Earnings Release - 3Q17

São Paulo, November 14, 2017: Contax Participações S.A. ("Company", "Liq") (B3: CTAX3) announces today the results for the third quarter of 2017. The financial information in this report was prepared in accordance with the International Financial Reporting Standards ("IFRS") and the accounting practices adopted in Brazil, including the Brazilian Corporate Law and the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities and Exchange Committee ("CVM") applicable to the Company's operations.

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Conference Call in Portuguese
November 16, 2017

Schedule:
10:00 a.m. (Brasília) / 7:00 a.m. (US EST)

Connection Number:
+55 (11) 3127-4971 or 3728-5791

Code: Liq

Webcast: click here

Replay: Available until November 21, 2017
Access Number: +55 (11) 3127-4999
Code: 24794917

HIGHLIGHTS

- ✓ **Strategic re-positioning** of the Company, with the launch of the **LIQ** brand, consolidating the Company as the only one in the market offering **all-line** solutions (physical, voice and digital);
- ✓ **Negotiation of new terms and conditions for the financial debt** building bases for improvement of the capital structure, with the extension of the commitments;
- ✓ **Integrated customer experience solutions** - higher value-added services increased from 29% in 3Q16 to 34% in 3Q17 **(+5.0 p.p.)**;
- ✓ **Growth of 37% in Promotional/Trade Marketing services** in **3Q17** compared to 3Q16, reflecting our exclusive value proposition;
- ✓ **Acquisition of five new clients in 2017**, four of which in the services sector, promoting greater diversification of the base and reducing dependence on large clients;
- ✓ **Maintenance of the efficiency improvement process**, with consistent reduction of costs:

  Reduction of 15% in the total number of operators compared to 3Q16;

  A 46% decrease in **SG&A expenses**[1] in 9M17 over 9M16;

  A drop of 4.8 p.p. in **SG&A**, from **12.9%** in **9M16** to **8.1% in 9M17 of NOR.**
- ✓ **Adjusted EBITDA** of R$(10.7) million in **9M17**, compared to R$(29.5) million in 9M16;
- ✓ **NOR of R$419.5 million in 3Q17**, compared to R$442.7 million in the previous quarter.

[1] Excluding depreciation and amortization

1. Message from Management

Contax and Ability have updated their brand strategy and have become LIQ, the only company in the market to operate throughout the consumers' relationship journey, offering on-line and off-line solutions. The re-positioning that culminated with the brand's change reflects the organizational changes that have been implemented in the Company, such as the ownership simplification process with the incorporation of Ability and Todo!, the creation of the Innovation Department and the operational and financial recovery, building bases for significant improvement of the capital structure.

The Company has updated its positioning and vision of the future to follow the market evolution. Given the current environment, the consumer assumes the leading role in consumer relations, increasingly demanding and connected. The brand definition is a neologism created from the contraction of the word "liquid". A short, modern and disruptive name that enhances the Company's adaptability, fluidity and dynamism. The Liq brand adopts a new visual identity where connection lines link all the letters in a fluid way.

The re-positioning process involves the whole Company, with a change of culture, values and mindset. The new brand reflects Liq's essence and value proposition, and one of its main characteristics: adaptability. A company that perfectly fits the needs of its clients and, therefore, occupies new spaces. The Company challenges itself daily to build truly relevant brand experiences, using technology and omnichannel services as tools. Through an all-line approach, integrating voice, face-to-face and digital services, Liq is the only company in the sector that is present throughout the consumer's journey.

Liq operates in the evolution of relationships by using technology. The Company has a dynamic and open approach to changes. Liq presents itself as a benchmark in the market, with the goal of implementing intelligent connections that enable the analysis of the millions of all-line interactions with the consumer.

The brand was launched at CONAREC, the largest networking event between companies and clients. At the event, Liq was recognized with 3 awards: company that has made a difference in the Contact Center sector in the last 15 years, Technology Management, and our CEO, Nelson Armbrust, was awarded as an executive who makes the difference in the industry. Liq has already entered the market as a benchmark in the sector.

Net Operating Revenue (NOR)'s growth in the Promotional and Trade Marketing segment reflects the Company's new positioning. Promotional and Trade Marketing solutions include integrated omnichannel solutions that comprise physical and digital services. NOR from Promotional and Trade Marketing services increased by 37.3% in 3Q17 when compared to the same period of the previous year, which partially offset the drop in NOR from Contact Center services, NOR stood at R$419.5 million in 3Q17, 12.2% down on 3Q16.

The new positioning reflects the structural changes that took place as a result of the operational recovery started in 2016. Large-scale actions were carried out, such as the readjustment of the Contact Center segment's operating capacity, as well as the reduction of the operational site base and the renegotiation of contracts with suppliers.

The structured actions focused on the operational recovery contributed to the consistent reduction of costs and expenses. In 9M17, Cost of Rendered Services (excluding contingencies) dropped by R$130 million compared to the same period of the previous year. General and Administrative Expenses decreased by R$89 million in 9M17, as a result of the revision in the administrative structure adopted as of 2016.

Financial recovery actions aiming at the improvement of the Capital Structure are in progress. The Company has obtained approval for the extension of the financial debt, as resolved at the Debenture Holders' meetings. The bonds will mature in 2030, with a two-year grace period for the early payment of interest and three-year grace period for the early payment of the principal amount. Negotiations with creditors are in the final stage of approval and give the Company some room to maneuver by preserving cash, supporting the Company's future investment capacity.

The issuance of new debentures will allow the reduction of part of the Company's current indebtedness and will bring the possibility of converting debt into shares, at the discretion of the debenture holders. The renegotiation is subject to approval by other financial creditors of the Company.

Liq aims to consolidate itself as an exclusive all-line player by being recognized as the best alternative for companies that want to improve their relationship with customers. Liq creates intelligent connections that help improving the relationship between the brands and their customers. This view is based on essential business sustainability pillars: Innovation, Operating Quality and Efficiency with the commitment to maintain Financial Discipline in the Company's operations.

1. Operating and Financial Indicators

In the charts below we present the numbers without depreciation, for EBITDA purposes. In Attachment II, we present the consolidated Income Statement pursuant to IFRS, considering depreciation.

Financial Indicators (R$ million)	3Q17	3Q16	2Q17	3Q17 vs. 3Q16	3Q17 vs. 2Q17	9M17	9M16	9M17 vs. 9M16
Net Operating Revenue	419.5	477.9	442.7	-12.2%	-5.2%	1,307.8	1,513.2	-13.6%
Gross Income	6.0	69.0	20.5	-91.3%	-70.6%	49.6	179.3	-72.3%
Gross Margin	1.4%	14.4%	4.6%	-13.0 p.p.	-3.2 p.p.	3.8%	11.9%	-8.1 p.p.
EBITDA	(34.0)	212.8	6.2	-116.0%	-652.0%	(36.2)	163.7	-122.1%
EBITDA Margin	-8.1%	44.5%	1.4%	-52.6 p.p.	-9.5 p.p.	-2.8%	10.8%	-13.6 p.p.
EBIT	(61.5)	168.0	(21.3)	-136.6%	188.7%	(119.7)	49.4	-342.3%
EBIT Margin	-14.7%	35.1%	-4.8%	-49.8 p.p.	-9.8 p.p.	-9.2%	3.3%	-12.4 p.p.
Net Income (Loss)	(107.6)	(54.4)	(100.4)	97.6%	7.2%	(286.1)	(187.1)	52.9%
Net Margin	-25.7%	-11.4%	-22.7%	-14.3 p.p.	-3.0 p.p.	-21.9%	-12.4%	-9.5 p.p.
Net Debt	1,352.3	1,055.8	1,323.2	28.1%	2.2%	1,352.3	1,055.8	28.1%
Capex	7.0	5.5	5.3	26.6%	32.6%	17.9	12.1	48.2%
Capex/NOR - %	1.7%	1.2%	1.2%	0.5 p.p.	0.5 p.p.	1.4%	0.8%	0.6 p.p.

ADJUSTED

Financial Indicators (R$ million)	3Q17	3Q16	2Q17	3Q17 vs. 3Q16	3Q17 vs. 2Q17	9M17	9M16	9M17 vs. 9M16
Net Operating Revenue	419.5	477.9	442.7	-12.2%	-5.2%	1,317.4	1,513.2	-12.9%
Gross Income	6.0	69.0	20.5	-91.3%	-70.6%	59.2	179.3	-67.0%
Gross Margin	1.4%	14.4%	4.6%	-13.0 p.p.	-3.2 p.p.	4.5%	11.9%	-7.4 p.p.
EBITDA	(3.1)	11.4	(8.8)	n.m.	-64.4%	(10.7)	(29.5)	-63.8%
EBITDA Margin	-4.1%	2.4%	1.4%	-6.5 p.p.	-5.5 p.p.	-0.7%	-1.9%	1.2 p.p.
EBIT	(44.6)	(33.4)	(21.3)	33.3%	109.5%	(93.2)	(152.0)	-38.7%
EBIT Margin	-10.6%	-7.0%	-4.8%	-3.6 p.p.	-5.8 p.p.	-7.1%	-10.0%	3.0 p.p.

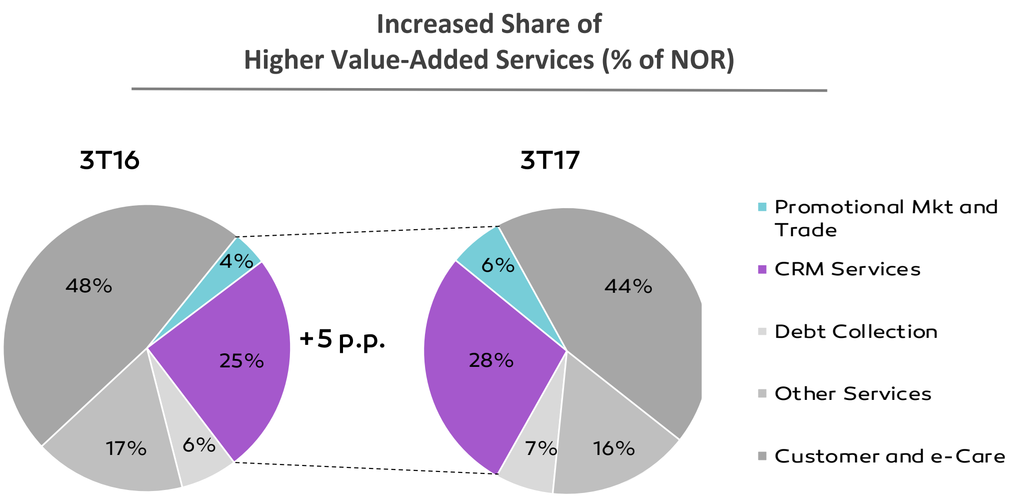
Operating Indicators	3Q17	3Q16	2Q17	3Q17 vs. 3Q16	3Q17 vs. 2Q17
Workstations Installed	26,140	31,442	27,592	-16.9%	-5.3%
Employees	48,375	56,263	51,278	-14.0%	-5.7%
Contact Center	44,246	52,138	47,143	-15.1%	-6.1%
Promotional and Trade Marketing	1,508	1,333	1,447	13.1%	4.2%
TIC	145	231	162	-37.2%	-10.5%
Administrative	2,476	2,561	2,526	-3.3%	-2.0%

2. Net Operating Revenue

Net Operating Revenue (NOR)'s growth in the **Promotional and Trade Marketing** segment reflects the evolution of the Company's positioning, increasing the capacity to operate **throughout the consumer's journey**, offering **all-line solutions** that include **face-to-face services. NOR** from Promotional and Trade Marketing services increased by **37.3%** in **3Q17** over 3Q16, and by 1.5% over 2Q17. These services feature, in general, higher margins and potential for incremental revenue generation with cross-selling and up-selling actions.

The increase in revenue from Promotional and Trade Marketing services partially offset the drop in revenues from the Contact Center & BPO segment. In **3Q17**, the Company recorded **NOR of R$419.5 million**, 12.2% down on 3Q16 and 5.2% down on 2Q17. In the quarterly and annual comparison, the reduction of NOR is mainly related to the new service levels demanded by clients.

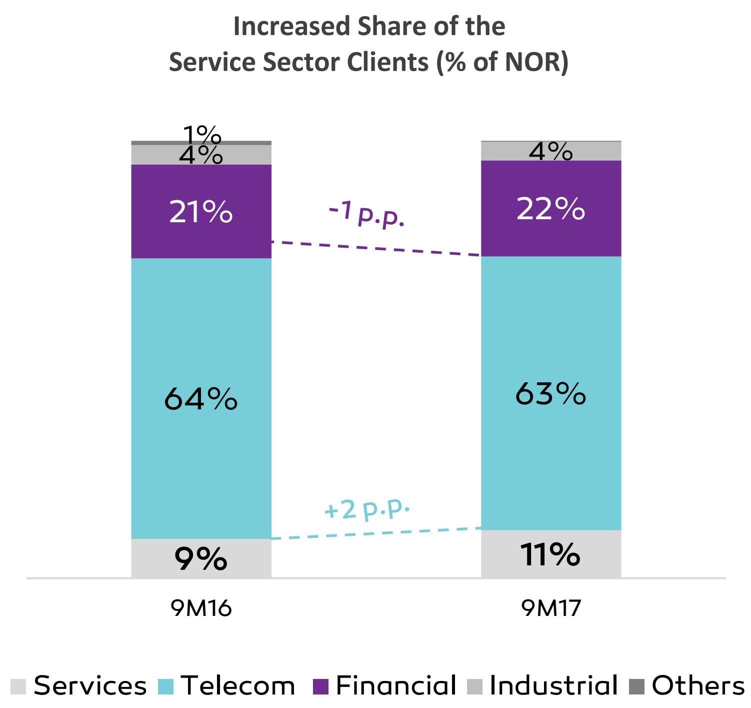
(R$ million)	3Q17	3Q16	2Q17	3Q17 vs. 3Q16	3Q17 vs. 2Q17	9M17	9M16	9M17 vs. 9M16
Brazil	**419.5**	**477.9**	**442.7**	**-12.2%**	**-5.2%**	**1,307.8**	**1,513.1**	**-13.6%**
Contact Center & BPO	393.8	459.2	417.4	-14.2%	-5.7%	1,235.7	1,444.6	-14.5%
Customer and e-Care	183.3	227.9	194.8	-19.6%	-5.9%	579.3	713.6	-18.8%
CRM Services	116.5	118.9	128.2	-2.0%	-9.2%	369.8	355.6	4.0%
Debt Collection	27.6	30.5	27.1	-9.7%	1.5%	81.0	93.7	-13.6%
Other Services	66.5	82.0	67.2	-18.9%	-1.1%	205.7	281.7	-27.0%
Promotional and Trade Marketing	25.7	18.7	25.3	37.3%	1.4%	72.0	68.5	5.1%



We highlight below the remaining points that influenced the change in revenue:

(i) ***Contact Center:*** reduction of 13.8% in revenue versus 3Q16 and 6.0% compared to 2Q17, led mostly by the decrease in the volume of voice services demanded from clients in the telecommunications sector. Such declines were partially offset by an increase in revenue from CRM Services compared to 3Q16.

(ii) ***Promotional and Trade Marketing:*** growth of 37.3% in 3Q17 versus 3Q16 and of 1.4% compared with the prior quarter. This result reflects the acquisition of new clients in the retail sector and a new operation at an important player in Telecommunications, demonstrating the Company's capacity to act in different relationship channels, such as face-to-face, digital or voice services (All-Line strategy).



The increased share of the Service sector clients in NOR in 9M17 indicates the Company's positioning evolution, which seeks to diversify its operations with All-Line solutions (Voice, Digital and Face-to-face) for several sectors, acting in all customer service stages. Of the **five new clients acquired** in **9M17**, four are in the service sector.

3. Gross Income and Cost of Rendered Services

The continuous reduction in the Company's main cost lines is due to **consistent** results regarding the operational turnaround. The readjustment of the Contact Center & BPO segment's operating capacity, large-scale initiatives such as the renegotiation and adoption of new supply contract models, as well as the reduction of the operational site base, contributed to the improvement in the operations' profitability.

As a result, **Costs of Rendered Services** (excluding contingencies) **fell by R$130 million 9M17**, or **10.1%** compared to 9M16. Despite the reduction in the main cost lines, Gross Income (excluding labor contingencies), decreased by 34.9% in 9M17 compared to 9M16, led by the decline in NOR in the period. Gross margin was 10.6% in 9M17, lower by 3.5 p.p. compared to the same period of the previous year.

In the charts below we present the numbers without depreciation, for EBITDA purposes and reclassification between group costs and expenses for better presentation. In Attachment II, we present the consolidated Income Statement pursuant to IFRS, considering depreciation.

(R$ million)	3Q17	3Q16	2Q17	3Q17 vs. 3Q16	3Q17 vs. 2Q17	9M17	9M16	9M17 vs. 9M16
Net Operating Revenue	**419.5**	**477.9**	**442.7**	**-12.2%**	**-5.2%**	**1,307.8**	**1,513.2**	**-13.6%**
Cost of rendered services ex-labor contingencies	(375.8)	(398.5)	(389.1)	-5.7%	-3.4%	(1,168.5)	(1,299.3)	-10.1%
Gross income ex-labor contingencies	43.6	79.5	53.6	-45.1%	-18.6%	139.2	213.8	-34.9%
Gross Margin	**10.4%**	**16.6%**	**12.1%**	**-6.2 p.p.**	**-1.7 p.p.**	**10.6%**	**14.1%**	**-3.5 p.p.**

(R$ million)	3Q17	3Q16	2Q17	3Q17 vs. 3Q16	3Q17 vs. 2Q17	9M17	9M16	9M17 vs. 9M16
Costs of Rendered Services	**(413.4)**	**(408.9)**	**(422.2)**	**1.1%**	**-2.1%**	**(1,258.1)**	**(1,333.8)**	**-5.7%**
Personnel	(313.1)	(328.8)	(325.6)	-4.8%	-3.9%	(974.4)	(1,056.3)	-7.8%
Labor Contingencies	(37.6)	(10.5)	(33.1)	259.3%	13.6%	(89.6)	(34.5)	159.7%
Third-Party Services	(42.2)	(40.7)	(40.5)	3.5%	4.3%	(125.7)	(144.6)	-13.1%
Rent and Insurance	(17.3)	(26.3)	(18.6)	-34.3%	-7.0%	(56.9)	(80.7)	-29.5%
Other	(3.3)	(2.6)	(4.4)	25.4%	-26.2%	(11.5)	(17.7)	-35.2%

Costs of Rendered Services (CRS) totaled **R$1,258.1 million** in **9M17**, 5.7% down on **9M16**. The CRS reduction is related to the readjustment of the Contact Center & BPO segment's operating capacity, as well as large-scale initiatives, such as the renegotiation of contracts with suppliers and the optimization of the installed capacity, and was partially offset by the increase in labor contingencies costs. We highlight below the remaining points that influenced the change in costs during the analyzed periods.

Personnel – reduction of **R$81.9 million** or **7.8%** compared to **9M16**, mainly due to the continuity of the operational adaptation process of the Contact Center & BPO segment. The reduction of Personnel Costs was partially offset by an increase in payroll charges related to the collective bargaining agreement in 3Q17*.* The Company ended the quarter with 44.2 thousand employees in the Contact Center operation, a **decline** of **6%** compared to the previous quarter (52.1 thousand in 3Q16 and 47.1 thousand in 2Q17).

Third-Party Services – reduction of **R$18.9 million** or **13.1%** versus **9M16,** as a result of wide-ranging initiatives that identified savings opportunities and synergies in supplies, in addition to the renegotiation and reformatting of third-party contracts. Additionally, lower costs were registered in plant maintenance services and electricity, due to fewer sites in the period.

Rent and Insurance **–** reduction of **R$23.8 million** or **29.5%** compared to **9M16,** resulting from the renegotiation of rental contracts and fewer sites in operation.

Labor Contingencies **–** cost of **R$89.6 million** in 9M17, compared to **R$34.5 million** in 9M16, resulting from the increase in the number of massive lawsuits in this quarter, as well as higher average values of executions and agreements related to closed processes in the quarter, which began on an average of sixty months. In the quarterly comparison, labor contingency costs reached **R$37.6 million** in **3Q17**, compared to **R$10.5 million** in **3Q16** and **R$33.1 million** in **2Q17.**

4. SG&A Expenses and Other Expenses

Liq's turnaround initiatives included the thorough revision of the administrative-organizational structure, which resulted in a decline of more than **R$89 million**, or **46%** in **Selling, General and Administrative expenses (SG&A)** in **9M17**, compared to the same period in 2016. It mostly reflects the reduction in the number of higher-earning employees, coupled with moderate compensation and bonus policies, aligned with the Company's operating results, as well as the renegotiation of contracts with suppliers.

In the charts below we present the numbers without depreciation, for EBITDA purposes. In Attachment II, we present the consolidated Income Statement according to IFRS, considering depreciation.

(R$ million)	3Q17	3Q16	2Q17	3Q17 vs. 3Q16	3Q17 vs. 2Q17	9M17	9M16	9M17 vs. 9M16
Selling, General and Administrative	(40.0)	(58.6)	(35.6)	-31.7%	12.4%	(105.8)	(195.5)	-45.9%
Personnel	(16.1)	(31.4)	(17.2)	-48.9%	-6.5%	(50.8)	(104.3)	-51.3%
Third-Party Services	(13.3)	(16.3)	(13.5)	-18.4%	-1.4%	(37.0)	(62.8)	-41.1%

Rent and Insurance	(1.2)	(1.8)	(0.9)	-35.6%	33.8%	(3.0)	(5.3)	-43.6%
Labor Contingencies	(4.5)	(8.2)	(1.0)	-45.0%	342.5%	(6.4)	(19.8)	-67.9%
Others	(5.0)	(0.8)	(3.0)	499.1%	63.8%	(8.6)	(3.4)	154.0%
Other Operating Revenue and Expenses	(0.04)	0.4	21.2	n.m.	n.m.	20.0	(22.0)	n.m.
Total Expenses	**(40.0)**	**(58.1)**	**(14.4)**	**-31.1%**	**179.0%**	**(85.8)**	**(217.5)**	**-60.5%**

n.m. – not measurable

Selling, General and Administrative Expenses **(SG&A)** totaled **R$40.0 million** in **3Q17**, **down** by **31.7%** on **3Q16** and up by **12.4%** on **2Q17**. Year-over-year, the reduction was mainly due to (i) lower personnel expenses, considering the decline in the number of administrative employees in the period, and (ii) efforts to reduce expenses with suppliers. As a result, **SG&A expenses** fell by **12.2%** of **NOR** in **3Q16** to **9.5%** of **NOR** in **3Q17**. Compared to 2Q17, the increase in SG&A is related to higher expenses with labor contingencies due to the rise in the number of labor lawsuits in the quarter.

Other Operating Expenses and Revenues totaled R$0.04 million in 3Q17, compared to a positive R$0.4 million and R$21.2 million in 3Q16 and 2Q17, respectively. In this quarter, the Company registered a negative impact of R$30.9 million due to tax refinancing programs.

Total Expenses came to **R$30.8 million** in **3Q17** , compared to R$58.1 million and R$14.4 million in 3Q16 and 2Q17, respectively. Excluding the tax impacts mentioned above, total expenses came to **R$23.1 million**, **68%** lower than in 3Q16.

5. EBITDA

Adjusted EBITDA totaled R$(10.7) million in 9M17 compared to a negative Adjusted EBITDA of R$(29.5) million in 9M16. This improvement is a result of the operational turnaround process started in 2016, aimed at achieving compatible margins with the sector through the continuous enhancement of contract profitability, business processes revision and the increase of the quality of the service rendered. The Company is focused on operational efficiency, with efforts to reduce costs and expenses through strong capacity management, revision of supplier hiring models, as well as other initiatives.

Including non-recurring expenses in the quarter, related to the tax refinancing programs mentioned in the previous section, EBITDA totaled **R$34.0 million** negative in 3T17, with an **EBITDA margin** of -8.1%, compared to positive results and margins of 44.5% and 1.4% in 3Q16 and 2Q17, respectively.

(R$ million)	3Q17	3Q16	2Q17	3Q17 vs. 3Q16	3Q17 vs. 2Q17	9M17	9M16	9M17 vs. 9M16
Net Operating Revenue	**419.5**	**477.9**	**442.7**	**-12.2%**	**-5.2%**	**1,307.8**	**1,513.2**	**-13.6%**
Cost of Rendered Services	(413.4)	(408.9)	(422.2)	1.1%	-2.1%	(1,258.1)	(1,333.8)	-5.7%
Gross Income	**6.0**	**69.0**	**20.5**	**-91.3%**	**-70.6%**	**59.2**	**179.3**	**-67.0%**
SG&A	(40.0)	(58.5)	(35.6)	-31.6%	12.4%	(105.8)	(195.5)	-45.9%
Other Operating Revenue and Expenses	(0.0)	0.4	21.2	n.m.	n.m.	20.0	(21.9)	n.m.
EBITDA	**(34.0)**	**212.8**	**6.2**	**n.m.**	**n.m.**	**-36.2**	**163.7**	**n.m.**
EBITDA Margin	**-8.1%**	**44.5%**	**1.4%**	**-52.6 p.p.**	**-9.5 p.p.**	**-4.4%**	**10.8%**	**-18.9 p.p.**
Non recurring effect	36.7	(201.4)	-	n.m.	n.m.	67.2	(193.2)	n.m.
Adjusted EBITDA	**(3.1)**	**11.4**	**(8.8)**	**n.m**	**-64.4%**	**(10.7)**	**(29.5)**	**-63.8%**
Adjusted EBITDA Margin	**-0.7%**	**2.4%**	**-2.0%**	**n.m**	**n.m**	**-0.8%**	**-1.9%**	**1.1 p.p.**

n.m. – not measurable

6. Financial Result

Net Financial Expenses totaled **R$146.0 million** in **9M17**, compared to **R$139.6 million** in **9M16.** In **3Q17** Net Financial Expenses was **R$56.4 million**, compared to **R$59.2 million** in **3Q16** and **R$47.8 million** in **2Q17**.

(R$ million)	3Q17	3Q16	2Q17	3Q17 vs. 3Q16	3Q17 vs. 2Q17	9M17	9M16	9M17 vs. 9M16
Financial Revenue	5.8	9.5	17.0	-39.2%	-65.8%	34.2	70.6	-51.5%
Financial Expenses	(62.2)	(68.7)	(64.8)	-9.5%	-1.9%	(180.3)	(210.2)	-14.2%
Net Financial Result	**(56.4)**	**(59.2)**	**(47.8)**	**-4.7%**	**18.0%**	**(146.0)**	**(139.6)**	**4.7%**

The reduction in **Financial Revenues** in **9M17** compared to the same period of the previous year is explained by the decrease in the Selic rate, which contributed to lower income from funds invested by the Company, which is pegged to the CDI rate. The reduction of the Company's average cash position during the periods also contributed to this decrease. Among the reasons for this variation are (i) payment of interest on debentures on March 15, 2017 and (ii) increase in payments of labor lawsuits.

Financial Expenses showed a decrease in **9M17** compared to the same period last year, due to the extraordinary amortization for the conclusion of the sale of Allus, reducing the interest base. The CDI rate drop also contributed to the reduction in financial expenses, as 61% of the Company's debt is linked to this index.

7. Depreciation and Amortization

Expenses with depreciation and amortization totaled **R$83.5 million** in **9M17**, compared to **R$114.3 million** in **9M16**. The reduction is related to the acceleration of the depreciation of assets allocated to demobilized sites last year.

8. Net Income/Loss and Income Tax and Social Contribution (IRPJ/CSLL)

The net result is heavily impacted by financial expenses, considering that the Company's capital structure has a high level of indebtedness, leading to a Net Loss of **R$107.6 million** in **3Q17**, compared to a Net Loss of **R$54.4 million** in **3Q16** and **R$100.4 million** in **2Q17**.

It is worth highlighting that the Company has been renegotiating the terms and conditions of the financial debts with its creditors and has obtained the approval for the extension of the financial debt, as resolved at the Debenture Holders' meetings. The bonds will mature in 2030, with a two-year grace period for the early payment of interest and three-year grace period for the early payment of the principal amount. The new terms and conditions are subject to approval by other financial creditors of the Company.

The Company maintains its focus on the close monitoring and acceleration of the structured actions for operational turnaround, reaching **consistent results** regarding cost and expense reduction and improvement of operational efficiency, aimed at the recovery of the Company's profitability for the coming years.

(R$ million)	3Q17	3Q16	2Q17	3Q17 vs. 3Q16	3Q17 vs. 2Q17	9M17	9M16	9M17 vs. 9M16
Results before Taxes	**(117.9)**	**(93.1)**	**(69.1)**	**26.6%**	**70.7%**	**(265.8)**	**(292.0)**	**-9.0%**
IR/CSLL Current	-	(0.3)	(5.9)	n.m.	n.m.	(6.0)	(1.3)	366.6%
IR/CSLL Deferred	10.3	38.9	(25.4)	-73.4%	n.m.	(14.3)	106.2	-113.5%
IR/CSLL Total	**10.3**	**38.7**	**(31.3)**	**-73.3%**	**n.m.**	**(20.3)**	**104.9**	**-119.3%**
Net Income (Loss)	**(107.6)**	**(54.4)**	**(100.4)**	**97.6%**	**7.2%**	**(286.1)**	**(187.1)**	**52.9%**

n.m. – not measurable

In **9M17**, the Company's IRPJ/CSLL was a negative **R$20.3 million**, compared to a positive **R$104.9 million** in **9M16**. This variation is mainly due to the discontinuation of the accounting of deferred tax over loss.

In **3Q17**, the Company's IRPJ/CSLL was a positive **R$10.3 million**, compared to **R$38.7 million** in **3Q16** and the negative result of **R$31.3 million** in **2Q17**. Compared to the previous quarter, the main effect for this variation was (i) effect of the variations in temporary differences related to non-deductible provisions and (ii) the write-off of the deferred ax asset of Todo Tecnologia in 2Q17, related to its incorporation in May 2017.

9. Investments (Capex)

In **3Q17**, capital expenditure totaled **R$7.0 million**, compared to **R$5.5 million** in the same period in **2016** and **R$5.3 million** in the previous quarter. The increase in investments in the period is mainly related to improvements in information security and software systems.

10. Debt

(R$ million)	3Q17	3Q16	2Q17	3Q17 vs. 3Q16	3Q17 vs. 2Q17
(-) Total Debt	**(1,523.2)**	**(1,648.2)**	**(1,495.5)**	**-7.585%**	**1.8%**
Short Term	(1,519.5)	(32.6)	(380.2)	4567.0%	299.7%
Long Term	(3.6)	(1,615.6)	(1,115.3)	-99.8%	-99.7%
(+) Cash	**170.9**	**592.4**	**172.3**	**-71.15%**	**-0.8%**
Short Term	170.9	592.4	172.3	-71.2%	-0.8%
Long Term	-	-	-	n.m.	n.m.
Net Cash/(Debt)	**(1,352.3)**	**(1,055.8)**	**(1,323.2)**	**28.1%**	**2.2%**

Consolidated Net Debt at the end of **3Q17** was **R$1,352.3 million**, higher by R$296.5 million compared to **3Q16** and by **R$29.0 million** compared to the previous quarter.

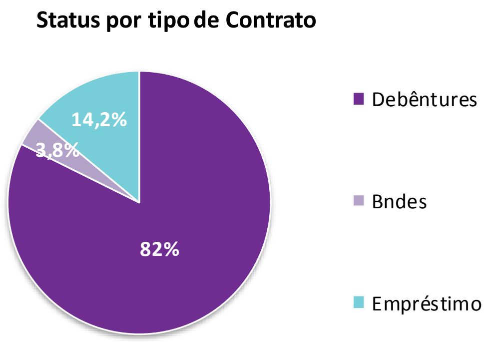
The average cost of debt was 9.8% p.a., 1.6 p.p. down on 2Q17. The reduction of the average debt cost is related to the cut in the Selic rate, as approximately 61% of the Company's debt is pegged to the CDI rate.

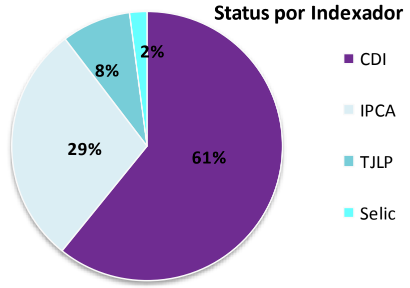
Pursuant to CPC 26, item 74, given that, on the date of the accounting calculation object of these Financial Statements, contracts representing the Company's financial debt allowed creditors, the possibility to demand, in the event of non-compliance with the established Financial Covenants, the early maturity of the agreements. However, in order to formalize and ratify the creditors' agreement with the waiver of the Financial Covenants in 3Q17, pursuant to previous understandings upheld in the negotiations that began in March 2017, pursuant to Material Facts disclosed on March 23, 2017, August 21, 2017 and September 13, 2017, the debenture holders of (i) series 1 and 2 of the first debenture issue; (ii) the third debenture issue; and (iii) the debentures of CTX Participações, whose obligations were assumed by the Company, approved, at the debenture holders' meetings of November 1, 2017, the irrevocable waiver of the reading of the Financial Covenants in the quarter ended September 30, 2017.

Additionally, regarding the Company's negotiation with its main financial creditors for alternatives to strengthen its capital structure, some debts were transferred from BNDES to guarantor banks and reclassified to the short term until the negotiations were concluded, increasing short-term debt in 3Q17.

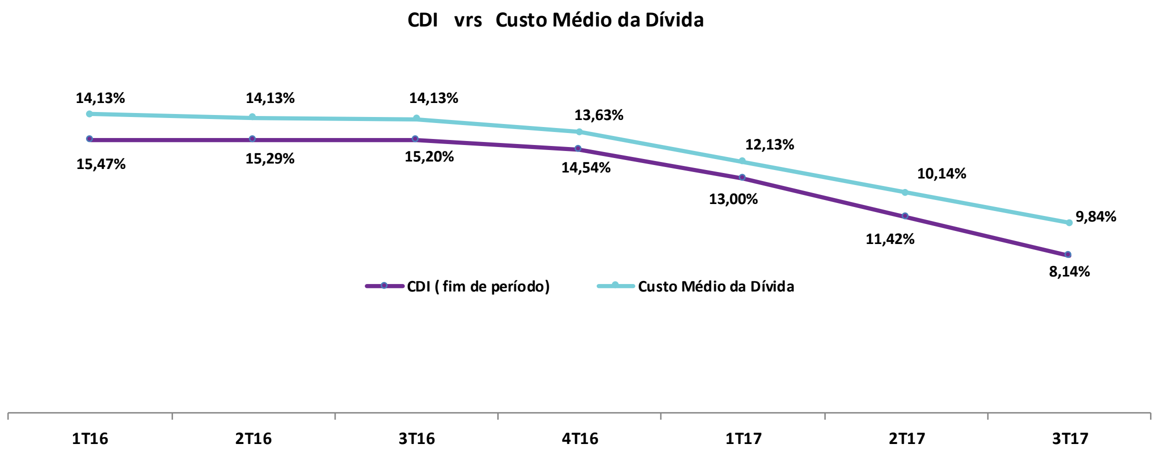
After verifying compliance with the effectiveness conditions, as subsequent events, the Company may issue new debentures, to be subscribed by the current creditors. The issuance of new debentures will allow the reduction of part of the Company's current indebtedness and will bring the possibility of converting debt into shares, at the discretion of the debenture holders.

a. Debt Breakdown and Distribution per Index – 3Q17

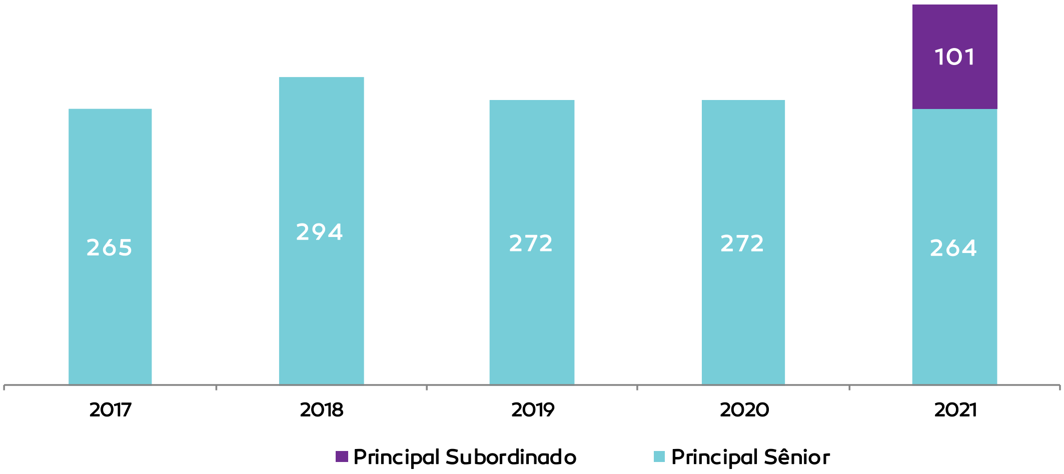




b. Average Debt Cost



Debt Repayment Schedule* – R$ million



**Gross Debt equals principal balance without debt service. In 2017, the principal refers to two financing contracts originally signed between the Company and BNDES. These were taken over by the banks guaranteeing said operations.*

11. Working Capital

After approving the terms of the renegotiating process, which depends on complying with the effectiveness conditions, as disclosed in the Material Fact of August 14, 2017, nearly the entire **debt** will become part of **non-current liabilities**. As a result, **Net Working Capital (Proforma)** would reach around **positive R$209 million.**

(R$ million)	3Q17 Proforma	2Q17 Proforma	3Q16 Proforma
Current Asset	673.0	709.4	836.7
Current Liability	464.1	440.3	572.4
Net Working Capital	**208.9**	**269.1**	**264.3**

The Proforma figures consider the approval of the debt rollover and payment of interest of the largest installment of Contax Participações and Contax Mobitel, that is now booked as non-current liabilities.

At the close of **3Q17**, the Company recorded negative Net Working Capital chiefly due to non-compliance with the financial ratios (covenants) established in the Debenture indentures and loan agreements, which could result in the early maturity of the credit, as described in the previous section. Pursuant to CPC 26, item 74, given that, on the date of the accounting calculation object of these Financial Statement, contracts representing the Company's financial debt allowed creditors to declare the early maturity of the agreements in the event of non-compliance with the established Financial Covenants, causing the entire outstanding debt balance to become immediately due, exclusively for the purposes of these Financial Statements, the full outstanding balance of the financial debt was classified under current liabilities and immediately reclassified to long term on October 1, 2017, due to the exemption of reading approved by the debenture holders, at the debenture holders' meetings.

12. Ownership Structure

	Participação no capital total (%)		
Acionistas	Out/17	Jun/17	Set/16
Acionistas Relevantes[1]	**16,86%**	**16,86%**	**20,42%**
Telis Participações[3]	8,43%	8,43%	*10,21%*
JPSP Participações[3]	8,43%	8,43%	*10,21%*
Tesouraria	**1,63%**	**1,63%**	**1,97%**
Conselheiros e Administradores	**1,67%**	**1,67%**	**-**
FREE FLOAT[2]	**96,70%**	**96,70%**	**98,03%**

[1] Shareholders with more than 5% of a single class of shares. The Extraordinary Shareholders' Meeting of April 20, 2016 approved the conversion of preferred shares to common shares. As a result, Liq has diffuse control on the market.
[2] For free float calculation, shares held in treasury and shares owned by Board members and Executive Officers are excluded.
[3] Prior to August 2016, before the dissolution of CTX Participações S.A., the stake of these shareholders in the Company's capital stock was indirectly held through CTX Participações in the aforementioned percentages.

13. Subsequent Events

Continuing with the agreements in the negotiation of the new terms and conditions for the Company's financial debt, inclusive concerning the new parameters and dates for the calculation of the financial ratios to be complied with by the Company, pursuant to the Material Facts of August 14, 2017, August 21, 2017 and September 13, 2017, the holders of public debentures of (i) series 1 and 2 of the first debenture issue; (ii) the third public debenture issue; and (iii) the first public debenture issue of CTX Participações, whose obligations were assumed by the Company, approved, at the debenture holders' meeting of November 1, 2017, the waiver of the reading of the financial covenants in the quarter ended September 30, 2017, irrevocably waiving the right to declare early maturity of the debentures, due to non-compliance with said financial covenants.

Likewise, the Company obtained irrevocable approval to waive the reading of the Financial Covenants in the quarter ended September 30, 2017 (i) from the debenture holders of series 1 and 2 of the fourth issue of subordinated debentures, at the general debenture holders' meeting of November 13, 2017; and (ii) from Banco Itaú Unibanco, a creditor counterparty in loans granted to the Company, in a correspondence dated November 1, 2017.

With the approvals described above, the long-term obligations referring to the financial debt that, as of September 30, 2017 was classified as short term, in compliance with notes 12.1 and 13.1, except for series 1 and 2 of the second issue, will be classified as long term as of October 1, 2017.

Attachment I – Financial Performance

(R$ million)	3Q17	3Q16	2Q17	3Q17 vs. 3Q16	3Q17 vs. 2Q17	9M17	9M16	9M17 vs. 9M16
Net Operating Revenue	**419.5**	**477.9**	**442.7**	**-12.2%**	**-5.2%**	**1,307.8**	**1,513.2**	**-13.6%**
Cost of Services Rendered	(413.4)	(408.9)	(422.2)	1.1%	-2.1%	(1,258.1)	(1,333.8)	-5.7%
Personnel	(313.1)	(328.8)	(325.6)	-4.8%	-3.9%	(974.4)	(1,056.3)	-7.8%
Labor Contingencies	(37.6)	(10.5)	(33.1)	259.3%	13.6%	(89.6)	(34.5)	159.7%
Third Party Servics	(42.2)	(40.7)	(40.5)	3.5%	4.3%	(125.7)	(144.6)	-13.1%
Rent and Insurance	(17.3)	(26.3)	(18.6)	-34.3%	-7.0%	(56.9)	(80.7)	-29.5%
Other	(3.3)	(2.6)	(4.4)	25.4%	-26.2%	(11.5)	(17.7)	-35.2%
Gross Result	**6.0**	**69.0**	**20.5**	**-91.3%**	**-70.6%**	**49.6**	**179.3**	**-72.3%**
Expenses	(40.0)	(58.1)	(14.3)	-31.0%	179.0%	(85.8)	(217.5)	-60.5%
Selling	(1.83)	(0.73)	(1.55)	152.4%	18.5%	(4.63)	(2.42)	91.1%
General and Administrative	(38.2)	(57.7)	(34.0)	-33.9%	12.1%	(101.2)	(193.1)	-47.6%
Other Operating Revenue and Expenses	(0.0)	0.4	21.2	-110.6%	-100.2%	20.0	(21.9)	n.m.
Earnings from discontinuing operations net of taxes and contributions	**-**	**201.9**	**-**	**-100.0%**	**n.m.**	**-**	**201.9**	**-100.0%**
EBITDA	**(34.0)**	**212.8**	**6.2**	**-116.0%**	**-652.0%**	**(36.2)**	**163.7**	**-122.1%**
Depreciation and amortization	(27.5)	(44.9)	(27.5)	-38.7%	0.1%	(83.5)	(114.3)	-26.9%
EBIT	**(61.5)**	**168.0**	**(21.3)**	**-136.6%**	**188.7%**	**(119.7)**	**49.4**	**-342.3%**
Net Financial Result	(56.4)	(59.2)	(47.8)	-4.7%	18.0%	(146.0)	(139.6)	4.7%
Income before income tax	**(117.9)**	**108.8**	**(69.1)**	**-208.4%**	**70.6%**	**(265.8)**	**(90.1)**	**194.9%**
IRPJ & CSLL	10.3	(27.8)	(31.3)	n.m.	n.m.	(20.3)	38.4	-152.8%
Equity result	-	(7.1)	-	-100.0%	n.m.	-	(7.1)	-100.0%
Net Income (Loss) before equity result	**(107.6)**	**73.9**	**(100.4)**	**-245.5%**	**7.2%**	**(286.1)**	**(58.8)**	**386.7%**
Net Result from Descontinued Operations (Equity Result)	**-**	**-**	**-**	**n.m.**	**n.m.**	**-**	**-**	**n.m.**
Net Income (Loss)	**(107.6)**	**73.9**	**(100.4)**	**-245.5%**	**7.2%**	**(286.1)**	**(51.7)**	**453.6%**

n.m. – not measurable

Attachment II – Income Statement – IFRS Consolidated

(R$ million)	3Q17	3Q16	2Q17	3Q17 vs. 3Q16	3Q17 vs. 2Q17	9M17	9M16	9M17 vs. 9M16
Gross Revenue	**465.8**	**529.4**	**491.8**	**-12.0%**	**-5.3%**	**1,452.2**	**1,679.2**	**-13.5%**
Deduction of Gross Revenue	(46.4)	(51.5)	(49.1)	-10.0%	-5.6%	(144.4)	(166.1)	-13.0%
Net Revenue	**419.5**	**477.9**	**442.7**	**-12.2%**	**-5.2%**	**1,307.8**	**1,513.2**	**-13.6%**
Cost of Rendered Services	(431.0)	(451.1)	(439.7)	-4.5%	-2.0%	(1,317.5)	(1,440.4)	-8.5%
Gross Income	**(11.5)**	**26.9**	**3.0**	**-142.8%**	**-485.7%**	**(9.7)**	**72.8**	**-113.4%**
Selling	(1.84)	(0.73)	(1.55)	152.4%	18.5%	(4.63)	(2.41)	91.8%
General and Administrative	(48.1)	(60.5)	(44.0)	-20.4%	9.4%	(125.3)	(200.9)	-37.6%
Financial	(56.4)	(59.2)	(47.8)	-4.7%	18.0%	(146.0)	(139.6)	4.7%
Financial Revenue	5.8	9.5	17.0	-39.2%	-65.8%	34.2	70.6	-51.5%
Financial Expenses	(62.2)	(68.7)	(64.8)	-9.5%	-3.9%	(180.3)	(210.2)	-14.2%
Other Operating Revenus and Expenses	(0.0)	0.4	21.2	-110.7%	-100.2%	20.0	(21.9)	n.m.
Earnings before taxes	**(117.9)**	**(93.1)**	**(69.1)**	**26.6%**	**70.7%**	**(265.8)**	**(292.0)**	**-9.0%**
Income tax and social contribution	10.3	38.7	(31.3)	-73.3%	n.m.	(20.3)	104.9	-119.3%
Net Income (Loss) for continuing operations	**(107.6)**	**(54.4)**	**(100.4)**	**97.6%**	**7.2%**	**(286.1)**	**(187.1)**	**52.9%**
Result from discontinuing operations net of income tax and social contribution	**-**	**201.9**	**-**	**n.m.**	**n.m.**	**-**	**7.1**	**n.m.**
Income tax and social contribution	10.3	(66.5)	-	n.m.	n.m.	(20.3)	104.9	-119.3%
Equity result	-	(7.1)	-	n.m.	n.m.	-	-	n.m.
Net Result from discontinuing operation	**-**	**128.4**	**-**	**n.m.**	**n.m.**	**-**	**7.1**	**n.m.**
Net Income (Loss)	**(107.6)**	**73.9**	**(100.4)**	**-245.5%**	**7.2%**	**(286.1)**	**(51.7)**	**453.3%**
# of shares, Ex. Treasury ('000)	4,118	3,390	4,118	21.5%	0.0%	4,118	3,390	21.5%

n.m. – not measurable
**Number of shares after reverse stock split*

Attachment III – EBITDA Reconciliation

(R$ million)	3Q17	3Q16	2Q17	3Q17vs. 3Q16	3Q17vs. 2Q17	9M17	9M16	9M17 vs. 9M16
Net Income (Loss) from continuing operations	**(107.6)**	**(54.4)**	**(100.4)**	**97.6%**	**7.2%**	**(300.7)**	**(187.1)**	**60.7%**
(-) Result from discontinuing operation before taxes	-	201.9	-	-100.0%	n.m.	-	201.9	-100.0%
(+) Income tax and social contribution	(10.3)	(38.7)	31.3	-73.3%	-133.1%	12.7	(104.9)	n.m.
Income before taxes	**(117.9)**	**108.8**	**(69.1)**	**-208.4%**	**70.7%**	**(287.9)**	**(90.1)**	**219.4%**
(+) Financial Expenses	62.2	68.7	64.8	-9.5%	-3.9%	181.6	210.2	-13.6%
(-) Financial Revenues	(5.8)	(9.5)	(17.0)	-39.2%	-65.8%	(34.2)	(70.6)	-51.5%
(+) Depreciation and Amortization	27.5	44.9	27.5	-38.7%	0.1%	83.5	114.3	-26.9%
EBITDA	**(34.0)**	**212.8**	**6.2**	**-116.0%**	**-652.0%**	**(57.0)**	**163.7**	**-134.8%**

n.m. – not measurable

Attachment IV – Statement of Financial Position – Consolidated

The information released in 1Q16 was adjusted to allow quarter-over-quarter analysis. Therefore, certain items will be different than those presented in the Quarterly Report.

Assets	09/30/2017	09/30/2016	06/30/2017
Total Assets	**1,887.0**	**2,378.8**	**1,922.9**
Current Assets	**673.0**	**1,038.6**	**709.4**
Cash and equivalents	170.9	592.4	172.3
Restricted cash	-	-	-
Accounts receivable	380.2	332.0	388.7
Recoverable taxes	93.7	90.9	117.7
Judicial deposits	-	-	-
Balance Receivable from Related Parties	-	-	-
Dividends Receivable	-	-	-
Prepaid expenses and other assets	28.1	23.3	30.7
Assets available for sale	-	-	-
Non Current Assets	**1,214.0**	**1,340.2**	**1,213.5**
Long Term Assets	**710.1**	**725.0**	**695.2**
Judicial Deposits	398.8	346.7	390.9
Restricted Cash	-	-	-
Recoverable Taxes	275.1	329.7	264.7
Related Party Transactions	-	-	-
Prepaid expenses and other assets	36.3	48.5	39.6
Investment in Subsidiary Company	-	-	-
Permanent Assets	**503.9**	**615.3**	**518.3**
Fixed	113.6	189.6	126.4
Intangible	390.3	425.7	392.0
Liabilities	09/30/2017	09/30/2016	06/30/2017
Total Liabilities	**1,887,0**	**2,378,8**	**1,922,9**
Current Liabilities	**1,930,1**	**572,4**	**789,2**
Loans and Financing	280,1	32,6	217,4
Debentures and Promissory Notes	1,239,4	-	162,8
Suppliers	140,2	172,1	141,4
Advances to suppliers	-	51,8	-
Payroll and related charges	230,7	248,1	216,3
Taxes and contributions	33,8	58,8	40,8
Provisions	0,1	0,1	0,1
Transfer to Shareholders	-	-	-
Balance Payable to Related Parties	-	-	-
Contingent Consideration	-	0,2	0,2
Liabilities available for sale	-	-	-
Other Liabilities	5,9	8,7	10,1
Non Current Liabilities	**230,3**	**1,778,1**	**1,299,1**
Loans and Financing	3,6	288,9	75,3
Debentures and Promissory Notes	-	1,326,7	1,040,0
Suppliers	170,0	121,4	145,4
Balance Payable to Related Parties	-	-	-
Contingent Consideration	-	-	-
Payroll and related charges	0,5	-	0,5
Dividends Payable	22,2	25,9	20,7
Deferred and Payable taxes	32,4	11,1	15,5
Other	1,6	4,1	1,6
Shareholders' Equity	**(273,5)**	**28,3**	**(165,4)**
Capital Stock	188,9	181,6	188,9
Capital Reserve	-	-	-
Other Comprehensive Income	(8,8)	(8,1)	(8,3)
Income Reserve	-	-	-
Other Reserve	(33,2)	(33,2)	(33,2)
Treasury Stock	(20,1)	(20,1)	(20,1)
Accrued Loss	(400,3)	(92,0)	(292,7)
Minority Interest	-	-	-

Attachment V – Consolidated Cash Flow

(R$ million)	09/30/2017	09/30/2016	06/30/2017
Net Income	**(107.6)**	**73.9**	**(100.4)**
Depreciation and Amortization	27.5	44.9	27.5
Gain / (loss) with interest and net monetary variation	37.4	76.2	37.9
Contingencies and Other Provisions	38.8	(31.7)	5.3
Instrument Sheet for Share-based Compensation	-	-	-
Deferred Income Tax and Social Contribution	(10.3)	27.0	25.4
(Gain) / Loss from the Sale of Fixed Assets	(0.7)	(0.0)	-
Gain from the Sale of Discontinuing Operation	-	(135.4)	-
(Increase) / Decrease in Accounts Receivable	8.5	(35.9)	34.7
Gain (loss) letter of guarantee	(1.0)	-	1.1
Other Assets	22.6	14.3	(11.3)
Judicial Deposits	(5.6)	(14.3)	(11.3)
Increase / (Decrease) in Payroll and Related Charges	14.3	0.7	(22.4)
Increase / (Decrease) in Suppliers	(11.9)	(5.9)	(19.2)
Legal, civil and labor risks	66.4	-	-
Advances to Suppliers	-	(11.3)	-
Suppliers Restructuring Program	(13.2)	(22.7)	(29.2)
Other Liabilities	12.6	(5.9)	32.2
Net Cash – Operating Activities	**77.8**	**(26.1)**	**(29.8)**
Investment in Fixed Asset	(13.0)	(5.5)	(5.3)
Cash Received from Discontinuing Operation	-	555.8	-
Cash Received from the Sale of Fixed Asset	0.7	2.7	-
Net Cash – Investing Activities	**(12.4)**	**552.9**	**(5.3)**
Commercial Leasing Payment	(0.5)	-	(0.8)
Financing Obtained	5.2	1.3	4.7
Financing Payments	(10.8)	(0.1)	(10.7)
Debentures	-	100.8	-
Amortization of the principal from suppliers extension operation	(57.9)	-	-
Amortization of interest from suppliers extension operation	(3.2)	-	-
Debentures and Promissory Note Amortization	-	-	-
Loan to Related Parties	-	(275.8)	-
Write-off of non-controlling shareholders	-	-	-
Interest Paid	0.9	(3.7)	(3.2)
Dividends Paid	-	-	-
Capital Increase	-	-	-
Net Cash – Financing Activities	**(66.3)**	**(177.5)**	**(10.0)**
Exchange Difference on cash and equivalents	**-**	**16.3**	**0.2**
Cash and equivalents – Beginning of the period	323.9	210.5	323.9
Cash and equivalents classified as held for sale	-	(16.2)	-
Cash and equivalents – End of the period	170.9	592.4	172.3
Increase (Decrease) in Cash and Equivalents	**(1.4)**	**365.6**	**(44.8)**

With a contagious desire to make a difference, Liq is a customer experience company that fosters diversity and has social inclusion as one of its main pillars. We bring brands closer to their consumers, through complete BPO and CRM solutions and strategies focused on Promotional and Trade Marketing. With a human touch and an all-line approach (retail, voice, chat, e-mail, digital), Liq creates customized, intelligent, hassle-free solutions focused on the final consumer, using technology and multi-channel tools that transform services into a unique relationship experience.

The information contained in this document relating to the business prospects, operating and financial results estimates, and growth prospects of Liq are merely projections and as such are based exclusively on the Management's expectations concerning the future of the business. These forward-looking statements estimates depend on changes in market conditions, the performance of the Brazilian economy, the industry and international markets and are therefore subject to change without prior notice.