Marcopolo S.A.

Quarterly Information at 3/31/2017 and Report on Review of Quarterly Information

(A free translation of the original report in Portuguese as published in Brazil containing financial statements prepared in accordance with accounting practices adopted in Brazil)

(A free translation of the original in Portuguese)

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Company Information / Capital Composition

Number of shares (units)	Current quarter 3/31/2017
Paid-up capital	
Common shares	341,625,744
Preferred shares	583,570,265
Total	925,196,009
Treasury shares	
Common shares	-
Preferred shares	4,878,049
Total	4,878,049

(A free translation of the original in Portuguese)

Parent Company Financial Statements / Balance Sheet - Assets

(Thousands of Reais)

1 – Account Code	2 – Account Description	Current quarter 3/31/2017	Previous year 12/31/2016
1	Total assets	3,268,283	3,411,545
1.01	Current assets	1,692,810	1,892,263
1.01.01	Cash and cash equivalents	768,073	916,995
1.01.02	Short-term investments	259,899	227,905
1.01.02.01	Short-term investments valued at Fair Value	259,899	227,905
1.01.02.01.01	Marketable Securities	259,899	227,905
1.01.03	Accounts Receivable	337,620	430,715
1.01.03.01	Trade accounts receivable	337,620	430,715
1.01.04	Inventory	218,038	212,116
1.01.06	Recoverable Taxes	83,207	86,262
1.01.06.01	Current taxes recoverable	83,207	86,262
1.01.08	Other current assets	25,973	18,270
1.01.08.03	Other	25,973	18,270
1.02	Noncurrent Assets	1,575,473	1,519,282
1.02.01	Long-term Assets	79,803	85,751
1.02.01.01	Short-term investments valued at Fair Value	18,951	24,966
1.02.01.01.02	Available-for-sale securities	18,951	24,966
1.02.01.03	Accounts Receivable	11,420	9,208
1.02.01.03.02	Other Accounts Receivable	11,420	9,208
1.02.01.06	Deferred taxes	49,432	51,577
1.02.01.06.01	Deferred income tax and social contribution	49,432	51,577
1.02.02	Investments	1,282,472	1,219,929
1.02.02.01	Equity interests	1,282,472	1,219,929
1.02.02.01.01	Interests in Associated Companies	23,254	22,216
1.02.02.01.02	Interests in subsidiaries	1,166,100	1,108,839
1.02.02.01.03	Interests in Joint Ventures	93,118	88,874
1.02.03	Property, plant and equipment	209,585	209,571
1.02.03.01	Property, plant and equipment in operation	209,585	209,571
1.02.04	Intangible assets	3,613	4,031
1.02.04.01	Intangible assets	3,613	4,031

(A free translation of the original in Portuguese)

Parent Company Financial Statements / Balance Sheet - Liabilities and Equity

(Thousands of Reais)

1 – Account Code	2 – Account Description	Current quarter 3/31/2017	Previous year 12/31/2016
2	Total liabilities	3,268,283	3,411,545
2.01	Current liabilities	706,481	810,664
2.01.01	Social and labor obligations	39,913	96,152
2.01.01.02	Labor obligations	39,913	96,152
2.01.02	Trade payables	149,786	173,278
2.01.02.01	Domestic Trade payables	140,948	168,734
2.01.02.02	Foreign Trade payables	8,838	4,544
2.01.03	Tax obligations	18,273	22,099
2.01.03.01	Federal tax liabilities	17,666	21,463
2.01.03.01.01	Income taxes and contribuitions payable	17,666	21,463
2.01.03.02	State tax liabilities	567	591
2.01.03.03	Municipal tax liabilities	40	45
2.01.04	Loans and Financing	378,907	397,879
2.01.04.01	Loans and Financing	378,907	397,879
2.01.04.01.01	In local currency	213,515	224,332
2.01.04.01.02	Foreign currency	165,392	173,547
2.01.05	Other obligations	119,602	121,256
2.01.05.02	Other	119,602	121,256
2.01.05.02.04	Advances from customers	21,683	20,546
2.01.05.02.05	Representatives on commission	19,508	28,181
2.01.05.02.06	D&O profit shares	-	7,915
2.01.05.02.07	Other current accounts payable	78,411	64,614
2.02	Non current liabilities	730,931	764,472
2.02.01	Loans and financing	700,922	734,178
2.02.01.01	Loans and financing	700,922	734,178
2.02.01.01.01	In local currency	662,969	654,705
2.02.01.01.02	Foreign currency	37,953	79,473
2.02.04	Provisions	30,009	30,294
2.02.04.01	Tax, welfare and civil contingencies	30,009	30,294
2.02.04.01.01	Tax provisions	15,316	14,973
2.02.04.01.02	Social security and labor provisions	14,693	15,321
2.03	Shareholders' equity	1,830,871	1,836,409
2.03.01	Realized capital	1,264,622	1,264,622
2.03.02	Capital reserves	6,843	6,982
2.03.02.04	Granted Options	(5,176)	(5,037)
2.03.02.07	Goodwil on share issuance	12,019	12,019
2.03.04	Profit reserves	480,331	479,998
2.03.04.01	Legal reserve	49,330	49,330
2.03.04.02	Statutory reserve	453,625	453,625
2.03.04.09	Treasury shares	(22,624)	(22,957)
2.03.05	Retained earnings/accumulated losses	123	-
2.03.06	Equity valuation adjustments	78,952	84,807

(A free translation of the original in Portuguese)

Parent Company Financial Statements / Statement of Income

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current year 1/1/2017 to 3/31/2017	Accrued value of the prior year 1/1/2016 to 3/31/2016
3.01	Revenue from goods sold and services provided	279,056	271,022
3.02	Cost of goods and/or services sold	(255,522)	(247,495)
3.03	Gross profit	23,534	23,527
3.04	Operating (expenses) income	(41,465)	(41,396)
3.04.01	Sales expenses	(19,650)	(13,754)
3.04.02	General and administrative expenses	(21,975)	(18,988)
3.04.05	Other operating expenses	(16,729)	(11,462)
3.04.06	Equity in net income of subsidiaries	16,889	2,808
3.05	Net income (loss) from operations	(17,931)	17,869
3.06	Financial Income/loss	17,254	32,408
3.06.01	Financial revenue	86,509	128,374
3.06.02	Financial expenses	(69,255)	(95,966)
3.07	Profit before income tax and social contribution	(677)	14,539
3.08	Income taxes and social contribution	800	5,687
3.08.01	Current	2,944	1,081
3.08.02	Deferred charges	(2,144)	6,768
3.09	Net income from continued operations	123	8,852
3.11	Net income/loss for the period	123	8,852
3.99	Earnings per share - (reais/share)	-	-
3.99.01	Basic earnings per share	-	-
3.99.01.01	Common	0.00013	0.00992
3.99.01.02	Preferred	0.00013	0.00992
3.99.02	Diluted earnings per share	-	-
3.99.02.01	Common	0.00013	0.00987
3.99.02.02	Preferred	0.00013	0.00987

(A free translation of the original in Portuguese)

Parent Company Financial Statements / Statement of Comprehensive Income

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current year 1/1/2017 to 3/31/2017	Accrued value of the prior year 1/1/2016 to 3/31/2016
4.01	Net income for the period	123	8,852
4.02	Other comprehensive income/loss	(5,855)	(68,471)
4.02.01	Exchange variance on foreign investments	(5,855)	(68,471)
4.03	Comprehensive income for the period	(5,732)	(59,619)

(A free translation of the original in Portuguese)

Parent Company Financial Statements / Statement of Cash Flows - Indirect Method

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current year 1/1/2017 to 3/31/2017	Accrued value of the prior year 1/1/2016 to 3/31/2016
6.01	Cash flows from operating activities	(28,810)	225,845
6.01.01	Cash flows from operating activities	(53)	(7,665)
6.01.01.01	Net income for the year	123	8,852
6.01.01.02	Depreciation and amortization	5,240	5,611
6.01.01.03	Earnings on disposal of investments, property, plant and equipment and intangible assets	62	391
6.01.01.04	Equity in net income of subsidiaries	(16,889)	(2,808)
6.01.01.05	Allowance for doubtful accounts	389	(496)
6.01.01.06	Current and deferred income tax and social contribution	(800)	5,687
6.01.01.07	Interest and exchange variance appropriated	11,822	(24,902)
6.01.02	Changes in assets and liabilities	(28,757)	233,510
6.01.02.01	(Increase) decrease in trade accounts receivable	92,706	181,846
6.01.02.02	(Increase) decrease in inventories	(5,922)	(6,340)
6.01.02.03	(Increase) decrease in other accounts receivable	(4,715)	18,545
6.01.02.04	(Increase) decrease in assets stated at fai value	(26,130)	127,206
6.01.02.05	Increase (decrease) in trade payables	(23,492)	(15,298)
6.01.02.06	Increase (decrease) in actuarial benefits	-	-
6.01.02.07	Increase (decrease) in other accounts and provisions	(64,148)	(73,530)
6.01.02.08	Income taxes paid	2,944	1,081
6.02	Cash flow from investment activities	(56,407)	(74,089)
6.02.01	Investments	(56,255)	(72,671)
6.02.02	Dividends from subsidiaries, jointly-controlled entities and associates	4,746	-
6.02.03	Purchases of property, plant and equipment	(5,046)	(1,332)
6.02.04	Purchases of intangible assets	(12)	(86)
6.02.05	Receipt on sale of property, plant and equipment	160	-
6.03	Cash flow from financing activities	(63,705)	(352,721)
6.03.02	Loans secured from unrelated parties	35,867	19,816
6.03.03	Payment of loans – principal	(82,304)	(358,874)
6.03.04	Payment of loans – interest	(17,462)	(15,465)
6.03.05	Payment of interest in shareholders' equity and dividends	-	-
6.03.06	Treasury shares	194	1,802
6.05	Increase (decrease) in cash and cash equivalents	(148,922)	(200,965)
6.05.01	Opening balance of cash and cash equivalents	916,995	923,243
6.05.02	Closing balance of cash and cash equivalents	768,073	722,278

Parent Company Financial Statements /Statement of Changes in Equity / 1/1/2017 to 3/31/2017

(Thousands of Reais)

1 – Account Code	2 – Account Description	Paid-up share capital	Capital reserves, options awarded and treasury shares	Profit reserves	Retained earnings / accumulated losses	Other comprehensive income / loss	Shareholders' equity
5.01	Opening balances	1,264,622	(15,975)	502,955	-	84,807	1,836,409
5.03	Adjusted opening balances	1,264,622	(15,975)	502,955	-	84,807	1,836,409
5.04	Capital transactions with partners	-	194	-	-	-	194
5.04.04	Treasury shares acquired	-	194	-	-	-	194
5.05	Total comprehensive income/loss	-	-	-	123	(5,855)	(5,732)
5.05.01	Net income for the period	-	-	-	123	-	123
5.05.02	Other comprehensive income/loss	-	-	-	-	(5,855)	(5,855)
5.05.02.04	Translation adjustments in the period	-	-	-	-	(5,855)	(5,855)
5.07	Closing balances	1,264,622	(15,781)	502,955	123	78,952	1,830,871

Parent Company Financial Statements /Statement of Changes in Equity / 1/1/2016 to 3/31/2016

(Thousands of Reais)

1 – Account Code	2 – Account Description	Paid-up share capital	Capital reserves, options awarded and treasury shares	Profit reserves	Retained earnings / accumulated losses	Other comprehensive income / loss	Shareholders' equity
5.01	Opening balances	1,200,000	(29,796)	401,999	-	255,882	1,828,085
5.03	Adjusted opening balances	1,200,000	(29,796)	401,999	-	255,882	1,828,085
5.04	Capital transactions with partners	-	1,802			-	(1,802)
5.04.04	Treasury stock acquired	-	1,802	-	-	-	(1,802)
5.05	Total comprehensive income/loss	-	-	-	8,852	(68,471)	(59,619)
5.05.01	Net income for the period	-	-	-	8,852	-	8,852
5.05.02	Other comprehensive income/loss	-	-	-	-	(68,471)	(68,471)
5.05.02.04	Translation adjustments in the period	-	-	-	-	(68,471)	(68,471)
5.07	Closing balances	1,200,000	(27,994)	401,999	8,852	187,411	1,770,268

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Parent Company Financial Statements / Statement of Value Added

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current year 1/1/2017 to 3/31/2017	Accrued value of the prior year 1/1/2016 to 3/31/2016
7.01	Revenue	306,344	306,543
7.01.01	Sales of goods, products and services	306,391	305,660
7.01.02	Other revenue	342	387
7.01.04	Allowance/(reversal of allowance) for doubtful accounts	(389)	496
7.02	Consumables acquired from third parties	(254,910)	(234,197)
7.02.01	Cost of goods and services sold	(195,749)	(197,920)
7.02.02	Materials, energy, outsourced services and other	(42,090)	(24,418)
7.02.03	Loss/recovery of assets	(17,071)	(11,849)
7.03	Gross value added	51,434	72,356
7.04	Retentions	(5,240)	(5,611)
7.04.01	Depreciation, amortization and depletion	(5,240)	(5,611)
7.05	Net added value produced	46,194	66,745
7.06	Transferred added value	103,398	131,182
7.06.01	Equity in net income of subsidiaries	16,889	2,808
7.06.02	Financial revenue	86,509	128,374
7.07	Total added value to be distributed	149,592	197,927
7.08	Distribution of added value	149,592	197,927
7.08.01	Personnel	84,226	87,466
7.08.01.01	Direct remuneration	62,514	69,651
7.08.01.02	Benefits	14,429	12,557
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	7,283	5,258
7.08.02	Taxes, duties and contributions	(6,158)	4,901
7.08.02.01	Federal	(53)	6,473
7.08.02.02	State	(6,600)	(1,837)
7.08.02.03	Municipal	495	265
7.08.03	Interest expenses	71,401	96,708
7.08.03.01	Interest	69,255	95,966
7.08.03.02	Rent	2,146	742
7.08.04	Interest earnings	123	8,852
7.08.04.03	Retained earnings / loss for the period	123	8,852

(A free translation of the original in Portuguese)

Consolidated Financial Statements / Balance Sheet - Assets

(Thousands of Reais)

1 – Account Code	2 – Account Description	Current quarter 3/31/2017	Previous year 12/31/2016
1	Total assets	4,703,514	4,968,269
1.01	Current assets	2,798,322	3,056,738
1.01.01	Cash and cash equivalents	1,028,266	1,209,459
1.01.02	Short-term investments	260,062	230,649
1.01.02.01	Short-term investments valued at Fair Value	260,062	230,649
1.01.02.01.01	Marketable Securities	260,062	230,649
1.01.03	Accounts Receivable	801,881	900,816
1.01.03.01	Trade accounts receivable	801,881	900,816
1.01.04	Inventory	466,717	472,057
1.01.06	Recoverable Taxes	153,438	164,033
1.01.06.01	Current taxes recoverable	153,438	164,033
1.01.08	Other current assets	87,958	79,724
1.01.08.03	Other	87,958	79,724
1.02	Noncurrent Assets	1,905,192	1,911,531
1.02.01	Long-term Assets	590,791	610,558
1.02.01.01	Short-term investments valued at Fair Value	18,495	18,817
1.02.01.01.02	Available-for-sale securities	18,495	18,817
1.02.01.03	Accounts Receivable	501,996	521,962
1.02.01.03.01	Trade accounts Receivable	461,602	481,643
1.02.01.03.02	Other Accounts Receivable	40,394	40,319
1.02.01.06	Deferred taxes	70,300	69,779
1.02.01.06.01	Deferred income tax and social contribution	70,300	69,779
1.02.02	Investments	372,750	358,015
1.02.02.01	Equity interests	323,809	309,074
1.02.02.01.01	Interests in Associated Companies	323,644	308,954
1.02.02.01.04	Interests in subsidiaries	165	120
1.02.02.02	Investment Properties	48,941	48,941
1.02.03	Property, plant and equipment	705,811	708,269
1.02.03.01	Property, plant and equipment in operation	705,811	708,269
1.02.04	Intangible assets	235,840	234,689
1.02.04.01	Intangible assets	235,840	234,689

(A free translation of the original in Portuguese)

Consolidated Financial Statements / Balance Sheet - Liabilities and Equity

(Thousands of Reais)

1 – Account Code	2 – Account Description	Current quarter 3/31/2017	Previous year 12/31/2016
2	Total liabilities and equity	4,703,514	4,968,269
2.01	Current liabilities	1,469,539	1,661,724
2.01.01	Social and labor obligations	67,031	127,534
2.01.01.01	Payroll obrigations	67,031	127,534
2.01.02	Trade payables	220,944	251,454
2.01.02.01	Domestic trade payables	183,185	209,270
2.01.02.02	Foreign trade payables	37,759	42,184
2.01.03	Tax obligations	53,243	105,275
2.01.03.01	Federal tax liabilities	51,750	103,792
2.01.03.01.01	Income taxes and contributions payable	51,750	103,792
2.01.03.02	State tax liabilities	1,428	1,421
2.01.03.03	Municipal tax liabilities	65	62
2.01.04	Loans and financing	875,168	925,554
2.01.04.01	Loans and financing	875,168	925,554
2.01.04.01.01	In local currency	622,088	661,949
2.01.04.01.02	Foreign currency	253,080	263,605
2.01.05	Other obligations	253,153	251,907
2.01.05.02	Other	253,153	251,907
2.01.05.02.04	Advances from customers	50,461	44,365
2.01.05.02.05	Representatives on commission	24,773	33,249
2.01.05.02.06	D&O profit shares	0	7,915
2.01.05.02.07	Other current accounts payable	177,919	166,378
2.02	Noncurrent liabilities	1,368,844	1,438,028
2.02.01	Loans and financing	1,306,904	1,374,172
2.02.01.01	Loans and financing	1,306,904	1,374,172
2.02.01.01.01	In local currency	1,268,141	1,293,857
2.02.01.01.02	Foreign currency	38,763	80,315
2.02.02	Other obligations	25,332	28,511
2.02.02.02	Other	25,332	28,511
2.02.02.02.03	Obligations to purchase equity interests	25,332	28,511
2.02.04	Provisions	36.608	35,345
2.02.04.01	Tax, welfare and civil contingencies	36.608	35,345
2.02.04.01.01	Tax provisions	17,601	20,091
2.02.04.01.02	Social security and labor provisions	19,007	15,254
2.03	Consolidated shareholders' equity	1,865,131	1,868,517
2.03.01	Realized capital	1,264,622	1,264,622
2.03.02	Capital reserves	6,843	6,982
2.03.02.04	Granted Options	(5,176)	(5,037)
2.03.02.07	Goodwil on share issuance	12,019	12,019
2.03.04	Profit reserves	480,331	479,998
2.03.04.01	Legal reserve	49,330	49,330
2.03.04.02	Statutory reserve	453,625	453,625
2.03.04.09	Treasury stock	(22,624)	(22,957)
2.03.05	Retained earnings/accumulated losses	123	-
2.03.06	Carrying Value Adjustments	78,952	84,807
2.03.09	Non-controlling interests	34,260	32,108

(A free translation of the original in Portuguese)

Consolidated Financial Statements / Statement of Income

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current quarter 1/1/2017 to 3/31/2017	Accrued value of the prior year 1/1/2016 to 3/31/2016
3.01	Revenue from goods sold and services provided	554,632	428,326
3.02	Cost of goods and/or services sold	(493,585)	(372,152)
3.03	Gross profit	61,047	56,174
3.04	Operating (expenses) income	(72,694)	(65,964)
3.04.01	Sales expenses	(35,454)	(20,312)
3.04.02	General and administrative expenses	(40,869)	(33,985)
3.04.05	Other operating expenses	(19,802)	(17,773)
3.04.06	Equity in net income of subsidiaries	23,431	6,106
3.05	Net income (loss) from operations	(11,647)	(9,790)
3.06	Financial Income/loss	18,080	28,688
3.06.01	Financial revenue	108,117	135,462
3.06.02	Financial expenses	(90,037)	(106,774)
3.07	Profit before income tax and social contribution	6,433	18,898
3.08	Income taxes and social contribution	(3,210)	(10,132)
3.08.01	Current	(3,731)	(1,930)
3.08.02	Deferred charges	521	(8,202)
3.09	Net income from continued operations	3,223	8,766
3.11	Consolidated net income/loss for the period	3,223	8,766
3.11.01	Attributed to partners of the parent Company	123	8,852
3.11.02	Attributed to non-controlling interests	3,100	(86)
3.99	Earnings per share (Reais / Share)	-	-
3.99.01	Basic earnings per share	-	-
3.99.01.01	Common	0,00356	0.00983
3.99.01.02	Preferred	0,00356	0.00983
3.99.02	Diluted earnings per share	-	-
3.99.02.01	Common	0,00355	0.00977
3.99.02.02	Preferred	0,00355	0.00977

(A free translation of the original in Portuguese)

Consolidated Financial Statements / Statement of Comprehensive Income

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current quarter 1/1/2017 to 3/31/2017	Accrued value of the prior year 1/1/2016 to 1/31/2015
4.01	Consolidated net income for the period	3,223	8,766
4.02	Other comprehensive income/loss	(6,803)	(71,335)
4.02.01	Exchange variance on foreign investments	(6,803)	(71,335)
4.03	Consolidated comprehensive income for the period	(3,580)	(62,569)
4.03.01	Attributed to partners of the parent Company	(5,732)	(59,619)
4.03.02	Attributed to non-controlling interests	2,152	(2,950)

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Consolidated Financial Statements / Statement of Cash Flows - Indirect Method

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current year 1/1/2017 to 1/31/2016	Accrued value of the prior year 1/1/2016 to 1/31/2015
6.01	Cash flows from operating activities	(29,724)	193,321
6.01.01	Cash flows from operating activities	28,972	11,306
6.01.01.01	Net income for the year	3,223	8,766
6.01.01.02	Depreciation and amortization	12,166	11,314
6.01.01.03	Earnings on disposal of investments, property, plant and equipment and intangible assets	209	494
6.01.01.04	Equity in net income of subsidiaries	(23,431)	(6,106)
6.01.01.05	Allowance for doubtful accounts	6,301	309
6.01.01.06	Current and deferred income tax and social contribution	3,210	10,133
6.01.01.07	Interest and exchange variance appropriated	24,194	(13,690)
6.01.01.08	Non-controlling interests	3,100	86
6.01.02	Changes in assets and liabilities	(58,696)	182,016
6.01.02.01	(Increase) decrease in trade accounts receivable	112,779	245,954
6.01.02.02	(Increase) decrease in inventories	3,629	(4,765)
6.01.02.03	(Increase) decrease in other accounts receivable	805	(1,341)
6.01.02.04	(Increase) decrease in assets stated at fai value	(23,963)	95,595
6.01.02.05	Increase (decrease) in trade payables	(29,648)	(33,486)
6.01.02.07	Increase (decrease) in other accounts and provisions	(118,567)	(118,011)
6.01.02.08	Tax paid	(3,731)	(1,930)
6.02	Cash flow from investment activities	(427)	(34,893)
6.02.01	Investments	3,950	0
6.02.02	Dividends from subsidiaries, jointly-controlled entities and associates	4,746	1,572
6.02.03	Purchases of property, plant and equipment	(9,152)	(36,256)
6.02.04	Purchases of intangible assets	(131)	(209)
6.02.05	Receipt on sale of property, plant and equipment	160	0
6.03	Cash flow from financing activities	(148,395)	(349,999)
6.03.02	Loans secured from unrelated parties	72,757	133,246
6.03.03	Payment of loans – principal	(192,789)	(461,830)
6.03.04	Payment of loans – interest	(28,557)	(23,217)
6.03.06	Treasury shares	194	1,802
6.04	Foreign exchange gains/(losses) on cash equivalents	(2,647)	(7,491)
6.05	Increase (decrease) in cash and cash equivalents	(181,193)	(199,062)
6.05.01	Opening balance of cash and cash equivalents	1,209,459	1,131,162
6.05.02	Closing balance of cash and cash equivalents	1,028,266	932,100

Consolidated Financial Statements /Statement of Changes in Equity / 1/1/2017 to 3/31/2017

(Thousands of Reais)

1 – Account Code	2 – Account Description	Paid-up share capital	Capital reserves, options awarded and treasury shares	Profit reserves	Retained earnings / accumulated losses	Other comprehensive income / loss	Shareholders' equity	Non-controlling interests	Consolidated Shareholders equity
5.01	Opening balances	1,264,622	(15,975)	502,955	-	84,807	1,836,409	32,108	1,868,517
5.03	Adjusted opening balances	1,264,622	(15,975)	502,955	-	84,807	1,836,409	32,108	1,868,517
5.04	Capital transactions with partners	-	194	-	-	-	194	-	194
5.04.05	Treasury stock sold	-	194	-	-	-	194	-	194
5.05	Total comprehensive income	-	-	-	123	(5,855)	(5,732)	2,152	(3,580)
5.05.01	Net income for the period	-	-	-	123	-	123	3,100	3,223
5.05.02	Other comprehensive income/loss	-	-	-	-	(5,855)	(5,855)	(948)	(6,803)
5.05.02.04	Translation adjustments in the period	-	-	-	-	(5,855)	(5,855)	(948)	(6,803)
5.07	Closing balances	1,264,622	(15,781)	502,955	123	78,952	1,830,871	34,260	1,865,131

Consolidated Financial Statements /Statement of Changes in Equity / 1/1/2016 to 3/31/2016

(Thousands of Reais)

1 – Account Code	2 – Account Description	Paid-up share capital	Capital reserves, options awarded and treasury shares	Profit reserves	Retained earnings / accumulated losses	Other comprehensive income / loss	Shareholders' equity	Non-controlling interests	Consolidated Shareholders equity
5.01	Opening balances	1,200,000	(29,796)	401,999	-	255,882	1,828,085	34,098	1,862,183
5.03	Adjusted opening balances	1,200,000	(29,796)	401,999	-	255,582	1,828,085	34,098	1,862,183
5.04	Capital transactions with partners	-	1,802	-	-	-	1,802	-	1,802
5.04.05	Treasury stock sold	-	1,802	-	-	-	1,802	-	1,802
5.05	Total comprehensive income	-	-	-	8,852	(68,471)	(59,619)	(2,950)	(62,569)
5.05.01	Net income for the period	-	-	-	8,852	-	8,852	(86)	8,766
5.05.02	Other comprehensive income/loss	-	-	-	-	(68,471)	(68,471)	(2,864)	(71,335)
5.05.02.04	Translation adjustments in the period	-	-	-	-	(68,471)	(68,471)	(2,864)	(71,335)
5.05.02.06	Non-controlling interests from paid-up capital	-	-	-	-	-	-	-	-
5.07	Closing balances	1,200,000	(27,994)	401,999	8,852	187,411	1,770,268	31,148	1,801,416

(A free translation of the original in Portuguese)

Consolidated Financial Statements / Statement of Value Added

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current year 1/1/2017 to 3/31/2017	Accrued value of the prior year 1/1/2016 to 3/31/2016
7.01	Revenue	587,882	464,657
7.01.01	Sales of goods, products and services	593,214	463,112
7.01.02	Other revenue	969	1,854
7.01.04	Allowance/(reversal of allowance) for doubtful accounts	(6,301)	(309)
7.02	Consumables acquired from third parties	(466,985)	(334,383)
7.02.01	Cost of goods and services sold	(388,033)	(277,650)
7.02.02	Materials, energy, outsourced services and other	(58,180)	(37,106)
7.02.03	Loss/recovery of assets	(20,772)	(19,627)
7.03	Gross value added	120,987	130,274
7.04	Retentions	(12,166)	(11,314)
7.04.01	Depreciation, amortization and depletion	(12,166)	(11,314)
7.05	Net added value produced	108,731	118,960
7.06	Transferred added value	131,548	141,568
7.06.01	Equity in net income of subsidiaries	23,431	6,106
7.06.02	Financial revenue	108,117	135,462
7.07	Total added value to be distributed	240,279	260,528
7.08	Distribution of added value	240,279	260,528
7.08.01	Personnel	134,558	128,796
7.08.01.01	Direct remuneration	106,970	104,798
7.08.01.02	Benefits	19,348	18,491
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	8,240	5,507
7.08.02	Taxes, duties and contributions	8,087	10,705
7.08.02.01	Federal	21,619	8,679
7.08.02.02	State	(14,273)	1,490
7.08.02.03	Municipal	741	536
7.08.03	Interest expenses	94,411	112,261
7.08.03.01	Interest	90,037	106,774
7.08.03.02	Rent	4,374	5,487
7.08.04	Interest earnings	3,223	8,766
7.08.04.03	Retained earnings/loss for the period	3,223	8,766

1 Reporting Entity

Marcopolo S.A. ("Marcopolo") is a publicly held company, having its registered office in Caxias do Sul, Rio Grande do Sul state. The Company's individual and consolidated quarterly information for the period ended March 31, 2017 embrace Marcopolo and its subsidiaries, joint ventures and investments in associated companies (referred to as "Company").

Marcopolo's core activity is the manufacturing and sale of buses, automobiles, wagons, parts, agricultural and industrial machinery, and imports and exports, and may also acquire equity interests in other companies.

Marcopolo's stock is traded under the symbols “POMO3” and “POMO4” on the São Paulo Stock Exchange – BM&FBOVESPA.

2 Description of significant accounting practices

The main accounting policies used to prepare these quarterly financial statements are as follows. These accounting policies were applied consistently to all the periods presented in this individual and consolidated quarterly information.

2.1 Basis of preparation

(a) Declaration of conformity with IFRS and CPC standards

The Company's individual and consolidated quarterly information has been prepared and is being presented in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil (BR GAAP), consisting of the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (CPC), as approved by the Brazilian Securities Commission (CVM) and the provisions of Brazilian Corporation Law.

Company Management affirms that all material information related to the financial information and that alone is being disclosed, which corresponds to that used by it in its management.

(b) Reporting basis

The individual and consolidated quarterly information has been prepared on the historical cost basis, except for the following material items recognized in the balance sheets:

- derivative financial instruments are measured at fair value;
- the non-derivative financial instruments stated at fair value through profit and loss are measured at fair value;
- available-for-sale financial assets are measured at their fair value;

(c) Use of judgment and estimates

Preparing the individual and consolidated quarterly information requires Management to make judgments, estimates and assumptions that affect the application of the Company's accounting policies

and the reported values of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about judgments in applying accounting policies and uncertainties in the assumptions and estimates that pose a significant risk of an adjustment in the next financial year have been included in the following notes:

- Note 2.2 (a, ii) – Subsidiaries;
- Note 2.2 – Investments in Joint ventures – Joint operations;
- Note 8 – Allowance for doubtful accounts
- Note 17 - Provision for civil, labor and tax contingencies;
- Note 18 - Pension plan and retirement benefits for employees;
- Note 19 – Deferred taxes.

(d) Statement of added value

The Company prepared individual and consolidated statements of added value (DVA) in accordance with technical pronouncement CPC 09 – Statement of Added Value, which are presented as an integral part of the quarterly information in BRGAAP applicable to publicly held companies, while consisting of supplementary financial information under IFRS.

2.2 Basis of consolidation

(a) Consolidated financial statements

The following accounting policies are applied in the preparation of the consolidated quarterly information.

(i) Minority interest

The Company elected to measure the minority interest in the investee according to the proportional interest in the net assets identifiable at the acquisition date.

Changes in the Company's ownership interest in a subsidiary that do not result in loss of control are accounted for within equity.

(ii) Subsidiaries

Subsidiaries are all entities (including the specific purpose companies) over which the Company has the power to determine the financial and operating policies, and in which it generally holds over half the voting rights (voting stock). The existence and the effect of possible voting rights currently exercisable or convertible are taken into account when evaluating whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The Company uses the acquisition method to record business combinations. The amount transferred to acquire a subsidiary is the fair value of the transferred assets, liabilities incurred and equity instruments issued by the Company.

The amount transferred includes the fair value of a given asset or liability resulting from a contingent payment contract when applicable. Acquisition costs are expensed in the income statement for the year as and when incurred. The identifiable assets acquired and the liabilities and the contingent liabilities undertaken in a business combination are initially measured at fair value as of the acquisition date. The minority interest to be recognized is measured on the date of each acquisition.

Any excess amount transferred and the fair value at the acquisition date of any previous equity interest in the acquired party in relation to the fair value of the Company's interest in net identifiable assets acquired is recorded as goodwill. In acquisitions where the Company attributes fair value to minority shareholders, the goodwill determined also includes the value of any minority interest in the acquired party, and the goodwill is determined based on the Company and the minority interests. If the amount transferred is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement for the year (Note 2.11).

(iii) Transactions eliminated on consolidation

Intra-company balances and transactions, and any unrealized income and expenses arising from intra-company transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee Unrealized losses are eliminated the same way as unrealized gains, but only to the extent to which there is no evidence of impairment losses.

(iv) Investments in Joint ventures – Joint operations)

Business combinations can be classified as a joint operation or the joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement and consequently accounts for the investment by the equity income method. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement and accounts for the investment by the equity income method.

(v) Loss of control

When control is lost, the Company derecognizes the subsidiary's assets and liabilities, any noncontrolling interest and other components recorded under shareholders' equity related to this subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Company retained any interest in the former subsidiary, this interest is measured at fair value on the date the control was lost. This interest is subsequently recorded by the equity method in associated companies or at cost or fair value in an available-for-sale asset, depending on the level of influence retained.

(vi) Associated companies

Associated companies are all the entities over which the Company exercises significant influence but does not control, in which it generally holds an equity interest of between 20% and 50% of the voting rights.

Investments in associated companies are recorded by the equity income method and recognized initially at cost. The Company's investment in associated companies include the goodwill identified in the acquisition, net of any accumulated impairment loss. See Note 2.11 about impairment of nonfinancial assets, including goodwill.

The Company's interest in the profits or losses of its associated companies post-acquisition is recognized in the income statement and its interest in the changes in post-acquisition reserves is recognized in the reserves. Accrued changes post-acquisition are adjusted against the book value of the investment. When the Company's interest in the losses of an associated company is equal to or greater than its interest in that company, including any other receivables, the Company does not recognize additional losses, unless it has incurred on obligations or makes payments on behalf of the associated company.

Unrealized gains on transactions between the Company and its associated companies are eliminated in proportion to the Company's interest in the associated companies. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of associated companies have been changed where necessary to ensure consistency with the policies adopted by the Company.

If the equity interest in the associated company diminishes but significant influence is maintained, only a proportional part of the amount previously recognized in other comprehensive income shall be reclassified in the income statement, where appropriate.

Gains and losses resulting from dilutions occurring in interests in associated companies are recognized in the income statement.

2.3 Segment reporting

Operating segments are reported consistently with the internal reports provided to the main operating decision takers. The main taker of operating decisions, responsible for allocating funds and evaluating the performance of operating segments, is the Board of Directors, which is also responsible for taking the Company's strategic decisions.

2.4 Functional currency and reporting currency

The consolidated quarterly information is being presented in Reais (R$), which is Marcopolo's functional currency and the Company's reporting currency. All balances have been rounded off to the nearest thousand, except where specified otherwise.

The items included in each of Company entity's quarterly information are measured by using the currency of the main economy in which the company operates ("functional currency").

Each entity's functional currency can be seen below:

Subsidiary	Denomination	Functional currency	Country
Apolo Soluções em Plásticos Ltda.	Apolo	Reais	Brazil
Banco Moneo S.A.	Banco Moneo	Reais	Brazil
Ciferal Indústria de Ônibus Ltda.	Ciferal	Reais	Brazil
Ilmot International Corporation.	Ilmot	US Dollar	Uruguay
Marcopolo Auto Components Co.	MAC	Renminbi	China
Marcopolo Australia Holdings Pty Ltd.	MP Austrália	Australian Dollar	Australia
Pologren Australia Pty Ltd.	Pologren	Australian Dollar	Australia
Volgren Australia Pty Ltd.	Volgren	Australian Dollar	Australia
Marcopolo Canada Holdings Corp.	MP Canada	Canadian Dollar	Canada
Marcopolo International Corp.	MIC	US Dollar	Virgin Islands
Marcopolo South Africa Pty Ltd.	Masa	Rand	South Africa
Marcopolo Trading S.A.	Trading	Reais	Brazil
Moneo Investimentos S.A.	Moneo	Reais	Brazil
Neobus Chile SPA	Neobus Chile	Chilean Peso	Chile
NewRoad Mexico S.A. de C.V.	NewRoad	Mexican Peso	Mexico
Rotas do Sul Logística Ltda.	Rotas do Sul	Reais	Brazil
San Marino Bus de México S.A. de C.V.	San Marino México	Mexican Peso	México
San Marino Ônibus e Implementos Ltda.	San Marino	Reais	Brazil
Syncroparts Comércio e Distribuição de Peças Ltda.	Syncroparts	Reais	Brazil
Polomex S.A. de C.V.	Polomex	US Dollar	Mexico
Volare Veículos Ltda.	Volare Veículos	Reais	Brazil
Volare Comércio e Distribuição de Veículos e Peças Ltda.	Volare Comércio	Reais	Brazil
Volare Del Peru S.A.C.	Volare Peru	Novo Sol	Peru

Joint subsidiaries	Denomination	Functional currency	Country
GB Polo Bus Manufacturing S.A.E.	GB Polo	Egyptian Pound	Egypt
Kamaz Marco LLC.	Kamaz	Ruble	Russia
Loma Hermosa S.A.	Loma	Argentine Peso	Argentina
Metalpar S.A.	Metalpar	Argentine Peso	Argentina
Metalsur Carrocerias S.R.L.	Metalsur	Argentine Peso	Argentina
Marcopolo Argentina S.A.	Marsa	Argentine Peso	Argentina
Superpolo S.A.	Superpolo	Colombian Peso	Colombia
Tata Marcopolo Motors Limited.	TMML	Rupee	India

Associated companies	Denomination	Functional currency	Country
Mercobus S.A.C.	Mercobus	Novo Sol	Peru
New Flyer Industries Inc.	New Flyer	Canadian Dollar	Canada
Setbus Soluções Automotivas Ltda.	Setbus	Reais	Brazil
Spheros Climatização do Brasil S.A.	Spheros	Reais	Brazil
Spheros Mexico S.A. de C.V.	Spheros México	Mexican Peso	Mexico

Spheros Thermosystems Colombia Ltda.	Spheros Colômbia	Colombian Peso	Colombia
WSul Espumas Indústria e Comércio Ltda.	WSul	Reais	Brazil

2.5 Foreign currency

(a) Foreign-currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Company's entities at exchange rates at the dates of the transactions

Monetary assets and liabilities denominated and determined in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognized in profit or loss.

However, foreign currency differences arising from the retranslation of the following items are recognized in other comprehensive income:

- available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognized in other comprehensive income are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedge is effective.

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Real at exchange rates at the reporting date. The income and expenses of foreign operations are translated to the Real at exchange rates at the dates of the transactions.

Foreign currency differences arising on translation to the reporting currency are recognized in other comprehensive income and accrued in equity appraisal adjustments in shareholders' equity. However, if the subsidiary is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests.

When a foreign operation (subsidiary, associated company or joint subsidiary) is disposed the cumulative amount in the equity appraisal adjustments is reclassified to profit or loss as part of the gain or lesson disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. In any other partial disposals overseas, the portion corresponding to the sale is

reclassified to profit and loss.

2.6 Financial instruments

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Company classifies non-derivative financial liabilities into the following categories: financial liabilities measured at fair value through profit or loss and other financial liabilities.

2.6.1 Non-derivative financial assets and financial liabilities - recognition and derecognition

The Company initially recognizes loans and receivables and debt instruments on the date they were originated. All other financial assets and liabilities are recognized on the trade date, which is the date that the entity becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously

2.6.2 Non-derivative financial assets - measurement

(a) Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. They are measured at fair value and changes therein, which takes into account any dividend income, are recognized in profit or loss for the period.

(b) Held-to-maturity financial assets

Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets were measured at amortized cost using the effective interest method.

(c) Loans and Receivables

Such assets were recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(e) Available-for-sale financial assets

Available-for-sale financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

2.6.3 Non-derivative financial liabilities - measurement

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognized in profit or loss for the period.

Such non-derivative financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

2.6.4 Repurchase and reissue of share capital (treasury shares)

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

2.6.5 Impairment

(a) Non-derivative financial assets (including receivables)

A financial asset not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;

- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy/judicial reorganization;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating a measurable decrease in the estimated future cash flows from a group of financial assets.

(b) Financial assets measured at amortized cost

The Company considers evidence of impairment for financial assets measured at amortized cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. The amounts are written off when the Company believes there are no reasonable prospects of recovering them. When an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(c) Assets classified as "available-for-sale"

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The reclassified loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss recognized previously in profit or loss. If the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. Impairment losses recognized in profit or loss for equity instruments classified as available-for-sale are not reversed.

(d) Investees recorded by the equity income method

Impairment of an investee valued by the equity method is measured by comparing the recoverable value of the investment against its carrying amount. An impairment loss is recognized in net income and reversed if there is a favorable change in the estimates used to determine the recoverable value.

(e) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventory and deferred income and social contribution taxes, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment.

Impairment losses are recognized in profit or loss. Recognized losses on Cash Generating Units (UGC) are initially allocated to reduce any goodwill allocated to this unit (or group of units), and then to the reduction of the book value of other assets of this unit (or group of UGCs), on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. Impairment losses for other assets are only reversed if the book value of the asset does not exceed the book value that would have been determined, net of depreciation or amortization, had the impairment not been recognized.

2.7 *Derivatives measured at fair value through profit or loss*

Derivative instruments procured do not qualify for hedge accounting. The changes in the fair value of any of the derivative instruments are immediately recognized in the income statement under "financial revenue (expenses)".

2.8 Trade accounts receivable

Trade receivables are amounts due from customers for property sold or services performed in the ordinary course of the Company's business. If collection is expected in one year or less (or other term compatible with the normal cycle of the Company's operations), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less a provision for impairment.

2.9 Inventories

Inventories are measured at the lower of cost and net realizable value. Inventory is recorded at average cost and includes expenses incurred on the acquisition of inventory, production and transformation costs and other costs incurred to bring the inventories to their current status and location. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

2.10 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at the historical cost of acquisition or construction, less accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labor;
- Any other costs to bring the asset to its location and condition necessary so it can be operated as intended by Management;
- The disassembly costs, and the restoration of the site where these assets are located; and
- Loan costs on qualifiable assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Reclassification to investment property
When the owner ceases to occupy the property and begins using it for investment purposes, the property is remeasured at fair value and reclassified as investment property. Any gain resulting from this new measurement is recognized in the income statement as and when the gain reverts to a loss due to previous impairment of a specific property, with any remaining gain recognized in other comprehensive income in the equity appraisal adjustments reserve. Any loss is immediately recognized in the income statement.

Subsequent costs
Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

Depreciation
Items of property, plant and equipment are depreciated by the straight-line method in the income statement for the year, based on the estimated useful economic life of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

	Years
Buildings	40-60
Machinery	10-15
Vehicles	5
Furniture, fixtures and equipment	5-12

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted when necessary.

2.11 Intangible assets and goodwill

(a) Goodwill

The goodwill consists of the positive difference between the amount paid or payable and the net amount of the acquired entity's assets and liabilities at fair value. Goodwill resulting from the acquisition of subsidiaries is recorded as intangible assets. If the acquirer determines goodwill, the amount should be recorded as a gain in the net income for the period, on the acquisition date. Goodwill is tested annually to check for probable impairment and recorded at cost value less accumulated impairment losses, which are not reversed. The gains and losses from selling an entity include the book value of the goodwill related to the sold entity.

The goodwill is allocated to the UGCs for impairment testing. This allocation is made to the UGCs or groups of UGCs that should benefit from the business combination generating the goodwill, duly segregated by operational segment.

(b) Registered trademarks and licenses

Registered trademarks and licenses acquired separately are stated at historic cost. Registered trademarks and licenses acquired in a business combination are recognized at fair value on the acquisition date, as they have a defined useful live and are recorded at cost value minus accumulated amortization. Amortization is calculated by the straight-line method to allocate the cost of registered trademarks and licenses over their estimated useful life of 10 to 20 years.

(c) Software

Software licenses acquired are capitalized based on costs incurred to acquire the software and render it ready for use. These costs are amortized during their estimated useful life of up to 5 years.

The costs associated with software maintenance are expensed when incurred. Development costs directly related to the design and tests of identifiable and exclusive software products, controlled by the Company are recognized as intangible assets in the following situations:

. it is technically feasible to complete the software so it is available for use;
. management intends to conclude the software and use it or sell it;

. the software can be sold or used;

. the software will generate probable future economic rewards, which can be demonstrated;

. technical and financial resources and other suitable resources are available to conclude the development and use or sell the software; and

. the expense attributable to the software during development can be measured reliably.

Other development expenses that do not meet these criteria are expensed, as and when incurred. Development costs previously recognized as expenses are not recognized as an asset in a subsequent period.

(d) Research and development

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenses are only capitalized if the development costs can be measured reliably, if the product or process is technically and commercially feasible, if the future economic rewards are probable and if the Company has the intention and resources to conclude the development and use or sell the asset. The expenditure capitalized includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs. Other development expenditure is recognized in profit or loss as incurred.

Subsequent to initial recognition, capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

(e) Other intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(f) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenses, including expenses on goodwill generated internally and trademarks are recognized in the statement as and when they are incurred.

(g) Amortization

Except for goodwill, amortization is recognized in income statement by the straight line method in relation to the estimated useful lives of intangible assets, as from the date they are available for use.

2.12 Investment properties

Investment property is measured at cost.
Gains and losses on the disposal of an investment property (calculated as the difference between the net value received on the sale and the book value of the item) are recognized in the income statement.
When an investment property previously recognized as property, plant and equipment is sold, any amount recognized in equity valuation adjustment is transferred to retained earnings.

2.13 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. (or the normal business cycle, even if it is longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, usually recognized at the amount of the related invoice.

2.14 Loans and financing

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of income during the period the loans and financing are in progress, using the effective interest rate method.

Loans and financing are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.15 Determining the adjustment to present value

The items discounted to present value are:

- Trade accounts receivable consisting of the credit sale to Company clients with low credit risk. The discount rate used by Management to discount these items to present value is 100% of the monthly CDI rate for domestic clients and the market rate for advances on export contracts for offshore clients. The interest rate assigned to a sale transaction is determined upon the initial registration of the transaction and is not subsequently adjusted;

- Accounts payable to Company suppliers for credit purchases. The Company calculates the present value the same way as it does for accounts receivable.

2.16 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

2.17 Provisions for warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and weighed against all possible results in relation to the associated probabilities.

2.18 Income and social contribution taxes

The income and social contribution taxes for the period, both current and deferred, are calculated based on the rates of 15% plus a surcharge of 10% on taxable income in excess of R$ 60 thousand the period for income tax and 9% on taxable income for social contribution on net income in the period, and consider the offsetting of tax loss carryforwards and negative basis of social contribution limited to 30% of the taxable income.

Income and social contribution expenses consist of current and deferred income tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(a) Income tax and social contribution expenses - current

Current tax expense is the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is recognized in the statement of financial position as tax assets or liabilities to better estimate the expected value of taxes to be paid or received, reflecting the uncertainties inherent to their calculation, if applicable. It is measured based on the rates that have been decreed by the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria have been met.

(b) Income tax and social contribution expenses - deferred

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The changes in deferred tax assets and liabilities in the period are recognized as a deferred income and social contribution tax expense. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future, and
- taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted at the reporting date.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow the manner in which the Company expects to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria have been met.

2.19 Pension and post-employment benefits

The Company recognizes its obligations related to employee benefit plans and related costs, net of plan assets, in accordance with the following practices:

(i) The cost of pension and other post-employment benefits provided to employees is actuarially determined using the projected unit credit method and management's best estimate of expected investment performance for funded plans, salary increases, retirement age of employees and expected healthcare costs. The discount rate used for determining future benefit obligations is an estimate of the interest rate in effect at the balance sheet date;

(ii) Pension plan assets are stated at market value;

(iii) Past service costs arising from plan adjustments are amortized on a straight-line basis over the remaining service period of active employees at the date of the adjustment;

(iv) Actuarial gains and losses are immediately recognized in comprehensive income for the period;

(v) A plan curtailment results from significant changes in the expected service period of active employees. A net curtailment loss is recognized when the event is probable and can be estimated, while a net curtailment gain is deferred until realized.

In accounting for pension and post-retirement benefits, several statistical and other factors that seek to anticipate future events are used to calculate plan expenses and liabilities.

These factors include discount rate assumptions, expected return on plan assets, future increases in healthcare costs, and future salary increases.

In addition, actuarial consultants also use subjective factors such as withdrawal, turnover, and mortality rates to estimate these factors. The actuarial assumptions used by the Company may differ materially from actual results due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

2.20 Shareholders' equity

Common shares

Classified as shareholders' equity. Additional costs directly attributable to the issuance of shares and options are recognized as a deduction from the shareholders' equity, net of tax.

Preference share capital
Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Discretionary dividends thereon are recognized as distributions within equity upon approval by the Company's shareholders.

Minimum dividends and interest on shareholders' equity paid to Marcopolo's stockholders are recognized as a liability in the Company's financial statements at the end of the year, pursuant to Marcopolo's bylaws. Any amount in excess of the mandatory minimum is only provisioned for on the date they are approved by the shareholders at the annual general meeting.

2.21 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of products and services in the ordinary course of the Company's activities. Operating revenue is recognized when: (i) significant risks and rewards of ownership have been transferred to the customer, (ii) recovery of the consideration is probable, (iii) the associated costs and possible return of goods can be reliably estimated, (iv) there is no ongoing involvement with the goods sold and (v) and the amount of revenue can be measured reliably. Revenue is stated net of returns, trade discounts and volume rebates and after eliminating intercompany sales.

(a) Bus sales

Revenue is not recognized until: (i) the cars have been delivered to the client; (ii) the risks of obsolescence and loss have been transferred to the client; (iii) the client has accepted the cars pursuant to the sale contract; and (iv) the acceptance terms have been agreed, or the Company has objective evidence that all acceptance criteria have been met.

Sales are recorded based on the price specified in the sale contract, and are discounted to present value.

2.22 Finance income and finance costs

The Company's finance income and finance costs comprise;

- interest revenue and expenses;
- net gain/loss on the sale of available-for-sale financial assets;
- net gains/losses on financial assets measured at fair value through profit or loss;
- net foreign currency gains and losses on financial assets and financial liabilities;
- fair value losses charged as contingent payment classified as a financial liability;
- financial asset impairment (other than accounts receivable);
- Gains/losses on hedge instruments recognized in profit or loss and;
- reclassifications of net gains previously recognized in other comprehensive income.

Interest income and expenses are recognized as they accrue in profit or loss, using the effective interest method.

The Company classifies interest on shareholders' equity received as cash flows from investment activities.

2.23. Standards, amendments and interpretations of standards

(a) Standards, amendments and interpretations of existing standards that are not yet effective:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2017, and have not been applied in preparing this quarterly information. The Company is not planning to implement these standards in advance.

IFRS 9/ CPC 48 – Financial Instruments
Published in July 2014, IFRS 9 replaced the guidelines in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes a logical model for classification and measurement of financial instruments, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. The standard carries over from IAS 39 the requirements for recognition and derecognition of financial assets and financial liabilities. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is evaluating the effects that IFRS 9 will have on its financial statements and disclosures.

IFRS 15/ CPC 47 - Revenue from Contracts with Customers
IFRS 15 requires an entity to recognize revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard will replace most of the detailed guidelines about revenue recognition currently set out in IFRS and U.S. GAAP when the new standard, is adopted. The new standard is applicable on or after January 01, 2018. The new standard may be adopted retrospectively, using a cumulative approach. The Company is evaluating the effects that IFRS 15 will have on its financial statements and disclosures.

The new standards or modifications are not expected to have a material impact on the Company's consolidated financial statements.

- Accounting for Acquisitions of Interests in Joint Operations (amendment of IFRS 11 – CPC 17)
- Acceptable Methods of Depreciation and Amortization (amendments of CPC 27 / IAS 16 and CPC 04 / IAS 38)
- Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (amendments of CPC 36 / IFRS 10 and CPC 18 / IAS 28)
- Disclosure Initiative (Amendment of CPC 26 / IAS 1).

The Accounting Pronouncements Committee has not yet issued an accounting pronouncement or amended existing pronouncements related to all these new IFRS standards. Early adoption of these IFRS is not therefore permitted for entities that disclose their financial statements in accordance with the accounting practices adopted in Brazil.

3 Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Based on assumptions, the company makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below.

(a) Estimated impairment of goodwill

The Company is testing goodwill for impairment annually, in accordance with the accounting policy presented in Note 2.11. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 14).

(b) Income and social contribution taxes and other taxes

The Company is subject to income tax in all the countries it operates in. Significant judgment is required to determine the provision for income tax in these various countries.

4 Financial Risk Management

4.1 Risk factors

(a) Market risk

(i) Exchange rate risk

The Company's results are susceptible to currency effects as its assets and liabilities are subject to the volatility of foreign exchange rates, mainly the U.S. dollar.

As an exchange rate hedge strategy, Management uses natural hedges and maintains related assets also susceptible to exchange variance.

As of March 31, 2017 and December 31, 2016 the Company had assets, liabilities and forwards denominated in foreign currency in the following amounts (thousands of reais):

	Consolidated			
	3/31/2017			
	Trade accounts receivable	**Trade payables**	**Loans**	**Forwards**
Currency				
US Dollar	294,925	8,853	281,668	192,615
Australian Dollar	30,665	26,198	74,041	25,374
Novo Sol	-	-	591	-
South African Rand	20,067	1,154	810	5,584
Chinese Renminbi	9,490	1,554	8,332	-
	355,147	37,759	365,442	223,573

	Consolidated			
	12/31/2016			
	Trade accounts receivable	Trade payables	Loans	Forwards
Currency				
US Dollar	316,507	15,458	322,577	196,797
Australian Dollar	43,023	26,677	74,243	30,480
South African Rand	20,466	49	842	5,138
Chinese Renminbi	18,787		15,756	
	398,783	42,184	413,418	232,415

(ii) Interest rate risk

The results of the Company are susceptible to losses arising from fluctuations in interest rates that lead to an increase in financial expenses related to loans and financing obtained in the market, or a decrease in financial income related to financial investments. The Company continuously monitors the market interest rates in order to assess any requirement to use derivatives to protect itself against the risk of variation to these rates.

(iii) Sales and purchases price risk

Considering that exports are equivalent to 46.0% of the projected revenues for 2017, a possible volatility of foreign exchange rates represents, in fact, a price risk that may alter the results planned by management.

On the other hand, the purchases of raw materials considered as commodities represent approximately 38% of total purchases, and accordingly, the Company is subject to the effects of market price oscillations of these items.

The Company constantly monitors the price trends to mitigate these risks.

(b) Credit risk

The credit risk is administrated on a corporate basis. Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits at banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and repurchase transactions. If no independent classification exists, the credit ratings department evaluates the quality of the customer's credit, taking into account its financial position, past experience and other factors. The individual risk limits are determined based on internal or external classifications according to the limits established by the Board of Directors. The use of credit limits is monitored regularly.

The Company also has an allowance for doubtful accounts of R$ 29,819 (parent company) and R$ 93,941 (consolidated) as of March 31, 2017 (December 31, 2016 - R$ 29,430 and R$ 87,893) representing 8.1% and 6.9% respectively, of the outstanding accounts receivable balance of the parent company and consolidated (December 31, 2016 – 6.4% and 6.0%) which was recorded to cover credit risk

(c) Liquidity risk

This is a risk of the Company having insufficient liquid funds to meet its financial commitments, as a result of a time or volume mismatch between scheduled receipts and payments.

Future receipt and payment premises are established to administrate cash liquidity in local and foreign currency, which are directly monitored by the Treasury Department.

		Consolidated			
		3/31/2017			
		Contractual cash flow			
	Carrying amount	Total	Between one and two years	Between two and five years	Over five years
Non-derivative financial liabilities					
Loans and financing	2,176,451	2,564,795	1,595,274	711,141	258,380
Trade payables	220,944	220,944	220,944	-	-
Derivative financial liabilities					
Derivative financial instruments	5,621	5,621	5,621	-	-

		Consolidated			
		12/31/2016			
		Contractual cash flow			
	Carrying amount	Total	Between one and two years	Between two and five years	Over five years
Non-derivative financial liabilities					
Loans and financing	2,299,234	2,616,781	978,687	1,395,853	242,241
Trade payables	251,454	251,454	251,454	-	-
Derivative financial liabilities					
Derivative financial instruments	492	492	492	-	-

(d) Additional sensitivity analysis required by CVM

The table below denotes the sensitivity analysis of the financial instruments, which explains the risks that could generate material changes for the Company, with the most probable scenario as evaluated by management, for a period of 12 months during which the next financial statements shall be released. Two more scenarios are presented, which, if they occur, may generate adverse results for the Company: scenario II, which considers a possible deterioration of 25%; and scenario III, an extreme deterioration of 50%, in accordance with CVM Instruction 475/08.

Assumptions	Effects on results	Probable scenario (Scenario I)	(Scenario II)	(Scenario III)
CDI - %		10.00	12.50	15.00
TJLP - %		7.00	8.75	10.50
Exchange rate - USD		3.25	4.06	4.87
Exchange rate - Euro		3.65	4.56	5.48
LIBOR - %		1.55	1.94	2.33
Cost of advances on foreign exchange contracts (ACC) discount - %		4.3	5.37	6.45
	Call deposits	97,715	122,080	146,421
	Interbank transactions	81,323	91,513	101,704
	Loans and financing	(141,149)	(215,667)	(291,574)
	Forwards	(7,830)	(26,918)	(37,058)
	Receivables less payables	8,236	89,642	171,048
		38,295	60,650	90,541

4.2 Capital Risk Management

The Company's objectives when managing capital are to safeguard its operational continuity, in order to provide returns to stockholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to preserve the sustainability and perpetuation of its business, in addition to social and environmental concerns, the Company places emphasis on the economic and financial results, which lead to the aggregation of value to the business and return to stockholders. As from 2001, the methodology known as Value-added Management was adopted to monitor the Company's performance. This methodology focuses on operational actions which result in superior financial performance. The staff received training under this program to develop and use measurement and control tools to accomplish targets, thus enabling the simulation and analysis of the efficient management of working capital and the effects of new investments on the Company's profitability. At the same time, Marcopolo adopted the concepts of Balanced Score Card (BSC) that translates each unit's strategy into objectives, drivers, targets and action plans, which are frequently monitored and managed. The tools related to objectives include: WACC (Weighted Average Capital Cost), Net Debt/EBITDA and (Debt/Equity) Ratio. These key indicators were as follows in the past few years:

WACC - between 8% and 12% p.a.
Net Debt/EBITDA - between 1.50x and 2.50x
Debt/Equity ratio - between 25% and 80%

The financial leverage indexes as of March 31, 2017 and December 31, 2016 have been summarized below (Note 28):

	Consolidated		Industrial Segment		Financial Segment	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Total loans	2,176,451	2,299,234	1,559,681	1,645,904	616,770	653,330
Derivative financial instruments	5,621	492	5,621	492	-	-
Minus: cash and cash equivalents	(1,028,266)	(1,209,459)	(973,184)	(1,164,763)	(55,082)	(44,909)
Less: short-term investments	(257,732)	(224,151)	(257,732)	(224,151)	-	-
Less: derivative financial instruments	(2,330)	(6,498)	(2,330)	(6,498)	-	-
Net debt (A)	893,744	859,618	332,056	250,984	561,688	608,421
Total shareholders' equity (B)	1,865,131	1,868,517	1,632,877	1,636,984	232,254	231,533
Financial leverage index - % (A/B)	48	46	20	15	242	263

4.3 Fair value estimation

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair value. The fair value of financial liabilities for reporting purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The Company adopted CPC 40/IFRS 7 for financial instruments that are measured in the balance sheet at fair value; this requires disclosure of fair value measurements by level of the following fair value hierarchy:

. Prices quoted (unadjusted) on active markets for identical assets and liabilities (level 1).

. Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2), and

. Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at March 31, 2017 and December 31, 2016 which were fully classified in level 2:

	Consolidated	
	3/31/2017	12/31/2016
Assets		
Financial assets at fair value through profit or loss		
- Trading derivatives	2,330	6,498
Available-for-sale assets		
- Bank deposit certificates	257,732	224,151
	260,062	230,649
Liabilities		
Financial liabilities at fair value through profit or loss		
- Trading derivatives	5,621	492
	5,621	492

4.4 Other risk factors

At the initiative of the Board of Directors, the Company may conduct internal assessments whenever external or internal factors indicate the possibility of distortions in the financial statements, financial losses or damage to its repute have occurred. These procedures are carried out independently with or without the support of external experts, and the findings are reported to the Board of Directors.

5 Financial instruments by category

(a) Financial assets stated at fair value through profit or loss

(i) Short-term investments are classified as held for trading. The market value is recognized in the statements of financial position and

(ii) Derivatives - The derivative instruments contracted by the Company aim at protecting its transactions against the risks of foreign exchange and interest rate fluctuations, and are not used for speculative purposes

(b) Loans and receivables

(i) Cash and cash equivalents - The market values of current account balances in banks are similar to the recorded balances, considering their characteristics and maturities.

(ii) Trade accounts receivable - Accounts receivable on the sale of goods and services, and

(iii) Related-party transactions - Loans.

(c) Available-for-sale

Short-term investments - Funds held in Bank Deposit Certificates.

(d) Financial liabilities stated at fair value through profit or loss

Derivatives - The derivative instruments contracted by the Company aim at protecting its transactions against the risks of foreign exchange and interest rate fluctuations, and are not used for speculative purposes

(e) Other financial liabilities

(i) Loans and financing - The loans and financing are registered according to interest incurred. The difference between the book value and the market value, calculated in accordance with the discounted cash flow method, may be summarized as follows:

	Consolidated		Consolidated	
	3/31/2017		12/31/2016	
Nature of assets	**Book value**	**Market value**	**Book value**	**Market value**
Loans and financing	2,176,451	2,140,221	2,299,234	2,273,390

(ii) Trade payables - Payables on the acqzuisition of goods and services.

(f) Derivative financial instruments

The table below presents an estimate of the market value of the positions of Non-deliverable Forward (NDF) and Forward contracts. Unrealized gains and losses on derivatives are recorded in "derivative financial instruments" in assets or liabilities, with a corresponding entry to the results in the item Finance income (or costs) from exchange variance respectively.

Assets

					Notional value	Fair value		Values receivable	
Company	**Counterparty**	**Position**	**Initial**	**Final**	**3/31/2017**	**3/31/2017**	**12/31/16**	**3/31/2017**	**12/31/16**
Marcopolo					USD mil				
	BRADESCO	Sale	01/26/17	07/20/17	13,085	450	773	450	773
	SAFRA	Sale	01/23/17	06/27/17	4	371	1,076	371	1,076
	SANTANDER	Sale	12/07/16	07/25/17	15,375	1,258	3,059	1,258	3,059
	MERRIL	Sale	02/08/17	06/08/17	2,500	88	-	88	-
						2,167	**4,908**	**2,167**	**4,908**
Masa					USD mil				
	ABSA	Purchase	03/10/17	05/31/17	696	38	45	38	45
	STD	Purchase	02/16/17	05/18/17	1,066	29	54	29	54
						67	**99**	**68**	**99**
MP Austrália					CNY mil				
	CITIBANK	Purchase	08/11/16	11/08/17	20,718	27	266	27	266
					USD mil				

	CITIBANK	Purchase				-	17	-	17
	WESTERN UNION	Purchase				-	472	-	472
					SGD mil				
	CITIBANK	Purchase				-	4	-	4
					CHF mil				
	CITIBANK	Purchase				-	18	-	18
						27	**777**	**27**	**777**
San Marino					USD mil				
	Santander	Sale	03/14/17	04/10/17	2,430	69	-	69	-
						69	-	**69**	-
Polomex					USD mil				
	MONEX	Purchase				-	714	-	714
						-	**714**	-	**714**
						2,330	**6,498**	**2,330**	**6,498**

Liabilities

					Notional value	Fair value		Amounts payable	
Company	**Counterparty**	**Position**	**Initial**	**Final**	**2016**	**3/31/17**	**12/31/16**	**3/31/17**	**12/31/16**
Marcopolo					USD mil				
	BRADESCO	Sale	01/26/17	07/20/17	21,945	(197)	(182)	(197)	(182)
	SAFRA	Sale	02/17/17	05/09/17	1	(11)	-	(11)	-
	SANTANDER	Sale	02/15/17	06/22/17	3,150	(58)	(250)	(58)	(250)
	BBA	Sale	03/27/17	07/18/17	400	(15)	-	(15)	-
						(281)	**(432)**	**(281)**	**(432)**
Ciferal					USD mil				
	BRADESCO	Sale	03/31/17	05/25/17	354	(2)	(1)	(2)	(1)
						(2)	**(1)**	**(2)**	**(1)**
San Marino					USD mil				
	SANTANDER	Sale	03/28/17	05/16/17	3,907	(23)	-	(23)	-
						(23)	-	**(23)**	-
Polomex					USD mil				
	MONEX	Purchase	01/25/16	09/19/17	12,080	(4,994)	(37)	(4,994)	(37)
						(4.994)	**(37)**	**(4.994)**	**(37)**
MP Austrália					USD mil				
	WESTERN UNION	Purchase	10/28/16	05/12/17	3,226	(141)	(10)	(141)	(10)
					SGD mil				
	CITIBANK	Purchase	10/28/16	10/10/17	1,129	(52)	(1)	(52)	(1)
					CNY mil				
	CITIBANK	Purchase				-	(11)	-	(11)

CITIBANK	Purchase	10/28/16	10/10/17	CHF mil 965	(127)	-	(127)	-
					(321)	**(22)**	**(321)**	**(22)**
					(5,621)	**(492)**	**(5,621)**	**(492)**

The Company had the following gains and losses from derivatives in the periods ended at March, 31 2017 and 2016:

	Realized gains/losses			
	Interest on derivatives		**Exchange variance on derivatives**	
	3/31/2017	**3/31/2016**	**3/31/2017**	**3/31/2016**
Marcopolo	4,802	(1,056)	3,804	(2,183)
Ciferal	-	-	62	-
Masa	-	-	-	(210)
Polomex	-	-	(4,952)	
Volare Veículos	-	(205)	-	(183)

6 Consolidated financial information

The consolidated financial information includes the financial statements of Marcopolo S.A. and its subsidiaries, as listed below:

(a) Subsidiaries

	Percentage interest					
	3/31/2017			**12/31/2016**		
Subsidiary	**Direct**	**Indirect**	**Minority interest**	**Direct**	**Indirect**	**Minority interest**
Apolo	65.00	-	35.00	65.00	-	35.00
Banco Moneo	-	100.00	-	-	100.00	-
Ciferal	99.99	0.01	-	99.99	0.01	-
Ilmot	100.00	-	-	100.00	-	-
MAC	100.00	-	-	100.00	-	-
MIC	100.00	-	-	100.00	-	-
Masa	100.00	-	-	100.00	-	-
Trading	99.99	-	0.01	99.99	-	0.01
Moneo	100.00	-	-	100.00	-	-
MP Austrália	100.00	-	-	100.00	-	-
MP Canadá	100.00	-	-	100.00	-	-
Pologren (1)	-	75.00	25.00	-	75.00	25.00
Volgren (1)	-	75.00	25.00	-	75.00	25.00
Polomex	3.61	70.39	26.00	3.61	70.39	26.00
San Marino	100.00	-	-	100.00	-	-
Rotas do Sul (2)	-	100.00	-	-	100.00	-
San Marino México (2)	-	100.00	-	-	100.00	-
NewRoad (2)	-	100.00	-	-	100.00	-
Neobus Chile (2)	-	100.00	-	-	100.00	-

Syncroparts	99.99	0.01	-	99.99	0.01	-
Volare Veículos	99.90	0.10	-	99.90	0.10	-
Volare Comércio	99.90	0.10	-	99.90	0.10	-
Volare Peru	99.90	0.10	-	-	-	-

(1) Consolidated in MP Australia;
(2) Consolidated in San Marino

The following main practices are adopted in the preparation of the consolidated financial information:

(a) Elimination of inter-company asset and liability account balances

(b) Elimination of investment in the capital, reserves and retained earnings of the subsidiaries,

(c) Elimination of intercompany income and expenses and unearned income arising from intercompany transactions. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment;

(d) Elimination of tax charges on unearned income and presented as deferred tax in the consolidated balance sheet, and

(e) Identification of minority interests in the consolidated financial information.

(b) Joint arrangement (not consolidated)

	Percentage interest			
	3/31/2017		**12/31/2016**	
Associated companies	**Direct**	**Indirect**	**Direct**	**Indirect**
GB Polo	49.00	-	49.00	-
Kamaz	50.00	-	50.00	-
Loma	50.00	-	50.00	-
Metalpar (1)	1.00	49.00	1.00	49.00
Metalsur (1)	-	25.50	-	25.50
Marsa (1)	-	50.00	-	50.00
San Marino	45.00	-	45.00	-
Rotas do Sul (2)	-	45.00	-	45.00
San Marino México (2)	-	45.00	-	45.00
Superpolo	20.61	29.39	20.61	29.39
TMML	49.00	-	49.00	-

(1) Consolidated in joint arrangement (not consolidated) Loma;

The main balances of the financial information of the direct joint ventures can be summarized as follows:

	Assets		Liabilities		Net revenue		Profit (loss)	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016	3/31/2017	3/31/2016	3/31/2017	3/31/2016
GBPolo	52,980	54,299	76,186	73,919	4,806	5,749	(637)	(6,792)
Kamaz	4,372	5,473	3,964	10,577	-	903	152	384
Loma	204,774	227,120	172,509	159,214	86,585	84,102	3,824	3,072
Superpolo	215,383	216,494	130,502	137,731	48,814	38,554	5,172	(514)
TMML	204,666	188,822	156,125	147,791	64,259	56,678	6,759	4,022

(c) Associates (not consolidated)

	Percentage interest			
	3/31/2017		12/31/2016	
Associated companies	Direct	Indirect	Direct	Indirect
Mercobus	40.00	-	40.00	-
MVC	-	10.66	-	10.81
Setbus	25.10	21.96	25.10	21.96
Spheros	40.00	-	40.00	-
Spheros Colômbia (1)	-	40.00	-	40.00
Spheros México (1)	-	40.00	-	40.00
WSul	30.00	-	30.00	-

(1) Consolidated in associate (not consolidated) Spheros

The main balances of the financial information of the direct joint ventures can be summarized as follows:

	Assets		Liabilities		Net revenue		Profit (loss)	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Mercobus	6,711	6,989	596	1,786	2,630	1,707	878	753
Setbus	11,227	11,349	26,028	24,978	2,645	3,007	(1,173)	(940)
Spheros	94,171	82,207	38,013	31,274	32,190	36,344	4,633	3,480
WSul	7,785	12,475	918	1,852	4,184	3,049	243	(453)

7 Cash and cash equivalents, financial assets and derivatives

7.1 Cash and cash equivalents

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Cash and banks				
Brazil	16,911	24,954	21,561	30,821
Foreign	153	138	124,114	118,441
Highly liquid marketable securities				
In Brazil (*)	751,009	891,903	882,591	1,022,078
Foreign (*)	-	-	-	38,119
Total cash and cash equivalents	768,073	916,995	1,028,266	1,209,459

(*) Substantially correspond to Bank Deposit Certificates - CDB remunerated at between 98% and 102.% of the Interbank Deposit Certificate (CDI) rate, resulting in a weighted average of 100.1% of CDI as of March 31, 2017.

7.2 Financial assets at fair value through profit or loss, available-for-sale assets and derivative financial instruments

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Current				
Held for trading				
Fixed-income investment funds				
Non-deliverable Forwards	2,167	4,908	2,330	6,498
Available for sale				
Bank deposit certificates (*)	257,732	222,997	257,732	224,151
	259,899	227,905	260,062	230,649
Non-current				
Available for sale				
Related-party transactions	18,951	24,966	18,495	18,817
	18,951	24,966	18,495	18,817

(*) Substantially correspond to Bank Deposit Certificates - CDB remunerated at between 100.0% and 101.0% of the Interbank Deposit Certificate (CDI) rate, resulting in a weighted average of 100.1% of CDI as of March 31, 2017.

Derivative financial instruments are classified in current assets or liabilities. The Company has no financial instruments recognized under the hedge accounting method, pursuant to IAS 39.

8 Trade accounts receivable

	Parent Company		Consolidated	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
Current				
Domestic customers	118,033	178,047	220,026	250,288
Foreign customers	188,288	226,943	354,474	408,433
Related-party transactions	63,592	58,206	-	-
Interbank transactions	-	-	300,921	315,934
Adjustment to present value	(2,474)	(3,051)	(4,004)	(4,599)
Allowance for doubtful accounts	(29,819)	(29,430)	(69,536)	(69,240)
	337,620	430,715	801,881	900,816
Non-current				
Interbank transactions	-	-	475,901	500,296
Foreign customers	-	-	10,106	-
Allowance for doubtful accounts	-	-	(24,405)	(18,653)
	-	-	461,602	481,643
	337,620	430,715	1,263,483	1,382,459

Interbank accounts refer to the financing for the acquisition of buses granted by Banco Moneo through the Government Agency for Machinery and Equipment Financing (FINAME) program.

See below the aging list of trade accounts receivable:

	Parent Company		Consolidated	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
Amounts outstanding	259,157	310,137	1,172,643	1,242,492
Overdue:				
Up to 30 days	33,183	31,841	44,090	47,912
31 to 60 days	7,840	5,461	25,013	12,075
61 to 90 days	3,053	3,433	8,292	7,560
91 to 180 days	4,062	13,123	26,596	40,169
More than 181 days	62,618	99,201	84,794	124,743
Adjustment to present value	(2,474)	(3,051)	(4,004)	(4,599)
(-) Allowance for doubtful accounts	(29,819)	(29,430)	(93,941)	(87,893)
	337,620	430,715	1,263,483	1,382,459

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

	Parent Company	Consolidated
Balance at January 1, 2016	(32,572)	(77,588)
Allowance made in the period	(2,056)	(28,298)
Reversal of provision for receivables (write-off)	6,063	16,951
Exchange variance	(865)	1,042
Balance at December 31, 2016	(29,430)	(87,893)
Allowance made in the period	(389)	(6,593)
Reversal of provision for receivables (write-off)	-	275
Exchange variance	-	270
Balance at 3/31/2017	(29,819)	(93,941)

Accounts receivable are denominated in the following currencies:

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Reais	149,332	203,772	908,336	983,676
US Dollar	188,288	226,943	294,925	316,507
Australian Dollar	-	-	30,665	43,023
Rand	-	-	20,067	20,466
Renminbi	-	-	9,490	18,787
	337,620	430,715	1,263,483	1,382,459

9 Inventories

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Finished goods	70,293	65,475	117,537	104,192
Goods in process	51,931	40,817	131,816	116,790
Raw materials and auxiliary materials	94,586	101,316	205,563	222,404
Advances to suppliers and other	4,786	7,821	19,082	35,647
Provision for inventory losses	(3,558)	(3,313)	(7,281)	(6,976)
	218,038	212,116	466,717	472,057

The changes in provision for losses on inventories are as follows:

	Parent Company	Consolidated
Balance at January 1, 2016	(857)	(7,328)
Reversal of provision	741	7,247
Allowance made in the period	(3,197)	(8,339)
Exchange variance	-	1,444)

Balance at December 31, 2016	(3,313)	(6,976)
Reversal of provision	-	82
Allowance made in the period	(245)	(512)
Exchange variance	-	125
Balance at March 31, 2016	(3,558)	(7,281)

10 Taxes and contributions recoverable

	Parent Company		Consolidated	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
Current				
Corporate Income Tax (IRPJ)	20,350	25,087	35,434	40,271
Social Contribution on Net Income (CSLL)	5,549	6,835	7,891	9,889
Excise Tax (IPI)	12,681	12,819	13,021	13,152
Value Added Tax on Sales and Services - ICMS	29,381	25,073	42,371	36,904
Social Integration Program (PIS)	909	1,335	4,246	4,409
Contribution for Social Security Financing (COFINS)	3,832	3,419	21,967	19,863
National Social Security Institute (INSS)	5,933	7,780	6,581	8,431
Reintegra	4,527	3,849	5,988	4,807
Value added tax (IVA)	-	-	15,883	26,234
Other	45	65	56	73
	83,207	86,262	153,438	164,033
Non-current				
Value-Added Tax on Goods and Services (ICMS)	635	444	700	5,584
Contribuição para Financiamento da Seguridade Social (COFINS)			12,589	11,231
Programa de Integração Social (PIS)			3,172	2,878
Value added tax (IVA)	-	-	750	202
	635	444	17,211	19,985
	83,842	86,706	170,649	183,928

11 Investments

	Parent Company		Consolidated	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
Subsidiary	1,166,100	1,108,839	-	-
Joint subsidiaries	93,118	88,874	87,614	81,571
Associated companies	23,254	22,216	236,030	227,383
Other investments	-	-	165	120
	1,282,472	1,219,929	323,809	309,074

(a) Investments in subsidiaries, joint ventures and associated companies

Investments in subsidiaries, joint ventures and associated companies are presented below:
Subsidiary:

	Subsidiary																	
																	Total	
	Apolo	Ciferal	Ilmot	Mac	MP Austrália	Masa	MIC	Moneo	MP Canadá	Polomex	San Marino	Syncro	Trading	Volare Veículos	Volare Comércio	Volare Peru	03/31/17	12/31/16
			(1)	(1)	(1)	(1)	(1)		(1)	(1)	(2)					(1)		
Investment data																		
Capital	3,750	20,000	48,784	9,473	54,433	7,335	4,435	100,000	166,329	27,921	204,670	4,000	3,000	169,892	11,000	677		
Adjusted shareholders' equity	3,626	144,671	113,950	6,722	53,397	51,730	1,333	233,177	257,443	126,870	108,744	5,165	6,798	139,723	4,585	1,141		
Shares or quotas held	3,250,000	499,953	50,000	1	100	100,000	1,400,000	100,000	4,925,530	3,011,659	7,478,482	1	3,450,103	19,980	999	999		
% interest	65.00	99.99	100.00	100.00	100.00	100.00	100.00	100.00	100.00	3.61	100.00	99.99	99.99	99.90	99.90	99.90		
Net income (loss) for the period	(168)	(2,993)	10,053	1,241	(1,255)	(148)	(150)	741	13,878	12,161	(9,942)	94	131	(2,797)	(198)	(131)		
Changes in the investments																		
Opening balances:																		
At equity value	2,466	147,657	106,175	5,575	53,235	52,267	1,526	232,436	246,889	4,273	116,074	5,070	6,666	122,485	4,778	1,267	1,108,839	1,197,584
Capital subscription											33,670			19,892			53,562	90.000
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73,734
Equity in income of associates																	-	32,934
Accumulated translation adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(347,888)
Exchange variance	(109)	(2,993)	10,053	1,241	(1,255)	(148)	(150)	741	13,878	439	(9,942)	94	131	(2,794)	(198)	(131)	8,857	243,635
Capital reduction	-	-	(2,278)	(94)	1,417	(389)	(43)	-	(3,324)	(132)	(319)	-	-	-	-	4	(5,158)	(142,743)
Closing balances:																		(6,027)
At equity value																	-	46,738
Changes in the investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,363)
Opening balances:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(71,765)
At equity value																		
Capital subscription	2,357	144,664	113,950	6,722	53,397	51,730	1,333	233,177	257,443	4,580	139,483	5,164	6,797	139,583	4,580	1,140	1,166,100	1,108,839

(1) Overseas ventures.
(2) These balances consist of investments and goodwill.

Joint ventures:

	Joint ventures							
							Total	
	GBPolo	Kamaz	Loma	Metalpar	Superpolo	TMML	03/31/17	12/31/16
	(1)	(1)	(1),(2)	(1)	(1)	(1)		
Investment data								
Capital	17,254	3,031	20,262	10,167	14,175	83,042		
Adjusted shareholders' equity	(23,206)	408	64,530	29,000	84,881	48,541		
Shares or quotas held	4,803,922	1	15,949,948	473,995	265,763	24,500		
% interest	49.00	50.00	50.00	1.00	20.61	49.00		
Net income (loss) for the period	(637)	152	3,824	(900)	5,172	6,759		
Changes in the investments								
Opening balances:								
At equity value	(9,614)	(2,552)	64,404	298	16,233	20,105	88,874	172,395
Capital integralization	-	2,693			-	-	2,693	
Dividends received			(3,546)				(3,546)	(1,445)
Equity in income of associates	(312)	76	1,912	(9)	1,066	3,312	6,045	(15,823)
Accumulated translation adjustments	(1,445)	(13)	(54)	1	195	368	(948)	(19,515)
Closing balances:	-	-	-	-	-	-	-	(46,738)
At equity value	(11,371)	204	62,716	290	17,494	23,785	93,118	88,874
Goodwill on investments			(30,451)				(30,451)	(30,451)
Indirect interest - Superpolo	-	-		-	24,947	-	24,947	23,148
At consolidated equity value	(11,371)	204	32,265	290	42,441	23,785	87,614	81,571

(1) Overseas ventures.
(2) These balances consist of investments and goodwill.

Associated companies:

	Coligadas						
						Total	
	Mercobus (1)	Spheros	Setbus	WSul	New Flyer	03/31/17	12/31/16
Investment data							
Capital	226	15,000	1,000	6,100	2,070,699		
Adjusted shareholders' equity	6,115	56,158	(14,801)	6,867	1,996,243		
Shares or quotas held	232	244,898	25,100	1,830,000	6,587,834		
% interest	40.00	40.00	25.10	30.00	10.66		
Net income (loss) for the period	888	4,633	(1,171)	243	129,819		
Changes in the investments							
Opening balances:							
At equity value	2,077	20,373	(3,421)	3,187		22,216	15,650
Dividends received	-	-	-	(1,200)		(1,200)	(1,837)
Equity in income of associates	355	1,853	(294)	73		1,987	9,857
Accumulated translation adjustments	14	237	-	-		251	(1,454)
Closing balances:							
At equity value	2,446	22,463	(3,715)	2,060		23,254	22,216
Indirect Investment - New Flyer					212,776	212,776	205,167
At equity value	2,446	22,463	(3,715)	2,060	212,776	236,030	227,383

(1) Overseas ventures.

12 Investment properties

It consists in a land of 140,000 m2 and a constructed area of 20,378.87 m2, located in Três Rios, Rio de Janeiro State and is measured at book value in the amount of R$ 48,941 thousand. The investment property is not being used in the company's operating activities and is maintained for rent or for capital appreciation. During the quarter there was no income from the property, only expenses with vigilance, insurance and electric energy.

	Consolidado	
	3/31/17	12/31/16
Balance at January 1	48,941	-
Reclassification of property, plant and equipment		48,941
Balance at March 31	48,941	48,941

13 Property, plant and equipment

(a) Summary of changes in the parent company's property, plant and equipment

	Land	Buildings and constructions	Machinery and equipment	Furniture and fixtures	Computer equipment	Vehicles	Other PPE in progress	Property, plant and equipment in in progress	Total
Balances at December 31, 2016	18,074	108,479	65,991	3,431	4,639	2,475	175	6,307	209,571
Additions	-	339	2,502	43	159	137	-	1,866	5,046
Write-offs	-	(24)	(44)	(3)	(2)	(146)	-	(3)	(222)
Transfers	-	12	519	-	-	-	-	(531)	-
Depreciation	-	(962)	(3,057)	(138)	(512)	(141)	-	-	(4,810)
Balances at March 31, 2017	18,074	107,844	65,911	3,333	4,284	2,325	175	7,639	209,585
Cost of property, plant and equipment	18,074	185,926	206,239	9,252	20,029	6,967	175	7,639	454,301
Accumulated depreciation	-	(78,082)	(140,328)	(5,919)	(15,745)	(4,642)	-	-	(244,716)
Residual value	18,074	107,844	65,911	3,333	4,284	2,325	175	7,639	209,585
Annual average depreciation rates - %		2,0	11,3	9,0	16,7	13,4			

(b) Summary of changes in the consolidated property, plant and equipment

	Land	Buildings and constructions	Machinery and equipment	Furniture and fixtures	Computer equipment	Vehicles	Other PPE in progress	Property, plant and equipment in in progress	Total
Balances at December 31, 2016	62,648	358,711	237,948	9,497	6,056	9,231	3,084	21,094	708,269
Foreign exchange variations	(9)	(53)	(96)	(26)	-	(40)	(19)	(25)	(268)
Additions	3	371	7,075	117	159	367	197	863	9,152
Write-offs	-	(25)	(51)	(3)	(4)	(274)	(9)	(3)	(369)
Transfers	-	12	5,792	-	-	-	-	(5,804)	-
Depreciation	-	(1,543)	(7,764)	(367)	(592)	(491)	(216)	-	(10,973)
Balances at March 31, 2017	62,642	357,473	242,904	9,218	5,619	8,793	3,037	16,125	705,811
Cost of property, plant and equipment	62,642	466,677	546,540	22,840	23,374	20,485	16,014	16,125	1,174,697
Accumulated depreciation	-	(109,204)	(303,636)	(13,622)	(17,755)	(11,692)	(12,977)	-	(468,886)
Residual value	62,642	357,473	242,904	9,218	5,619	8,793	3,038	16,125	705,811
Annual average depreciation rates - %		2,0	11,3	9,0	16,7	13,4	13,0		

Land and buildings mainly comprise plants and offices.

(c) Guarantees

As of March 31, 2017 properties with a residual book value of R$ 45,787 thousand (R$ 45,829 thousand as of December 31, 2016) are subject to a recorded guarantee for bank loans and financing.

14 Goodwill and intangible assets

(a) Summary of changes in the parent company's intangible assets

	Software	Registered trademarks and licenses	Total
Balances at December 31, 2016	4,006	25	4,031
Additions	12	-	12
Write-offs	-	-	-
Amortization	(427)	(3)	(430)
Balances at March 31, 2017	3,591	22	3,613
Cost of Intangible assets	50,501	338	50,839
Accumulated amortization	(46,910)	(316)	(47,226)
Residual value	3,592	22	3,613
Annual average amortization rates - %	20.0	7.0	

(b) Summary of changes in goodwill and consolidated intangible assets

	Software	Registered trademarks and licenses	Customer portfolio	Other intangible assets	Goodwill	Total
Balances at December 31, 2016	8,839	970	7,748	1,243	215,889	234,689
Foreign exchange variations	(77)	1	208	-	2,081	2,213
Additions	129	2	-	-	-	131
Write-offs	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
Amortization	(791)	(3)	(331)	(68)	-	(1,193)
Balances at March 31, 2017	8,100	970	7,625	1,172	217,970	235,840
Cost of property, plant and equipment	66,834	1,286	27,631	2,213	217,970	315,934
Accumulated amortization	(58,734)	(316)	(20,006)	(1,038)	-	(80,094)
Residual value	8,100	970	7,625	1,175	217,970	235,840
Annual amortization rates - %	20.0	8.3	25.0	10.0		

Goodwill composition:

	Goodwill	
	03/31/17	12/31/16
Loma	30,451	30,451
San Marino	30,739	30,739
Pologren	112,164	109,195
New Flyer	44,616	45,504
	217,970	215,889

At the end of each reporting period the Company conducts impairment tests on goodwill, or whenever there are signs that impairment may have occurred.

15 Related parties

(a) Related-party balances and transactions

The main asset and liability balances at March 31, 2017, as well as the transactions with related parties that influenced the statement of income in the period, are detailed below:

Related Parties	Asset balances of loans and current accounts	Liability balances of loans and current accounts	Trade accounts receivable	Trade payables	Sales of goods/ services	Purchases of goods/ services	Finance income	Finance expense
Apolo	-	-	-	139	-	-	-	-
Ciferal	-	15	5,279	128	4,197	183	-	-
GB Polo	15,123	-	5,630	-	-	-	157	-
Kamaz	1,690	-	-	-	-	-	6	-
Ilmot	456	-	-	-	-	-	6	-
Loma	-	-	17,244	-	3,708	-	-	-
Mac	-	-	6,872	-	507	-	-	-
Masa	-	-	12,155	-	8,011	-	-	-
Moneo	-	24	-	-	-	-	1	-
Polomex	-	-	25,641	-	34,597	-	-	-
San Marino	-	-	79	-	191	-	-	-
Setbus	1,637	-	-	13	-	216	54	-
Spheros	-	-	-	1,862	-	7,253	-	-
Superpolo	-	-	3,675	-	1,890	-	-	-
Syncroparts	-	-	-	-	-	-	-	-
TMML	-	-	7,361	-	343	-	-	-
Trading	-	-	-	-	-	-	-	-
Volare Veículos	1	-	8,095	745	2,824	21	49	-
Volare Comércio	-	-	5,146	28	3,726	-	-	1
Volare Peru	-	-	4	-	-	-	-	-
WSul	44	-	-	623	-	1,333	-	-
Saldo em 31/03/17	18,951	39	97,181	3,538	59,994	9,006	273	1
Saldo em 31/12/16	24,966	20	81,186	5,682	231,023	48,636	5,998	1

The loan and current account balances of companies headquartered in Brazil are subject to financial charges at the CDI interest rate, and those of companies abroad to the semi-annual Libor rate plus 3% p.a.

(b) Key management remuneration

Key management personnel include the directors, officers and members of the Executive Committee. The remuneration paid or payable is shown below:

	3/31/2017				
	Fixed	**Variable**	**Pension plan**	**Share-based payments**	**Total**
Board of Directors and Executive Board	2,278	-	21	-	**2,299**
Nonexecutive officers	1,973	-	64	-	**2,037**
	4,251	-	85	-	**4,336**

	3/31/2016				
	Fixed	**Variable**	**Pension plan**	**Share-based payments**	**Total**
Board of Directors and Executive Board	2,280	1,696	39	82	**4,097**
Nonexecutive officers	2,683	-	66	47	**2,796**
	4,963	1,696	105	129	**6,893**

15 Loans and financing

	Average rate weighted % p.a.	**Year of Maturity**	**Parent Company**		**Consolidated**	
			3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
Local currency						
FINAME	5.64	2017 a 2025	11,926	11,157	31,176	31,396
Bank loans	8.20	2017 a 2021	-	-	28,968	56,341
Interbank deposits	15.98	2017	-	-	52,382	50,485
FINEP	4.97	2017 a 2025	230,250	203,881	299,914	275,826
FDE – Development funds	3.00	2025	-	-	142,479	143,489
Fundepar - ES	-	2026	-	-	30,000	30,000
Exim	8.00	2017 a 2018	-	-	27,714	31,887
Special pre-shipment financing (*)	10.64	2017 a 2018	277,077	276,509	277,077	276,509
Export prepayments - Compulsory	9.06	2017 a 2019	356,911	387,038	356,911	387,038
Foreign currency						
Advances on export contracts	4.30	2018	-	-	48,555	59,333
Export prepayments in US dollars	3.19	2018	179,358	228,558	179,358	228,558
Export prepayments - USD	3.55	2020	23,986	24,462	53,755	34,686
Financing in Rands	9.86	2017 a 2022	-	-	810	842
Financing in renminbi	5.80	2017	-	-	8,332	15,756
Financing in Australian dollars	3.19	2017	-	-	74,041	74,243
Financing in Chilean pesos	19.00	2017	-	-	591	-
Related-party transactions	CDI	-	40	20	-	-
Subtotal of local and foreign currency			1,079,548	1,131,625	1,612,063	1,696,389
Funding in the open market						
Local currency						

	Average rate weighted % p.a.	Year of Maturity	Parent Company		Consolidated	
			3/31/2017	12/31/2016	3/31/2017	12/31/2016
BNDES – Fixed-interest loans	4.31	2017 a 2023	-	-	380,718	429,156
BNDES – Fixed-interest loans	TJLP + 1.65	2017 a 2022	-	-	153,152	143,389
BNDES – Fixed-interest loans	SELIC + 1.86	2017 a 2022	-	-	30,518	30,300
Subtotal of money market funding			-	-	564,388	602,845
Subtotal of loans and financing			1,079,548	1,131,625	2,176,451	2,299,234
Derivative financial instruments			281	432	5,621	492
Total loans and financing			1,079,829	1,132,057	2,182,072	2,299,726
Current liabilities			(378,907)	(397,879)	(875,168)	(925,554)
Non-current liabilities			700,922	734,178	1,306,904	1,374,172

(*) BNDES credit facility used for producing goods for export, where the shipment must occur no later than 3 years after the initial contract.

The long-term installments have the following payment schedule:

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
From 13 to 24 months	343,588	396,711	541,961	602,298
From 25 to 36 months	240,882	235,924	383,164	384,050
37 to 48 months	36,659	37,715	129,606	134,223
49 to 60 months	19,547	14,918	69,657	66,913
After 60 months	60,246	48,910	182,516	186,688
	700,922	734,178	1,306,904	1,374,172

(a) Loans and financing

The FINAME financing loans are secured by a statutory lien on the financed assets of R$ 45,787 as of March 31, 2017 (R$ 45,829 as of December 31, 2016).

The Company has secured bank loans amounting to R$ 169,302 thousand as of March 31, 2017 (R$ 190,290 thousand as of December 31, 2016). Under the terms of the contract, these loans will be settled in installments over the next 3 years. However, these contracts include covenants, which are being fully performed and amongst other things trigger partial or full repayment if certain indices are not achieved. If this situation occurs, the Company reclassifies these amounts to current liabilities and takes measures to restore the contractual indices.

(b) Money market funding

Funds obtained in the money market are received by Banco Moneo from the National Bank for Economic

and Social Development (BNDES) to finance FINAME loans.

The face value and the fair value of installments of money market funds are as follows:

	Face value (future)		Fair value (present)	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
1 to 12 months	235,833	246,832	213,299	223,587
From 13 to 24 months	170,170	178,698	154,480	162,211
From 25 to 36 months	115,546	124,831	106,853	115,448
After 36 months	93,963	106,522	89,756	101,599
	615,512	656,883	564,389	602,845

The face value of loans in current liabilities approximates the fair value.

16 Provisions

(a) Contingent liabilities

The Company is a party to labor, civil, tax and other lawsuits in progress, and is disputing them at the administrative and judicial levels, which, when applicable, are supported by judicial deposits. The provisions for any losses under these proceedings are estimated and restated by Management, relying on the opinion of its independent and in-house legal advisers.

The contingencies as of March 31, 2017 and December 31, 2016, which are considered to be probable and possible losses, according to the opinion of legal counsel, are shown below. Contingencies involving probable risks of loss have been provisioned for.

	Parent Company			
	3/31/2017		12/31/2016	
Nature	Probable	Possible	Probable	Possible
Civil	964	19,092	964	18,881
Labor	13,729	26,767	14,357	28,452
Tax	15,316	215,892	14,973	211,156
	30,009	261,751	30,294	258,489

	Consolidated			
	3/31/2017		12/31/2016	
Nature	**Probable**	**Possible**	**Probable**	**Possible**
Civil	1,907	19,534	2,007	19,323
Labor	19,007	27,443	18,084	29,011
Tax	15,694	270,208	15,254	259,377
	36,608	317,185	35,345	307,711

	Parent Company		Consolidated	
Judicial deposits	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Civil	980	980	3,753	3,753
Labor	7,618	5,652	9,642	7,654
Tax	2,187	2,132	8,271	8,167
	10,785	8,764	21,666	19,574

(i) Civil and labor claims

The Company is party to civil and labor lawsuits, which include claims for indemnities for work accidents and occupational diseases. None of these lawsuits involves individually significant amounts.

(ii) Tax contingencies

The Company and its subsidiaries are party to various tax lawsuits. The nature of the principal lawsuits is detailed below:

. Probable losses - provisioned for

	Parent Company		Consolidated	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
REINTEGRA–credit appropriation (i)	559	545	559	545
Special Tax Arrangement – tax credit (ii)	11,729	11,435	11,729	11,435
Other contingent liabilities of lesser amounts	3,028	2,993	3,406	3,274
	15,316	14,973	15,694	15,254

(i) Contingency relating to the Reintegra credit - this contingency derives from the procedure discrepancy in the application for Reintegra credits for the 1st and 2nd quarters of 2012.
(ii) Contingency regarding the dispute of the procedures adopted to obtain tax incentives for product sales.

. **Possible losses - not provisioned for**

	Parent Company		Consolidated	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
PIS, COFINS and Social Security Fund (FINSOCIAL) - offset	7,070	6,962	7,070	6,962
COFINS – rebate application (i)	20,491	20,060	20,491	20,060
PIS, COFINS – credit	8,095	7,898	8,095	7,898
PIS – offsetting (ii)	13,436	13,074	13,436	13,074
IPI – credit	1,718	1,709	1,718	1,709
IRPJ – understated inflationary profit	2,799	2,763	2,799	2,763
IRPJ and CSLL - negative balance (iii)	16,210	15,877	16,210	15,877
IRPJ and CSLL - Overseas profits (iv)	27,482	26,885	27,482	26,885
IRPJ and CSLL – IR paid overseas	3,110	3,303	3,110	3,303
IRPJ and CSLL – Overseas profits (v)	37,226	36,169	37,226	36,169
DCP – Restatement (vi)	25,106	24,422	25,106	24,422
REINTEGRA – offsetting (vii)	14,436	14,143	14,436	14,143
ICMS – shipment of goods with a reduced tax rate to non-taxpayers (viii)	-	-	34,387	34,162
ICMS – disreputable documents (ix)	14,835	14,531	14,835	14,531
ISS – services received from third parties	5,530	5,389	5,530	5,389
INSS – services acquired from legal entities	6,543	6,422	6,543	6,422
Other contingent liabilities of lesser amounts	11,805	11,549	31,734	25,608
	215,892	211,156	270,208	259,377

(i) Contingencies rated as possible losses relating to procedures adopted by the tax inspectors for the COFINS reimbursement applications. The administrative proceeding is in progress before the federal tax authorities' judgment department.

(ii) Contingency rated as a possible loss relating to relating to amounts recorded as federal overdue liabilities due to offsetting not ratified for credits obtained in court proceedings. The process is taking place at the lower Federal Court of Caxias do Sul.

(iii) Contingency rated as a possible defeat, relating to procedures contested by the tax inspectors regarding applications for the rebate of the IRPJ and CSLL negative balance. The proceeding is in progress before the Administrative Council for Tax Appeals.

(iv) Contingency rated as a possible defeat, relating to the dispute about the overseas consolidation of indirect subsidiaries' earnings before paying tax thereon in Brazil. The proceeding is in progress before the federal tax authorities' judgment department.

(v) Contingency rated as a possible defeat, relating to the dispute about the Reintegra credit, due to discrepancy in the procedure applying for the credit. The proceeding is in progress before the Regional Judgments Department.

(vi) Contingency rated as a possible defeat, related to discussion abou credits DCP, referring to the monetary adjustment statement and the isolated fine applied in accordance with the declarations not homologated. The lawsuit is pending before the Regional Judgments Department.

(vii) Contingency rated as a possible defeat, related to the credit of Reintegra, due to divergence of procedure in the litigation of credit. The case is in progress before the Regional Judgments Department.

(vii) Contingency rated as a possible defeat, involving the subsidiary relating to ICMS disputes on sales with a reduced rate to non-taxpayers located outside the state. The proceedings in progress before the Taxpayers' Council of Rio de Janeiro state.

(ix) Contingency rated as a possible defeat, relating to ICMS disputes, due to the alleged issuance of tax documents with incorrect rates in sales to non-taxpayers located outside the state. The proceedings in progress before the Court of Appeal of São Paulo state.

(b) Contingent assets

The statement containing information about contingent assets has been detailed below, along with the chances of success, according to the legal advisers' opinion.

	Consolidated			
	3/31/2017		12/31/2016	
Nature	**Probable**	**Possible**	**Probable**	**Possible**
Contingency				
Tax	13,616	12,829	13,283	12,515
Social security	-	2,801	-	2,733
	13,616	15,630	13,283	15,248

(i) Tax contingencies

The Company is the plaintiff in various lawsuits at the state and federal levels, in which the following matters are being disputed:

- Excise Tax - IPI.
- Social Integration Program - PIS and Tax for Social Security Financing - COFINS.
- Corporate Income Tax - IRPJ and Social Contribution on Net Income - CSLL.
- Tax on Financial Transactions - IOF and Income Tax Withheld at Source - IRRF.
- Eletrobrás Compulsory Loan.
- ICMS on materials and consumables.

(ii) Social security contingencies

- National Institute of Social Security - INSS contribution.

The Company has not only recorded contingency gains, since they are only recognized once the lawsuit has become final or the financial asset is effectively received.

18 Pension plan and retirement benefits for employees

Marcopolo is the main sponsor of Marcoprev Sociedade de Previdência Privada, a non-profit pension entity established in December 1995 with the main purpose of supplementing government social security benefits to all employees of the sponsors: Marcopolo (principal), Syncroparts, Trading, Banco Moneo and Fundação Marcopolo. The total consolidated contributions in the period ended March 31, 2017 was R$ 2,689 (R$ 3,056 as of March 31, 2016). The actuarial method for determining the plan's cost and contributions is the capitalization method. This is a mixed plan, with features that are both defined benefit, where the sponsor is solely responsible for the contributions, and defined contribution, where the sponsor and participant are responsible for the contributions on an optional basis.

As of March 31, 2017 and December 31, 2016, amounts related to post-employment benefits were determined in the annual actuarial assessment carried out by independent actuaries and were recognized in the financial statements as shown below.

The amounts recognized in the statement of financial position are as follows:

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Present value of actuarial obligations	(247,075)	(244,008)	(249,798)	(246,707)
Fair value of the plan's assets	267,476	256,669	270,424	259,524
Surplus not subject to refund or reduction in future contributions	(20,401)	(12,661)	(20,626)	(12,817)
Liability to be recognized	-	-	-	-

According to the retirement plan statute and the installment recorded for the supplementary retirement plan it is not possible to reimburse the amounts, increase the benefit or reduce future contributions. Therefore, the asset originated from the plan surplus was not recorded as of March 31, 2017.

The changes over the benefit liability occurred during the period are described as follows:

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
January 01	-	-	-	-
Plan participant contributions	2,033	9,713	2,054	9,825
Actuarial losses (gains)	(2,033)	(9,713)	(2,054)	(9,825)
Net annual (Expenses)/revenue recognized	-	-	-	-
March 31	-	-	-	-

Changes in the fair value of the employee benefits plan in the periods are demonstrated below:

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
January 01	256,669	219,711	259,524	222,042
Sponsor contributions	2,033	9,713	2,054	9,825
Employee contributions	40	260	40	261
Benefits paid	(2,860)	(11,900)	(2,860)	(11,984)
Expected return on plan assets	11,594	38,885	11,666	39,380
March 31	267,476	256,669	270,424	259,524

Changes in the actuarial obligation in the presented periods are as follows:

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
January 01	244.008	196.773	246.707	198.861
Actuarial (Gains) losses	(1.184)	32.227	(1.259)	32.574
Cost of current services	651	2.472	678	2.559
Financial cost	6.420	24.176	6.492	24.436
Employee contributions	40	260	40	261
Benefits paid	(2.860)	(11.900)	(2.860)	(11.984)
March 31	247.075	244.008	249.798	246.707

The amounts recognized in the statement of income are:

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Cost of current services	651	2.472	678	2.559
Financial cost	(67)	(426)	(67)	(431)
Total included as personnel cost	584	2.046	611	2.128

The main actuarial premises at the reporting date are:

. Economic hypotheses

	Percentage p.a.			
	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Discount rate (*)	10.86	10.86	10.86	10.86
Expected return on plan assets	10.86	10.86	10.86	10.86
Future salary increases	7.37	7.37	7.37	7.37
Inflation	4.85	4.85	4.85	4.85

(*) The discount rate is: inflation 4.85% p.a. plus interest of 5.73% p.a. for the period ended March 31, 2017 (inflation of 4.85% p.a. plus interest of 5.73% p.a. for the financial year ended December 31, 2016).

. Demographic hypotheses

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Mortality table	AT 2000(*)	AT 2000(*)	AT 2000(*)	AT 2000(*)
Invalid and mortality table	RRB 1983	RRB 1983	RRB 1983	RRB 1983
Disability rate table	RRB 1944	RRB 1944	RRB 1944	RRB 1944

(*) Table segregated by sex, constituted based on AT-2000 Basic smoothed by 10%.

19 Income and social contribution taxes

(a) Deferred income and social contribution taxes

The basis for the calculation of the deferred taxes is as follows:

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Assets				
Provision for technical assistance	17,834	19,375	19,724	21,512
Provision for commissions	21,227	28,414	22,737	30,163
Allowance for doubtful accounts	5,934	5,999	52,522	47,752
Provision for profit sharing	8,288	40,687	8,288	40,687
Provision for contingencies	30,009	30,293	62,994	52,846
Provision for inventory losses	3,558	3,313	7,056	6,256
Provision for outsourced services	10,487	10,190	10,487	10,190
Provision for contractual termination	44,451	28,823	44,451	28,823
Unrealized stocks	5,697	9,392	5,697	9,392
Adjustment to present value	942	1,654	942	1,654
Tax loss/negative social contribution base	41,132	-	41,132	-
Business combination added value	-	-	(24,413)	(24,413)
Fiscal depreciation	(32,318)	(32,067)	(32,318)	(32,067)
Appropriation of (gains) losses on derivatives	(1,886)	(4,476)	(1,886)	(4,476)
Other provisions	(9,967)	10,100	(10,648)	16,913
Calculation basis	145,388	151,697	206,765	205,232
Statutory rate - %	34	34	34	34
Deferred income and social contribution taxes	49,432	51,577	70,300	69,779

(b) Estimated realization of deferred tax assets

The recovery of tax credits is based on estimates of taxable income, as well as on the realization of temporary differences, in the following years:

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
13 months onwards	49,432	51,577	70,300	69,779
	49,432	51,577	70,300	69,779

(c) Reconciliation between the current income and social contribution tax expense

	Parent Company		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Reconciliation				
Profit before income and social contribution taxes	(677)	14,539	6,433	18,898
Statutory rate - %	34	34	34	34
	(230)	4,943	2,187	6,425
Permanent additions and exclusions				
Equity in net income of subsidiaries	(1,024)	(955)	-	(2,076)
Interest on shareholders' equity	-	(324)	-	(324)
D&O profit shares	-	2,601	-	2,601
IR/CS over foreign income	454	(578)	1,023	3,506
Other additions (exclusions)				
	(800)	5,687	3,210	10,132
Income and social contribution taxes				
Current	2,944	1,081	(3,731)	(1,930)
Deferred charges	(2,144)	(6,768)	521	(8,202)
	(800)	5,687	3,210	10,132

20 Shareholders' equity

(a) Capital

The parent company's authorized capital is 2,100,000,000 shares, consisting of 700,000,000 common shares and 1,400,000,000 preferred shares, all nominative with no par value.

As of on March 31, 2017, the subscribed and paid-in capital consisted of 925,196,009 (925,196,009 as of December 31, 2016) registered shares with no par value, of which 341,625,744 are common shares and 583,570,265 are preferred shares.

Of the total subscribed capital, 323,485,534 (340,542,666 as of December 31, 2016) preferred shares are held by stockholders abroad.

(b) Reserves

(i) Legal reserve

Constituted at the rate of 5% of the net income determined in each financial year pursuant to article 193 of Law 6404/76 up to the limit of 20% of the share capital.

(ii) Statutory reserves

Marcopolo allocated at least 25% (twenty-five percent) of the remaining balance of profit to the payment of a minimum mandatory dividend on all Marcopolo shares. The remaining balance of profit is fully appropriated to the following reserves:

. Reserve for future capital increase - to be used for future capital increases and established at 70% of the remaining balance of net income for each year, but the balance cannot exceed 60% of share capital.

. Reserve for payment of interim dividends - to be used for the payment of interim dividends in accordance with Article 33 (1) of the Company's by-laws and established at 15% of the remaining balance of net income for each year, but the balance cannot exceed 10% of share capital.

. Reserve for the purchase of own shares - to be used for the purchase of Marcopolo's own shares, to be canceled, held in treasury and/or sold, and established at 15% of the remaining balance of net income for each year, but the balance cannot exceed 10% of share capital.

(c) Treasury stock

Treasury stock comprises 4,878,049 preferred nominative shares, purchased at the average cost of R$ 4.6379 (in reais) per share. In the quarter 71,852 preferred nominative shares were sold, at an average weight price of R$ 2.7000 per share, generating a negative balance of R$ 139. The market value of the treasury stock as of March 31, 2017 was R$ 22,624. According to article 168 (3) of Brazilian Corporation Law and CVM Instruction No. 390/03, the shares will be utilized to grant Marcopolo managers and employees share purchase options, pursuant to the Stock Option Plan approved by the Extraordinary General Meeting held on December 22, 2005.

21 Insurance coverage

As of December 31, 2016 the Company has insurance coverage against fire and other risks to the property, plant and equipment and inventory at amounts deemed sufficient to cover any losses.

The main insurance policies cover:

		Consolidated	
Nature of assets	**Book value**	**3/31/2017**	**12/31/2016**
Inventories and storage	Fire and other risks	932,402	878,630
Vehicles	Collision and civil liability	34,460	36,033
		966,862	914,663

22 Guarantees

As of March 31, 2017, the Company had issued endorsements/sureties of R$ 12,437 (R$ 15,965 as of March 31, 2016), in connection with the financing of customers by banks, which are secured by the respective assets financed, and a residual value of financed goods amounting to R$ 45,787 (R$ 45,829 as of December 31, 2016) submitted as collateral for bank loans and contingencies.

23 Employee profit sharing

The employee profit sharing was calculated in accordance with the terms established in the Marcopolo Targets/Efficiency Program Agreement (EFIMAR).

The amounts are classified in profit or loss for the period as follows:

	Parent Company		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Cost of goods sold and services rendered	935	309	935	309
Sales expenses	349	401	349	401
Management expenses	315	333	359	933
	1,599	1,043	1,643	1,643

24 Revenue

The reconciliation between gross sales and net revenue is as follows:

	Parent Company		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Gross sales of products and services	309,804	329,777	599,918	501,517
Sales taxes and returns	(30,748)	(58,755)	(45,286)	(73,191)
Net revenue	279,056	271,022	554,632	428,326

25 Expenses by nature

	Parent Company		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Raw materials and consumables	157,648	162,233	341,580	241,448
Outsourced services and other	45,621	24,418	58,181	37,106
Direct compensation	70,283	74,945	119,576	115,380
D&O compensation	2,411	3,210	2,411	3,210
Employee profit shares	1,599	1,043	1,643	1,643
Depreciation and amortization charges	5,240	5,611	12,166	11,314
Private pension expenses	2,650	3,010	2,689	3,056
Other expenses	11,695	5,767	31,662	13,292
Total sales and distribution costs and expenses and administrative expenses	297,147	280,237	569,908	426,449

26 Finance income

	Parent Company		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Finance income				
Interest and monetary variance earnings	2,091	2,694	3,221	1,040
Interest on derivatives	4,802	560	4,802	560
Income on short-term investments	29,410	28,561	32,523	31,097
Exchange variance	39,163	85,127	54,317	90,136
Exchange variance on derivatives	6,704	6,637	6,781	6,903
Present value adjustment of accounts receivable	4,339	4,795	6,473	5,726
	86,509	128,374	108,117	135,462
Finance costs				
Interest on loans and financing	(20,425)	(19,058)	(26,437)	(20,882)
Interest on derivatives	-	(1,616)	-	(1,821)
Exchange variance	(40,971)	(64,984)	(48,752)	(71,828)
Exchange variance on derivatives	(2,900)	(4,454)	(7,867)	(5,113)
Bank expenses	(1,431)	(2,652)	(2,266)	(3,087)
Present value adjustment of accounts payable	(3,528)	(3,202)	(4,715)	(4,043)
	(69,255)	(95,966)	(90,037)	(106,774)
Financial income, net	17,254	32,408	18,080	28,688

27 Earnings per share

(a) Basic

The Company calculates basic earnings per share by dividing the net income attributable to the company's shareholders by the weighted average number of shares issued in the year, excluding the shares purchased

by the company and held as treasury stock.

	Parent Company		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Profit attributable to Marcopolo shareholders	123	8,852	3,223	8,766
Weighted average number of shares issued (in thousands)	904,284	891,950	904,284	891,950
Earnings per share	0.0001	0.0099	0.0036	0.0098

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of common and preferred shares outstanding to assume conversion of all potential common shares with dilutive effects.

The Company considers as dilution effect of common and preferred shares, the exercise of share options by employees and management. The number of shares thus calculated is compared with the number of shares issued assuming the exercise of the stock options.

	Parent Company		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Profit attributable to Marcopolo shareholders	123	8,852	3,223	8,766
Weighted average number of shares issued (in thousands)	904,284	891,950	904,284	891,950
Adjustments:				
Exercising of share call options	4,878	4,950	4,878	4,950
Earnings per share	0.0001	0.0098	0.0035	0.0097

28 Statements of financial position and segment reporting

The industrial segment produces bus bodies and spare parts. The financial segment is responsible for financing transactions through Banco Moneo.

Statements of financial position

	Consolidated		Industrial		Finance	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Assets						
Current						
Cash and cash equivalents	1,028,266	1,209,459	973,184	1,164,550	55,082	44,909
Financial assets stated at fair value through profit and loss	257,732	224,151	257,732	224,151	-	-
Derivative financial instruments	2,330	6,498	2,330	6,498	-	-
Trade receivables	801,881	900,816	503,841	587,635	298,040	313,181

	Consolidated		Industrial		Finance	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Inventory	466,717	472,057	466,717	472,057	-	-
Other accounts receivable	241,396	243,757	198,190	195,542	43,206	48,215
	2,798,322	3,056,738	2,401,994	2,650,433	396,328	406,305
Non-current						
Financial assets stated at fair value through profit and loss	18,495	18,817	18,495	18,817	-	-
Trade receivables	461,602	481,643	10,106	-	451,496	481,643
Other accounts receivable	110,694	110,098	100,818	101,874	9,876	8,224
Investments	323,809	309,074	323,809	309,074	-	-
Investment Properties	48,941	48,941	48,941	48,941	-	-
Property, plant and equipment	705,811	708,269	705,488	707,914	323	355
Goodwill and intangible assets	235,840	234,689	235,475	234,331	365	358
	1,905,192	1,911,531	1,443,132	1,420,951	492,060	490,580
Total assets	4,703,514	4,968,269	3,845,126	4,071,384	858,388	896,885
Liabilities						
Current						
Trade payables	220,944	251,454	220,944	251,454	-	-
Loans and financing	869,547	925,062	603,867	650,990	265,680	274,072
Derivative financial instruments	5,621	492	5,621	492	-	-
Other accounts payable	373,427	484,716	364,063	472,694	9,364	12,022
	1,469,539	1,661,724	1,194,495	1,375,630	275,044	286,094
Non-current						
Loans and financing	1,306,904	1,374,172	955,814	994,914	351,090	379,258
Other accounts payable	61,940	63,856	61,940	63,856		-
	1,368,844	1,438,028	1,017,754	1,058,770	351,090	379,258
Minority interests	34,260	32,108	34,260	32,108	-	-
Shareholders' equity attributable to controlling shareholders	1,830,871	1,836,409	1,598,617	1,604,876	232,254	231,533
Total liabilities	4,703,514	4,968,269	3,845,126	4,071,384	858,388	896,885

Statements of operations income

	Consolidated		Industrial		Finance	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Operations						
Net revenue from sales and services	554,632	428,326	542,744	411,945	11,888	16,381
Cost of goods sold and services rendered	(493,585)	(372,152)	(493,585)	(372,152)	-	-
Gross profit	61,047	56,174	49,159	39,793	11,888	16,381
Operating revenue (expense)						
Sales expenses	(35,454)	(20,312)	(29,176)	(18,518)	(6,278)	(1,794)
Administrative expenses	(40,869)	(33,985)	(36,748)	(30,376)	(4,121)	(3,609)
Other net operating income (expenses)	(19,802)	(17,773)	(19,686)	(15,963)	(116)	(1,810)
Equity in income of associates	23,431	6,106	23,431	6,106	-	-
Operating income	(11,647)	(9,790)	(13,020)	(18,958)	1,373	9,168
Financial income						
Finance income	108,117	135,462	108,117	135,462	-	-
Finance expenses	(90,037)	(106,774)	(90,037)	(106,774)	-	-
Profit before income and social contribution taxes	6,433	18,898	5,060	9,730	1,373	9,168
Income and social contribution taxes	(3,210)	(10,132)	(2,558)	(6,268)	(652)	(3,864)
Net income for the period	3,223	8,766	2,502	3,462	721	5,304

29 Statements of cash flow by business segment – indirect method

	Consolidated		Industrial Segment		Financial Segment	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Cash flows from operating activities						
Net income for the period	**3,223**	**8,766**	**2,502**	**3,462**	**721**	**5,304**
Reconciliation of income (loss) to cash provided by operating activities						
Depreciation and amortization	12,166	11,314	12,098	11,247	68	67
Gain on sale of investment assets, property, plant and equipment and intangible assets	209	494	209	494	-	-
Equity in net income of subsidiaries	(23,431)	(6,106)	(23,431)	(6,106)	-	-
Allowance for doubtful accounts	6,301	309	421	(1,247)	5,880	1,556
Current and deferred income and social contribution taxes	3,209	10,133	2,557	6,269	652	3,864
Interest and exchange variance appropriated	24,194	(13,690)	13,969	(22,277)	10,225	8,587
Minority interests	3,100	86	3,100	86	-	-

Changes in assets and liabilities						
(Increase) decrease in trade accounts receivable	112,779	245,954	73,371	235,295	39,408	10,659
(Increase) decrease in securities	(23,963)	95,595	(23,963)	95,595	-	-
(Increase) decrease in inventories	3,629	(4,765)	3,629	(4,765)	-	-
(Increase) decrease in other accounts receivable	805	(1,341)	(2,552)	9,174	3,357	(10,515)
Increase (decrease) in trade payables	(29,648)	(33,486)	(29,648)	(33,486)	-	-
Increase (decrease) in actuarial liabilities	-	-	-	-	-	-
Increase (decrease) in accounts payable and provisions	(118,566)	(118,012)	(117,560)	(114,684)	(1,006)	(3,328)
Cash produced by operating activities	**(25,993)**	**195,251**	**(85,298)**	**179,057**	**59,305**	**16,194**
Taxes on profit paid	(3,731)	(1,930)	(1,427)	5,577	(2,304)	(7,507)
Net cash provided by operating activities	**(29,724)**	**193,321**	**(86,725)**	**184,634**	**57,001**	**8,687**
Cash flows from investment activities						
Capital expenditure	-	-	-	-	-	-
Investments	3,950	-	3,950	-	-	-
Dividends from subsidiaries, joint ventures and associated companies	4,746	1,572	4,746	1,572	-	-
Additions to property, plant and equipment	(9,152)	(36,256)	(9,152)	(36,242)	-	(14)
Acquisition of intangible assets	(131)	(209)	(88)	(208)	(43)	(1)
Receipt on sale of property, plant and equipment	160	-	160	-	-	-
Net cash provided by investment activities	**(427)**	**(34,893)**	**(384)**	**(34,878)**	**(43)**	**(15)**
Cash flows from financing activities						
Treasury shares	194	1,802	194	1,802	-	-
Loans secured from unrelated parties	72,757	133,246	52,505	76,417	20,252	56,829
Payment of loans – principal	(192,789)	(461,830)	(132,669)	(401,922)	(60,120)	(59,908)
Payment of loans – interest	(28,557)	(23,217)	(21,640)	(16,505)	(6,917)	(6,712)
Net cash used in financing activities	**(148,395)**	**(349,999)**	**(101,610)**	**(340,208)**	**(46,785)**	**(9,791)**
Exchange variance on cash and cash equivalents	(2,647)	(7,491)	(2,647)	(7,491)	-	-
Net increase (decrease) in cash and cash equivalents	**(181,193)**	**(199,062)**	**(171,020)**	**(197,943)**	**(10,173)**	**(1,119)**
Cash and cash equivalents at beginning of period	1,209,459	1,131,162	1,164,550	1,111,998	44,909	19,164
Cash and cash equivalents at end of period	1,028,266	932,100	973,184	914,055	55,082	18,045

30 Additional information

The industrial business segment operates in the geographic areas listed below. The financial segment operates exclusively in Brazil.

(a) Net revenue by geographic area

	Consolidated	
	3/31/2017	**3/31/2016**
Brazil	353,683	290,974
Africa	21,454	22,038
Australia	68,704	79,523
China	10,595	7,420
Mexico	100,196	27,614
Peru	-	757
	554,632	428,326

(b) Property, plant and equipment, goodwill and intangible assets by geographic area

	Consolidated	
	3/31/2017	**12/31/2016**
Brazil	733,940	735,523
Africa	12,075	12,203
Australia	130,515	128,340
Canada	44,616	45,504
China	3,849	4,111
Mexico	16,558	17,174
Peru	41	45
Uruguay	57	58
	941,651	942,958

31 Subsequent Event

On April 3, 2017, Marcopolo SA exercised the option to purchase the remaining 25% stake of its Australian subsidiary Pologren Australia Holdings Pty Ltd., which owns the entire capital stock of Volgren Australia Pty Ltd. (" Volgren "). The acquisition was made for A$ 8.5 million (Australian dollars).

* * *

(A free translation of the original in Portuguese)

1 Shareholders os Marcopolo S.A. with over 5% of common shares and/or preferred shares, to the level of individuals, as of March 31, 2017:

SHAREHOLDER	COMMON		PREFERRED		TOTAL	
	QUANT	%	QUANT	%	QUANT	%
Bellpart Participações Ltda	151,954,920	44.48	4,027,352	0.69	155,982,272	16.86
Paulo Pedro Bellini	132,600	0.04	4,928,551	0.84	5,061,151	0.55
Mauro Gilberto Bellini	-	0.00	3,349,857	0.57	3,349,857	0.36
James Eduardo Bellini	-	0.00	2,188,986	0.38	2,188,986	0.24
Viviane Maria Pinto Bado	32,163,544	9.41	589,119	0.10	32,752,663	3.54
Therezinha Lourdes C. Pinto	-	0.00	1,467,789	0.25	1,467,789	0.16
Vate Part. e Adm. Ltda	10,086,520	2.95	403,460	0.07	10,489,980	1.13
Davos Participações Ltda	32,000,000	9.37	1,279,999	0.22	33,279,999	3.59
Subtotal Controlling Group	**226,337,584**	**66.25**	**18,235,113**	**3.12**	**244,572,697**	**26.43**
Alaska Investimentos Ltda	56,201,800	16.45	209,400	0.04	56,411,200	6.10
Fund Petrobras Seg Soc Petros	-	0.00	83,291,100	14.27	83,291,100	9.00
T Rowe Price Funds Sicav (exterior)	-	0.00	40,226,562	6.89	40,226,562	4.35
Ações em tesouraria	-	0.00	4,878,049	0.84	4,878,049	0.53
Outros acionistas no exterior (*)	10,023,981	2.93	323,485,534	55.43	333,509,515	36.05
Outros acionistas (*)	49,062,379	14.37	113,244,507	19.41	162,306,886	17.54
TOTAL	**341,625,744**	**100.00**	**583,570,265**	**100.00**	**925,196,009**	**100.00**
PROPORTION		**36.92**		**63.08**		**100.00**

* There are no individual shareholders in this item with more than 5% of the common and/or preferred shares.

2 Capital Breakdown of Bellpart Participação Ltda. as of March 31, 2017:

Table denoting quotas:

SHAREHOLDERS	QUOTAS		
	QUANT	VALOR NOMINAL	%
James Eduardo Bellini	95,064,957	95,064,957	41.05
Mauro Gilberto Bellini	95,064,957	95,064,957	41.05
Paulo Alexander Pacheco Bellini	41,430,086	41,430,086	17.90
TOTAL	**231,560,000**	**231,560,000**	**100.00**

3 Capital Breakdown of Davos Participação Ltda. as of 3/31/2016:

Table denoting quotas:

SHAREHOLDERS	QUOTAS		
	NUMBERS	FACE VALUE	%
Paulo Pedro Bellini	4,120,000	4,120,000	20.00
James Eduardo Bellini	4,120,000	4,120,000	20.00
Mauro Gilberto Bellini	4,120,000	4,120,000	20.00
Viviane Maria Pinto Bado	8,240,000	8,240,000	40.00
TOTAL	**20,600,000**	**20,600,000**	**100.00**

4 Capital Breakdown of Vate - Participações e Administração Ltda. as of 3/31/2016:

Table denoting quotas:

SHAREHOLDERS	QUOTAS		
	NUMBERS	FACE VALUE	%
Therezinha Lourdes Comerlato Pinto	11,851,059	11,851,059	51.00
Viviane Maria Pinto Bado	11,250,728	11,250,728	49.00
TOTAL	**23,101,787**	**23,101,787**	**100.00**

5 Quantity and features of the securities issued by the company owned by the group Controlling Shareholders, Executives, Members of the Audit Committee and free float.

Consolidated Shareholdings of Controlling Shareholders, Executives and free float. Position on 03/31/2017

Table denoting quotas:

SHAREHOLDERS	COMMON		PREFERRED		TOTAL	
	QUANT	%	QUANT	%	QUANT	%
Controladores	226,337,584	66.25	18,235,113	3.12	244,572,697	26.43
Familiares dos controladores	1,100,800	0.32	2,539,790	0.44	3,640,590	0.39
Administradores	-	-	-	-	-	-
Conselho de Administração	100	0.00	351,081	0.06	351,181	0.04
Diretoria	356,000	0.10	2,639,251	0.45	2,995,251	0.32
Conselho Fiscal (*)	504,697	0.15	798,760	0.14	1,303,457	0.14
Ações em tesouraria	-	0.00	4,878,049	0.84	4,878,049	0.53
Outros	113,326,563	33.18	554,128,221	94.95	667,454,784	72.15
TOTAL	**341,625,744**	**100.00**	**583,570,265**	**100.00**	**925,196,009**	**100.00**
Free Float in the Market	**113,326,563**	**33.18**	**554,128,221**	**94.95**	**667,454,784**	**72.15**

* Shares heald by a director and member of the Audit Committee, elected by the controlling group.

Consolidated Shareholdings of Controlling Shareholders, Executives and free float.
Position on 03/31/2016

Table denoting quotas:

SHAREHOLDERS	COMMON		PREFERRED		TOTAL	
	NUMBER	%	NUMBER	%	NUMBER	%
Parent companies	226,442,684	66.28	324,652	0.06	226,767,336	25.28
Controllers' spouses	1,111,936	0.33	987,256	0.18	2,099,192	0.23
Executives	-	-	-	-	-	-
Board of Directors	100	0.00	1,600	0.00	1,700	0.00
Executive Board	356,088	0.10	2,133,148	0.38	2,489,236	0.28
Audit Committee (*)	504,696	0.15	758,760	0.14	1,263,456	0.14
Treasury stock	-	0.00	4,949,901	0.89	4,949,901	0.55
Other	113,210,240	33.14	546,119,023	98.35	659,329,263	73.52
TOTAL	**341,625,744**	**100.00**	**555,274,340**	**100.00**	**896,900,084**	**100.00**
Free Float in the Market	**113,210,240**	**33.14**	**546,119,023**	**98.35**	**659,329,263**	**73.52**

* Shares heald by a director and member of the Audit Committee, elected by the controlling group.

6 The Company is bound to arbitration at the commercial Arbitration Chamber, as per arbitration clause in its bylaws.

(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Stockholders
Marcopolo S.A. and subsidiaries

Introduction

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

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) 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 issubstantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

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

(A free translation of the original in Portuguese)

Other matters

Statements of value added

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

Audit and review of prior-year information

The Quarterly Information referred to in the first paragraph includes accounting information corresponding to results of operations, changes in equity, cash flows and value added of the three month period ended March 31, 2016, obtained from the Quarterly Information from that period, and to the balance sheet of December 31, 2016, obtained from the financial statements as at December 31, 2016, presented for comparison purposes. The review of the Quarterly Information for the period ended March 31, 2016 and the audit of the financial statements for the year ended December 31, 2016 were performed by another firm of auditors, that issued a review report and audit report dated May 2, 2016 and February 21, 2017, respectively, without qualifications.

Porto Alegre, May 8, 2017.

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 “F” RS

Maurício Colombari
Contador CRC 1SP195838/O-0 "S" RS