/1Q16
Events Promotion	1.1	(0.2)	0.0	n.a.	-97%
Ticketing, F&B and Venues Operation	6.4	14.1	6.2	-56%	-3%
Sponsorship	35.9	16.7	22.4	34%	-37%
Gross Profit	43.4	30.6	28.7	-6%	-34%
Gross Margin (%)	*13.0%*	*22.7%*	*20.9%*	*-1.8 p.p.*	*7.9 p.p.*

Gross profit reached R$28.7 million in 1Q17, down 34% from 1Q16, but with margin gain of 7.9 percentage points. The lower gross profit is observed mainly in the result of sponsorship in event promotion, due to the promotion of less outdoor concerts.

Operating Expenses (Revenue)

SG&A (R$ million)	1Q16	4Q16	1Q17	Chg. % 1Q17/4Q16	Chg. % 1Q17/1Q16
Sales	(0.8)	0.1	(0.4)	n.a.	-51%
General and Administrative	(16.3)	(17.5)	(15.5)	-11%	-5%
Management Compensation	(3.1)	(1.9)	(3.5)	86%	14%
SG&A	(20.2)	(19.3)	(19.4)	0%	-4%
Other Operating Revenues (Expenses)	(1.2)	(2.0)	0.2	n.a.	n.a.
Total	(21.4)	(21.3)	(19.2)	-10%	-10%
% Total/Net Revenue	*6.4%*	*15.9%*	*14.0%*	*-1.9 p.p.*	*7.6 p.p.*

SG&A expenses and management compensation decreased 4% from 1Q16, even with inflation of 4.6% in the last 12 months in Brazil (which represents 75% of SG&A), as a result of the Company's commitment of maintaining a lean and efficient structure. Total reduction of 10% reflects the absence of provisions for non-recurring contingencies in 1Q17, but which were constituted in the previous year.

EBITDA

EBITDA Reconciliation (R$ million)	1Q16	4Q16	1Q17	Chg. % 1Q17/4Q16	Chg. % 1Q17/1Q16
Net Result	10.5	6.3	5.8	-8%	-44%
(+) Income Tax and Social Contribution	10.0	3.7	5.2	43%	-48%
(+) Net Financial Result	1.6	(0.7)	(1.5)	106%	n.a.
(+) Depreciation	2.9	2.6	2.6	-1%	-10%
=EBITDA	24.9	11.9	12.2	2%	-51%
EBITDA Margin (%)	*7.5%*	*8.8%*	*8.8%*	*0.0 p.p.*	*1.4 p.p.*

As a consequence of the aforementioned reasons, EBITDA in 1Q17 amounted to R$12.2 million with EBITDA margin of 8.8%, an increase of 1.4 percentage point from 1Q16 and in line with 4Q16.

Financial Result

Financial Result (R$ million)	1Q16	4Q16	1Q17	Chg. % 1Q17/4Q16	Chg. % 1Q17/1Q16
Financial Income	8.9	3.6	3.8	3%	-58%
Interest Income	0.6	0.4	0.5	19%	-9%
Income over Financial Investments	8.3	2.7	3.2	16%	-61%
Others	0.0	0.5	0.0	-91%	147%
Financial Expenses	(5.8)	(3.9)	(4.1)	7%	-29%
Interest Cost	(0.9)	(1.0)	(0.9)	-12%	-2%
Interests with Borrowings - Debentures	(2.0)	(3.0)	(1.6)	-49%	-22%
Losses with Swap Operations	(0.5)	-	(0.7)	n.a.	46%
Tax on Financial Transactions	(1.6)	0.7	(0.5)	n.a.	-69%
Taxes and Others	(0.8)	(0.5)	(0.5)	9%	-37%
Exchange Variance	(4.6)	0.9	1.9	99%	n.a.
Net Financial Result	(1.6)	0.7	1.5	106%	n.a.

In 1Q17, net financial result was positive in R$1.5 million versus expenditure of R$1.6 million in 1Q16, due mainly to the positive result in exchange rate variation.

Net Income

Net Income (R$ million)	1Q16	4Q16	1Q17	Chg. % 1Q17/4Q16	Chg. % 1Q17/1Q16
Result Before Taxes	20.5	10.0	11.0	11%	-46%
(-) Income Tax and Social Contribution (Current	(1.7)	(1.5)	(2.5)	68%	46%
(-) Income Tax and Social Contribution (Deferre	(8.3)	(2.2)	(2.7)	26%	-67%
Net Income	10.5	6.3	5.8	-8%	-44%
Net Margin (%)	*3.1%*	*4.7%*	*4.2%*	*-0.5 p.p.*	*1.1 p.p.*

As a consequence of the aforementioned reasons, the quarter ended on March 31, 2017, posted net income of R$5.8 million.

Working Capital

Working Capital (R$ million)	1Q16	4Q16	1Q17	Chg. % 1Q17/4Q16	Chg. % 1Q17/1Q16
Assets	164.0	109.5	169.6	55%	3%
Accounts Receivable	92.4	68.2	90.9	33%	-2%
Inventories	3.1	1.3	1.8	31%	-43%
Advances to Suppliers and Anticipated Costs	68.5	39.9	77.0	93%	12%
Liabilities	241.3	149.2	193.3	30%	-20%
Accounts Payable (Suppliers)	135.0	52.7	80.7	53%	-40%
Advances from Clients	106.3	96.5	112.6	17%	6%
Net Working Capital	(77.3)	(39.7)	(23.7)	-40%	-69%

In 1Q17, we posted negative working capital of R$23.7 million versus R$39.7 million in 4Q16 and R$77.3 million in 1Q16. The maintenance of negative working capital is due mainly to our business model, in which we register early sales of tickets and sponsorship (in advances from clients) while payments to suppliers are mostly concentrated near the dates of the respective events.

Cash and Indebtedness

Cash and Indebtedness (R$ million)	1Q16	4Q16	1Q17	Chg. % 1Q17/4Q16	Chg. % 1Q17/1Q16
Operating Cash Flow	(65.9)	24.8	(0.5)	n.a.	-99%
Investment Cash Flow	(1.3)	(14.6)	10.3	n.a.	n.a.
Financing Cash Flow	(7.4)	(1.7)	(10.8)	552%	46%
Exchange Variance	6.3	1.6	0.2	-87%	-97%
Increase (Reduction) in Cash and Equivalents	(68.3)	10.2	(0.8)	n.a.	-99%
Balance in Cash and Financial Investments	170.8	137.5	125.8	-9%	-26%
Borrowings and Financing - Short Term	11.1	18.5	16.8	-9%	52%
Borrowings and Financing - Long Term	41.8	25.1	16.7	-33%	-60%
Total Indebtedness	52.9	43.5	33.5	-23%	-37%
Net Cash (Debt)	117.9	93.9	92.2	-2%	-22%

We ended the quarter with R$125.8 million in cash (R$130.1 million including restricted cash) versus R$170.8 million in 1Q16 and R$137.5 million in 4Q16:

- Operating cash: we consumed only R$513 thousand, despite the promotion of 4 outdoor concerts and the pre-operative costs of the musical Les Misérables, because there was a compensation with the cash received from installment sales in previous quarters for these concerts.

- Investments: we generated R$10.3 million due to (i) the withdrawal of R$10.9 million of the investment in structured note indexed in US dollars and (ii) the maintenance capex in the amount of R$630 thousand.

- Financing: we expended R$10.8 million with the amortization of the second tranche and payment of semi-annual interest payment of the second issue of debentures.

We thus concluded 1Q17 with (i) total indebtedness of R$33.5 million (-37% vs 1Q16 and -23% vs 4Q16) and (ii) net cash of R$92.2 million.

Events Pipeline

- **Live Music**

Outdoor

In April, we promoted in the city of Sao Paulo 2 of the 3 concerts of Justin Bieber’s tour and in the cities of Sao Paulo, Rio de Janeiro, Porto Alegre and Santiago we promoted 4 of the 5 shows of Elton John & James Taylor in stadiums and arenas.

In October, we will hold 4 concerts of Paul McCartney's tour in the cities of Sao Paulo, Porto Alegre, Belo Horizonte and Salvador.

Indoor

In indoor music, we have already scheduled around 50 concerts for 2Q17, including important international and local artists like: Linkin Park, Bryan Adams, Jose Carreras, Europe, Paolo Nutini, Paulinho da Viola e Marisa Monte, Novos Baianos, Roupa Nova, Nando Reis, Maria Bethânia, among others.

- **Family Events and Theater**

We will continue to present the musical Les Misérables at Teatro Renault, which has posted results higher than our projections.

In April, we promoted "Circus of China" in Sao Paulo and Belo Horizonte and, in the beginning of May, in Rio de Janeiro.

In June, we will hold the 10th season of Disney on Ice with the show Magical Ice Festival in the cities of Sao Paulo and Rio de Janeiro.

In 2H17, the blockbuster of the Brazilian cinema, "2 Filhos de Francisco", will become a musical that we will promote at Teatro Cetip.

- **Sports Events**

In 2Q17, we will promote 4 of the 12 stages of Stock Car, 3 of the 8 races of *Copa Petrobras de Marcas* and *Campeonato Brasileiro de Turismo* and 2 of the 8 stages of Mercedes-Benz Challenge.

SHOW3 Performance

Closing price of SHOW3 on May 10, 2017 was R$7.60, which represents growth of 37.8% YTD and 2.9% in 12 months.