(A free translation of the original in Portuguese)

T4F Entretenimento S.A.

Quarterly Information (ITR)
at June 30, 2017 and
Report on Review of
Quarterly Information

Report on Review of Quarterly Information

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

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of T4F Entretenimento S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2017, comprising the balance sheet as at that date and the statements of income and comprehensive income for the quarter and six-month periods then ended, and the statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and 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 information 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 parent company interim information

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

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the six-month period ended June 30, 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, August 9, 2017

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Marcos Magnusson de Carvalho
Contador CRC 1SP215373/O-9

T4F ENTRETENIMENTO S.A.

BALANCE SHEET
(In thousands of Reais - R$)

ATIVO	Note	Company 6/30/2017	Company 12/31/16	Consolidated 06/30/17	Consolidated 12/31/16
CURRENT ASSETS					
Cash and cash equivalents	6.a)	92,286	84,968	169,542	123,147
Financial investiments	6.b)	6,581	14,314	6,581	14,314
Restricted cash	7	3,346	5,724	3,346	5,724
Trade accounts receivables	8	112,667	46,426	149,807	68,188
Inventory		66	105	1,717	1,343
Recoverable taxes	9	3,991	3,256	23,933	24,032
Advances to suppliers	10	28,253	4,612	38,160	14,497
Prepaid costs	11	15,277	18,636	40,841	25,430
Dividends receivable from subsidiaries		-	1,938	-	-
Other receivables		932	1,895	13,279	6,736
Total current assets		263,399	181,874	447,206	283,411
NON-CURRENT ASSETS					
Long-term assets:					
Deferred income and social contribution taxes	27	62,760	70,494	65,827	73,139
Escrow deposits	20	22,461	22,159	25,033	24,780
Related parties	12	19,944	15,370	1,719	6,436
Total long-term assets		105,165	108,023	92,579	104,355
Investments in subsidiaries	13.a)	90,037	89,612	-	-
Goodwill on acquisitions of investments	13.b)	110,487	110,487	-	-
Property, plant and equipment	14.a)	9,817	10,573	29,121	31,676
Intangible assets:					
Goodwill on acquisition of investments	13.b)	-	-	113,509	113,603
Other intangible assets	14.b)	3,627	4,291	4,710	5,345
Total non-current assets		319,133	322,986	239,919	254,979
TOTAL ASSETS		582,532	504,860	687,125	538,390

LIABILITIES AND SHAREHOLDERS EQUITY	Note	Company 6/30/2017	Company 12/31/16	Consolidated 06/30/17	Consolidated 12/31/16
CURRENT LIABILITIES					
Trade payables	15	85,308	24,141	137,797	52,708
Borrowing, financing and debentures	16	17,874	18,462	17,874	18,462
Accrued payroll and related taxes		4,807	3,469	6,911	5,462
Taxes payable	17	4,895	3,976	12,584	10,579
Advances from customers	18	90,607	77,996	121,720	96,491
Sponsorships - Cultural Incentive Law	19	1,739	249	1,739	249
Dividends payable		-	6,315	-	6,315
Related parties	12	30,050	30,484	-	-
Other payables	21	377	415	32,680	3,740
Total current liabilities		235,657	165,507	331,305	194,006
NON-CURRENT LIABILITIES					
Borrowing, financing and debentures	16	16,696	25,072	16,696	25,072
Provision for tax, civil and labor risks	20	22,476	21,523	24,136	23,100
Provision for losses in subsidiaries	13.a)	633	611	-	-
Deferred income and social contribution taxes	27	-	-	385	466
Taxes payable	17	4,750	4,932	6,026	6,414
Other payables	21	1,541	1,742	6,565	1,742
Total non-current liabilities		46,096	53,880	53,808	56,794
Total liabilities		281,753	219,387	385,113	250,800
SHAREHOLDERS EQUITY					
Capital	22	243,022	243,022	243,022	243,022
Share issuance costs	22	(9,665)	(9,665)	(9,665)	(9,665)
Capital reserve	22	4,079	3,733	4,079	3,733
Treasury stocks	22	(37)	-	(37)	-
Revaluation reserve	14.c)	956	995	956	995
Earnings retention reserve	22	51,016	37,090	51,016	37,090
Valuation adjustments to equity	22	11,408	10,298	11,408	10,298
Equity attributable to controlling shareholders		300,779	285,473	300,779	285,473
Non-controlling interests in subsidiaries’ equity		-	-	1,233	2,117
Total consolidated shareholders' equity		300,779	285,473	302,012	287,590
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		582,532	504,860	687,125	538,390

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

T4F ENTRETENIMENTO S.A.

STATEMENTS OF INCOME
FOR THE QUARTERS AND SIX-MONTH PERIODS ENDED JUNE
(In thousands of Brazilian Reais - R$, except earnings per share)

		Company				Consolidated			
	Note	04/01/17 to 6/30/2017	01/01/17 to 6/30/2017	04/01/16 to 6/30/2016	01/01/16 to 6/30/2016	04/01/17 to 6/30/2017	01/01/17 to 6/30/2017	04/01/16 to 6/30/2016	01/01/16 to 6/30/2016
NET REVENUE	23	125,145	222,784	70,873	285,240	170,908	308,425	223,535	557,523
COSTS OF SERVICES AND SALES	24.b)	(99,063)	(174,740)	(57,678)	(247,820)	(135,937)	(244,726)	(187,789)	(478,374)
GROSS PROFIT		26,082	48,044	13,195	37,420	34,971	63,699	35,746	79,149
OPERATING (EXPENSES) INCOME									
Selling expenses	24.a)	(91)	(346)	(303)	(716)	(221)	(618)	(711)	(1,519)
General and administrative expenses	24.a)	(9,839)	(19,579)	(9,787)	(19,171)	(16,730)	(32,226)	(16,991)	(33,306)
Management compensation	12.2 e 24.a)	(1,260)	(4,058)	(2,228)	(4,790)	(1,538)	(5,028)	(2,414)	(5,487)
Share of profits of subsidiaries	13	(504)	(703)	4,351	7,815	-	-	-	-
Other operating (expenses) income, net	27	383	(254)	(251)	(114)	156	350	(2,105)	(3,291)
OPERATING PROFIT (LOSS) BEFORE FINANCIAL (EXPENSES) INCOME		14,771	23,104	4,977	20,444	16,638	26,177	13,525	35,546
FINANCIAL (EXPENSES) INCOME	26								
Financial expenses		(2,644)	(6,201)	(2,942)	(6,733)	(3,833)	(7,952)	(6,867)	(12,660)
Financial income		1,540	4,187	2,154	5,167	2,959	6,717	4,266	13,130
Exchange and monetary variations, net		(1,238)	532	(983)	(1,138)	(992)	870	(3,677)	(8,314)
OPERATING PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		12,429	21,622	3,206	17,740	14,772	25,812	7,247	27,702
INCOME TAX AND SOCIAL CONTRIBUTION									
Current	28	-	-	-	-	(3,035)	(5,550)	(3,493)	(5,219)
Deferred	28	(4,481)	(7,735)	322	(3,509)	(4,581)	(7,299)	(587)	(8,853)
PROFIT FOR THE PERIOD		7,948	13,887	3,528	14,231	7,156	12,963	3,167	13,630
PROFIT ATTRIBUTABLE TO:									
Controlling Shareholders						7,948	13,887	3,528	14,231
Non-controlling interests						(792)	(924)	(361)	(601)
						7,156	12,963	3,167	13,630
BASIC EARNINGS PER SHARE - R$	35	0.1177	0.2057	0.0505	0.2039	0.1177	0.2057	0.0505	0.2039
DILUTED EARNINGS PER SHARE - R$	35	0.1162	0.2030	0.0499	0.2012	0.1162	0.2030	0.0499	0.2012

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

T4F ENTRETENIMENTO S.A.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTERS AND SIX-MONTH PERIODS ENDED JUNE
(In thousands of Reais - R$)

	Company				Consolidated			
	04/01/17 to 6/30/2017	01/01/17 to 6/30/2017	04/01/16 to 6/30/2016	01/01/16 to 6/30/2016	04/01/17 to 6/30/2017	01/01/17 to 6/30/2017	04/01/16 to 6/30/2016	01/01/16 to 6/30/2016
NET PROFIT FOR THE PERIOD	7,948	13,887	3,528	14,231	7,156	12,963	3,167	13,630
Other comprehensive income:								
Exchange differences on translating foreign operations	1,809	1,110	(3,448)	(4,598)	1,809	1,110	(3,448)	(4,598)
Total comprehensive income for the period	9,757	14,997	80	9,633	8,965	14,073	(281)	9,032
Total comprehensive income attributable to:								
Controlling Shareholders					9,757	14,997	80	9,633
Non-controlling interests					(792)	(924)	(361)	(601)
					8,965	14,073	(281)	9,032

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$)

				Capital reserve			Earnings reserve							
	Note	Share capital	Share issuance costs	Share-based payments	Effects on capital transactions	Revaluation reserve	Legal reserve	Earnings retention reserve	Income (loss) period	Treasury Stocks	Comprehensive income	Equity attributable to controlling shareholder	Participação dos Non-controlling interests in subsidiaries' equity	Consolidated equity
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	32	-	-	253	-	-	-	-	-	-	-	253	-	253
Realization of revaluation reserve	22	-	-	-	-	(42)	-	42	-	-	-	-	-	-
Profit for the period	22	-	-	-	-	-	-	-	14,231	-	-	14,231	(601)	13,630
Other comprehensive income	22													
Exchange variation on net investment of foreign subsidiaries		-	-	-	-	-	-	-	-	-	(4,598)	(4,598)	(56)	(4,654)
Total comprehensive income for the period		-	-	-	-	-	-	-	14,231	-	(4,598)	9,633	(657)	8,976
BALANCES AS AT JUNE 30, 2016		243,022	(9,665)	5,481	(2,043)	1,033	10,713	5,979	14,231	-	10,503	279,254	2,066	281,320
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	32	-	-	346	-	-	-	-	-	-	-	346	-	346
Treasury stocks	22	-	-	-	-	-	-	-	-	(37)	-	(37)	-	(37)
Realization of revaluation reserve	22	-	-	-	-	(39)	-	39	-	-	-	-	-	-
Profit for the period	22	-	-	-	-	-	-	-	13,887	-	-	13,887	(924)	12,963
Other comprehensive income -	22													
Exchange variation on net investment of foreign subsidiaries		-	-	-	-	-	-	-	-	-	1,110	1,110	40	1,150
Total comprehensive income for the period		-	-	-	-	-	-	-	13,887	-	1,110	14,997	(884)	14,113
BALANCES AS AT JUNE 30, 2017		243,022	(9,665)	6,122	(2,043)	956	12,043	25,086	13,887	(37)	11,408	300,779	1,233	302,012

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

T4F ENTRETENIMENTO S.A.

STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE
(In thousands of Brazilian Reais - R$)

	Note	Company		Consolidated	
		6/30/2017	6/30/2016	06/30/17	06/30/16
CASH FLOW FROM OPERATING ACTIVITIES					
Profit for the period		13,887	14,231	12,963	13,630
Adjustments to reconcile net profit for the period to net cash generad by (used in) operating activities:					
Share of profits of subsidiaries	13	703	(7,815)	-	-
Depreciation and amortization	24.b)	2,166	2,894	4,850	5,989
Residual value of propety, plant and equipment written-off		99	39	103	60
Deferred income tax and social contribution		7,735	3,509	7,299	8,853
Financial charges and exchange differences on balances with subsidiaries, financing, borrowing and taxes payable		4,120	12,276	3,276	(1,755)
Share-based payments	20	346	253	346	253
Constitution (Reversal) of provision for tax, civil and labor risks		228	725	243	614
Reversal of allowance for doubtful accounts	24.a)	7	(384)	646	(404)
(Increase) decrease in operating assets and increase (decrease) in operating liabilities:					
Trade accounts receivables		(66,248)	76,064	(82,310)	92,263
Inventory		39	-	(389)	(842)
Bank deposit guarantee		-	553	-	553
Recoverable taxes		(735)	(133)	(233)	828
Advances to suppliers		(23,641)	3,312	(23,671)	7,428
Other receivables		963	733	(6,677)	(858)
Escrow deposits		(302)	(1,105)	(257)	(1,190)
Prepaid costs		3,359	4,242	(15,463)	44,628
Trade payables		61,083	(11,372)	85,138	(4,302)
Taxes payable		737	(865)	1,692	(3,880)
Accrued payroll and related taxes		1,338	28	1,474	5
Adiantamentos de clientes		12,611	(159,001)	25,229	(270,542)
Other payables		3,628	(463)	37,714	2,908
Net cash provided by (used in) operating activities		22,123	(62,279)	51,973	(105,761)
CASH FLOW FROM INVESTMENT ACTIVITIES					
Dividends received from subsidiaries		1,938	9,693	-	-
Financial investments		7,733	-	7,733	-
Purchase of property, plant and equipment and intangibles	14	(763)	(897)	(1,579)	(2,388)
Net cash provided by (used in) investment activities		8,908	8,796	6,154	(2,388)
CASH FLOW FROM FINANCING ACTIVITIES					
Acquisition of own shares		(37)	-	(37)	-
Related parties		(6,509)	5,946	4,569	(3,067)
Payment of dividends		(6,315)	(1,979)	(6,315)	(1,979)
Contracting of borrowing and financing		-	-	-	4,518
Payment of borrowing and financing		-	-	-	(10,613)
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		(24,387)	(20)	(13,309)	(15,128)
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS		674	(4,124)	1,577	5,312
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		7,318	(57,627)	46,395	(117,965)
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		92,286	71,738	169,542	121,095
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		7,318	(57,627)	46,395	(117,965)

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

T4F ENTRETENIMENTO S.A.

STATEMENTS OF VALUE ADDED
FOR THE SIX-MONTH PERIODS ENDED JUNE
(In thousands of Brazilian Reais - R$)

	Company		Consolidated	
	6/30/2017	6/30/2016	06/30/17	06/30/16
REVENUE				
From services	256,686	327,937	345,822	630,259
Constitution/allowance for doubtful accounts	(7)	384	(646)	404
INPUTS PURCHASED FROM THIRD PARTIES				
Cost of services and sales	(170,253)	(242,012)	(234,327)	(454,907)
Supplies, power, outside services and other	(10,514)	(11,928)	(19,367)	(30,037)
Loss of assets	(326)	(1,359)	(358)	(1,848)
GROSS VALUE ADDED	75,586	73,022	91,124	143,871
DEPRECIATION NA AMORTIZATION	(2,166)	(2,894)	(4,850)	(5,989)
VALUE ADDED NET	73,420	70,128	86,274	137,882
VALUE ADDED RECEIVED IN TRANSFER	3,940	12,799	8,347	2,938
Financial income including exchange variations	4,719	4,266	7,794	5,084
Share of profits of subsidiaries	(703)	7,815	-	(27)
Other	(76)	718	553	(2,119)
TOTAL VALUE ADDED FOR DISTRIBUTION	77,360	82,927	94,621	140,820
VALUE ADDED DISTRIBUTED				
Personnel	13,205	12,756	19,713	21,580
Salaries and wages	10,794	10,592	16,658	18,691
Benefits	1,912	1,653	2,390	2,154
Serverance pay fund (FGTS)	499	511	665	735
Taxes and fees	44,301	49,192	53,357	90,529
Federal	34,161	36,805	41,958	76,654
State	-	-	1,164	1,332
Municipal	10,140	12,387	10,235	12,543
Lenders and lessors	5,967	6,748	8,588	15,081
Interest	5,867	6,594	7,834	14,216
Leases	100	154	754	865
Shareholders	13,887	14,231	12,963	13,630
Porfit for the period	13,887	14,231	13,887	14,231
Non-controlling interests	-	-	(924)	(601)
TOTAL VALUE ADDED DISTRIBUTED	77,360	82,927	94,621	140,820

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, KM de Vantagem Hall, in Rio de Janeiro, KM de Vantagem 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 inflation adjustments earned, 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 28).

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.

<u>Classification</u>

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 June 30, 2017 and December 31, 2016, comprises cash and cash equivalents (note 6), the balances of trade receivables (note 8), and related parties (note 12).

<u>Measurement</u>

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.

<u>Offsetting financial instruments</u>

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.

<u>Derivative financial instruments</u>

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 29) 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 June 30, 2017.

<u>Other financial liabilities</u>

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 32).

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 June 30, 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 - % 2017	2016
Time for Fun Mídia Ltda (1)	99.99	99.99
Metropolitan Empreendimentos S.A.	99.99	99.99
T4F Alimentos, Bebidas e Ingressos Ltda.	99.99	99.99
T4F Inversiones S.A. e B.A. Inversiones S.A.	100.00	100.00
T4F USA Inc.	100.00	100.00
Aurolights Equipamentos e Produção de Eventos S.A. (4)	100.00	100.00
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. (5)	98.29	98.29
T4F Bizarro Producciones SpA.(2)	60.00	60.00

subisidiaries	Equity Interest - % 2017	2016
Ticketek Argentina S.A.	100.00	100.00
Clemente Lococo S.A.	100.00	100.00
T4F Chile S.A.	100.00	100.00
Tickets For Fun Chile S.A. (3)	100.00	100.00
Promaser S.A.	100.00	100.00
T4F Entretenimientos Argentina S.A. (5)	1.71	1.71

The balances of assets and liabilities of direct and indirect subsidiaries as at June 30, 2017 and 2016 and the net revenue for the quarter ended 2017 and 2016 are shown below:

	6/30/2017			12/31/2016		6/30/2016
Direct subsidiaries	Total Assets	Total Liabilities	Net Revenue	Total Assets	Total Liabilities	Net Revenue
Time for Fun Mídia Ltda (1)	1,375	1,065	-	1,352	1,063	-
Aurolights Equipamentos e Produção de Eventos S.A.	16,358	673	4,453	18,654	1,783	6,340
Metropolitan Empreendimentos S.A.	14,234	14,866	6,859	7,172	7,783	5,525
T4F Alimentos, Bebidas e Ingressos Ltda.	16,635	2,710	11,400	14,181	3,904	12,155
T4F Inversiones S.A. e B.A. Inversiones S.A. e controladas indiretas	101,948	57,735	20,015	54,884	14,563	32,084
T4F USA Inc.	2,501	3	-	2,428	3	-
Ticket Co. SpA	170,622	164,323	3,586	163,423	157,339	3,750
Vicar Promoções Desportivas S.A.	14,854	7,028	7,383	18,900	8,296	8,862
T4F Peru Entretenimientos S.A.C.	8,910	10,131	1,313	2,223	2,174	1
T4F Bizarro Producciones SpA.	35,251	35,104	29,578	23,924	22,610	38,592
T4F Entretenimientos Argentina S.A.	26,113	24,496	6,264	14,970	11,416	167,929

The Company's subsidiaries are engaged in:

• Time for Fun Mídia 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 SAC - 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	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Cash and banks	9,506	1,749	24,262	8,989
Short-term investments:				
Balanced Fund (a) (e)	64,219	72,149	125,212	88,303
Bank Certificates of Deposit (CDBs)/Interbank (b)	16,237	423	16,819	501
DI repurchase agreement (b)	2,324	10,647	3,249	25,354
Total	92,286	84,968	169,542	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$ 6,581 as of June 30, 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$3,346 (R$5,724 as at December 31, 2016).

8. TRADE ACCOUNTS RECEIVABLES

a) Broken down as follows:

	Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Billed receivables (i)	4,251	6,483	20,141	20,523
Box office (ii)	103,229	30,242	122,006	38,136
Unbilled sponsorships, box sets and boxes (iii)	5,423	9,931	13,239	14,388
Total trade receivables	112,903	46,656	155,386	73,047
Allowance for doubtful accounts	(236)	(230)	(5,579)	(4,859)
Total	112,667	46,426	149,807	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	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Falling due:	112,230	44,902	137,099	62,519
Past-due:				
Up to 30 days	190	800	11,297	3,953
31 to 60 days	122	88	957	294
61 to 90 days	125	636	353	1,781
91 to 180 days	25	33	638	145
Over 180 days	211	197	5,042	4,355
Total trade receivables	112,903	46,656	155,386	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	7	734
(-) Reversals and write-offs	(1)	(14)
Balances at June 30, 2017	236	5,579

9. RECOVERABLE TAXES

	Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Prepaid income tax and social contribution	-	-	989	2,606
Withholding income tax (IRRF)	2,696	1,689	8,082	7,032
Tax on revenue (PIS)	-	-	39	18
Tax on revenue (COFINS)	-	-	168	85
Value Added Tax (VAT)	-	-	4,837	3,056
Taxes on billings (i)	-	-	1,390	3,071
Income tax credit first category - Chile	-	-	5,402	4,673
Other	1,295	1,567	3,026	3,491
Total	3,991	3,256	23,933	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	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Contracted events, concerts and performances (i)	1,671	4,105	8,547	8,149
Other	26,582	507	29,613	6,348
Total	28,253	4,612	38,160	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	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Contracted events, concerts and performances	13,383	17,665	36,398	22,296
Others	1,894	971	4,443	3,134
Total	15,277	18,636	40,841	25,430
Current,	15,277	18,636	40,841	25,430

12. RELATED PARTIES

As at June 30, 2017 and 2016, the Company had transactions with the following related companies:

12.1. Intragroup transactions

Company:

		6/30/2017			12/31/2016		
	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	-	2,427	(3,054)	-	4,029	(8,348)
CIE Internacional S.A. de C.V. (i)	Shareholder	-	4,379	108	-	3,851	151
F.A. Comércio e Participações S.A.	Shareholder	-	-	-	-	-	2
Metropolitan Empreendimentos S.A. (v)	Subsidiary	12,622	-	(2,919)	11,241	-	(5,098)
Ocesa Entretenimiento, S.A. de C.V.	Shareholder	-	-	-	-	-	19
T4F Alimentos, Bebidas e Ingressos Ltda.	Subsidiary	619	-	-	589	-	(48)
T4F Chile S.A. (ii)	Indirect subsidiary	-	18,930	(534)	-	18,397	1,154
T4F Entretenimientos Argentina S.A.(i)	Subsidiary	-	1,912	(28)	-	1,884	(493)
T4F USA Inc. (iii)	Subsidiary	-	2,402	(79)	-	2,323	(44)
Vicar Promoções Desportivas S.A.	Subsidiary	855	-	535	486	-	1,091
T4F Peru Entretenimientos S.A. (iv)	Subsidiary	4,898	-	298	2,104	-	(617)
Total		19,944	30,050	(5,673)	15,370	30,484	(12,231)

Consolidated:

	Category	6/30/2017 Noncurrent assets	6/30/2017 Current liabilities	12/31/2016 Noncurrent assets	12/31/2016 Current liabilities
CIE Internacional S.A. de C.V. (ii)	Shareholder	3,169	576	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	(1,450)	-	3,248	-
Total		1,719	576	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. After capitalization, the amount became of US$2,200,000. The loan is annually adjusted at 7.6% interest. In April 2017 the company has signed a new contract in the amount de US$800,000. The corresponding annual update rate is LIBOR+3%.

(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	6/30/2017 Fixed	6/30/2017 Variable	6/30/2017 Stock Options	6/30/2017 Total	6/30/2016 Fixed	6/30/2016 Variable	6/30/2016 Stock Options	6/30/2016 Total
Administrative council	213	-	-	213	223	-	-	223
Officers	2,141	1,440	264	3,845	2,385	1,996	186	4,567
Total	2,354	1,440	264	4,058	2,608	1,996	186	4,790

Consolidated	6/30/2017 Fixed	6/30/2017 Variable	6/30/2017 Stock Options	6/30/2017 Total	6/30/2016 Fixed	6/30/2016 Variable	6/30/2016 Stock Options	6/30/2016 Total
Administrative council	213	-	-	213	223	-	-	223
Officers	2,860	1,691	264	4,815	2,724	2,354	186	5,264
Total	3,073	1,691	264	5,028	2,947	2,354	186	5,487

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

Management compensation's ceiling for the year ending December 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) June 30, 2017.

Direct or indirect subsidiaries	Equity (uncovered liability)	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.	310	21	99.99	21	-	310
Aurolights Equip. e Prod. de Eventos S.A.	15,685	(1,187)	100.00	(1,187)	-	15,684
Metropolitan Empreendimentos S.A.	(632)	(21)	99.99	(21)	(633)	-
T4F Entretenimientos Argentina S.A	1,616	(1,848)	98.29	(1,816)	-	1,589
T4F Alimentos, Bebidas e Ingressos Ltda.	13,925	3,648	99.99	3,648	-	13,924
T4F Inversiones S.A. e B.A Inversiones S.A.	44,213	2,932	100.00	2,932	-	44,213
T4F USA Inc.	2,498	35	100.00	35	-	2,499
Ticket Co. SpA.	6,299	41	100.00	41	-	6,300
T4F Peru Entretenimientos S.A.C.	(1,222)	(1,234)	99.99	(1,234)	-	(1,222)
T4F Bizarro Producciones Spa.	147	(1,268)	60.00	(761)	-	88
Vicar Promoções Desportivas S.A.	7,826	(2,778)	85.00	(2,361)	-	6,652
Total				(703)	(633)	90,037

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 June 30, 2017 and 2016

	Company	Consolidated
	6/30/17	6/30/16
Net investment	89,001	70,737
Share of profits of subsidiaries	(703)	7,815
Exchange variation on cumulative translation adjustments	1,106	(4,587)
Dividends from subsidiaries	-	(7,270)
Net investment	89,404	66,695
Provision for losses in subsidiaries	633	23,198
Net investment of provision for losses	90,037	89,893

b) Goodwill on acquisition of investments

	Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
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)	-	-	3,022	3,116
Total	110,487	110,487	113,509	113,603

(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, 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:	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Land	-	-	213	219
Leasehold constructions, installations and improvements	76,099	76,000	98,389	98,332
Furniture and fixtures	4,971	4,968	9,742	9,700
Machinery and equipment	14,130	13,985	37,704	37,264
Data processing equipment	7,588	7,510	12,762	12,490
Structures	9,054	9,053	21,114	20,971
Vehicles	862	419	6,483	6,030
Advances for PP&E	103	123	147	164
Total	112,807	112,058	186,554	185,170

	Annual average depreciation rate - %	Company		Consolidated	
		6/30/2017	12/31/2016	6/30/2017	12/31/2016
Accumulated depreciation:					
Leasehold constructions, installations and improvements	13	(74,020)	(73,797)	(92,657)	(91,992)
Furniture and fixtures	6	(3,525)	(3,339)	(7,405)	(7,030)
Machinery and equipment	12	(9,492)	(9,141)	(24,810)	(23,634)
Data processing equipment	18	(6,861)	(6,603)	(11,431)	(10,957)
Structures	13	(8,709)	(8,252)	(15,465)	(14,445)
Vehicles	20	(383)	(353)	(5,665)	(5,436)
Total		(102,990)	(101,485)	(157,433)	(153,494)

	Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Property, plant and equipment, net:				
Land	-	-	213	219
Leasehold constructions, installations and improvements	2,079	2,203	5,732	6,341
Furniture and fixtures	1,446	1,629	2,337	2,670
Machinery and equipment	4,638	4,844	12,894	13,630
Data processing equipment	727	907	1,331	1,533
Structures	345	801	5,649	6,525
Vehicles	479	66	818	594
Advances for PP&E	103	123	147	164
Total	9,817	10,573	29,121	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	
		6/30/2017	12/31/2016	6/30/2017	12/31/2016
Cost	-	11,800	11,800	16,692	16,574
Amortization	20	(8,173)	(7,509)	(11,982)	(11,229)
Total		3,627	4,291	4,710	5,345

c) Breakdown of revalued property, plant and equipment:

Company:

	6/30/2017			12/31/2016
	Revaluation	Accumulated revaluation depreciation	Residual revaluation amount	Residual revaluation amount
Constructions in leased properties	25,334	(25,334)	-	-
Furniture and fixtures	606	(412)	194	212
Machinery and equipment	2,129	(942)	1,187	1,226
Data processing equipment	209	(142)	67	69
	28,278	(26,830)	1,448	1,507
Taxes (34% - income tax and social contribution)			(492)	(512)
Revaluation reserve recognized in equity of period			956	995

Consolidated:

	6/30/2017			12/31/2016
	Revaluation	Accumulated revaluation depreciation	Residual revaluation amount	Residual revaluation amount
Constructions in leased properties	25,334	(25,334)	-	-
Furniture and fixtures	1,182	(907)	275	305
Machinery and equipment	3,912	(2,204)	1,708	1,773
Data processing equipment	276	(206)	70	72
	30,704	(28,651)	2,053	2,150
Taxes (34% - income tax and social contribution)			(698)	(731)
Eliminations in consolidation (i)			(399)	(424)
Revaluation reserve recognized in equity of period			956	995

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

d) Changes in property, plant and equipment

	Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Opening balance	10,573	12,893	31,677	37,790
Additions:				
Leasehold constructions, installations and improvements in leased properties	99	216	129	599
Furniture and fixtures	3	386	22	762
Machinery and equipment	145	239	495	1,385
Data processing equipment	78	132	247	340
Structures	-	241	148	675
Vehicles	442	-	452	-
Advances for PP&E	78	512	81	408
Total additions	845	1,726	1,574	4,169
Write-offs, net	(99)	(56)	(103)	53
Depreciation	(1,502)	(3,990)	(4,008)	(9,520)
Exchange variations effects	-	-	(19)	(816)
	(1,601)	(4,046)	(4,130)	(10,283)
Closing balance	9,817	10,573	29,121	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$384, 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 June 30, 2017, there is approximately R$14,780 fully depreciated still in use.

e) Changes in intangible assets

	Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Opening balance	4,291	5,678	5,344	7,136
Additions:				
Software	-	1	205	297
Amortization (*)	(664)	(1,388)	(842)	(1,819)
Write-offs, net	-	-	3	(269)
End of period	3,627	4,291	4,710	5,345

(*) Amortization is accounted for as cost of services provided and product sales (note 24.b).

15. TRADE PAYABLES

	Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Domestic suppliers	84,344	23,801	136,071	52,337
Foreign suppliers	964	340	1,726	371
Total	85,308	24,141	137,797	52,708

16. BORROWING, FINANCING AND DEBENTURES

Type	Annual interest rate - %	Company		Consolidated	
		6/30/2017	12/31/2016	6/30/2017	12/31/2016
Debentures (a)	CDI + 2.40%	34,456	43,377	34,456	43,377
Borrowing (b)	3.5%	114	157	114	157
Total		34,570	43,534	34,570	43,534
Current portion		17,874	18,462	17,874	18,462
Noncurrent portion		16,696	25,072	16,696	25,072

Maturities of noncurrent parcels are as follows, by year:

	Company and Consolidated
2018	8,362
2019	8,334
Total	16,696

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 June 30, 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 KM de Vantagens Hall in Belo Horizonte.

17. TAXES PAYABLE

	Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Tax on revenue (COFINS)	2,112	1,695	2,230	2,343
Tax on revenue (PIS)	458	367	483	506
Service tax (ISS)	1,799	1,284	2,143	1,657
Income tax and social contribution	-	-	5,453	2,249
Refis (a) (b)	284	252	166	252
Taxes on billings (c)	-	-	214	292
VAT	-	-	1,179	2,272
Tax on revenue (ICMS)	(37)	-	(186)	-
Third-party social security tax (INSS)	163	229	277	332
Other	116	149	309	350
Installment of taxes on foreign subsidiaries (d)	-	-	316	326
Current liabilities	4,895	3,976	12,584	10,579
Installment tax service (b)	894	935	894	935
Refis (a) (b)	3,856	3,997	3,856	3,997
Installment of taxes on foreign subsidiaries (d)	-	-	1,276	1,482
Noncurrent liabilities	4,750	4,932	6,026	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 June 30, 2017, the remaining balance was R$3,856 (R$3,997 at December, 2016). 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 June 30, 2017, these tax debts included in the tax installment plan total R$1,177 (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 June 30, 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 107 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	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Naming rights agreements (a)	14,792	3,834	14,792	3,834
Sponsorships, box sets and boxes (b.1)	8,047	6,083	22,954	15,563
Private events (b.2)	310	795	429	1,034
Advance ticket sales (c)	67,458	67,284	83,457	75,724
Equipment leasing	-	-	88	336
Current liabilities	90,607	77,996	121,720	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	6/30/2017	12/31/2016
Wicked	15 9521	18,106	-	249
Les Miserábles	16 3306	14,935	1,739	
Total		33,041	1,739	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	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Labor	7,543	6,661	8,583	7,650
Civil	14,753	14,686	15,121	15,027
Tax	180	176	432	423
Total	22,476	21,523	24,136	23,100
Noncurrent	22,476	21,523	24,136	23,100

20.1) Tax provisions

As at June 30, 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$92,201 (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 June 30, 2017, the overall amount classified as possible losses for these proceedings is approximately R$34,410.

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 June 30, 2017 the adjusted amount in dispute is R$11,978 (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 June 30, 2017, this proceeding's adjusted amount is R$5,140 (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 June 30, 2017, these two proceedings' adjusted amount is R$11,606 (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 June 30, 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 above informed.

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 June 30, 2017, the adjusted amount of debt classified as possible loss is R $ 7,531 (R$7,784 at December 31, 2016).

20.2) Provision for labor contingencies

As at June 30, 2017, the Company and its subsidiaries are parties to labor lawsuits with a possible likelihood of loss, amounting to R$10,051 (R$10,517 at December 31, 2016).

20.3) Provision for civil and other contingencies

As at June 30, 2017 the Company and its subsidiaries are involved in civil lawsuits classified as possible losses by its legal counsel amounting to R$26,796 (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 June 30, 2017 is approximately R$2,107 (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$1,076, 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 $ 2,244, 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$970, 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$316,889. 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 June 30, 2017 the amount under litigation is R$1,463 (R$1,402 at December 31,2016). According to the Company's legal counsel the likelihood of loss is possible.

As at June 30, 2017, the Company has escrow deposits amounting to R$25,033 (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	12/31/2016	Provision (reversal)	Inflation adjustment	6/30/2017
Labor	6,661	237	645	7,543
Civil	14,686	(9)	76	14,753
Tax	176	-	4	180
Total	21,523	228	725	22,476

Consolidated	12/31/2016	Provision (reversal)	Inflation adjustment	Effects of exchange variation	6/30/2017
Labor	7,650	230	713	(10)	8,583
Civil	15,027	13	90	(9)	15,121
Tax	423	-	9	-	432
Total	23,100	243	812	(19)	24,136

21. OTHER OBLIGATIONS

Refers sub-substancially to amounts to be passed on to third party events.

22. SHAREHOLDERS EQUITY

a) Capital

As at June 30, 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.

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 32).

g) Actions in Treasury

On November 8, 2017, the Board of Directors authorized, for 18 months period, the buy back of up to 2,000,000 Company shares into treasury for subsequent sale or cancelation ("Share Buyback Program" or "Program").

23. NET REVENUE

	Company			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Gross revenue:				
Services	143,744	256,280	80,363	326,845
Products	223	406	706	1,092
Taxes levied	(18,822)	(33,902)	(10,196)	(42,697)
Net revenue	125,145	222,784	70,873	285,240

	Consolidated			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Gross revenue:				
Services	186,951	330,910	241,754	611,575
Products	5,251	14,912	5,406	18,684
Taxes levied	(21,294)	(37,397)	(23,625)	(72,736)
Net revenue	170,908	308,425	223,535	557,523

24. COSTS AND EXPENSES BY NATURE

a) Expenses by nature

	Company			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Employee benefit expenses (note 25)	(5,721)	(13,007)	(5,667)	(12,270)
Outside services	(4,880)	(9,689)	(5,364)	(10,161)
Utilities and facilities	(305)	(615)	(255)	(536)
Reversal (constitution) of allowance for doubtful accounts	1	(7)	(16)	384
Other operating expenses	(285)	(665)	(1,016)	(2,094)
Operating expenses	(11,190)	(23,983)	(12,318)	(24,677)
Selling expenses	(91)	(346)	(303)	(716)
General and administrative expenses	(9,839)	(19,579)	(9,787)	(19,171)
Management compensation (note n° 12.2)	(1,260)	(4,058)	(2,228)	(4,790)
Total expenses by nature	(11,190)	(23,983)	(12,318)	(24,677)

	Consolidated			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Employee benefit expenses (note 25)	(9,307)	(19,823)	(9,878)	(20,370)
Outside services	(6,270)	(12,719)	(7,014)	(13,557)
Utilities and facilities	(1,201)	(2,448)	(1,054)	(2,293)
Reversal (constitution) of allowance for doubtful accounts	(571)	(646)	(62)	404
Other operating expenses	(1,140)	(2,236)	(2,108)	(4,496)
Operating expenses	(18,489)	(37,872)	(20,116)	(40,312)
Selling expenses	(221)	(618)	(711)	(1,519)
General and administrative expenses	(16,730)	(32,226)	(16,991)	(33,306)
Management compensation (note n° 12.2)	(1,538)	(5,028)	(2,414)	(5,487)
Total expenses by nature	(18,489)	(37,872)	(20,116)	(40,312)

b) Cost by nature:

	Company			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Performers' fees, copyrights and agency fees	(50,299)	(84,512)	(21,467)	(141,190)
Transportations and leases	(10,474)	(22,888)	(12,012)	(35,080)
Third-part services	(15,508)	(24,133)	(6,995)	(23,113)
Travel and commuting	(2,605)	(4,060)	(2,375)	(3,917)
Utilities and facilities	(7,012)	(13,955)	(5,343)	(11,354)
Media and advertising	(5,215)	(8,915)	(3,209)	(7,175)
Depreciation and amortization	(912)	(2,166)	(1,552)	(2,894)
Employee benefit expenses (note 25)	(990)	(1,559)	(1,038)	(2,216)
Production costs	(6,048)	(12,552)	(3,687)	(20,881)
Total	(99,063)	(174,740)	(57,678)	(247,820)

	Consolidated			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Performers' fees, copyrights and agency fees	(57,827)	(101,014)	(63,408)	(215,071)
Transportations and leases	(14,730)	(29,497)	(18,009)	(45,304)
Third-part services	(20,188)	(32,322)	(16,980)	(46,727)
Travel and commuting	(3,248)	(4,793)	(4,161)	(6,739)
Utilities and facilities	(8,533)	(16,335)	(9,266)	(19,147)
Media and advertising	(7,178)	(11,431)	(6,946)	(12,285)
Depreciation and amortization	(2,234)	(4,850)	(3,090)	(5,989)
Employee benefit expenses (note 25)	(2,286)	(4,430)	(3,126)	(6,624)
Production costs	(19,713)	(40,054)	(62,803)	(120,488)
Total	(135,937)	(244,726)	(187,789)	(478,374)

25. EXPENSES ON EMPLOYEE

	Company			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Payroll and bonuses	(3,135)	(5,746)	(3,315)	(6,523)
Vacation pay	(310)	(913)	(319)	(906)
13th salaries	(238)	(444)	(240)	(455)
Payroll taxes	(1,190)	(2,592)	(1,428)	(2,872)
Profit sharing - bonuses	(806)	(2,894)	(356)	(1,978)
Share-based payments	(155)	(346)	(172)	(252)
Other employee benefits (i)	(877)	(1,631)	(875)	(1,500)
Total expenses on employee benefits	(6,711)	(14,566)	(6,705)	(14,486)
Benefits classified as cost of services	(990)	(1,559)	(1,038)	(2,216)
Benefits classified as general and administrative expenses	(5,721)	(13,007)	(5,667)	(12,270)
Total	(6,711)	(14,566)	(6,705)	(14,486)

	Consolidated			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Payroll and bonuses	(6,623)	(12,314)	(7,924)	(15,440)
Vacation pay	(422)	(1,271)	(450)	(1,294)
13th salaries	(399)	(765)	(405)	(811)
Payroll taxes	(2,110)	(4,315)	(2,511)	(5,116)
Profit sharing - bonuses	(806)	(2,951)	(355)	(2,037)
Share-based payments	(155)	(346)	(173)	(253)
Other employee benefits (i)	(1,078)	(2,291)	(1,186)	(2,044)
Total expenses on employee benefits	(11,593)	(24,253)	(13,004)	(26,995)
Benefits classified as cost of services	(2,286)	(4,430)	(3,126)	(6,624)
Benefits classified as general and administrative expenses	(9,307)	(19,823)	(9,878)	(20,370)
Total	(11,593)	(24,253)	(13,004)	(26,994)

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

26. FINANCIAL INCOME (EXPENSES)

	Company			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Financial expenses:				
Interest payable	(230)	(400)	(264)	(524)
Tax on financial transactions (IOF)	(177)	(334)	(16)	(139)
Net losses on swap transaction	-	(669)	-	(458)
Interest on debentures	(1,048)	(2,605)	(1,990)	(3,986)
Other	(1,189)	(2,193)	(672)	(1,626)
Total	(2,644)	(6,201)	(2,942)	(6,733)

	Consolidated			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Financial expenses:				
Interest payable	(1,268)	(2,155)	(3,234)	(4,136)
Tax on financial transactions (IOF)	(987)	(1,486)	(1,295)	(2,928)
Net losses on swap transaction	-	(669)	-	(458)
Interest on debentures	(1,048)	(2,605)	(1,990)	(3,986)
Other	(530)	(1,037)	(348)	(1,152)
Total	(3,833)	(7,952)	(6,867)	(12,660)

	Company			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Financial income:				
Interest receivable	-	202	386	432
Income from short-term investments	1,445	3,851	1,443	4,110
Other	95	134	325	625
Total	1,540	4,187	2,154	5,167

	Consolidated			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Financial income:				
Interest receivable	751	1,285	1,959	2,549
Income from short-term investments	2,149	5,331	2,281	10,538
Other	59	101	26	43
Total	2,959	6,717	4,266	13,130

	Company			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Exchange variation, net:				
Losses	(1,649)	(2,595)	(6,796)	(17,541)
Gains	661	2,473	5,388	15,600
Inflation adjustments, net:				
Losses	(39)	(82)	(68)	(147)
Gains	(211)	736	493	950
Total	(1,238)	532	(983)	(1,138)

	Consolidated			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Exchange variation, net:				
Losses	(1,702)	(6,510)	(4,882)	(19,985)
Gains	719	6,262	529	10,411
Inflation adjustments, net:				
Losses	(46)	(95)	(72)	(158)
Gains	37	1,213	748	1,418
Total	(992)	870	(3,677)	(8,314)

27. OTHER OPERATING INCOME (EXPENSES), NET

	Company			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Provision for tax, civil and labor risks	394	(237)	(907)	(884)
Loss on write-off of property, plant and equipment	(7)	(7)	28	23
Other operating income (expense), net	(4)	(10)	628	747
Total	383	(254)	(251)	(114)

	Company		Consolidated	
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Provision for tax, civil and labor risks	(181)	(880)	(3,003)	(4,539)
Loss on write-off of property, plant and equipment	(50)	(49)	10	5
Other operating income (expense), net	387	1,279	888	1,243
Total	156	350	(2,105)	(3,291)

28. INCOME TAX AND SOCIAL CONTRIBUTION

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

	Company			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Deferred IRPJ and CSLL	(4,481)	(7,735)	322	(3,509)
Total	(4,481)	(7,735)	322	(3,509)

	Consolidated			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Current income tax expense	(2,962)	(5,273)	(3,406)	(4,990)
Current social contribution expense	(74)	(277)	(87)	(229)
Deferred IRPJ and CSLL	(4,581)	(7,299)	(587)	(8,853)
Total	(7,616)	(12,849)	(4,080)	(14,072)

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

	Company			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Profit (loss) before IRPJ and CSLL	12,429	21,622	3,206	17,740
Statutory rate	34%	34%	34%	34%
Income tax and social contribution benefit (expense) at statutory rate	(4,226)	(7,351)	(1,090)	(6,032)
Effect of income tax and social contribution on:				
Nondeductible fines and expenses	(19)	(27)	(8)	(49)
Share of profits of subsidiaries	(171)	(239)	1,479	2,657
Share-based payment plan	(53)	(118)	(59)	(86)
Others	(12)	-	-	-
Income tax and social contribution benefit (expense)	(4,481)	(7,735)	322	(3,509)
Percentage of effective rate	36%	36%	-10%	20%

	Consolidated			
	4/1/17 to 6/30/17	1/1/17 to 6/30/17	4/1/16 to 6/30/16	1/1/16 to 6/30/16
Profit (loss) before IRPJ and CSLL	14,772	25,812	7,247	27,702
Statutory rate	34%	34%	34%	34%
Income tax and social contribution benefit (expense) at statutory rate	(5,022)	(8,776)	(2,464)	(9,419)
Effect of income tax and social contribution on:				
Nondeductible fines and expenses	(18)	(30)	(35)	(164)
Offset of tax loss carryforwards and temporary differences	(938)	(762)	(376)	(2,183)
Subsidiary taxed based on the deemed income	378	648	200	769
Subsidiary taxed abroad	(1,963)	(3,811)	(1,346)	(2,989)
Share-based payment plan	(53)	(118)	(59)	(86)
Income tax and social contribution benefit (expense)	(7,616)	(12,849)	(4,080)	(14,072)
Percentage of effective rate	52%	50%	56%	51%

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:

	12/31/16	Recognized in Income Statement for 1/4/2017 to 6/30/17	Variation	6/30/17
Company				
Deferred tax assets on:				
Noncurrent:				
Goodwill arising on mergers (note 13.b)	14,318	(4,035)	(8,070)	6,248
Allowance for doubtful accounts	78	2	2	80
Provision for tax, civil and labor risks	7,318	253	324	7,642
Income tax loss carryforwards	34,500	(1,046)	28	34,528
Social contribution tax loss carryforwards	13,298	(377)	10	13,308
Revaluation reserve for property, plant and equipment	(763)	10	20	(743)
Other provisons	1,745	714	(48)	1,697
Total net assets	70,494	(4,479)	(7,734)	62,760

Consolidated	12/31/16	Recognized in Income Statement for 1/4/2017 to 6/30/17	Variation	Recognized in other comprehensive income	6/30/17
Deferred tax assets on:					
Noncurrent:					
Goodwill arising on mergers (note 13b)	14,318	(4,035)	(8,070)	-	6,248
Allowance for doubtful accounts	141	5	(59)	1	84
Provision for tax, civil and labor risks	7,531	241	100	5	7,636
Income tax loss carryforwards	34,500	(1,432)	(29)	-	34,471
Social contribution tax loss carryforwards	13,298	(377)	10	-	13,308
Revaluation reserve for property, plant and equipment	(763)	10	20	-	(743)
Other provisons	4,114	1,061	785	(74)	4,824
Total assets	73,139	(4,526)	(7,244)	(68)	65,827
Deferred tax liabilities on-					
Noncurrent:					
Revaluation reserve for property, plant and equipment	(466)	37	82	-	(385)
Total net	72,673	(4,489)	(7,162)	(68)	65,443

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	
	6/30/17	12/31/16
Subsidiaries' tax loss carryforwards	30,306	26,577
Deductible temporary differences	(28)	68
	30,278	26,645
Statutory rate	34%	34%
Deferred tax assets not recognized at the end of the period	10,295	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	3,867	1,627
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	11,223	16,530
Total	62,760	65,827

29. FINANCIAL INSTRUMENTS

29.1. 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 22).

29.2. Classification of financial instruments

			Company	
Line Item	Classification (iii)	Notes	6/30/2017	12/31/2016
Debentures (i)	Other financial liabilities	16	(34,570)	(43,534)
Banks	Loans and receivables	6	9,506	1,749
Short-term investments (ii)	Loans and receivables	6	89,361	97,533
Trade receivables of related parties (iii)	Loans and receivables	12.1	19,944	15,370
Trade payavles of related parties (iii)	Other financial liabilities	12.1	(30,050)	(30,484)
Trade receivables	Loans and receivables	8	112,667	46,426
Trade payables	Other financial liabilities	15	(85,308)	(24,141)
Total exposure			81,550	62,919
Effect on net income (loss)			(4,425)	(10,552)

			Consolidated	
Line item	Classification (iii)	Notes	6/30/2017	12/31/2016
Debentures (i)	Other financial liabilities	16	(34,570)	(43,534)
Banks	Loans and receivables	6	24,262	8,989
Short-term investments (ii)	Loans and receivables	6	151,861	128,472
Trade receivables of related parties (iii)	Loans and receivables	12.1	1,719	6,436
Trade receivables	Loans and receivables	8	149,807	68,188
Trade payables	Other financial liabilities	15	(137,797)	(52,708)
Total exposure			155,282	115,843
Effect on net income (loss)			3,303	(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 26).

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).

29.3. 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 June 30, 2017, Company has not financial instruments.

As at June 30, 2017, the Company records the following foreign currency transactions in balance sheet:

			Company		Consolidated	
Line item	Classification	Currency	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Banks	Loans and receivables	US Dollars	9,506	1,749	9,506	1,749
Short-term investments	Loans and receivables	US Dollars	6,581	14,314	6,581	14,314
Loan to Peru subsidiary	Loans and receivables	US Dollars	4,898	2,103	-	-
Loan to American subsidiary	Loans and receivables	US Dollars	-	-	-	-
Loans to shareholders and foreign subsidiaries	Financial other liabilities	US Dollars	(23,244)	(22,604)	-	-
Trade payables	Financial other liabilities	US Dollars	(964)	(340)	(1,726)	(371)
Total exposure			(3,223)	(4,778)	14,361	15,692
Effect on net income (loss)			(60)	(1,309)	226	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 June 30, 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		
	Risks	6/30/17	Probable (i)	Possible (ii)	Remote (iii)
Debentures	Increase	(34,455)	(37,323)	(38,039)	(38,756)
Borrowings and financing	Increase	(114)	(118)	(118)	(120)
Short-term investments	Reduction	82,780	89,540	91,181	92,925
Net exposure		48,211	52,099	53,024	54,049

			Consolidated		
			Scenario		
	Risks	6/30/17	Probable (i)	Possible (ii)	Remote (iii)
Debentures	Increase	(34,455)	(37,256)	(37,955)	(38,658)
Borrowings and financing	Increase	(114)	(118)	(119)	(120)
Short-term investments	Reduction	145,280	171,732	178,343	184,962
Net exposure		110,711	134,358	140,269	146,184

(i) In the probable scenario the Company would have a positive result of R$3,888 and R$23,647 (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 June 30, 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$4,813 and R$29,558 (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$5,838 in a Company and a of R$35,473 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, of June 30, 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	6/30/17	Probable (i)	Possible - (ii)	Remote - (iii)
Banks	Reduction	9,506	9,482	11,853	14,224
Trade payables	Increase	(964)	(962)	(1,202)	(1,442)
Net exposure		8,542	8,520	10,651	12,782

			Consolidated		
			Scenário		
	Risks	6/30/17	Probable (i)	Possible - (ii)	Remote - (iii)
Banks	Reduction	24,262	24,202	30,252	36,303
Financial applications	Increase	6,581	6,565	8,206	9,847
Trade payables	Increase	(1,726)	(1,722)	(2,152)	(2,583)
Net exposure		29,117	29,045	36,306	43,567

(i) In the probable scenario the Company would have positive result of R$22 and R$72 (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 positive result of R$2,109 and R$7,189 (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 positive result of R$4,240 and R$14,450 (Company and consolidated, respectively).

Gains or losses on financial instruments derivatives transactions are recorded in ‘Financial (expenses) income (note 26).

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.

30. 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 June 30, 2017 and 2016, insurance coverage is as follows:

		Insured amount	
	Type	6/30/2017	12/31/2016
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	76,163	63,896
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	138,432	124,706
		214,595	188,602

31. 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 among others.

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 June 30, 2017, are broken down as follows:

	Company	Consolidated
Up to year 1	14,412	18,857
From year 2 to 5	39,621	40,829
Total	54,033	59,686

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$50,027.

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$28,713 at June 30, 2017.

32. 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	7	-
2014	1,322,000	19	-	-
2015	950,000	141	68	168
2016	488,000	413	272	808
Total	3,604,300	631	347	976

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
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 June 30, 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.

33. 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 June 30, 2017 and 2016.

	Consolidated			
	04/01/2017 to 06/30/2017			
	Event promotion	Box office, food and beverages, venues operation in venues	Sponsorships	Total
Net revenue	105,342	53,165	12,401	170,908
Costs	(98,991)	(36,946)	-	(135,937)
Gross profit	6,351	16,219	12,401	34,971
Operating expenses allocable to segments	(5,050)	(5,319)	-	(10,369)
	1,301	10,900	12,401	24,602
Administrative expenses				(7,964)
Financel income (cost)				(1,866)
Pretax income				14,772

	Consolidated			
	01/01/2017 to 06/30/2017			
	Event promotion	Box office, food and beverages, venues operation in venues	Sponsorships	Total
Net revenue	187,601	85,974	34,850	308,425
Costs	(181,220)	(63,506)	-	(244,726)
Gross (loss) profit	6,381	22,468	34,850	63,699
Operating expenses allocable to segments	(8,244)	(9,804)	-	(18,048)
	(1,863)	12,664	34,850	45,651
Administrative expenses				(19,474)
Financel income (cost)				(365)
Loss Before Income Tax and Social Contribuition				25,812

b) Geographical information

Company revenue by geographical area is broken down as follows:

	Consolidated			
	04/01/17 to 6/30/2017	01/01/17 to 6/30/2017	04/01/16 to 6/30/2016	01/01/16 to 6/30/2016
Net revenue:				
Argentina	19,551	25,475	91,847	179,139
Brasil	137,342	247,670	92,117	321,861
Chile	12,702	33,967	39,571	56,523
Peru	1,313	1,313	-	-
	170,908	308,425	223,535	557,523

	Consolidated			
	04/01/17 to 6/30/2017	01/01/17 to 6/30/2017	04/01/16 to 6/30/2016	01/01/16 to 6/30/2016
Gross profit:				
Argentina	7,615	9,399	16,212	31,750
Brasil	26,859	51,705	14,825	38,453
Chile	1,602	3,701	4,710	8,952
Peru	(1,105)	(1,106)	(1)	(6)
	34,971	63,699	35,746	79,149

	Consolidated			
	04/01/17 to 6/30/2017	01/01/17 to 6/30/2017	04/01/16 to 6/30/2016	01/01/16 to 6/30/2016
Operating (loss) profit:				
Argentina	3,919	3,424	5,686	17,580
Brasil	11,669	22,872	(1,013)	7,136
Chile	363	715	3,102	3,454
Peru	(1,200)	(1,234)	(271)	(286)
USA	21	35	(257)	(182)
	14,772	25,812	7,247	27,702

34. ADDITIONAL DISCLOSURES TO THE STATEMENTS OF CASH FLOWS

The following changes in the financial position during period ended June 30, 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 June 30, 2017, amounting to R$84 in company and R$202 on a consolidated (R$244 in company and R$266 on a consolidated on June 30, 2016).

• Changes in Rouanet Act restricted cash that does not affect cash, related to cultural projects, amounting to R$2,378 (R$6,969 at June 30, 2016).

35. EARNINGS (LOSS) PER SHARE

Basic loss per share are calculated by dividing profit (loss) 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 32).

The table below shows the calculation of earnings (loss) per share:

	Company and Consolidated			
	04/01/17 to 6/30/2017	01/01/17 to 6/30/2017	04/01/17 to 6/30/2016	01/01/16 to 6/30/2016
Profit (loss) for the period attributable to the shareholders of the Company	7,948	13,887	3,528	14,231
Number of common shares for basic earnings (loss) per share calculation purposes	67,508,165	67,508,165	69,791,465	69,791,465
Weighted average number of common shares for diluted earnings (loss) per share calculation purposes	68,398,165	68,398,165	70,731,465	70,731,465
Basic earnings (loss) per share - R$	0.1177	0.2057	0.0505	0.2039
Diluted earnings (loss) per share - R$	0.1162	0.2030	0.0499	0.2012

36. 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 August 7, 2017.

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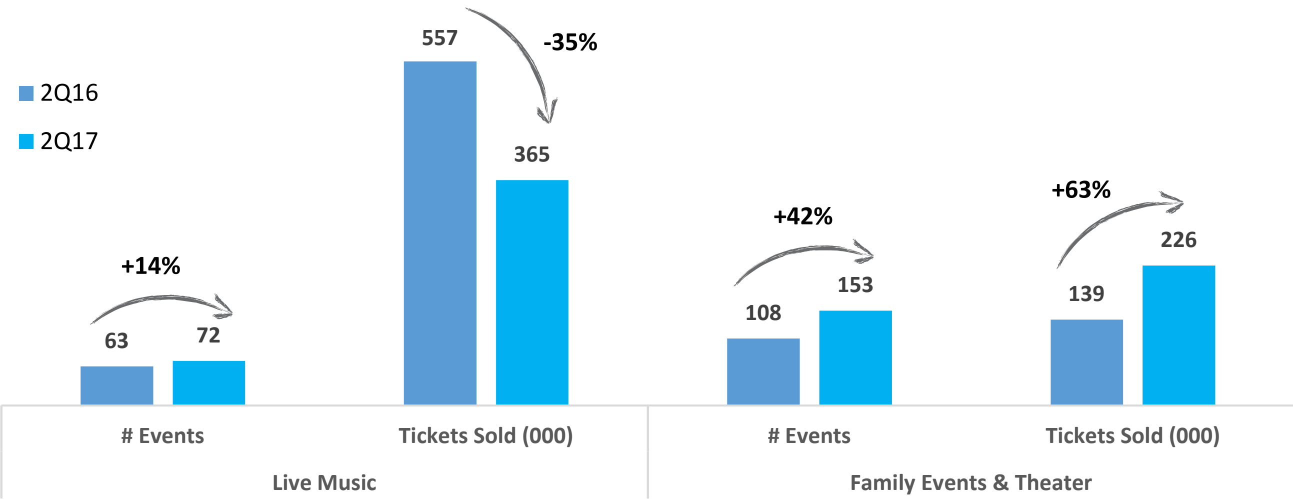
‘We report below comments on the financial statements related to the quarter ended on June 30, 2017 (2Q17). We recommend reading this material together with the Quarterly Financial Statements (“ITR”).

Comments on the Consolidated Financial Performance



Operating Indicators

In 2Q17, we promoted 225 live music, theater and family events with 591 tickets sold. Compared to 2Q16, the number of events increased 32%, but the number of tickets sold decreased 15%.

In live music, we promoted 72 concerts with 365 thousand tickets sold. Even with growth of 14% in the number of shows, we sold 35% less tickets compared to the same period last year due to the lower activity in outdoor concerts. In 2Q16, we promoted 7 shows in stadiums (Coldplay – 3x and Paul McCartney – 4x) and 56 indoor concerts, while in 2Q17 we delivered 3 shows in stadiums (Justin Bieber - 2x and Elton John & James Taylor - 1x), 3 shows in arenas (Elton John & James Taylor) and 66 indoor concerts.

In family and theater, the number of events and tickets sold increased 42% and 63%, respectively. While in 2Q16 we presented the musical Wicked and Disney on Ice (in Sao Paulo only), in 2Q17 we promoted the musical *Les Misérables*, Disney on Ice in the cities of Sao Paulo and Rio de Janeiro and the tour of Circus of China in 3 capitals in Brazil.

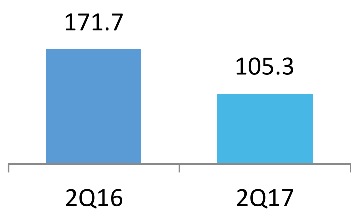
Net Revenue

Net Revenue (R$ million)	1H16	1H17	Chg. %	2Q16	2Q17	Chg. %
Events Promotion	432.7	187.6	-57%	171.7	105.3	-39%
Live Music	411.3	157.9	-62%	154.4	82.2	-47%
Family Events and Theater	19.1	26.4	39%	15.7	21.0	34%
Sports Events	2.2	3.2	44%	1.6	2.1	32%
Ticketing, F&B and Venues Operation	68.3	86.0	26%	31.2	53.2	70%
Sponsorship	56.5	34.9	-38%	20.6	12.4	-40%
Events Promotion	49.6	26.1	-47%	16.6	9.2	-45%
Ticketing, F&B and Venues Operation	6.9	8.7	26%	4.0	3.2	-20%
TOTAL	557.5	308.4	-45%	223.5	170.9	-24%

Net revenue in 2Q17 totaled R$170.9 million, down 24% from 2Q16.

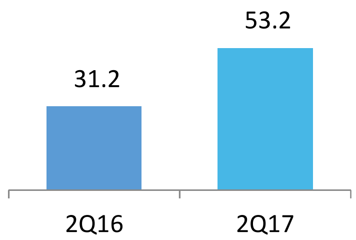
Net revenue in events promotion amounted to R$105.3 million, down 39% from 2Q16 due mainly to the lower number of stadium shows, with a consequent reduction in tickets sold and in the average ticket price. It is important to emphasize that in indoor concerts, family events, theater and sports events there was growth both in the number of tickets sold and in the average ticket price in the same categories. The reduction in the average ticket price in family events and theater is due solely to the mix of events.

Events Promotion
R$ mn



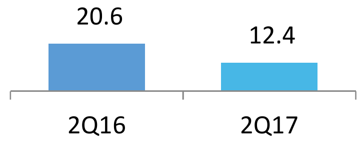
Net revenue of ticketing, F&B and venues operations increased 70% in 2Q17 compared to 2Q16, due mainly to the recognition of convenience fee over tickets sold for own and third parties future events.

Ticketing, F&B and Venues
R$ mn



Net revenue of sponsorship totaled R$12.4 million in 2Q17, down 40% from 2Q16. This reduction reflects a tough macroeconomic and political environment in Brazil, resulting in a continuous restraint of marketing budgets of the main companies.

Sponsorship
R$ mn



Gross Profit

Gross Profit (R$ million)	1H16	1H17	Chg. %	2Q16	2Q17	Chg. %
Events Promotion	11.7	6.4	-46%	10.6	6.4	-40%
Ticketing, F&B and Venues Operation	10.9	22.5	106%	4.5	16.2	261%
Sponsorship	56.5	34.9	-38%	20.6	12.4	-40%
Gross Profit	79.1	63.7	-20%	35.7	35.0	-2%
Gross Margin (%)	*14.2%*	*20.7%*	*6.5 p.p.*	*16.0%*	*20.5%*	*4.5 p.p.*

Gross profit reached R$35.0 million in 2Q17, in line with 2Q16, but with margin gain of 4.5 percentage points.
The lower result in event promotion and sponsorship was offset by the better result in ticketing operation due to the sale of tickets for own and third parties shows, which will be promoted in 2H17.

Operating Expenses (Revenue)

SG&A (R$ million)	1H16	1H17	Chg. %	2Q16	2Q17	Chg. %
Sales	(1.5)	(0.6)	-59%	(0.7)	(0.2)	-69%
General and Administrative	(33.3)	(32.2)	-3%	(17.0)	(16.7)	-2%
Management Compensation	(5.5)	(5.0)	-8%	(2.4)	(1.5)	-36%
SG&A	(40.3)	(37.9)	-6%	(20.1)	(18.5)	-8%
Other Operating Revenues (Expenses)	(3.3)	0.4	-111%	(2.1)	0.2	-107%
Total	(43.6)	(37.5)	-14%	(22.2)	(18.3)	-17%
% Total/Net Revenue	*7.8%*	*12.2%*	*4.3 p.p.*	*9.9%*	*10.7%*	*0.8 p.p.*

The Company's commitment to maintaining a lean and efficient structure is reflected in the reduction of 8% in SG&A and in management compensation in 2Q17. The total reduction of 17% reflects the provision of non-recurring contingencies in 2Q16.

EBITDA

EBITDA Reconciliation (R$ million)	1H16	1H17	Chg. %	2Q16	2Q17	Chg. %
Net Result	13.6	13.0	-5%	3.2	7.2	126%
(+) Income Tax and Social Contribution	14.1	12.8	-9%	4.1	7.6	87%
(+) Net Financial Result	7.8	0.4	-95%	6.3	1.9	-70%
(+) Depreciation	6.0	4.9	-19%	3.1	2.2	-27%
=EBITDA	41.5	31.0	-25%	16.6	18.9	14%
EBITDA Margin (%)	*7.4%*	*10.1%*	*2.6 p.p.*	*7.4%*	*11.0%*	*3.6 p.p.*

As a consequence of the aforementioned reasons, EBITDA in 2Q17 amounted to R$18.9 million with EBITDA margin of 11%, up 3.6 percentage points from 2Q16.

Financial Result

Financial Result (R$ million)	1H16	1H17	Chg. %	2Q16	2Q17	Chg. %
Financial Income	13.1	6.7	-49%	4.3	3.0	-31%
Interest Income	2.5	1.3	-50%	2.0	0.8	-62%
Income over Financial Investments	10.5	5.3	-49%	2.3	2.2	-6%
Others	0.0	0.1	135%	0.0	0.1	127%
Financial Expenses	(12.7)	(8.0)	-37%	(6.9)	(3.8)	-44%
Interest Cost	(4.1)	(2.2)	-48%	(3.2)	(1.3)	-61%
Interests with Borrowings - Debentures	(4.0)	(2.6)	-35%	(2.0)	(1.0)	-47%
Losses with Swap Operations	(0.5)	(0.7)	46%	-	-	n.a.
Tax on Financial Transactions	(2.9)	(1.5)	-49%	(1.3)	(1.0)	-24%
Taxes and Others	(1.2)	(1.0)	-10%	(0.3)	(0.5)	52%
Exchange Variance	(8.3)	0.9	-110%	(3.7)	(1.0)	-73%
Net Financial Result	(7.8)	(0.4)	-95%	(6.3)	(1.9)	-70%

In 2Q17, net financial result was negative in R$1.9 million versus R$6.3 million in 2Q16. The improvement in the net financial result is a consequence of the lower indebtedness and of a lower negative result in the exchange variation of our hedging instruments.

Net Income

Net Income (R$ million)	1H16	1H17	Chg. %	2Q16	2Q17	Chg. %
Result Before Taxes	27.7	25.8	-7%	7.2	14.8	104%
(-) Income Tax and Social Contribution (Current)	(5.2)	(5.6)	6%	(3.5)	(3.0)	-13%
(-) Income Tax and Social Contribution (Deferred)	(8.9)	(7.3)	-18%	(0.6)	(4.6)	680%
Net Income	13.6	13.0	-5%	3.2	7.2	126%
Net Margin (%)	*2.4%*	*4.2%*	*1.8 p.p.*	*1.4%*	*4.2%*	*2.8 p.p.*

As a consequence of the aforementioned reasons, the quarter ended in June 30, 2017, posted net income of R$7.2 million, up 126% from 2Q16 with margin gain of 2.8 p.p.

Working Capital

Working Capital (R$ million)	2Q16	1Q17	2Q17	Chg. % (2Q17/1Q17)
Assets	117.6	169.6	230.5	36%
Accounts Receivable	68.7	90.9	149.8	65%
Inventories	2.3	1.8	1.7	-2%
Advances to Suppliers and Anticipated Costs	46.6	77.0	79.0	3%
Liabilities	153.1	193.3	259.5	34%
Accounts Payable (Suppliers)	87.0	80.7	137.8	71%
Advances from Clients	66.2	112.6	121.7	8%
Net Working Capital	(35.6)	(23.7)	(29.0)	22%

In 2Q17, we posted negative working capital of R$29.0 million versus R$23.7 million in 1Q17 and R$35.6 million in 2Q16. The maintenance of negative working capital is a consequence mainly of 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)	1H16	1H17	Chg. %	2Q16	2Q17	Chg. %
Operating Cash Flow	(105.8)	52.0	-149%	(39.8)	52.5	-232%
Investment Cash Flow	(2.4)	6.2	-358%	(1.1)	(4.1)	279%
Financing Cash Flow	(15.1)	(13.3)	-12%	(7.7)	(2.5)	-67%
Exchange Variance	5.3	1.6	-70%	(1.0)	1.4	-232%
Increase (Reduction) in Cash and Equivalents	(118.0)	46.4	-139%	(49.7)	47.2	-195%
Balance in Cash and Financial Investments	121.1	176.1	45%	121.1	176.1	45%
Borrowings and Financing - Short Term	18.8	17.9	-5%	18.8	17.9	-5%
Borrowings and Financing - Long Term	33.4	16.7	-50%	33.4	16.7	-50%
Total Indebtedness	52.3	34.6	-34%	52.3	34.6	-34%
Net Cash (Debt)	68.8	141.6	106%	68.8	141.6	106%

We ended 2Q17 with R$176.1 million in cash (R$179.5 million including restricted cash) versus R$125.8 million in 1Q17 and R$121.1 million in 2Q16:

- Operating cash: we generated R$52.5 million in 2Q17. The conversion of operating cash equivalent to 2.8x EBITDA of the period is a result mainly of the sale of tickets for own and third parties events that will be promoted in 2H17.

- Investments: we consumed R$4.1 million (i) in the withdrawal of R$3.2 million of the investment in structured note indexed in US dollar and (ii) in maintenance capex of R$949 thousand.

- Financing: we spent R$2.5 million, of which R$6.3 million were spent through dividend payment and R$3.8 million received from related parties.

We thus concluded 2Q17 with: (i) total indebtedness of R$34.6 million (-34% vs. 2Q16) and (ii) net cash of R$141.6 million (+106% vs. 2Q16).

Events Pipeline

- **Live Music**

Outdoor

In stadiums: in August, we will promote 2 concerts of Marc Anthony in Lima and Arequipa and in October we will promote 4 concerts of Paul McCartney in Sao Paulo, Porto Alegre, Belo Horizonte and Salvador, in addition to Villa Mix Festival in Sao Paulo.

In arenas: in December, we will promote the tour of Deep Purple & Lynyrd Skynyrd (5x) in Sao Paulo, Rio de Janeiro, Curitiba, Buenos Aires and Santiago and in December the tour of Jamiroquai (2x) in Buenos Aires and Santiago.

Indoor

In indoor music, we have already scheduled more than 100 concerts for 2H17, including important international and national artists like: Hanson, Lindsey Stirling, David Garrett, The Wailers, Fifth Harmony, André Rieu, Maluma, Ricardo Arjona, Tini, Sou Luna, Nicky Jam, Trinca de Ases (Gal Costa, Gilberto Gil and Nando Reis), Roupa Nova, Maria Bethânia, Fábio Júnior, Marília Mendonça, among others.

- **Family Events and Theater**

In 2H17, we will continue to present the musical *Les Misérables* at Teatro Renault and, in September, the great success of the Brazilian cinema *2 Filhos de Francisco* will premiere as a musical at Teatro Cetip.

In October, we will hold 8 performances of the Harlem Globetrotters in the cities of Sao Paulo, Rio de Janeiro and Belo Horizonte.

- **Sports Events**

In 2H17, we will promote 8 of the 12 stages of Stock Car, 5 of the 8 races of Copa Petrobras de Marcas and of Campeonato Brasileiro de Turismo and 6 of the 8 stages of Mercedes-Benz Challenge.