JSL S.A. and subsidiaries

Quarterly information (ITR) at March 31, 2017 and Independent Auditors' Report on Review of Quarterly Information

(A free translation of the original report in Portuguese, as filled with the Brazilian Securities Commission (CVM), prepared in accordance with the Technical Pronouncement CPC 21 (R1) – Interim Financial Reporting and the international standard IAS 34 – Interim Financial Reporting, as issue by the international Accounting Standards Board – IASB)



Mogi das Cruzes, April 27, 2017 – **JSL** (BM&FBOVESPA: **JSLG3** and Level 1 ADR: **JSLGY**), the company with the broadest portfolio of logistics services in Brazil and the leader in terms of net revenue, announces its **1Q17 results**, which include **JSL Logística**, and, **separately**, the results of **Movida**, **JSL Concessionárias** and **JSL Leasing** which **together** comprise the **result** of **JSL Consolidated**. The financial and operating information is presented in Brazilian reais as per Brazilian GAAP, and the **comparisons** refer to the **reported and audited data in 1Q17, 4Q16 and 1Q16**, except where otherwise indicated.

1Q17 PERFORMANCE COMMENTS

Operating and Financial Highlights

- **Consolidated Net Revenue** of R$1.8 billion in 1Q17 (+17.6% YoY);
- **Net Revenue from Services** of R$1.3 billion in 1Q17 (+5.6% YoY);
- **Net Revenue from the Sale of Assets**[1] of R$457.7 million in 1Q17 (+75.9% YoY), underlining the Company's ability to sell its assets;
- **EBITDA** of R$307.1 million (+5.2% YoY) and **EBITDA Margin** of 23.7% (-0.1 p.p. YoY) in 1Q17;
- **Net Investments** of R$154.5 million in 1Q17 (-38.6% YoY); the decline was due to higher asset turnover after the Company's robust growth cycle in recent years;
- **Free Cash Flow to Firm** of R$141 million LTM;
- **Movida's IPO in February 2017** raised a total R$600 million and strengthened our capital structure.

	JSL - Consolidated			
Financial Statements (R$ million)	**1Q16**	**1Q17**	**Chg. 1Q17x1Q16**	**LTM**
Consolidated Gross Revenues [2]	**1,691.8**	**1,966.9**	**16.3%**	**7,659.0**
Services [1]	1,227.1	1,305.5	6.4%	5,312.8
Sale of Assets [1]	260.8	461.1	76.8%	1,549.7
Concessionárias	228.3	217.9	-4.6%	893.0
Leasing	4.6	10.7	132.6%	34.5
Consolidated Net Revenue [2]	**1,494.9**	**1,757.8**	**17.6%**	**6,786.0**
Net Revenue from Services [2]	**1,228.9**	**1,297.2**	**5.6%**	**5,233.4**
EBITDA [2]	**291.9**	**307.1**	**5.2%**	**1,076.1**
Margin *	23.8%	23.7%	-0.1 p.p.	20.6%
EBITDA-A [2]	**545.9**	**745.8**	**36.6%**	**2,549.9**
Margin	36.5%	42.4%	+5.9 p.p.	37.6%
Net Result [2]	**11.2**	**(7.0)**	**-162.5%**	**(201.3)**
Margin	0.7%	-0.4%	-1.1 p.p.	-3.0%

[1] JSL Logística + Movida, excluding intercompany operations.
[3] Considers the consolidation of the financial results of JSL Logística, JSL Concessionárias, Movida and JSL Leasing, eliminating intercompany operations.
* Calculated on total net revenue from services.

DISCLAIMER: As from January 1, 2017, the Company will present PIS and COFINS credits on the acquisition of inputs and depreciation charges as credits reducing the costs of products and services sold, in order to better reflect the nature of the respective credits and expenses. The amounts corresponding to these credits for the past periods were reclassified for comparability purposes.

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JSLG3 NOVO MERCADO BM&FBOVESPA

I. Management Summary – JSL Consolidated

We began 2017 with the necessary structure to initiate a cycle of **profitability of our operations**, after the previous years which were marked by growth. The profitability should be mainly supported by the process of **consolidation of the used-vehicle stores and new RAC channels**, together with a **deceleration in the group's net investments.**

JSL Logística continues relying on the **resilience** of its operations and the maintenance of its **leadership position** in Brazil's logistics market, which is characterized by constant development and various business opportunities. Meanwhile, Movida already holds a prominent position in the domestic market, given that investments over recent years should enable the Company to benefit from **gains in scale** and its increased **capacity to provide unique service**. In addition, the **successful IPO at the beginning of 2017, which raised R$600 million**, reinforced the group's capital structure and will support a new development cycle for the Company.

In 1Q17, **Consolidated Gross Revenue** totaled **R$2.0 billion, up 16.3% YoY**, which proves once again the value of our diversification – of services, clients and economic sectors – confirming the Company's resilience, as well as our ability to execute. In 1Q17, Consolidated Gross Revenue comprised R$1.3 billion from Services, R$461.1 million from the Sale of Assets, R$217.9 million from JSL Concessionárias, and R$10.7 million from JSL Leasing.

EBITDA totaled R$307.1 million, with an EBITDA Margin of 23.7% in 1Q17, primarily consisting of:

- **JSL Logística:** EBITDA of R$216.1 million (-2.6% YoY), with an EBITDA Margin of 24.6% (-0.8 p.p. YoY); the reduction was mainly due to the idleness of assets within our clients that are not yet operating at full capacity given the economic deceleration in Brazil occurred in the last years.
- **Movida**: EBITDA of R$85.1 million (+15.4% YoY), with an EBITDA Margin of 34.7% (-3.7 p.p. YoY); the YoY EBITDA margin reduction is related to the increase in administrative expenses, mainly as a result of administrative team structuring and an increase in provisions for losses.

Net Financial Expenses totaled R$180.7 million in 1Q17, versus R$147.1 million in 1Q16 (+22.8% YoY and -21.5% QoQ). The YoY increase was mainly due to investments in Movida's growth (in terms of both fleet and the number of RAC and used-vehicle stores) and the change in the debt mix (from 65.2% pegged to the CDI in March 2016 to 67.3% in March 2017).

Net Loss came to R$7.0 million in 1Q17, impacted by macroeconomic factors – such as the economic deceleration and the consequent reduction in the volume of production for logistic clients.

Despite the negative net result, we point out cash improvements in the period: Free Cash Flow to Firm increased from R$89 million in 1Q16 (LTM) to R$141 million in 1Q17 (LTM), primarily driven by increased sales of assets in both JSL Logística and Movida.

II. JSL Logística

1 Financial performance

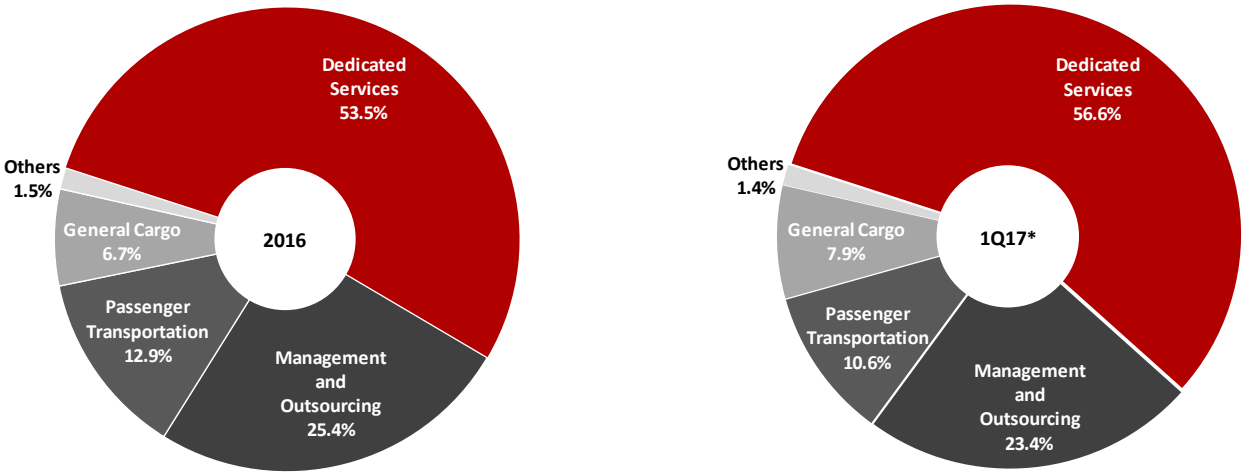
Gross Revenue

In 1Q17, total gross revenue amounted to R$1.1 billion (+6.2% YoY), of which R$1.0 billion (+1.1% YoY) from services and R$101.9 million (+116.3% YoY) from the sale of assets.

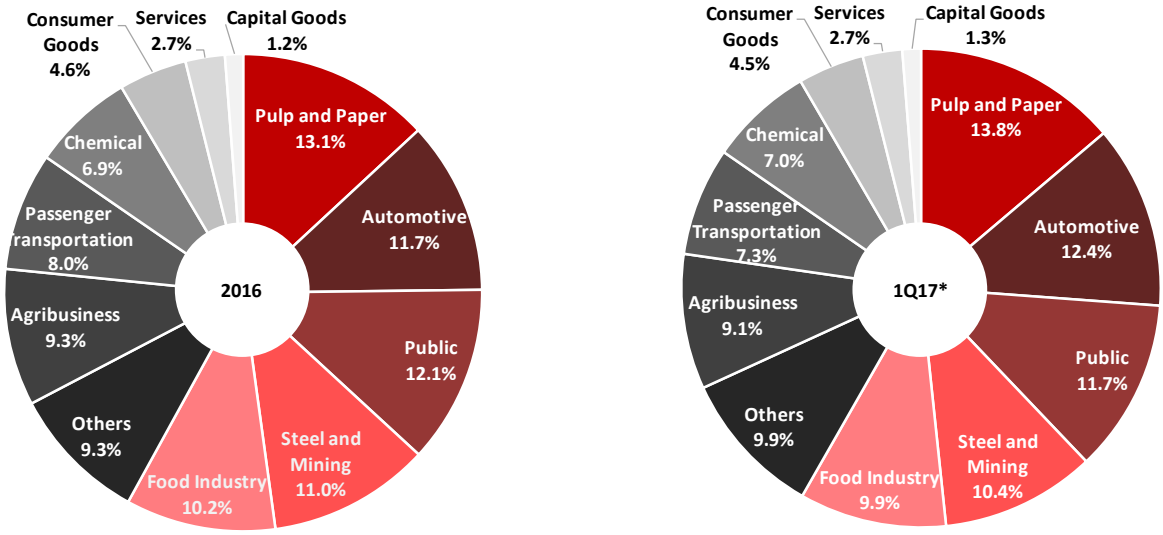
Compared with 4Q16, total gross revenue fell 7.4%, in line with the reduction in gross revenue from services (-6.2% QoQ) and the sale of assets (-17.4% QoQ), mainly due to the discontinuity of some contracts in the 4Q16.

	JSL - Logística					
Gross Revenue (R$ million)	**1Q16**	**4Q16**	**1Q17**	**Chg. 1Q17x1Q16**	**Chg. 1Q17x4Q16**	**LTM**
Gross Revenue	**1,075.7**	**1,232.6**	**1,142.0**	**6.2%**	**-7.4%**	**4,785.1**
Revenue from Services	1,028.6	1,109.3	1,040.1	1.1%	-6.2%	4,418.7
Revenue from Sale of Assets	47.1	123.3	101.9	116.3%	-17.4%	366.4

Breakdown of Gross Revenue from Services by Business Line



Breakdown of Gross Revenue from Services by Economic Sector



(*) Last 12 months

Net Revenue

In 1Q17, JSL Logística recorded a 6.2% YoY increase in total net revenue, due to the maintenance in revenue from services (+0.5% YoY) and mainly the sale of assets (+112.9% YoY). Despite Brazil's economic recession, the Company has outperformed GDP in the last few years, supported by the acquisition of new clients and new services to existing clients, especially in the pulp and paper and auto sectors.

Compared with 4Q16, net revenue fell 7.4%, in line with the reduction in net revenue from services (-6.6% QoQ) and the sale of assets (-13.6% QoQ), due to the discontinuity of some contracts in the 4Q16.

	JSL - Logística					
Net Revenue (R$ million)	**1Q16**	**4Q16**	**1Q17**	**Chg. 1Q17x1Q16**	**Chg. 1Q17x4Q16**	**LTM**
Net Revenue	**920.1**	**1,055.0**	**976.9**	**6.2%**	**-7.4%**	**4,081.3**
Net Revenue from Services	873.7	940.4	877.9	0.5%	-6.6%	3,729.8
Net Revenue from Sale of Assets	46.5	114.6	99.0	112.9%	-13.6%	351.4

RSC – Revenue from Same Contracts

RSC (R$ million)	1Q16	1Q17	Chg. 1Q16x1Q17
Gross Revenue from Services	**827.3**	**848.3**	**2.5%**
Dedicated Services	451.8	470.0	4.0%
Management and Outsourcing (Vehic./Mach./Equip.)*	187.1	178.6	-4.5%
Passenger Transportation	111.1	110.0	-1.0%
General Cargo transportation	62.0	74.8	20.6%
Others	15.2	14.9	-2.1%

* With adition of services / public / heavy

Costs

In 1Q17, the cost of services totaled R$726.5 million (+7.0% YoY). The main variation was observed in independent contractors and third parties (+23.8% YoY), impacted by the migration of some operations from a capital-intensive model to one with higher use of contractors and third parties after the acquisition of Quick Logística in 1Q16.

Compared with 4Q16, the cost of services fell 8.1%, led by the 11.3% reduction in personnel expenses, due to the discontinuity of some contracts in the 4Q16.

	JSL - Logística					
Costs (R$ million)	**1Q16**	**4Q16**	**1Q17**	**Chg. 1Q17x1Q16**	**Chg. 1Q17x4Q16**	**LTM**
Cost of Services	**(678.8)**	**(790.8)**	**(726.5)**	**7.0%**	**-8.1%**	**(3,087.3)**
Personnel	(239.9)	(260.7)	(231.2)	-3.6%	-11.3%	(1,017.8)
Independent contractors / third parties	(156.9)	(204.3)	(194.3)	23.8%	-4.9%	(758.8)
Fuel and lubricants	(51.0)	(56.5)	(50.4)	-1.2%	-10.8%	(243.3)
Parts / tires / maintenance	(59.3)	(73.7)	(75.1)	26.6%	1.9%	(300.2)
Depreciation	(99.3)	(114.9)	(105.0)	5.7%	-8.6%	(434.6)
Others	(72.4)	(80.7)	(70.5)	-2.6%	-12.6%	(332.5)
Costs of Sales of Assets	**(47.2)**	**(108.8)**	**(98.0)**	**107.6%**	**-9.9%**	**(344.5)**
Sale of Assets used to provide services	(47.2)	(108.8)	(98.0)	107.6%	-9.9%	(344.5)
Sale of Assets with Management	-	-	-	-	-	-
Total	**(726.0)**	**(899.6)**	**(824.4)**	**13.6%**	**-8.4%**	**(3,431.8)**
Total (as % of Total Net Revenue)	**78.9%**	**85.3%**	**84.4%**	**+5.5 p.p.**	**-0.9 p.p.**	**84.1%**

Gross Profit

In 1Q17, gross profit totaled R$152.5 million (-21.5% YoY), while the gross margin stood at 15.6%, down 5.5 p.p. YoY.

Compared with 4Q16, total gross profit fell 1.9%, while the gross margin increased 0.9 p.p.

	JSL - Logística					
Gross Profit (R$ million)	**1Q16**	**4Q16**	**1Q17**	**Chg. 1Q17x1Q16**	**Chg. 1Q17x4Q16**	**LTM**
Gross Profit from Services	**194.9**	**149.6**	**151.5**	**-22.3%**	**1.3%**	**642.5**
Gross Margin from Services (% of Net Revenue from Services)	22.3%	15.9%	17.3%	-5.0 p.p.	+1.4 p.p.	17.2%
Gross Profit from Sale of Assets	**(0.7)**	**5.7**	**1.0**	**-**	**-82.5%**	**6.9**
Gross Margin from Sale of Assets (% of Net Revenue from Sale of Assets)	-1.5%	5.0%	1.0%	+2.5 p.p.	-4.0 p.p.	2.0%
Total Gross Profit	**194.2**	**155.4**	**152.5**	**-21.5%**	**-1.9%**	**649.5**
Gross Margin (% of Total Net Revenue)	21.1%	14.7%	15.6%	-5.5 p.p.	+0.9 p.p.	15.9%

Operating Expenses before the Financial Result

In 1Q17, operating expenses totaled R$46.7 million, representing 5.3% of net revenue from services (-3.4 p.p. YoY). The 8.4% YoY decline in personnel expenses was mainly due to staff downsizing, which allowed the Company to begin 2017 leaner. It is also worth noting the positive impact of R$15.1 million in other operating revenues, mainly as a result of R$16.9 million in revenues from the secondary distribution of Movida's shares.

Compared with 4Q16, operating expenses fell 66.4%. We point out that in 4Q16 there were non-recurring (non-financial) events in the Logistics segment totaling R$56.3 million, mostly related to price adjustments and the write-off of goodwill from acquired companies.

	JSL - Logística					
Operating Expenses before Financial Results (R$ million)	**1Q16**	**4Q16**	**1Q17**	**Chg. 1Q17x1Q16**	**Chg. 1Q17x4Q16**	**LTM**
Administrative and Sales Expenses	**(67.5)**	**(74.2)**	**(60.5)**	**-10.4%**	**-18.5%**	**(261.5)**
Personnel	(25.0)	(27.2)	(22.9)	-8.4%	-15.8%	(104.5)
Services Renderded	(11.5)	(10.2)	(11.5)	0.0%	12.7%	(48.3)
Communication, advertising and marketing	(3.3)	(0.9)	(1.0)	-69.7%	11.1%	(8.7)
Third-party properties rental	(4.0)	(4.9)	(5.1)	27.5%	4.1%	(17.2)
Depreciation	(4.2)	(5.5)	(5.3)	26.2%	-3.6%	(22.5)
Others	(19.4)	(25.6)	(14.7)	-24.2%	-42.6%	(60.4)
Tax Expenses	**(1.0)**	**(3.0)**	**(1.3)**	**30.0%**	**-56.7%**	**(7.0)**
Other Operating Revenues (Expenses)	**(7.5)**	**(61.8)**	**15.1**	**-**	**-124.4%**	**(50.0)**
Total	**(76.0)**	**(139.0)**	**(46.7)**	**-38.6%**	**-66.4%**	**(580.1)**
Total (as % of Total Net Revenue from services)	**8.7%**	**14.8%**	**5.3%**	**-3.4 p.p.**	**-9.5 p.p.**	**15.6%**

EBIT, EBITDA and EBITDA-A

In 1Q17, EBITDA totaled R$216.1 million (-2.5% YoY), while the EBITDA margin stood at 24.6%, down 0.8 p.p. YoY.

Compared with 4Q16, EBITDA grew 58.1%, while the EBITDA margin climbed 8.9 p.p, mainly due to the extraordinary events that negatively impacted the 4Q16.

	JSL - Logística					
EBIT, EBITDA and EBITDA-A (R$ million)	**1Q16**	**4Q16**	**1Q17**	**Chg. 1Q17x1Q16**	**Chg. 1Q17x4Q16**	**LTM**
EBIT	**118.2**	**16.4**	**105.8**	**-10.5%**	**-**	**330.9**
Margin *	13.5%	1.7%	12.1%	-1.4 p.p.	+10.4 p.p.	8.9%
EBITDA	**221.7**	**136.7**	**216.1**	**-2.5%**	**58.1%**	**788.0**
Margin *	25.4%	14.5%	24.6%	-0.8 p.p.	+10.1 p.p.	21.1%
EBITDA-A	**268.9**	**245.6**	**314.0**	**16.8%**	**27.9%**	**1,132.5**
Margin	29.2%	23.3%	32.1%	+2.9 p.p.	+8.8 p.p.	27.7%

* Calculated on net revenue from services

2 Investments

In 1Q17, total investments in Logistics reached R$179.1 million (-23.7% YoY), 82.4% of which was allocated to the expansion of new businesses. The investments were allocated to light vehicles (37.3%), machinery and equipment (30.1%), trucks (25.5%), buses (5.4%) and other (1.7%).

Total net investments came to R$77.2 million in 1Q17, versus R$187.6 million in 1Q16 (-58.8% YoY). This reduction is mainly related to the decrease of investments after the strong expansion in logistics activity occurred in the previous years.

	JSL - Logística					
Capex (R$ million)	**1Q16**	**4Q16**	**1Q17**	**Chg. 1Q17x1Q16**	**Chg. 1Q17x4Q16**	**LTM**
Gross capex by nature	**234.8**	**154.1**	**179.1**	**-23.7%**	**16.2%**	**647.0**
Expansion	222.8	87.6	147.6	-33.8%	68.5%	446.3
Maintenance	11.9	66.5	31.6	165.5%	-52.5%	200.7
Others	-	-	-	-	-	-
Gross capex by type	**234.8**	**154.1**	**179.1**	**-23.7%**	**16.2%**	**647.0**
Trucks	141.4	7.1	45.7	-67.7%	-	95.2
Machinery and Equipment	10.7	1.0	53.9	-	-	71.0
Light Vehicles	76.0	135.0	66.9	-12.0%	-50.4%	436.8
Bus	1.8	7.8	9.6	-	23.1%	25.3
Others	4.9	3.1	3.0	-38.8%	-3.2%	18.7
Receita com Venda usual de ativos	**(47.1)**	**(123.3)**	**(101.9)**	**116.3%**	**-17.4%**	**(366.4)**
Maintenance #	(44.1)	(83.5)	(69.3)	57.1%	-17.0%	(272.9)
End of contract #	(2.4)	(30.0)	(27.3)	-	-9.0%	(66.4)
Exchange of operational scope #	(1.1)	(2.6)	(2.9)	163.6%	11.5%	(7.1)
Total net capex	**187.6**	**30.8**	**77.2**	**-58.8%**	**150.6%**	**280.6**

Does not consider cancellations and sales return

III. Movida Participações S.A.

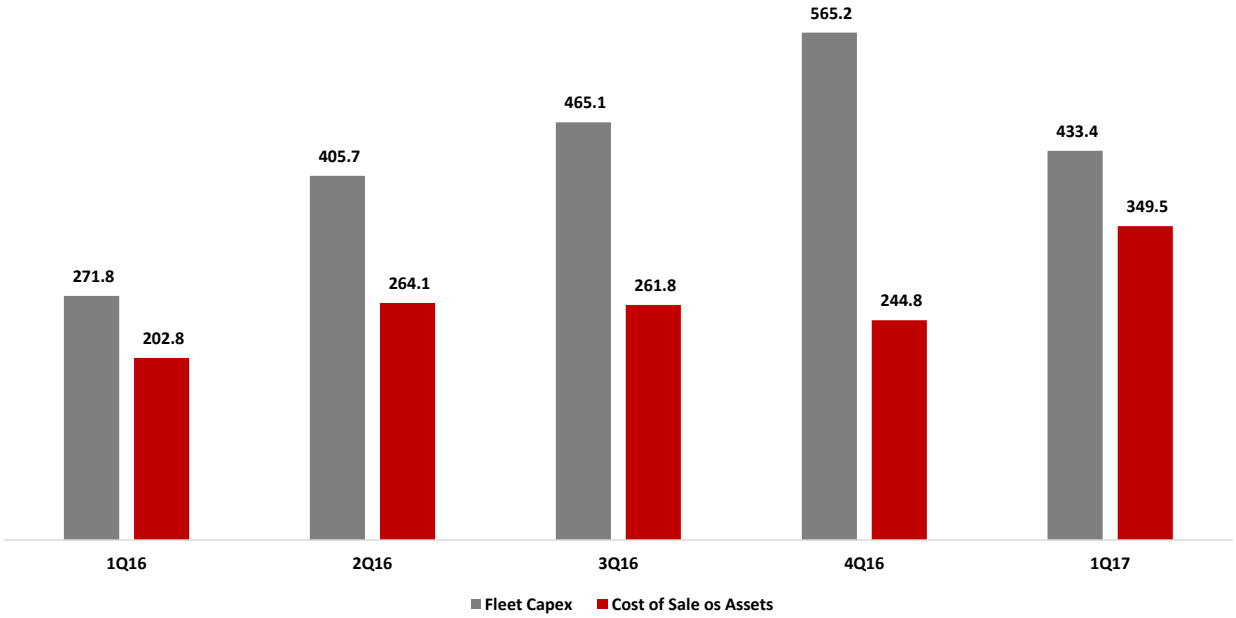
In 1Q17, Movida posted gross revenue of R$641.1 million, up 48.9% YoY. EBIT totaled R$67.7 million (+29.0% YoY), with an EBIT margin of 27.5% (+0.2 p.p. YoY).

At the end of 1Q17, Movida had a fleet of 64,075 vehicles, 182 RAC stores and 59 used-vehicle stores.

	Movida					
Financial Information (R$ million)	**1Q16**	**4Q16**	**1Q17**	**Chg. 1Q17x1Q16**	**Chg. 1Q17x4Q16**	**LTM**
Gross Revenue	**430.7**	**502.8**	**641.1**	**48.9%**	**27.5%**	**2,140.8**
RAC	165.0	188.1	216.9	31.5%	15.3%	737.4
GTF	51.9	52.4	54.3	4.6%	3.6%	208.6
Used Vehicles	213.8	262.3	369.9	73.0%	41.0%	1,194.9
Net Revenue	**405.5**	**477.3**	**615.1**	**51.7%**	**28.9%**	**2,039.8**
Net Revenue from Services	192.2	215.7	245.7	27.8%	13.9%	847.8
Gross Profit	**110.0**	**124.4**	**168.4**	**53.1%**	**35.4%**	**527.4**
Margin	27.1%	26.1%	27.4%	+0.3 p.p.	+1.3 p.p.	25.9%
Net Income	**13.2**	**1.1**	**20.6**	**56.1%**	**-**	**39.6**
Margin	3.3%	0.2%	3.4%	+0.1 p.p.	+3.2 p.p.	1.9%
EBIT	**52.5**	**43.0**	**67.7**	**29.0%**	**57.4%**	**206.4**
Margin on net revenue from services	27.3%	20.0%	27.5%	+0.2 p.p.	+7.5 p.p.	24.3%

	Movida					
Capex (R$ million)	**1Q16**	**4Q16**	**1Q17**	**Chg. 1Q17x1Q16**	**Chg. 1Q17x4Q16**	**LTM**
Fleet	**271.8**	**565.2**	**433.2**	**59.4%**	**-23.4%**	**1,869.2**
RAC	**187.3**	**501.7**	**390.9**	**108.7%**	**-22.1%**	**1,628.8**
Expansion	-	303.2	26.8	-	-91.2%	646.1
Maintenance	187.3	198.5	364.1	94.4%	83.4%	982.8
GTF	**84.5**	**63.5**	**42.3**	**-49.9%**	**-33.4%**	**240.4**
Expansion	44.8	49.8	38.2	-14.7%	-23.3%	198.2
Maintenance	39.7	13.7	4.1	-89.7%	-70.1%	42.2
Stores	**4.1**	**2.9**	**0.9**	**-78.0%**	**-69.0%**	**19.3**
New	2.7	0.9	0.1	-96.3%	-88.9%	7.3
Former	1.4	2.0	0.9	-35.7%	-55.0%	12.1
Others	**2.0**	**1.5**	**1.4**	**-30.0%**	**-6.7%**	**9.2**
Total	**277.9**	**569.6**	**435.6**	**56.7%**	**-23.5%**	**1,897.7**

Purchase and sale of vehicles R$ million



For more detailed information, please access http://ri.movida.com.br.

IV. JSL Concessionárias de Veículos

In 1Q17, JSL Concessionárias recorded total net revenue of R$200.0 million (-5.6% YoY) and EBITDA of R$0.2 million, versus a negative EBITDA of R$3.0 million in 1Q16.

In relation to 4Q16, there was a 3.5% drop in net revenue and an EBITDA increase from negative R$13.8 million to R$0.2 million in 1T17. Although the results are higher in the annual and quarterly comparison, which indicates an improvement in the sector, it is still impacted by the challenging economic scenario in Brazil.

	Concessionárias					
Financial Information (R$ million)	**1Q16**	**4Q16**	**1Q17**	**Chg. 1Q17x1Q16**	**Chg. 1Q17x4Q16**	**LTM**
Total Net Revenue	**211.8**	**207.3**	**200.0**	**-5.6%**	**-3.5%**	**823.7**
Light Vehicles	126.0	129.8	123.0	-2.4%	-5.2%	509.4
Heavy Vehicles	36.4	27.5	28.0	-23.1%	1.8%	113.2
Direct Sales	3.1	2.4	4.3	38.7%	79.2%	12.8
F&I	3.9	3.8	4.0	2.6%	5.3%	16.6
After Sales	42.5	43.8	40.7	-4.2%	-7.1%	171.8
Total Volume (units)	**7,429**	**6,989**	**10,126**	**36.3%**	**44.9%**	**32,401**
Light Vehicles	3,591	3,354	3,445	-4.1%	2.7%	13,474
Heavy Vehicles	255	193	141	-44.7%	-26.9%	826
Direct Sales Light Vehicles	3,433	3,361	6,433	87.4%	91.4%	17,523
Direct Sales Heavy Vehicles	150	81	107	-28.7%	32.1%	578
Gross Profit	**39.3**	**33.6**	**38.0**	**-3.3%**	**13.1%**	**153.5**
Margin	18.5%	16.2%	19.0%	+0.5 p.p.	+2.8 p.p.	18.6%
EBIT	**(6.2)**	**(29.1)**	**(1.8)**	**-71.0%**	**-93.8%**	**(29.7)**
Margin	-2.9%	-14.1%	-0.9%	+2.0 p.p.	+13.2 p.p.	-3.6%
EBITDA	**(3.0)**	**(13.8)**	**0.2**	**-106.7%**	**-101.4%**	**(6.2)**
Margin	-1.4%	-6.6%	0.1%	+1.5 p.p.	+6.7 p.p.	-0.8%

V. JSL Leasing

In 1Q17, net revenue from JSL Leasing amounted to R$10.6 million, versus R$4.5 million in 1Q16. Gross profit totaled R$2.4 million, increasing versus R$1.1 million in 1Q16, while EBIT totaled negative R$0.4 million in 1Q17 versus negative R$0.7 million in 1Q16. It is worth noting the increase in the number of operations, from 102 in 1Q16 to 324 in 1Q17.

In comparison with the 4Q16, net revenue grew 14.0% QoQ; nevertheless, EBIT totaled negative R$0.4 million in 1Q17, below 4Q16 figures.

	JSL - Leasing					
Results (R$ million)	**1Q16**	**4Q16**	**1Q17**	**Chg. 1Q17x1Q16**	**Chg. 1Q17x4Q16**	**LTM**
Total Gross Revenue	**4.6**	**9.4**	**10.7**	**132.6%**	**13.8%**	**34.5**
Deductions from Revenue	(0.2)	(0.2)	(0.1)	-50.0%	-50.0%	(0.2)
Net Revenue	**4.5**	**9.3**	**10.6**	**135.6%**	**14.0%**	**34.3**
Total of Costs	**(3.4)**	**(7.1)**	**(8.2)**	**141.2%**	**15.5%**	**(26.0)**
Gross Profit	**1.1**	**2.2**	**2.4**	**118.2%**	**9.1%**	**8.3**
Administrative and Sales Expenses	(1.7)	(2.1)	(2.7)	58.8%	28.6%	(9.6)
Tax Expenses	(0.0)	(0.0)	(0.0)	-	-	(0.1)
Other Operating Revenues (Expenses)	0.0	(0.0)	(0.0)	-	-	(0.1)
EBIT	**(0.7)**	**(0.0)**	**(0.4)**	**-42.9%**	**-**	**(1.4)**
Operations (Qty.)	**102**	**84**	**324**	**-**	**-**	**791**

VI. Capital Structure - JSL Consolidated

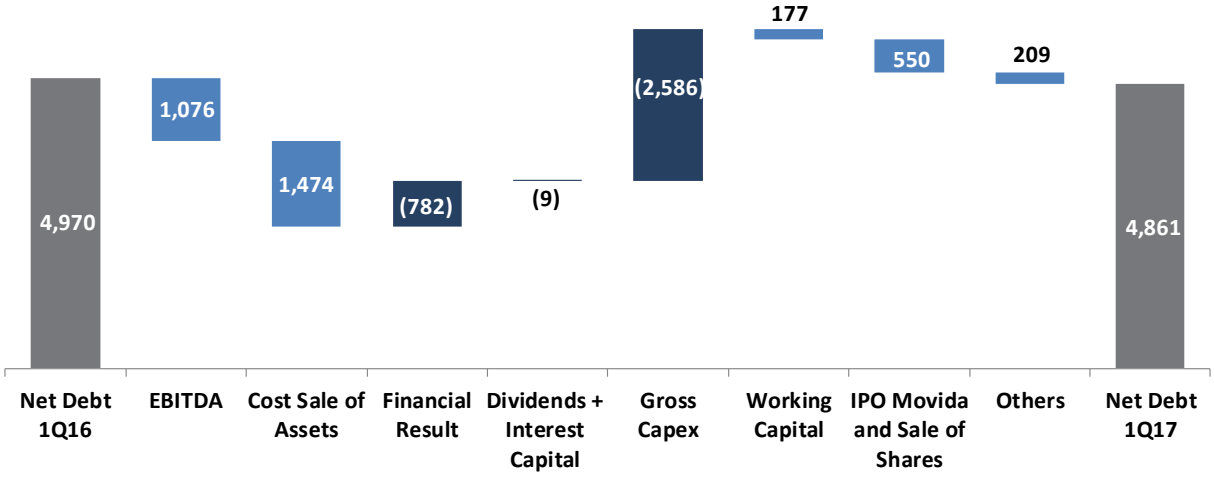
Net debt (including the confirming payable - suppliers line) totaled R$4.9 billion in March 2017, 7.6% lower than in December 2016 and 2.2% lower than in March 2016. It is worth noting that our capital structure was reinforced by R$550 million from Movida's successful IPO, which was concluded in February 2017.

We point out the slowdown in net investments in 1Q17 (-43.0% YoY and -58.9% QoQ) and the decline in the average cost of net debt (from 13.3% in 4Q16 to 13.0% in 1Q17). The breakdown of the total net debt at the end of March 2017 was as follows: 67.3% pegged to the CDI, 22.2% to fixed rates, 8.1% to the TJLP, 1.9% to the SELIC and 0.5% to the IPCA.

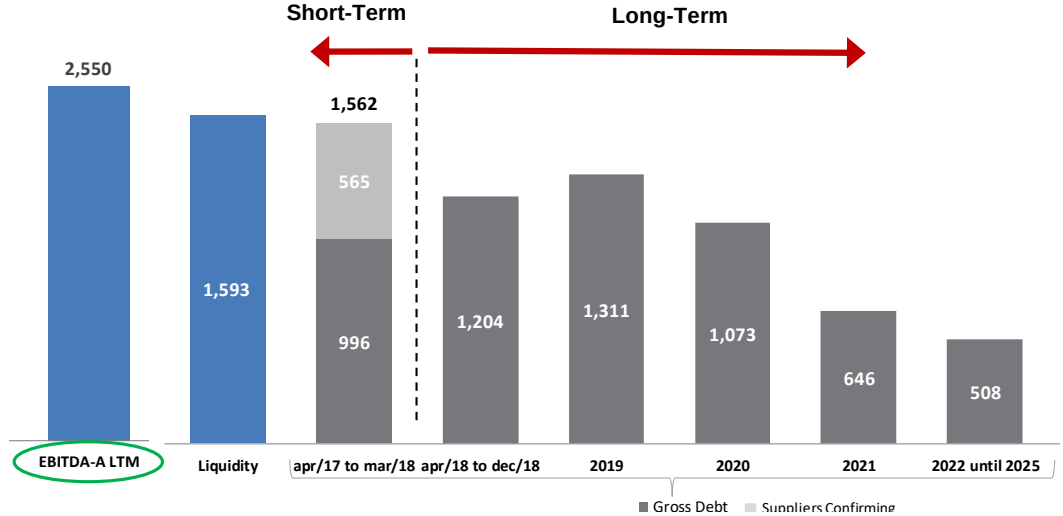
Indebtedness (R$ million)	03/31/2016	06/30/2016	09/30/2016	12/31/2016	03/31/2017
Cash and Investments	**1,237.2**	**1,335.0**	**1,322.4**	**1,043.2**	**1,442.9**
Borrowings	3,615.1	4,024.6	3,971.9	3,846.1	3,861.6
Local Bonds	1,659.1	1,576.7	1,577.9	1,548.6	1,549.6
Finance lease payable	365.1	366.9	364.7	354.7	327.2
Gross debt	**5,639.3**	**5,968.3**	**5,914.5**	**5,749.5**	**5,738.3**
Net debt	**4,402.1**	**4,633.3**	**4,592.1**	**4,706.3**	**4,295.4**
Confirming payable (Automakers)	567.8	409.1	612.4	551.4	565.2
Net debt + Confirming payable (Automakers)	**4,969.9**	**5,042.4**	**5,204.5**	**5,257.6**	**4,860.6**
Average Cost of Net Debt* (p.a.)	**13.3%**	**13.3%**	**13.3%**	**13.3%**	**13.0%**

* With Suppliers Confirming

Net Debt + Confirming Payable - Suppliers (R$ million)



Gross Debt Amortization Schedule + Confirming Payable - Suppliers (R$ million)



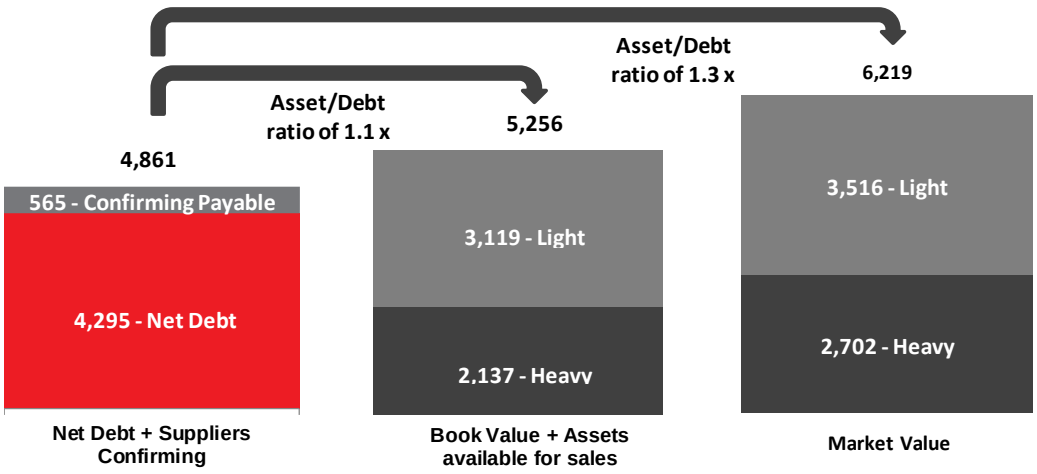
Financial Result

In 1Q17, net financial expenses totaled R$180.7 million, (+22.8% YoY). This upturn was mostly due to investments in Movida's growth (in terms of both fleet and the number of RAC and used-vehicle stores). Please note that the proceeds from Movida's IPO did not fully impact financial revenues in 1Q17, since it took place in February 2017.

Compared with 4Q16, net financial expenses fell 21.5%. We point out the non-recurring event totaling R$39.9 million related to the adjustment of prices in the acquisition of assets, which negatively impacted expenses in 4Q16 and did not occur in 1Q17.

	JSL - Consolidated					
Financial Result (R$ million)	**1Q16**	**4Q16**	**1Q17**	**Chg. 1Q17x1Q16**	**Chg. 1Q17x4Q16**	**LTM**
Financial Revenues	54.4	66.1	43.4	-20.2%	-34.3%	229.5
Financial Expenses	(188.0)	(180.4)	(211.8)	12.7%	17.4%	(826.3)
Derivatives Result	(12.8)	20.3	(16.2)	26.6%	-179.8%	(116.3)
Net Exchange Variation	(0.8)	(96.2)	4.0	-	-104.2%	(28.9)
Extraordinary Financial Expenses	-	(39.9)	-	-	-100.0%	(39.9)
Total	**(147.1)**	**(230.1)**	**(180.7)**	**22.8%**	**-21.5%**	**(781.9)**

Assets / Net Debt + Confirming payable - Suppliers (R$ million)



Leverage Indicators

Leverage Indicators	12/31/2015	03/31/2016	06/30/2016	09/30/2016	12/31/2016	03/31/2017	Covenants
Net Debt / EBITDA-A[2]	2.0x	2.1x	2.1x	2.0x	2.0x	1.7x	n.a.
Net Debt / EBITDA[2]	3.7x	3.9x	4.0x	4.0x	4.5x	4.0x	n.a.
EBITDA-A[2]/Net interest expenses	4.5x	4.6x	4.6x	4.4x	4.3x	4.6x	n.a.
Net Debt + suppliers confirming / EBITDA-A[2]	2.4x	2.3x	2.2x	2.2x	2.2x	1.9x	Máx 3,5x
Net Debt + suppliers confirming / EBITDA[2]	4.3x	4.4x	4.3x	4.5x	5.0x	4.5x	n.a.
EBITDA-A[2] / Net interest expenses*	3.8x	3.9x	3.9x	3.8x	3.7x	4.0x	Min 2,0x

[1] Fixed assets + Receivable and Inventory "forward sale" (Sales of assets with management / CPC 06) + Assets avaiable for sale
[2] Accumulated over the last 12 months
[3] Cash+committed lines
* Includes the portion referring to embedded cost in the good value (suppliers confirming)

The ratio between net debt plus confirming payable and EBITDA came to 4.5x in March 2017, versus 4.4x in March 2016 and 5.0x in December 2016. The QoQ decline was due to the proceeds from Movida's IPO. Meanwhile, the ratio between net debt plus confirming payable and EBITDA-A stood at 1.9x in March 2017, an improvement over the 2.3x recorded in March 2016 and the 2.2x reported in December 2016.

VII. EBITDA, Cash Flow and ROIC – JSL Consolidated

EBITDA Reconciliation (R$ million)	JSL - Consolidada					
	1Q16	4Q16	1Q17	Chg. 1Q17x1Q16	Chg. 1Q17x4Q16	LTM
Net Result	11.2	(150.4)	(7.0)	-162.5%	-95.3%	(201.3)
Financial Result	147.1	230.1	180.7	22.8%	-21.5%	781.9
Income tax and Social contribution	5.6	(49.4)	(2.5)	-144.6%	-94.9%	(74.4)
Depreciation / Amortization	128.0	158.2	135.9	6.2%	-14.1%	570.0
EBITDA	**291.9**	**188.5**	**307.1**	**5.2%**	**62.9%**	**1,076.1**
Costs of Sales of Assets	254.0	362.4	438.7	72.7%	21.1%	1,473.8
EBITDA-A	**545.9**	**550.9**	**745.8**	**36.6%**	**35.4%**	**2,549.9**

Cash Flow Summary[1] (R$ million)	1Q16	4Q16	1Q17	Chg. 1Q17x1Q16	Chg. 1Q17x4Q16	LTM
Income before tax	**16.8**	**(199.8)**	**(9.5)**	**-156.5%**	**-95.3%**	**(275.7)**
Depreciation and Amortization	125.7	153.1	135.9	8.1%	-11.3%	557.3
Cost of Sale of Assets[2]	254.0	362.4	438.7	72.7%	21.1%	1,473.8
Other Non-cash adjustments	228.8	191.9	263.2	15.0%	37.2%	809.9
Accounts receivables, Inventory and Suppliers	121.0	290.2	(9.1)	-107.5%	103.1%	279.9
Other Assets and Liabilities	(72.8)	29.8	(181.5)	149.2%	-709.6%	(44.3)
Paid interest	(160.1)	(179.4)	(138.4)	-13.5%	-22.8%	(570.1)
Operating Cash Generation	**513.5**	**648.1**	**499.3**	**-2.8%**	**-23.0%**	**2,230.8**
Increase in Fixed Assets	(95.7)	(413.9)	(497.3)	419.5%	20.2%	(2,195.9)
Schio Acquisition	-	-	-	n.a	n.a	(62.2)
Other Investments[4]	(63.5)	111.8	29.8	-147.0%	73.3%	89.9
Investments Net Cash	**354.3**	**346.0**	**31.8**	**-91.0%**	**-90.8%**	**62.6**
Increase (Decrease) in Capital	-	-	-	n.a	n.a	-
Capital injection - IPO Movida	-	-	506.1	n.a	n.a	506.1
Payment of liabilities and financial lease	-	-	(33.7)	n.a	n.a	(33.7)
Income received from derivatives	-	-	(11.8)	n.a	n.a	(6.1)
Dividends + Interest on Capital	(210.0)	5.7	-	-100.0%	n.a.	1.3
Loan and Financing	(576.3)	(632.3)	(95.7)	-83.4%	84.9%	(310.3)
(Purchasing) / Selling Treasury Shares	(17.4)	1.3	3.0	-117.0%	122.9%	(14.2)
Increase (Decrease) in Cash and Financial Investments	**(449.4)**	**(279.2)**	**399.7**	**-188.9%**	**243.2%**	**205.7**

[1] Considers as cash the balance of financial investments classified as current assets (securities)

[2] Non-cash cost

[3] Pursuant to IFRS, variations in cash in the 'increase in fixed assets' line in the cash flow statement comprise only the amounts actually disbursed by the Company. These acquisitions made with restricted financing are not reflected in the cash flow statement when they are contracted. However, as this financing is amortized, the respective cash disbursements are reflected in the loans and financing line

[4] Intangible assets and merger of subisidiary

ROIC LTM - 03/31/2017 (R$ million)	JSL Consolidada*	JSL Logística[2]	Logistics Operations with more than 12 months of revenue
Net revenue	**6,963.3**	**4,156.3**	**3,640.4**
Gross Profit	**1,316.9**	**632.7**	**681.8**
(-) Administrative and Sales Expenses	(707.6)	(268.5)	(148.5)
(+) Extraordinary expenses	84.1	58.7	-
(-) Others Operating Revenues (Expenses)	(99.9)	(48.0)	(60.5)
EBIT [1]	**593.5**	**375.0**	**472.9**
(-) Taxes (Considers effective tax rate of 30%)	(178.1)	(112.5)	(141.9)
(=) NOPLAT (A)	**415.5**	**262.5**	**331.0**
(=) Avarage Invested Capital (B)	**4,794.0**	**3,105.2**	**2,590.4**
ROIC without goodwill effect (A/B)	**8.7%**	**8.5%**	**12.8%**
(=) Avarage Invested Capital with suppliers confirming (C)	**5,388.0**	**3,179.4**	**2,664.6**
ROIC with suppliers confirming without goodwill effect (A/C)	**7.7%**	**8.3%**	**12.4%**

* Contemplates the consolidation of results of JSL Logistics, JSL Concessionáriasa, Movida and the eliminations among business

[1] Excluding non-recurring effects

[2] Excludes the effect of investments in other businesses

VIII. Free Cash Flow

In 1Q17, JSL's operating cash flow totaled R$2.7 billion, as a result of the higher sales of assets during the period.

Investments in maintenance came to R$1.3 billion in the period, resulting in cash generation before growth of R$1.4 billion. Investments in expansion stood at R$1.3 billion, mainly due to fleet growth at Movida in the last twelve months.

In 1Q17, free cash flow to firm totaled R$141 million LTM.

Free Cash Flow to Firm JSL Consolidated (R$ Million)	2015	2016	LTM
EBITDA	**1,092**	**1,061**	**1,076**
Non-cash Cost of Sales of Assets	870	1,289	1,474
Taxes + Working Capital [1]	205	406	177
Operating Cash Flow	**2,168**	**2,756**	**2,727**
Maintenance Capex[2]	(727)	(1,105)	(1,319)
Cash Generated before Growth and Interest	**1,441**	**1,651**	**1,407**
Expansion Capex[2]	(1,509)	(1,382)	(1,267)
Free Cash Flow to Firm	**(68)**	**269**	**141**

[1] Includes asset sales with management
[2] Considers total Capex, the amount effectively paid with the Company's cash, plus the financed position

IX. Capital Market

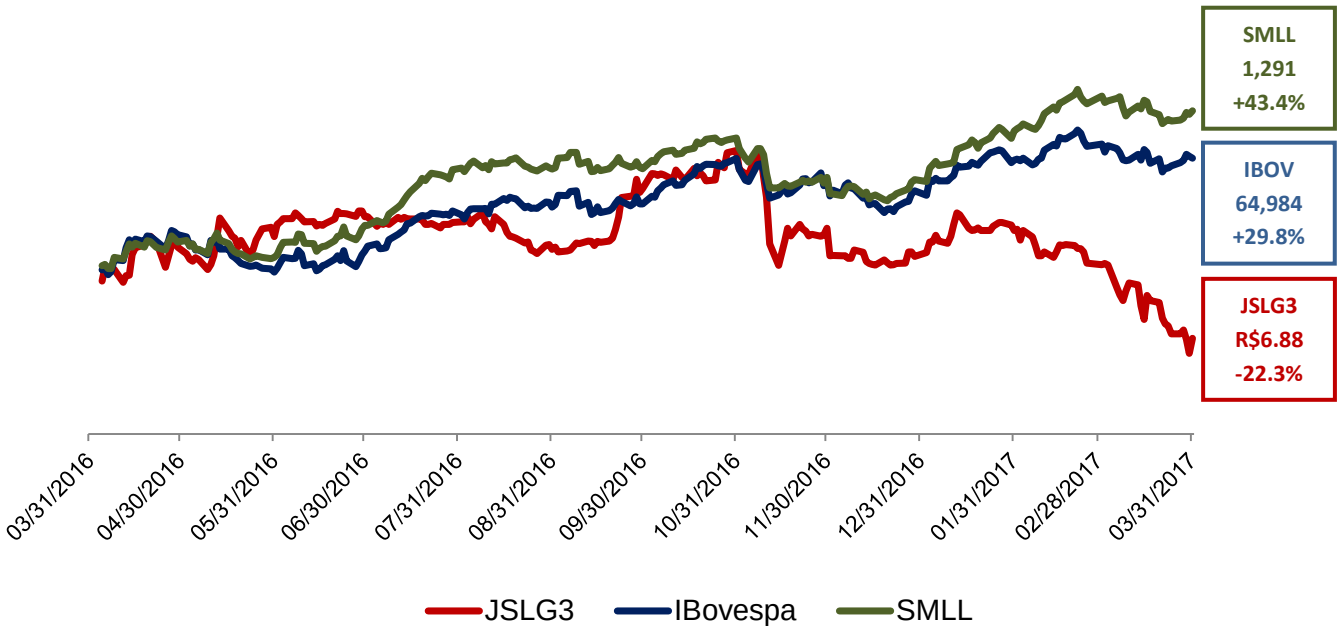
Share Performance

JSL's shares are listed on the BM&FBOVESPA's Novo Mercado segment and are included in the Special Corporate Governance Stock Index (IGC) and the Special Tag Along Stock Index (ITAG). JSLG3 has been included in the BM&FBOVESPA's Small Cap Index (SMLL) since January 2013.

On March 31, 2017, JSLG3 shares were priced at R$6.88.

In 1Q17, the Company had a total of 202,500,000 shares, of which 202,077,032 were outstanding and 422,968 were held in treasury.

JSLG3 vs. SMLL11 vs. IBOV Performance (From 3/31/2016 to 3/31/2017 – Base 100)



Glossary

APV – Adjustment to present value. Applied to monetary assets and liabilities to reflect their current value taking into account contractual cash flows, interest rates explicitly or implicitly applicable to the respective assets and liabilities, and rates used by the market for similar transactions. The effects are included in financial income or expenses in the income statement, for the term of interest in relation to contractual cash flows.

Confirming payable - Suppliers – Partnerships with financial institutions in order to manage commitments to suppliers. Suppliers transfer receivables arising from the sale of vehicles to financial institutions.

Dedicated Services or Dedicated Services to the Supply Chain – Services provided in an integrated and customized way for each client which includes managing the flow of inputs/raw materials including information from the supplier through entry of the materials into the clients' facilities (Inbound operations), the outflow of products from the clients' facilities to the point of consumption (Outbound operations), and the movement and management of inventory, Reverse Logistics and Warehousing.

EBITDA-A or EBITDA Added – represents EBITDA plus the residual costs associated with the sale of fixed assets, which do not represent operational cash disbursements, as they are merely an accounting representation of the write-off of assets at the time of sale. Thus, the Company's management believes that EBITDA-A is a more appropriate measure of operating cash flow than traditional EBITDA, since it represents the Company's capacity to meet its financial obligations.

Elimination – offsetting of the amounts inherent to the operations between JSL Logística, Movida and JSL Concessionárias, with a null effect on JSL's consolidated figures.

FINAME – allocated to finance the acquisition of new machinery and equipment, made in Brazil, under attractive conditions.

FINEM – financing to projects of R$10 million or more, intended to implement, expand, recover and modernize fixed assets, directly through BNDES or through BNDES-accredited financial institutions at differentiated costs.

Fleet Management and Outsourcing (vehicles / machinery / equipment) with **addition of service** – management and outsourcing services provided by JSL Logística through fleets of both light and heavy vehicles, including fleet sizing and additional services related to fleet, as well as machinery and equipment.

Floor Plan – a program to finance the inventory of new and used, national and imported vehicles and auto parts, via revolving credit granted by manufacturers to concessionaires, which usually has a grace period, exempt from any charges, which may vary for each manufacturer.

General Cargo or General Cargo Transportation – Services for the transportation of products from "point A" to "point B", by vehicles assuming Full Truck Load.

JSL Concessionárias or **Dealerships** – merged into JSL in February 2012, it is a holding company that owns 37 dealerships, 24 of which selling light vehicles and 13 selling heavy vehicles, and an insurance brokerage. The light vehicle dealerships belong to the Volkswagen, Fiat and Ford brands and the heavy vehicle dealership is under the MAN brand. It consolidates Original Veículos Ltda., Avante Veículos Ltda., Ponto Veículos Ltda., Transrio Caminhões, Ônibus, Máquinas e Motores Ltda., Vintage Corretora e Administradora de Seguros Ltda.

JSL Logística – includes the results of JSL's logistics operations, as well as Schio's.

Manufacturers' Funds – funds for the capitalization of dealerships, comprising the initial investment and the percentage amounts of the cost of acquisition of vehicles sold by manufacturers, deposited in funds managed by financial institutions related to them, on behalf of dealerships. These funds are used as guarantees of vehicle credit lines and the contribution amounts exceeding the contribution targets established on an annual basis can be withdrawn. The use of funds must be submitted for analysis and approval by the manufacturers.

Movida Participações S.A. or **Movida** – consolidates all the rent a car (RAC) activities operated by Movida Rent a Car Ltda., as well as fleet management and outsourcing (GTF) activities.

Passenger Transportation – charter services for companies and intercity and municipal public transportation of passengers.

ROIC of Mature Operations – comprises the results of contracts accounted for at least 12 months prior to the end of the current billing period, including any ramp-up periods. Net debt of mature operations consists of the balance of operational debt linked to assets and for corporate debt, the balance from previous period plus adjustments for any transactions that impacted the cash position in the last 12 months.

RSC or **Revenue from Same Contracts** – revenue from contracts effective in both comparison periods.

Sale of Assets with Management – sale of vehicles associated with fleet management contracts.

Utilization Rate – The calculation of utilization rate considers the total number of vehicles less cars under implementation and available for sale.

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Independent Auditor`s Report on Review of Quarterly Information

(A free translation of the original report in Portuguese, as filled with the Brazilian Securities Commission (CVM), prepared in accordance with the Technical Pronouncement CPC 21 (R1) – Interim Financial Reporting and the international standard IAS 34 – Interim Financial Reporting, as issued by the international Accounting Standards Board – IASB)

To the Board of Directors and Shareholders of
JSL S.A.
São Paulo - SP

Introduction
We have reviewed the individual and consolidated interim financial information of JSL S.A. ("the Company"), included in the Quarterly Information Form – ITR for the quarter ended March 31, 2017, comprising the balance sheet as at March 31, 2017 and the respective statements of income and comprehensive income, changes in shareholder´s equity and cash flows for the three month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with the Technical Pronouncement CPC 21 (R1) – Interim Financial Reporting and the international standard IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board – IASB, such as for the presentation of these information in accordance with the standards issued by the Brazilian Securities Commission – CVM, applicable to the preparation of Quarterly Information – ITR. Our responsibility is to express a conclusion on these interim financial information based on our review.

Review scope
We conducted our review in accordance with the Brazilian and International standards on reviews of interim financial information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards 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.

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Conclusion on the interim financial information
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information included in the Quarterly Information – ITR referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information – ITR, and presented in accordance with the standards issued by the Brazilian Securities Commission – CVM.

Other matters

Statements of value added
We have also reviewed the individual and consolidated statements of value added (DVA), related to the three month period ended March 31, 2017, prepared under the responsibility of the Company´s management, which presentation in the interim financial information is required in accordance with standards issued by the Brazilian Securities Commission – CVM applicable to the preparation of Quarterly Information – ITR, and is considered as a supplementary information under the International Financial Reporting Standards ("IFRS"), which do not require the presentation of DVA. These statements were 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 accordance with the individual and consolidated interim financial information taken as a whole.

Balance sheet of prior year audited and corresponding interim financial information revised by other independent auditors
The audit of the individual and consolidated balance sheet as of December 31, 2016 was conducted under the responsibility of other independent auditors, who issued an unmodified auditor`s report dated March 23, 2017. The review of the individual and consolidated interim financial information for the period ended March 31, 2016, originally prepared before reclassifications described in note 2.6, was conducted under the responsibility of other independent auditors, who issued a review report without modifications as of May 9, 2016. As part of our review of the interim financial information for the quarter ended March 31, 2017, we have reviewed the reclassifications in the corresponding amounts of the interim financial information for the period ended March 31, 2016 and, based on our review, we are not aware of any fact that would lead us to believe that such reclassifications were not made in a correct and appropriate manner, in all material respects. We were not hired to audit, review or apply any other procedures regarding the information relating to the interim financial information for the quarter ended March 31, 2016 and, therefore, we do not express an opinion, conclusion or any form of assurance on them taken as whole.

São Paulo, April 27, 2017

KPMG Auditores Independentes
CRC 2SP014428/O-6

(Original in Portuguese signed by)
Ulysses M. Duarte Magalhães
Accountant CRC RJ-092095/O-8

Assets	Notes	Parent company		Consolidated	
		3/31/2017	12/31/2016	3/31/2017	12/31/2016
Current assets					
Cash and cash equivalents	4.1	187,670	318,623	552,514	585,920
Marketable securities	4.2	289,470	198,982	890,395	457,300
Trade receivables	5	528,358	556,017	1,013,224	1,021,422
Inventories	6	22,524	22,740	172,592	164,626
Taxes recoverable	8	101,720	56,457	149,180	95,600
Prepaid expenses	10	13,957	3,799	66,374	12,891
Related parties	26.1	74,440	73,475	-	-
Dividends receivable	13	-	85,964	-	-
Assets available-for-sale (fleet renewal)	7	92,801	87,081	338,203	331,249
Other receivables	12	20,873	19,441	53,137	47,692
Total current assets		**1,331,813**	**1,422,579**	**3,235,619**	**2,716,700**
Non-current assets					
Derivative financial instruments	3	48,381	36,037	48,381	36,037
Trade receivables	5	31,344	32,507	109,238	108,356
Taxes recoverable	8	19,984	54,160	19,984	62,468
Judicial deposits	9	41,417	101,806	57,821	120,704
Deferred income tax and social contribution	28.1	-	-	33,808	31,438
Related parties	26.1	-	1,849	233	76
Fund for capitalization of Authorized Vehicle Dealerships	11	-	-	52,845	52,642
Other receivables	12	2,063	2,048	5,538	6,035
		143,189	**228,407**	**327,848**	**417,756**
Investments	14	2,212,173	2,112,215	1,208	1,179
Property and equipment	15	1,550,526	1,644,473	5,398,807	5,386,719
Intangible assets	16	258,103	259,838	343,207	346,029
		4,020,802	**4,016,526**	**5,743,222**	**5,733,927**
Total non-current assets		**4,163,991**	**4,244,933**	**6,071,070**	**6,151,683**
Total assets		**5,495,804**	**5,667,512**	**9,306,689**	**8,868,383**

The accompanying notes are an integral part of this quarterly information.

		Parent company		Consolidated	
Liabilities	**Notes**	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Current liabilities					
Trade payables	17.1	65,619	36,714	989,722	992,368
Floorplan vehicles	17.2	-	-	23,408	28,387
Income tax and social contribution		-	-	11,647	11,528
Borrowings and financing	18	639,199	750,899	790,825	888,916
Suppliers financing	19	10,801	9,265	565,225	551,359
Debentures	20	44,594	131,824	44,594	142,242
Finance lease payables	21.1	62,982	69,058	162,477	165,716
Labor liabilities	22	118,069	104,401	199,166	179,418
Tax liabilities	23	25,049	26,286	54,168	51,968
Other accounts payables	24	19,556	23,402	143,766	151,377
Advances payable	25	10	7	28,589	29,101
Dividends payable		2,409	-	2,409	-
Related parties	26.1	18,848	34,415	533	1,782
		1,007,136	**1,186,271**	**3,016,529**	**3,194,162**
Non-current liabilities					
Borrowings and financing	18	2,271,863	2,297,729	3,070,727	2,957,220
Debentures	20	1,206,478	1,107,512	1,504,999	1,406,375
Finance lease payables	21.1	84,817	94,605	164,678	189,017
Derivative financial instruments	3	27,916	12,223	27,916	12,223
Tax liabilities	23	1,259	1,316	2,484	2,701
Provision for judicial and administrative litigation	9	55,145	61,366	69,354	73,712
Deferred income tax and social contribution	28.1	65,003	90,831	189,868	197,088
Other accounts payable	24	90,892	206,670	106,753	226,896
		3,803,373	**3,872,252**	**5,136,779**	**5,065,232**
Equity					
Share capital	27.1	660,395	660,395	660,395	660,395
Capital reserves	27.2	12,134	14,060	12,134	14,060
Treasury shares	27.3	(460)	(3,741)	(460)	(3,741)
Equity valuation adjustment	27.4	90,575	4,634	90,575	4,634
Accumulated losses		(77,349)	(66,359)	(77,349)	(66,359)
		685,295	**608,989**	**685,295**	**608,989**
Non-controlling interests	27.5	-	-	468,086	-
Total equity		**685,295**	**608,989**	**1,153,381**	**608,989**
Total liabilities and equity		**5,495,804**	**5,667,512**	**9,306,689**	**8,868,383**

The accompanying notes are an integral part of this quarterly information.

JSL S.A. and subsidiaries
Statement of income (loss)
Three-month period ended March 31, 2017 and 2016
All amounts in thousands of Brazilian reais, except earnings (loss) per share

		Parent company				Consolidated			
	Note	01/ 01 to 3/31/2017	3/31/2017	01/ 01 to 3/31/2016 (Reclassified Note 2.6)	3/31/2016 (Reclassified Note 2.6)	01/ 01 to 3/31/2017	3/31/2017	01/ 01 to 3/31/2016 (Reclassified Note 2.6)	3/31/2016 (Reclassified Note 2.6)
Net revenue from services rendered and sale of assets used in services rendered	32	668,039	668,039	702,064	702,064	1,757,802	1,757,802	1,494,929	1,494,929
(-) Cost of services rendered	34	(541,574)	(541,574)	(516,291)	(516,291)	(957,862)	(957,862)	(903,580)	(903,580)
(-) Cost of sales of assets used in services rendered	34	(44,597)	(44,597)	(36,857)	(36,857)	(438,745)	(438,745)	(254,018)	(254,018)
		(586,171)	**(586,171)**	**(553,148)**	**(553,148)**	**(1,396,607)**	**(1,396,607)**	**(1,157,598)**	**(1,157,598)**
(=) Gross profit		**81,868**	**81,868**	**148,916**	**148,916**	**361,195**	**361,195**	**337,331**	**337,331**
Selling and administrative expenses	34	(43,177)	(43,177)	(48,562)	(48,562)	(175,663)	(175,663)	(152,764)	(152,764)
Tax expenses		(510)	(510)	(725)	(725)	(3,977)	(3,977)	(3,128)	(3,128)
Other operating income (expenses), net	34	19,318	19,318	21,524	21,524	(10,340)	(10,340)	(17,561)	(17,561)
Equity in the results of investees	14	40,223	40,223	8,869	8,869	-	-	-	-
Profit before finance income and costs		**97,722**	**97,722**	**130,022**	**130,022**	**171,215**	**171,215**	**163,878**	**163,878**
Finance income	33	23,325	23,325	36,724	36,724	47,386	47,386	54,448	54,448
Finance costs	33	(157,538)	(157,538)	(154,123)	(154,123)	(228,086)	(228,086)	(201,543)	(201,543)
(=) (Loss) profit before income tax and social contribution		**(36,491)**	**(36,491)**	**12,623**	**12,623**	**(9,485)**	**(9,485)**	**16,783**	**16,783**
Taxes and contributions on income	28.2	-	-	-	-	(7,056)	(7,056)	(1,554)	(1,554)
Deferred tax assets and liabilities	28.2	25,828	25,828	(1,420)	(1,420)	9,579	9,579	(4,026)	(4,026)
(=) (Loss) profit for the period		**(10,663)**	**(10,663)**	**11,203**	**11,203**	**(6,962)**	**(6,962)**	**11,203**	**11,203**
Profit attributed to:		-	-	-	-	-	-	-	-
Owners of the Company		(10,663)	(10,663)	11,203	11,203	(10,663)	(10,663)	11,203	11,203
Non-controlling interests		-	-	-	-	3,701	3,701	-	-
(=) Basic and diluated earnings (loss) per share at the end of the period (in Reais)	37						(0.05)		0.05

The accompanying notes are an integral part of this quarterly information.

JSL S.A. and subsidiaries
Statement of comprehensive income (loss)
Three-month period ended March 31, 2017 and 2016
In thousands of Brazilian reais

	Parent company				Consolidated			
	3/31/2017	3/31/2017	3/31/2016	3/31/2016	3/31/2017	3/31/2017	3/31/2016	3/31/2016
(Loss) profit for the period	**(10,663)**	**(10,663)**	**11,203**	**11,203**	**(6,962)**	**(6,962)**	**11,203**	**11,203**
Other comprehensive results	-	-	-	-	-	-	-	-
Comprehensive (loss) income for the period	**(10,663)**	**(10,663)**	**11,203**	**11,203**	**(6,962)**	**(6,962)**	**11,203**	**11,203**
Comprehensive (loss) income attributed to:								
Owners of the Company	(10,663)	(10,663)	11,203	11,203	(10,663)	(10,663)	11,203	11,203
Non-controlling interests	-	-	-	-	3,701	3,701	-	-

The accompanying notes are an integral part of this quarterly information.

JSL S.A. and subsidiaries

Statement of changes in equity
Three-month period ended March 31, 2017 and 2016
In thousands of Brazilian reais

		Attributable to owners of the Company										
			Capital reserve			Profit reserves						
	Notes	Share capital	Share-based payments	Government grant reserve	Treasury shares	Legal reserve	Profits retention	Accumulated losses	Equity valuation adjustment	Total equity of owners of the Company	Non-controlling interests	Total equity
At December 31, 2015		**660,395**	**8,789**	**-**	**(54,133)**	**28,058**	**372,109**	**-**	**4,634**	**1,019,852**	**21**	**1,019,873**
Share-based payments		-	827	-	-	-	-	-	-	827	-	827
Repurchase of shares		-	-	-	(17,410)	-	-	-	-	(17,410)	-	(17,410)
Profit for the period		-	-	-	-	-	-	11,203	-	11,203	-	11,203
Additional dividends paid		-	-	-	-	-	(200,000)	-	-	(200,000)	-	(200,000)
Legal reserve		-	-	-	-	560	10,643	(11,203)	-	-	-	-
At March 31, 2016		**660,395**	**9,616**	**-**	**(71,543)**	**28,618**	**182,752**	**-**	**4,634**	**814,472**	**21**	**814,493**
At December 31, 2016		**660,395**	**11,078**	**2,982**	**(3,741)**	**-**	**-**	**(66,359)**	**4,634**	**608,989**	**-**	**608,989**
Share-based payments	27.2	-	(1,926)	-	-	-	-	-	-	(1,926)	-	(1,926)
Repurchase of shares	27.3	-	-	-	2,954	-	-	-	-	2,954	-	2,954
Participation of non-controlling shareholders	27.4	-	-	-	-	-	-	-	-	-	464,385	464,385
Loss for the period	-	-	-	-	-	-	-	(10,663)	-	(10,663)	3,701	(6,962)
Gain on IPO of subsidiary	27.4	-	-	-	-	-	-	-	85,941	85,941	-	85,941
At March 31, 2017		**660,395**	**9,152**	**2,982**	**(787)**	**-**	**-**	**(77,022)**	**90,575**	**685,295**	**468,086**	**1,153,381**

The accompanying notes are an integral part of this quarterly information.

JSL S.A. and subsidiaries
Statement of cash flows - indirect method
Three-month period ended March 31, 2017 and 2016
In thousands of Brazilian reais

	Parent company		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Cash flows from operating activities				
(Loss) profit before taxes	(36,491)	12,623	(9,485)	16,783
Adjustment to reconcile profit with cash provided by operating activities				
Depreciation / amortization (Note 14 and 15)	60,421	72,600	135,855	125,717
Cost of sales of assets used in services rendered	44,597	36,467	438,745	248,886
Equity in the results of investees	(40,223)	(8,869)	-	-
Gain/loss on fair value of derivative financial instruments	15,154	6,816	15,154	10,205
Provision/reversal for judicial and administrative claims	646	19,592	55,313	34,461
Estimated losses on doubtful accounts (Note 6)	5,338	8,752	7,711	18,006
Adjustment to present value	1,006	-	-	-
Provision for vehicle theft losses	(1,547)	-	27,600	-
Adjustment to present value of acquisition of Quick	2,297	(36,785)	3,303	(36,786)
Fair value realisation	1,702	-	-	-
Lower by sale of shares	44,152	-	44,152	-
Provision for loss on ICMS	-	-	-	27,673
Estimated inventory losses (Note 6)	369	302	727	198
Other	(90)	-	(29)	-
Share-based payments	(1,926)	827	(1,926)	827
Interest and monetary variations on borrowings	123,083	97,675	150,492	155,671
Adjustments to reconcile profit with cash provided	**254,979**	**197,377**	**877,097**	**584,858**
Decrease (increase) in assets				
Marketable securities	(90,488)	334,889	(433,095)	316,135
Trade receivables	22,671	34,205	(1,208)	121,650
Inventories	(153)	(3,558)	(8,693)	20,614
Taxes recoverable	(11,280)	(5,612)	(11,289)	(18,372)
Related parties net	(14,683)	23,948	(1,406)	(93)
Judicial deposits	60,389	48,264	62,883	25,375
Other receivables	(1,447)	(2,859)	(4,948)	(15,539)
Prepaid expenses and capitalisation funds	(10,158)	(15,581)	(53,686)	(50,600)
(Decrease) increase in liabilities				
Trade payables	28,905	35,186	(2,646)	(25,458)
Trade payables (Floorplan)	-	-	(4,979)	(13,973)
Labor and tax liabilities	12,374	11,268	21,731	24,360
Other accounts payable and advances	(119,509)	(153,332)	(128,154)	1,830
Changes in current and noncurrent assets and liabilities	**(123,379)**	**306,818**	**(565,490)**	**385,929**
Cash provided by operating activities	**95,109**	**516,818**	**302,122**	**987,570**
Judicial and administrative claims paid	(6,867)	(38,373)	(59,671)	(30,307)
Income tax and social contribution paid	-	-	(6,937)	(9,485)
Interest paid on borrowings, debentures and other liabilities	(97,005)	(43,055)	(138,443)	(160,061)
Acquisition of operational property and equipment	(40,215)	(18,053)	(438,326)	(81,956)
Net cash (used in) provided by operating activities	**(48,978)**	**417,337**	**(341,255)**	**705,761**
Cash flows from investing activities				
Aquisition of company - Quick Logística	-	(25,311)	-	(25,311)
Incorporation of subsidiary's cash	-	-	-	258
Dividends received	(7,669)	-	-	-
Contribution of Capital / (Write-off of Investment)	85,964	-	-	-
Advances for future capital increase	-	(7,450)	-	-
Acquisition of property and equipment	(3,035)	(2,212)	(58,979)	(8,645)
Intangible assets	(206)	-	(1,065)	(1,635)
Net cash provided by (used in) investing activities	**75,054**	**(34,973)**	**(60,044)**	**(35,333)**
Cash flows from financing activities				
Capital increase -Movida IPO	-	-	506,144	-
Repurchase of treasury shares (Note 27.2)	2,954	(17,410)	2,954	(17,410)
Leasing payment	(21,264)	-	(33,699)	-
Swap result	(11,805)	-	(11,805)	-
Dividends paid	-	(200,000)	-	(200,000)
Interest on capital paid	-	(10,000)	-	(10,000)
Increase in borrowings and financing	1,365,330	-	1,332,909	-
(Decrease) in borrowings and financing	(1,492,244)	(172,323)	(1,428,610)	(576,319)
Net cash provided by (used in) financing activities	**(157,029)**	**(399,733)**	**367,893**	**(803,729)**
Net decrease in cash and cash equivalents	**(130,953)**	**(17,369)**	**(33,406)**	**(133,301)**
Cash and cash equivalents				
At the beginning of the year	318,623	366,836	585,920	951,166
At the end of the period	187,670	349,467	552,514	817,865
Net decrease in cash and cash equivalents	**(130,953)**	**(17,369)**	**(33,406)**	**(133,301)**
Main non-cash transactions				
Leasing and FINAME for the acquisition of property and equipment	(10,485)	(31,928)	(106,165)	(482,501)
Suppliers financing manufacturers	(1,536)	(7,647)	(13,866)	(137,467)
Capital increase with assets	11,979	-	-	-

The accompanying notes are an integral part of this quarterly information.

JSL S.A. and subsidiaries
Statement of value added
Three-month period ended March 31, 2017 and 2016
In thousands of Brazilian reais

	Parent company		Consolidated	
	3/31/2017	3/31/2016 (Reclassified Note 2.6)	3/31/2017	3/31/2016 (Reclassified Note 2.6)
Sales and services rendered (Note 32)	799,055	828,588	1,966,948	1,683,467
Estimated losses on doubtful accounts	(5,674)	(8,752)	(23,287)	(18,286)
Other operating income	19,400	39,161	16,236	11,538
	812,781	**858,997**	**1,959,897**	**1,676,719**
Inputs acquired from third parties				
Cost of sales and services rendered	(339,934)	(270,322)	(704,495)	(491,287)
Loss or recovery of assets	(81)	-	(81)	-
Materials, electricity, outsourced services and others	(17,243)	(35,566)	(327,838)	(267,202)
	(357,258)	**(305,888)**	**(1,032,414)**	**(758,489)**
Gross value added	**455,523**	**553,109**	**927,483**	**918,230**
Retentions				
Depreciation and amortization (Note 37)	(60,421)	(72,600)	(135,855)	(127,984)
Net value added generated by the Company	**395,102**	**480,509**	**791,628**	**790,246**
Value added received through transfer				
Equity in the results of investees (Note 13)	40,223	8,869	-	-
Finance income	28,335	60,594	52,076	78,502
	68,558	**69,463**	**52,076**	**78,502**
Total value added to distribute	**463,660**	**549,972**	**843,704**	**868,748**
Distribution of value added				
Personnel and payroll charges	188,315	193,705	315,952	319,849
Federal taxes	50,312	79,095	145,709	137,312
State taxes	53,588	46,488	82,312	77,065
Municipal taxes	12,825	13,222	22,111	20,197
Interest and rentals	162,516	181,087	225,959	229,595
Rental	6,767	25,172	58,623	73,527
Retained (losses) profits for the period	(10,663)	11,203	(6,962)	11,203
	463,660	**549,972**	**843,704**	**868,748**

The accompanying notes are an integral part of this quarterly information.

1. About the Company

JSL S.A. ("Company" or "parent company") is a publicy-traded corporation with its headquarters at Rua Dr. Renato Paes de Barros nº. 1.017 – 9º. Andar - Itaim Bibi - São Paulo-SP, and has its shares traded on the Securities, Commodities and Futures Exchange (BM&FBOVESPA). The Company also trades share deposit certificates on the over-the-counter market of the United States of America (USA) in onder to facilitate the purchase, maintenance and sale of shares by American investors.

The Company and its subsidiaries operate in four main segments: logistics, Authorized Vehicle Dealerships of light and heavy vehicles, Movida and leasing. The activities in these segments basically consist of:

i. Logistics: predominantly, road transportation of cargo, public transport, storage, collection and transportation of household, commercial or industrial waste, leasing of machinery, heavy equipment and vehicles, and river transportation of cargo;

ii. Authorized Vehicle Dealerships: sale of light and heavy vehicles, the resale of used cars, parts, machinery and accessories, provision of mechanics, bodywork and painting services, and brokerage services for automotive insurance sales;

iii. Movida: rentals of light vehicles and fleet management segments, and resales of vehicles replaced for renewal of the respective fleets, through the Movida brand stores; and

iv. Leasing: financial and/or operating lease operations to acquire vehicles and equipment defined by Law 6.099/74 in compliance with prevailing legal and regulatory provisions.

In the consolidated balance sheet as at December 31, 2016, the Company recorded net negative working capital of R$ 477,462, which was mainly impacted by the fact that the subsidiary Movida Participações S.A. as at the same date, net negative working capital of R$ 931,862. Movida's position is the result of the investment plan approved by Management and the shareholders to open 27 new rent-a-car stores and 36 vehicle resale stores and, therefore, renew and expand the Company's fleet of 52,686 units vehicles in 2015 to 63,870 units vehicles in 2016. With the subsidiary's going public process occurred on February 6, 2017, Movida completed its Initial Public Offering. As a result of this investment, the capital structure received a contribution of R$ 506,144, which entailed the reversal of this position at parent company to a net positive working capital of R$ 219,090 as at March 31, 2017.

In addition to the resources obtained by the Initial Public Offering and by the generation of operating cash flow, the company has assets, mainly related to the fleet of rent-a-car vehicles at Movida, in the approximate amount of R$ 2,226,207, which can be sold in a quick way.

2. Presentation of the interim financial information - individual and consolidated and significant accounting practices

2.1 Statement of compliance

The interim information was prepared 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), and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR).

This interim information should be read in conjunction with the annual financial statements for the year ended December 31, 2016 issued on March 23, 2017. and the accounting policies of the Company and its subsidiaries for the period ended March 31, 2017, were applied consistently with the annual financial statements for the year ended December 31, 2016, published on March 23, 2017 and, with the quarterly information for the period ended March 31, 2016, published on May 9, 2016, except for the reclassification of comparative balances mentioned in note 2.6.

The Company's Management confirms that all relevant information in the quarterly information, and only this information, are being evidenced, and correspond to those used by management in its activities.

The issue of the individual and consolidated information was authorized by the Company's Board of Directors on April 27, 2017.

2.2 Statement of value added

The preparation of the individual and consolidated statements of value added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil for listed companies. The international financial reports standards (“IFRS”) do not require the presentation of this statement. Accordingly, under the IFRS, this statement is presented as supplementary information, and not as part of the set of interim financial information.

2.3 Basis of consolidation

The consolidated interim financial information includes the operations of the Company and the following subsidiaries:

				% Interest	
Company	Subsidiary	Headquarters Country	Segment	3/31/2017	12/31/2016
JSL Holding Financeira Ltda.	Direct	Brazil	Leasing	99.90	99.90
JSL Leasing S.A.	Indirect	Brazil	Leasing	99.90	99.90
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	Direct	Brazil	Logistics	99.99	99.99
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda.	Direct	Brazil	Logistics	99.99	99.99
Riograndense Navegação Ltda. (i)	Direct	Brazil	Logistics	99.99	99.99
JSL Empreendimentos Imobiliários Ltda.	Direct	Brazil	Logistics	99.99	99.99
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda. (ii)	Direct	Brazil	Logistics	99.99	99.99
Consórcio 123 (ii)	Indirect	Brazil	Logistics	33.00	33.00
Consórcio Sorocaba (ii)	Indirect	Brazil	Logistics	50.00	50.00
JSL Locação de Máquinas e Veículos Pesados Ltda	Direct	Brazil	Logistics	99.99	99.99
Quick Logística Ltda. (iii)	Direct	Brazil	Logistics	99.99	99.99
Quick Armazens Gerais - Eirelli - ME (iii)	Direct	Brazil	Logistics	99.99	99.99
Agrolog Transportadora de Cargas em Geral Ltda. (i)	Direct	Brazil	Logistics	100.00	100.00
Medlog Prestação de Serviços de Logística S.A.(i)	Direct	Brazil	Logistics	100.00	100.00
JSL Invest.Concessionárias e Lojas de Veíc., Máqs. e Equiptos. S.A.	Direct	Brazil	Authorized vehicle dealerships	99.99	99.99
JSL Corretora e Administradora de Seguros Ltda.	Indirect	Brazil	Authorized vehicle dealerships	99.99	99.99
Original Veículos Ltda.	Indirect	Brazil	Authorized vehicle dealerships	99.99	99.99
Ponto Veículos Ltda.	Indirect	Brazil	Authorized vehicle dealerships	99.99	99.99
Avante Veículos Ltda.	Indirect	Brazil	Authorized vehicle dealerships	99.99	99.99
Transrio Caminhões, Ônibus, Máquinas e Motores Ltda.	Indirect	Brazil	Authorized vehicle dealerships	99.99	99.99
Movida Participações S.A. (iv)	Direct	Brazil	Movida	62.52	99.99
Movida Gestão e Terceirização de Frotas S.A.	Indirect	Brazil	Movida	62.52	99.99
Movida Locação de Veículos Ltda.	Indirect	Brazil	Movida	62.52	99.99

i) Company in pre-operational phase;

ii) The subsidiary CS Brasil consolidates in its balance sheet, on a pro rata basis, the percentage of its investment in the following entities: Consórcio 123 (33.33%) and Consórcio Sorocaba (50%);

iii) Companies acquired on February 15, 2016, which engage in the provision of transportation, warehousing, inventory management, scheduled or cycle inventory counting, picking and distribution services, with a strong presence in Brazil's Midwestern region, and operations primarily in the food, hygiene, cleaning, textile, pharmaceutical and chemical sectors;

iv) The interest in Movida Participações S.A. and its subsidiaries was reduced to 62.52 % due to its initial public offering occurred on February 6,2017 as disclosed in Note 1.

2.3.1 Consolidation

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

i) Subsidiaries

Subsidiaries are all entities in which the Company has control. Subsidiaries are fully consolidated as of the date the control is transferred to the Company. The consolidation is interrupted from the date on which the Company ceases to have control.

The identifiable assets acquired and the contingent liabilities and liabilities assumed in a business combination are initially measured at fair values at the acquisition date. The Company recognizes the non-controlling interest in the acquiree, both at its fair value and at the proportional portion of the uncontrolled interest in the fair value of the acquiree's net assets.

The measurement of non-controlling interest is determined on each acquisition. Costs related to acquisition are recorded in the income for the year as incurred.

Transactions, balances and unrealized gains on transactions between Company's companies are eliminated. Unrealized losses are also eliminated unless the operation provides evidence of an impairment of the transferred asset. The accounting policies of the subsidiaries are changed, when necessary, to ensure consistency with the policies adopted by the Company.

2.4 Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The individual and consolidated financial statements are presented in Brazilian reais (R$), which is the Company's functional currency, and also the presentation currency of other subsidiaries.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the dates of valuation when items are remeasured.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents, indexed in a currency different than the functional currency, are presented in the profit or loss as financial income (loss).

2.5 Critical accounting judgments and key estimates and assumptions

a) Estimated losses in credits from doubtful accounts

The Company and its Subsidiaries assess at the end of each period whether there is evidence that a financial asset's credit quality is impaired. The Company has as policy the constitution of estimated loss with credits from doubtful accounts due for more than 90 days. Are being excluded from this policy the amounts receivable relating to amounts judged as receivables for being tied to real guarantees and/or under negotiation on the part of the commercial area of the Company and its subsidiaries. If the amount originally provisioned is received, the Company performs a reversal of estimated loss to credits from doubtful accounts. When there is no expectation of receipt of amounts, the Company recognizes the effective loss of the securities, reversing the provision made.

b) Rates of depreciation of property, plant and equipment and residual value

Depreciation of vehicles is calculated using the straight-line method, considering their cost and residual values over their estimated useful lives by the Company and its Subsidiaries. If the vehicles' value to depreciate is

underestimated, the residual value of vehicles would be greater than the market value, which would lead to the recognition of loss when selling them. Overestimating the vehicles' value to depreciate, on the other hand, could cause an increase in the value of lease to customers, which would reduce the Company's competitiveness. The construction and improvements in third party real estate are amortized over the term of the lease agreement and considering the expectation of renewal, when the Company's Management intends to exercise this right, and in accordance with the terms of the agreements. Assets acquired through financial leasing are depreciated by the expected useful life in the same way that the assets themselves. The land and constructions in progress are not depreciated or amortized. The Company and its subsidiaries perform, yearly, reviews of the assets' estimated useful lives and residual value by adjusting its rate of depreciation.

c) Impairment of non-financial assets

An impairment loss is recognized when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The calculation of fair value less costs to sell is based on available information on sales of similar sales or market prices less incremental costs to dispose of the asset. The value-in-use calculation is based on the discounted cash flow model. Cash flows derive from estimate of results for the following five years and do not include restructuring activities to which the Company is not yet committed or significant future investments that will improve the asset base of the cash-generating unit subject to test. The recoverable amount is influenced by the discount rate used under the discounted cash flow method, as well as by the expected future cash receipts and the growth rate used for extrapolation purposes.

d) Taxes payable and recovery of deferred income taxes credit

There are uncertainties related to the interpretation of complex tax regulations and to the amount and timing of future taxable profits. Due to the long-term nature and complexity of the contractual instruments, differences between actual results and the assumptions adopted, or future changes in these assumptions, could require future adjustments to tax income and expenses already recorded. The Company recognizes provisions, based on applicable estimates, for possible consequences of tax audits by authorities of the jurisdictions in which it operates. The amount of these provisions varies according to criteria such as experience from prior tax audits and divergences in the interpretations of the tax regulations by the taxpayer and the relevant tax authority. These differences of interpretation can arise with respect to a wide range of issues, depending on the conditions in place in the respective domicile of the Company.

Deferred tax assets and liabilities are presented net in the balance sheet when there is a legally enforceable right and the intention to offset them upon the calculation of current taxes, generally when related to the same legal entity and the same tax authority. Accordingly, deferred tax assets and liabilities in different entities or in different countries are generally presented separately, and not on a net basis.

Significant judgment by Management is required to determine the amount of the deferred tax asset that may be recognized, based on the probable period and level of future taxable profits, together with future tax planning strategies.

e) Fair value of financial instruments

When the fair value of financial assets and liabilities stated in the balance sheet cannot be obtained from active markets, it is determined using valuation techniques, including the discounted cash flow method. The data for these methods are based on market practices, whenever possible. However, when this is not possible, a certain level of judgment is required to establish the fair value. Judgment includes considerations on data used, such as liquidity risk, credit risk and volatility. Changes in assumptions concerning these factors could affect the reported fair value of the financial instruments.

For swap transactions, the Company independently calculates asset and liability positions, using the mark to market methodology in accordance with the rates practiced and verified on the B3 (Old BM&FBovespa/Cetip), Broadcast and Bloomberg websites. When no trading exists for the term of the Company's portfolio, the interpolation methodology is used to find out rates relating to specific terms (Level 1). In both cases, the present

value of flows is calculated. The difference between the amounts payable and receivable and the fair value of transactions on the report submission date is recorded under the derivative financial instruments account.

f) Provision for tax, civil and labor risks

The Company recognizes a provision for tax, civil and labor claims. The assessment of the likelihood of loss includes the evaluation of available evidence, the hierarchy of laws, available case laws, recent court decisions and their significance in the legal system, as well as the opinion of outside legal advisors. Provisions are reviewed and adjusted so as to consider changes in circumstances, such as applicable statute of limitations, conclusions of tax audits or additional exposures identified based on new matters or court decisions.

g) Share-based payment transactions

The Company measures the cost of share-based transactions based on the fair value of the equity instruments at the grant date. The estimate of the fair value of the share-based payments requires the determination of the most appropriate valuation model for granting of equity instruments, which depends on the terms and conditions of the concession. This requires the determination of the most appropriate data for the valuation model, including the expected life of the option, volatility and yield of the dividends and corresponding assumptions. The assumptions and models used to estimate the fair value of share-based payments are disclosed in Note 30.

2.6 Reclassification of comparative balances

From January 1, 2017, the Company shall submit the PIS and COFINS credits on purchase of inputs and depreciation charges as credits that reduce the costs of sales and services rendered, to better reflect the nature of the respective credits and expenses. The amounts corresponding to those credits for the quarter ended March 31, 2016, in the amounts of R$29,450 and R$ 50,181, were reclassified in the statement of income (loss), parent company and consolidated, respectively, from the line item of sales taxes in the group of net revenue to the line item of costs of sales and services rendered and, in the statement of value added, parent company and consolidated, the same amounts were reclassified from the line item of federal taxes to the line item of costs of sales and services rendered.

2.7 New standards not yet effective

The following new standards were issued by the IASB, but are not in effect for fiscal year 2017.

The early adoption of these standards, although encouraged by the IASB, is not allowed by the CPC in Brazil.

i) IFRS 9 (CPC 48) - “Financial Instruments” addresses the classification, measurement and recognition of financial assets and liabilities. The complete version of IFRS 9 was published in July 2014 and will become effective from January 1, 2018, replacing IAS 39 with regard to the classification and measurement of financial instruments. The main changes introduced by IFRS 9 include: (i) new classification criteria for financial assets; (ii) a new impairment model for financial assets, combining expected and incurred losses, in replacement of the current model of incurred losses; and (iii) more flexibility in the requirements regarding the adoption of hedge accounting.

ii) IFRS 15 (CPC 47)- “Revenue from Contracts with Customers” – This new standard establishes the principles used by an entity to determine how to measure revenue and when to recognize it. This standard is based on the principle that the revenue is recognized when the control of an asset or service is transferred to a client; accordingly, the principle of control will replace the principle of risks and benefits. It will become effective from January 1, 2018, replacing IAS 11 - “Construction Contracts”, IAS 18 - “Revenue” and the related interpretations. Management is currently assessing the impact of adopting this standard.

iii) IFRS 16 - “Leases” – According to this new standard, lessees will be required to recognize liabilities from future payments and the right to use the leased asset in virtually all lease agreements, including operational agreements, with the exception of certain short-term leases or leases of low-value assets. The recognition and measurement criteria for leases in lessors’ financial statements remain essentially the same. IFRS 16 will

become effective for the fiscal years beginning on or after January 1, 2019, and will replace IAS 17 - “Leases” and the related interpretations.

iv) Disclosure Initiative (Amendments to CPC 26 / IAS 7) - The changes require additional disclosures that allow users of financial statements to understand and evaluate changes in liabilities arising from financing activities, both cash flow and other changes . The changes are effective for annual periods beginning on or after January 1, 2017. Early adoption is permitted only for financial statements in accordance with IFRSs. In order to meet the new disclosure requirements, the Group intends to present a reconciliation between the balances Opening and closing of liabilities with changes resulting from financing activities.

v) Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to CPC 32 / IAS 12) - The changes clarify the accounting of deferred tax assets for unrealized losses on debt instruments measured at fair value. The changes are effective for annual periods beginning on or after January 1, 2017, with early adoption permitted only for financial statements in accordance with IFRSs. The Group is evaluating the potential impact on its financial statements. So far, the Group has not expected any significant impact.

vi) Other amendments

• Amendments to CPC 10 (IFRS 2) Share-based payment in relation to the classification and measurement of certain share-based payment transactions.

• Amendments to CPC 36 Consolidated Statements (IFRS 10) and CPC 18 Investments in Associates (IAS 28) in relation to sales or contributions of assets between an investor and its associated company or its jointly controlled enterprise.

There are no other IFRS or IFRIC interpretations that have not yet come into effect that could have a material impact on the interim financial statements.

3. Derivative financial instruments

The following table presents the derivative transactions entered into by the Company and its subsidiaries, broken down by asset and liability positions, which aim to hedge the balance sheet of the Company and its subsidiaries against fluctuations in the dollar rates and the Broad National Consumer Price Index - IPCA.

These instruments are classified as a current asset or liability. The fair value of a hedge instrument is classified as a noncurrent asset or liability, if the remaining period to the maturity of the hedged item is greater than 12 months.

Transaction	Counterparty	Principal	Transaction Details	Market Value 3/31/2017	Market Value 12/31/2016
SWAP IPCA + 7.5% p.a. X 108.85% p.a. of CDI	Itaú BBA	R$ 123,472	Asset Positiion	139,366	133,971
			Libility Positiion	(121,678)	(118,404)
			Amount receivable	**17,688**	**15,567**
SWAP IPCA + 8.0% p.a. X CDI + 2.53% p.a.	Santander	R$ 71,751	Asset Positiion	97,088	92,541
			Libility Positiion	(81,187)	(78,316)
			Amount receivable	**15,901**	**14,225**
SWAP USD + 106.5% p.a. of CDI	Bank of Tokyo	USD 20,000 thousands	Asset Positiion	-	65,272
			Libility Positiion	-	(63,959)
			Amount receivable	**-**	**1,313**
SWAP IPCA + 7.5% p.a. X 108.85% p.a. of CDI	JP Morgan	R$ 98,723	Asset Positiion	119,232	113,686
			Libility Positiion	(104,972)	(101,598)
			Amount receivable	**14,260**	**12,088**
SWAP USD + CDI + 1.96% p.a.	JP Morgan	USD 30,000 thousands	Asset Positiion	94,894	100,006
			Libility Positiion	(106,386)	(110,964)
			Amount receivable (payable)	**(11,492)**	**(10,958)**
SWAP + USD 117.75% p.a. of CDI	Caterpillar	USD 30,000 thousands	Asset Positiion	97,339	101,421
			Libility Positiion	(96,807)	(97,619)
			Amount receivable	**532**	**3,802**
SWAP + USD CDI + 2.56% p.a.	Scotiabank	USD 20,000 thousands	Asset Positiion	64,076	66,224
			Libility Positiion	(81,031)	(78,447)
			Amount payable	**(16,955)**	**(12,223)**
SWAP USD X CDI + 1.95%	Bank of Tokyo	USD 30,000 thousands	Asset Positiion	95,861	-
			Libility Positiion	(95,330)	-
			Amount receivable	**531**	**-**
			Non-current assets	**48,381**	**36,037**
			Non-current liabilities	**(27,916)**	**(12,223)**
			Total amount receivable, net	**20,465**	**23,814**

Interest rate swap

Gains and losses on interest rate swap contracts, at March 31, 2017, are directly recognized in profit or loss. See more details about the operation in note 31.5 and the reflex income in note nº 33.

4. Cash and cash equivalents and marketable securities

4.1 Cash and cash equivalents

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Bradesco Exclusive Fund				
Repo operations	11,037	7,291	90,022	80,950
	11,037	**7,291**	**90,022**	**80,950**
Banco do Brasil Exclusive Fund				
Bank deposit certificates ("CDB")	48,129	114,475	68,407	145,961
	48,129	**114,475**	**68,407**	**145,961**
Caixa Econômica Federal Exclusive Fund ("CEF")				
Bank deposit certificates ("CDB")	-	-	6,372	19,628
	-	**-**	**6,372**	**19,628**
Other investments				
Repo operations	125,861	193,708	363,310	285,381
	125,861	**193,708**	**363,310**	**285,381**
Cash on hand and in banks				
Cash	84	161	1,473	1,389
Banks	2,559	2,988	22,930	52,611
	2,643	**3,149**	**24,403**	**54,000**
Total	**187,670**	**318,623**	**552,514**	**585,920**

The average income of investments in the period ended March 31, 2017 was 1.12% p.m. (December 31, 2016 - 1.12% p.m.).

4.2 Marketable securities

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Exclusive fund - Bradesco				
Financial Treasury Bills ("LFT")	7,858	6,963	27,419	48,157
National Treasury Bills ("LTN")	11,962	1,533	73,858	27,953
	19,820	**8,496**	**101,277**	**76,110**
Exclusive fund - CEF				
Financial Treasury Bills ("LFT")	11,260	24,720	78,057	99,322
National Treasury Bills ("LTN")	15,907	24,486	155,482	87,273
	27,167	**49,206**	**233,539**	**186,595**
Exclusive fund - Santander				
Financial Treasury Bills ("LFT")	33,518	53,906	111,954	53,906
National Treasury Bills ("LTN")	89,513	16,734	89,513	16,734
	123,031	**70,640**	**201,467**	**70,640**
Exclusive fund - Banco do Brasil				
Financial Treasury Bills ("LFT")	93,527	53,906	255,402	53,906
National Treasury Bills ("LTN")	25,925	16,734	67,703	35,088
	119,452	**70,640**	**323,105**	**88,994**
Other investments				
Financial Treasury Bills ("LFT")	-	-	31,007	34,961
	-	**-**	**31,007**	**34,961**
Total	**289,470**	**198,982**	**890,395**	**457,300**

The average income of investments in the period ended March 31, 2017 was 1.12% p.m. (December 31, 2016 - 1.12% p.m.).

5. Trade receivables

	Parent Company		Consolidated	
Description	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Receivables from credit cards (i)	-	-	56,312	44,986
Accounts receivable (ii)	438,000	476,058	964,458	996,304
Unbilled revenue (iii)	187,541	172,967	256,746	235,831
(-) Estimated losses with doubtful accounts (iv)	(65,839)	(60,501)	(155,054)	(147,343)
Total	**559,702**	**588,524**	**1,122,462**	**1,129,778**
Current assets	528,358	556,017	1,013,224	1,021,422
Non-current assets	31,344	32,507	109,238	108,356
Total	**559,702**	**588,524**	**1,122,462**	**1,129,778**

i) Accounts receivable from credit cards refer to sales made by the subsidiary Movida Participações S.A. and paid by the client by credit card;

ii) Accounts receivable with average maturities of over 90 days are recorded at present value upon the initial recording of the transaction, pursuant to the average rate used by the Company and its subsidiaries to calculate the prices of the related agreements. Financial charges are recognized as a finance result on an accrual basis;

iii) Unbilled service revenue (Parent company) comprises any shipping orders used, issued and recognized as revenue in the period not yet invoiced to the client, and logistics and fleet management services in progress, recognized based on the measurements and as services are effectively provided. Unbilled revenue (Consolidated) also refers to car rental agreements where the provision of service is in progress at the end of the month and will be invoiced in the subsequent period, in accordance with the date established in the agreement. In this case, the service provided is measured in proportion to the days of rental; and

iv) The changes in the provision for impairment of trade receivables in the three months period ended March 31, 2017 were as follows:

	Parent Company	Consolidated
At December 31, 2015	**(46,857)**	**(78,934)**
(-) Additions	(26,137)	(93,361)
(+) Write-offs	12,493	24,952
At December 31, 2016	**(60,501)**	**(147,343)**
(-) Additions	(7,394)	(10,713)
(+) Write-offs	2,056	3,002
At March 31, 2017	**(65,839)**	**(155,054)**

5.1 Aging list

	Net trade receivables			
	Parent company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Overdue for more than 365 days	60,035	46,863	115,271	103,327
Overdue from 181 to 365 days	10,517	8,660	103,493	60,755
Overdue from 91 to 180 days	18,851	11,597	61,696	60,668
Overdue from 31 to 90 days	20,266	22,744	72,295	82,509
Overdue for up to 30 days	23,013	31,409	58,804	95,950
Total overdue	**132,682**	**121,273**	**411,559**	**403,209**
(-) Estimated losses with doubtful accounts	(65,839)	(60,501)	(155,054)	(147,343)
Falling due in 30 days	360,523	418,706	563,196	608,889
Falling due from 31 to 90 days	87,699	95,364	154,398	229,459
Falling due from 91 to 180 days	12,757	7,519	34,710	17,240
Falling due from 181 to 365 days	536	3,609	4,415	5,891
Falling due after 365 days	31,344	2,554	109,238	12,433
Total falling due	**492,859**	**527,752**	**865,957**	**873,912**
Total	**559,702**	**588,524**	**1,122,462**	**1,129,778**

6. Inventories

	Parent Company		Consolidated	
Description	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Materials for use and consumption	24,560	24,863	34,427	35,574
Warehouse	4,135	3,679	4,781	4,211
New vehicles	-	-	81,224	60,984
Used vehicles	-	-	36,844	45,976
Parts for resale	-	-	19,743	20,605
Others	-	-	5,188	6,164
(-) Estimated losses on impairment of inventories	(6,171)	(5,802)	(9,615)	(8,888)
Total	**22,524**	**22,740**	**172,592**	**164,626**

6.1 Changes in estimated losses on impairment of inventories

	Parent Company	Consolidated
At December 31, 2015	**(5,170)**	**(9,092)**
(-) Additions	(2,703)	(2,966)
(+) Write-offs	2,071	3,170
At December 31, 2016	**(5,802)**	**(8,888)**
(-) Additions	(4,052)	(4,410)
(+) Write-offs	3,683	3,683
At March 31, 2017	**(6,171)**	**(9,615)**

7. Assets available-for-sale (fleet renewal)

As a result of the fleet renewal process, certain assets (vehicles, machinery and equipment) of the Company and its subsidiaries were made available-for-sale, in the parent company totaling R$ 92,801 (at December 31, 2016 - R$ 87,081) and in the consolidated totaling R$ 338,203 (at December 31, 2016 - R$ 331,249). This account includes assets that were recorded as property, plant and equipment and that, as a result of their replacement, are available for immediate sale.

Amounts are presented at the lower of their residual value, which is the acquisition cost less depreciation accumulated until the date when assets were made available-for-sale, and their fair value less the estimated cost to sell the asset.

These assets are available for immediate sale in their present condition, and are thus very likely to be sold in one year or less.

Following the demand, such as in periods of high and low seasonality, vehicles, machinery and equipment may again be directed for use in operations. When this occurs, the assets are returned to the base of property, plant and equipment and their depreciation is again recorded.

7.1 Change in assets available for sale

	Parent Company			Consolidated		
	Vehicles	Machinery and equipment	Total	Vehicles	Machinery and equipment	Total
Cost or valuation:						
At December 31, 2016	**130,772**	**35,504**	**166,276**	**465,336**	**36,409**	**501,745**
Assets transferred from property and equipment	88,065	5,351	93,416	563,890	14,708	578,598
Assets written-off due to sale	(80,814)	(7,371)	(88,185)	(548,772)	(6,786)	(555,558)
Assets returned for operation	(3,044)	(18)	(3,062)	(30,493)	(1,246)	(31,739)
At March 31, 2017	**134,979**	**33,466**	**168,445**	**449,961**	**43,085**	**493,046**
Depreciation:						
At December 31, 2016	**(51,689)**	**(27,506)**	**(79,195)**	**(142,437)**	**(28,059)**	**(170,496)**
Assets transferred from property and equipment	(36,927)	(4,303)	(41,230)	(97,361)	(10,220)	(107,581)
Assets written-off due to sale	38,673	4,915	43,588	111,816	4,997	116,813
Assets returned for operation	1,193	-	1,193	6,171	250	6,421
At March 31, 2017	**(48,750)**	**(26,894)**	**(75,644)**	**(121,811)**	**(33,032)**	**(154,843)**
Net value:						
At December 31, 2016	**79,083**	**7,998**	**87,081**	**322,899**	**8,350**	**331,249**
At March 31, 2017	**86,229**	**6,572**	**92,801**	**328,150**	**10,053**	**338,203**

	Parent company			Consolidated		
	Vehicles	Machinery and equipment	Total	Vehicles	Machinery and equipment	Total
Cost or valuation:						
At December 31, 2015	**142,613**	**37,240**	**179,853**	**274,729**	**37,240**	**311,969**
Assets transferred from property and equipment	313,947	50,581	364,528	1,932,908	55,450	1,988,358
Assets written-off due to sale	(311,546)	(46,064)	(357,610)	(1,655,696)	(50,029)	(1,705,725)
Assets returned for operation	(14,242)	(6,253)	(20,495)	(86,558)	(6,253)	(92,811)
At December 31, 2016	**130,772**	**35,504**	**166,276**	**465,383**	**36,408**	**501,791**
Depreciation:						
At December 31, 2015	**(48,744)**	**(18,065)**	**(66,809)**	**(67,568)**	**(18,065)**	**(85,633)**
Assets transferred from property and equipment	(185,909)	(53,513)	(239,422)	(456,780)	(57,810)	(514,590)
Assets written-off due to sale	178,721	40,884	219,605	372,173	44,483	416,656
Assets returned for operation	4,243	3,188	7,431	9,837	3,188	13,025
At December 31, 2016	**(51,689)**	**(27,506)**	**(79,195)**	**(142,338)**	**(28,204)**	**(170,542)**
Net value:						
Balance at December 31, 2015	**93,869**	**19,175**	**113,044**	**207,161**	**19,175**	**226,336**
Balance at December 31, 2016	**79,083**	**7,998**	**87,081**	**323,045**	**8,204**	**331,249**

Depending on the demand, as a period of low seasonality, vehicles can again be used in the lease operations. When this occurs, they are transferred back to the asset, and depreciation is remeasured during this period.

8. Taxes recoverable

	Parent Company		Consolidated	
Description	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Income tax and social contribution to offset (i)	56,163	55,061	65,332	66,812
Withholding Income Tax and Social Contribution	9,179	2,716	29,193	23,324
Value-added Tax on Sales and Services - ICMS (ii)	14,167	16,330	19,460	20,770
National Institute of Social Security - INSS (iii)	40,526	34,623	50,824	42,932
Social Integration Program ("PIS")/ Social Contribution on Revenue ("COFINS")	-	667	1,576	1,686
Services Tax ("ISS ") recoverable	-	-	966	960
Other taxes	1,669	1,220	1,813	1,584
Total	**121,704**	**110,617**	**169,164**	**158,068**
Current assets	101,720	56,457	149,180	95,600
Non-current assets	19,984	54,160	19,984	62,468
Total	**121,704**	**110,617**	**169,164**	**158,068**

i) Corporate Income Tax (IRPJ) and Social Contribution on Profit (CSSLL) to offset for deductions and advances made during the year 2017 and remaining balances from previous years;

ii) ICMS mainly represents credits from acquisitions of property and equipment, offset against tax payable at a monthly rate of 1/48, pursuant to the prevailing tax legislation; and

iii) Amounts retained in the services rendered that are offset in the INSS monthly payments and untimlely credits of INSS on labor amounts to offset.

9. Judicial deposits and provision for judicial and administrative litigation

The Company, in the normal course of its business, has judicial deposits and civil, tax, and labor contingencies, and, supported by the opinion of its legal advisors, the Company set up provision to cover related probable losses, as described below:

	Parent Company					Consolidated				
			3/31/2017		12/31/2016			3/31/2017		12/31/2016
	Deposits		Provisions	Deposits	Provisions	Deposits		Provisions	Deposits	Provisions
Labor	19,668	(i)	33,005	20,585	50,554	32,004	(i)	43,773	30,724	62,997
Civil	10,703	(ii)	14,889	74,379	4,068	13,214	(ii)	18,291	82,760	3,746
Tax	11,046	(ii)	7,251	6,842	6,744	12,603	(ii)	7,290	7,220	6,969
	41,417		**55,145**	**101,806**	**61,366**	**57,821**		**69,354**	**120,704**	**73,712**

i) Mainly refers to deposits for appeals in lawsuits in progress and legal freezes on the Company's checking accounts. The Company is filing motions to stay execution in order to fully or partially release blocked funds; and

ii) Refers to guarantees required to proceed with certain lawsuits. Additionally, the Company is a plaintiff in an action for annulment related to a decision rendered on November 4, 2014, the purpose of which was a settlement between the parties on the determination of the purchase price of a company. During the year ended December 31, 2016, the Company deposited the amount of R$60,603 referring to such discussion. On March 15, 2017, according to an agreement between the parties, the deposit was released to the counterparty, and therefore written off.

9.1 Changes in provisions for judicial and administrative litigation

	Parent Company	Consolidated
At December 31, 2016	**61,366**	**73,712**
Additions	8,595	23,420
Write-offs	(14,816)	(27,778)
At March 31, 2017	**55,145**	**69,354**

9.2 Possible losses, not provided for in the balance sheet

At March 31, 2017, the Company and its subsidiaries were parties to tax, civil and labor processes in progress (judicial and administrative) with losses considered possible, representing contingent liabilities with an estimated net amount of R$393,404 (R$386,133 at December 31, 2016). The main tax lawsuits in which losses are probable include:

	Consolidated	
	3/31/2017	12/31/2016
Labor	85,170	88,766
Cível	77,865	66,998
Tax	230,369	230,369
Total	**393,404**	**386,133**

i) Among main tax lawsuits in which losses are possible are four tax assessment notices, totaling R$71,197 and composed as follows: (i) Corporate Income Tax ("IRPJ") credit, amounting to R$52,400 (principal amount and fine); (ii) Social Contribution on Net Income ("CSLL"), amounting to R$16,637; (iii) COFINS, amounting to R$1,775; and (iv) Social Integration Program/Public Services Employee Savings Program ("PIS/Pasep") contribution credit, amounting to R$385. A summary of the origins of these assessments is as follows: (i) disallowance of the Company's expenses during 2007 related to leased vehicles and machinery and equipment from Transcel Transportes e Armazéns Gerais Ltda. ("Transcel"), a company which was part of the Group and was subsequently merged into the Company; (ii) alleged capital gain due to partial split-off carried out by the Company, which resulted in the establishment of Júlio Simões Ambiental S.A. in August 2008, following the decision of the tax authorities about not considering the revaluation reserve constituted over the real estate property, which was returned to the new company. The Company considers that the likelihood of loss in the litigation regarding the expense disallowance remote, on the basis of all claims for defense presented in the appeal, mostly the loss of right to record such amount. Regarding the calculation of the alleged capital gain, the Company considers the likelihood of loss as possible, in spite of the relevant claims presented in the administrative appeal filed by the Company.

10. Prepaid expenses

	Parent Company		Consolidated	
Description	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Vehicle tax (IPVA) unearned	8,267	-	48,815	-
Insurance unearned	2,222	1,226	5,896	8,622
Licensing unearned	-	-	1,838	-
Consortium administration fee	1,539	-	1,794	-
Municipal Real Estate Tax (IPTU) unearned	734	-	3,053	-
Compulsory Insurance for Personal Damages by Automobiles (DPVAT) unearned	648	-	2,068	-
Other expenses unearned (i)	547	2,573	2,910	4,269
Total	**13,957**	**3,799**	**66,374**	**12,891**

i) Basically comprised of expenses of annual fees for software licenses, and, freight expenses in progress to be appropriated.

11. Fund for capitalization of Authorized Vehicle Dealerships

Balance corresponding to the payments made by subsidiaries of JSL Concessionárias to the Credit Guarantee Fund with car makers. These are percentage values of the cost of acquiring vehicles retained by manufacturers, deposited in funds managed by financial institutions linked to them, on behalf of subsidiaries. These funds are used as guarantees of vehicle credit lines and the contribution amounts exceeding the contribution targets established on an annual basis can be withdrawn. At March 31, 2017, it presents a value of R$ 52,845 (R$ 52,642 at December 31, 2016).

12. Other receivables

	Parent Company		Consolidated	
Description	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Advances to suppliers	11,904	10,279	36,080	27,041
Advances to employees	5,136	6,561	9,486	12,429
Guarantees receivable from car assemblers	-	-	4,434	4,598
Insurance claims receivable	1,659	769	1,749	1,847
Amounts receivable - "CMT" (i)	971	1,685	971	1,685
Real estate guarantees	686	435	686	1,283
Current account with manufacturers	-	-	2,884	2,850
Expenses reimbursement	755	-	755	-
Other receivables	1,825	760	1,630	1,994
Total	**22,936**	**20,489**	**58,675**	**53,727**
Current assets	20,873	19,441	53,137	47,692
Non-current assets	2,063	2,048	5,538	6,035
Total	**22,936**	**21,489**	**58,675**	**53,727**

i) Balance corresponding to amounts receivable from an urban passenger transportation entity (Consórcio Metropolitano de Transportes - “CMT”) The Company left the consortium in October 2016; however, existing amounts receivable are being settled by the consortium.

13. Dividends receivable

The Company had, at December 31, 2016, R$ 85,964 receivable from dividends of its subsidiary Movida Participações S.A., which was paid on March 31, 2017.

14. Investments

				Parent Company	
Investments	**Equity at 3/31/2017**	**Interest %**	**Equity in the results of investees**	**3/31/2017**	**12/31/2016**
JSL Holding Financeira Ltda.	45,732	99.99999	407	45,732	38,335
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	15,528	99.99980	741	15,528	14,789
Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	24,782	99.99998	(427)	24,782	25,207
JSL Empreendimentos Imobiliários Ltda.	7,100	99.99999	(360)	7,100	7,460
CS Brasil Transporte de Passageiros e Serviços Ambientais Ltda.	693,057	99.99998	3,485	693,057	689,572
JSL Locação de Máquinas e Veículos Pesados Ltda.	204,731	99.99999	20,447	204,731	171,882
Medlog Prestação de Serviços de Logística Ltda.	251	99.99999	(5)	251	-
Quick Logística Ltda	37,771	99.99999	(2,327)	37,771	40,098
Quick Armazens Gerais - Eireli - ME	4,714	99.99999	448	4,714	4,266
JSL Invest. Concessionárias e Lojas de Veíc., Máqs. e Equiptos. S.A.	301,139	99.99999	526	301,139	300,612
Movida Participações S.A.	1,248,895	62.52260	17,288	780,841	721,764
Goodwill Quick Logística	-	-	-	89,851	91,553
Goodwill Authorized vehicle dealerships	-	-	-	6,480	6,481
Total permanent investments			**40,223**	**2,211,977**	**2,112,019**
Other Investments (i)			-	196	196
Total investments in the parent company			**40,223**	**2,212,173**	**2,112,215**

				Consolidated	
Other investments	**Equity at 3/31/2017**	**Interest**	**Equity in the results of investees**	**3/31/2017**	**12/31/2016**
BRT Sorocaba Concessionárias de Serviços Públicos	-	49.25		1,012	983
Other Investments (i)	196	99.99		196	196
Total investments in the parent company				**1,208**	**1,179**

i) Balance consisting of investment in JSL Europe, which is in the pre-operational phase.

14.1 Changes in investments

Investments	**12/31/2016**	**Capital Contribution**	**Equity in the results of investees in 2017**	**Realization of added value of assets, goodwill**	**Gain on the issue of Shares (IPO of subsidiaries)**	**Reduction due to secondary sales of shares (iv)**	**3/31/2017**
JSL Holding Financeira Ltda.	38,335	6,990	407	-	-	-	45,732
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	14,789	-	739	-	-	-	15,528
Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	25,208	-	(426)	-	-		24,782
JSL Empreendimentos Imobiliários Ltda.	7,460	-	(360)	-	-	-	7,100
CS Brasil Transporte de Passageiros e Serviços Ambientais Ltda.	689,572	-	3,485	-	-	-	693,057
JSL Locação de Máquinas e veículos Pesados Ltda (i)	171,882	12,402	20,447	-	-	-	204,731
Medlog Prestação de Serviços de Logística Ltda.	-	256	(5)	-	-	-	251
Quick Logística Ltda	40,098	-	(2,327)	-	-	-	37,771
Quick Armazens Gerais - Eireli - ME	4,266	-	448	-	-		4,714
JSL Invest. Concessionárias e Lojas de Veíc., Máqs. e Equiptos. S.A.	300,612	-	527	-	-	-	301,139
Movida Participações S.A. (iv)	721,764	-	17,288	-	85,941	(44,152)	780,841
Others investments	196	-	-	-	-		196
Gain on the aquisition of Quick Logística Ltda.	91,553	-	-	(1,702)	-	-	89,851
Goodwill JSL Investimento em Concessionárias e Lojas de Veículos, Máquinas e Equipamentos S.A.	6,480	-	-	-	-	-	6,480
Total	**2,112,215**	**19,648**	**40,223**	**(1,702)**	**85,941**	**(44,152)**	**2,212,173**

Investments	**12/31/2015**	**Capital contribution / (Write-off of investment)**	**Merger**	**Spin-off (iii)**	**Investment acquisition**	**Advances for future capital increase**	**Equity in the results of investees in 2016**	**Fair value from acquisition of Quick**	**Dividends and interest on equity**	**12/31/2016**
JSL Holding Financeira Ltda.	26,900	-	-	-	-	10,000	1,435	-	-	38,335
JP Tecnolimp S.A. (ii)	2,063	-	(1,980)	-	-	-	(83)	-	-	-
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	11,551	-	-	-	-	-	3,238	-	-	14,789
Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	26,410	196	-	-	-	500	(1,899)	-	-	25,207
JSL Empreendimentos Imobiliários Ltda.	8,713	-	-	-	-	120	(1,373)	-	-	7,460
CS Brasil Transporte de Passageiros e Serviços Ambientais Ltda.	689,115	5,124	-	-	-	-	(4,667)	-	-	689,572
JSL Locação de Máquinas e veículos Pesados Ltda (i)	52	104,335	1,980	15,193	-	7,460	42,862	-	-	171,882
Quick Logística Ltda	-	-	-	-	35,100	-	5,280	91,271	-	131,651
Quick Armazens Gerais - Eireli - ME	-	-	-	-	1,130	-	3,136	-		4,266
JSL Invest. Concessionárias e Lojas de Veíc., Máqs. e Equiptos. S.A.	323,839	1	-	-	-	-	(23,190)	-	(38)	300,612
Movida Participações S.A.	747,849	2,911	-	(29,925)	-	-	39,698	-	(38,769)	721,764
TKJS Serviços de Logística do Brasil Ltda.	1,460	(1,460)	-	-	-	-	-	-		-
Other investments	73	123	-	-	-	-	-	-		196
Goodwill - Yolanda Logística	6,025	(6,025)	-	-	-	-	-	-	-	-
Goowdill - JSL Investimento em Concessionárias e Lojas de Veículos, Máquinas e Equipamentos S.A.	21,481	(15,000)	-	-	-	-	-	-	-	6,481
Total	**1,865,531**	**90,205**	**-**	**(14,732)**	**36,230**	**18,080**	**64,437**	**91,271**	**(38,807)**	**2,112,215**

i) Capital increase of JSL Locação de Máquinas e Veículos Pesados Ltda., with transfer of assets;

ii) Company merged into JSL S.A. on September 30, 2016;

iii) Spin-off of Movida GTF S.A. on August 31, 2016, as shown in Note 1; and

iv) As disclosed in note 1, the Company entered into a secondary offering of 8,550,496 shares of this Company, in the amount of R$ 64,124, arising from the process of the initial public offering of the subsidiary Movida Participações S.A. Of this amount, R$ 3,150 was charged as commissions, and in this way, the Company received R$ 61,046 in its cash, of which R$ 16,894 was recorded as capital gain in the result of the quarter and R$ 44,152 as realization of the shares sold as Presented in the statement of cash flows.

14.2 Investments in subsidiaries

The participation of assets, liabilities, income and expenses in subsidiaries for the period ended March 31, 2017 and for the year ended December 31, 2016, included in the consolidated interim financial information are presented below:

	3/31/2017										
	Parent Company										
	Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	JSL Locação de Máquinas e veículos Pesados Ltda	Medlog Prestação de Serviços de Logística Ltda.	Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	Quick Logística Ltda	Quick Armazens Gerais - Eireli - ME	JSL Empreend. Imobiliários Ltda.	JSL Invest. Concessionárias e Lojas de Veíc., Máqs. e Equiptos. S.A.	JSL Holding Financeira Ltda.	Movida Participações S.A.
Current Assets	3,247	122,134	570	34,864	342,548	28,769	3,902	208	299,826	24,533	1,179,230
Noncurrent Assets	27,387	853,525	2	329	658,189	21,195	1,211	11,902	209,800	21,372	2,257,748
Current Liabilities	5,351	236,850	321	5,105	225,192	10,001	399	5,010	177,140	173	1,522,806
Noncurrent Liabilities	501	534,078	-	14,558	82,488	2,192	-	-	31,347	-	665,277
Equity	24,782	204,731	251	15,530	693,057	37,771	4,714	7,100	301,139	45,732	1,248,895
Revenue	3,419	84,809	419	1,597	210,199	33,856	1,292	88	204,947	735	636,332
Finance Costs	(3,846)	(64,362)	(424)	(856)	(206,714)	(36,183)	(844)	(448)	(204,421)	(328)	(615,345)
(Loss) profit for the period	**(427)**	**20,447**	**(5)**	**741**	**3,485**	**(2,327)**	**448**	**(360)**	**526**	**407**	**20,987**

	12/31/2016										
	Parent Company										
	Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	JSL Locação de Máquinas e veículos Pesados Ltda	JP Tecnolimp S.A. (i)	Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	Quick Logística Ltda	Quick Armazens Gerais - Eireli - ME	JSL Empreend. Imobiliários Ltda.	JSL Invest. Concessionárias e Lojas de Veíc., Máqs. e Equiptos. S.A.	JSL Holding Financeira Ltda.	Movida Participações S.A.
Current Assets	3,141	98,978	-	32,578	366,745	28,545	4,778	216	299,678	17,168	699,363
Noncurrent Assets	34,505	752,257	-	342	695,329	20,587	27	12,255	205,765	21,503	2,227,278
Current Liabilities	4,945	207,168	-	5,025	279,376	7,875	539	5,012	173,574	336	1,634,129
Noncurrent Liabilities	7,492	472,185	-	13,106	93,127	1,159	-	-	31,257	-	570,748
Equity	25,209	171,882	-	14,789	689,571	40,098	4,266	7,459	300,612	38,335	721,764
Revenue	14,422	219,606	171	6,439	907,408	130,105	6,755	522	835,547	1,851	1,941,206
Finance costs	(16,319)	(176,744)	(254)	(3,201)	(912,076)	(124,825)	(3,619)	(1,896)	(858,737)	(416)	(1,901,508)
(Loss) profit for the period	**(1,897)**	**42,862**	**(83)**	**3,238**	**(4,668)**	**5,280**	**3,136**	**(1,374)**	**(23,190)**	**1,435**	**39,698**

15. Property and equipment

Change related to the quarter ended March 31, 2017.

	Parent Company								
	Vehicles	Machinery and equipment	Construction in progress (i)	Leasehold improvements (ii)	Computers and peripherals	Furniture and Fixtures	Vessels (iii)	Others	Total
Cost or valuation:									
At December 31, 2016	**1,552,473**	**381,623**	**21,194**	**170,937**	**15,528**	**23,231**	**2,025**	**176,909**	**2,343,920**
Additions	52,236	763	1,848	-	164	260	-	-	55,271
Transfers	(8,344)	(87)	(11,752)	11,752	(1)	-	-	8,432	-
Transfers to available-for-sale assets	(85,128)	(5,092)	-	-	(108)	(26)	-	-	(90,354)
Capital increase	(59,328)	(23)	-	-	-	-	-	-	(59,351)
Damaged vehicles (insurance claims)	(326)	-	-	-	-	-	-	-	(326)
Special operations (*)	4,711	131	-	-	(99)	(39)	-	69	4,773
At March 31, 2017	**1,456,293**	**377,314**	**11,290**	**182,689**	**15,484**	**23,426**	**2,025**	**185,410**	**2,253,933**
Depreciation:									
At December 31, 2016	**(456,559)**	**(159,951)**	**-**	**(36,055)**	**(9,704)**	**(9,202)**	**(1,880)**	**(26,096)**	**(699,447)**
Depreciation expenses in the year	(40,225)	(10,397)	-	(3,141)	(799)	(622)	-	(3,206)	(58,390)
Transfers	6,892	54	-	(1)	217	(1)	-	(7,161)	-
Transfers to available-for-sale assets	35,600	4,303	-	-	108	26	-	-	40,037
Spun-off assets	11,959	6	-	-	-	-	-	-	11,965
Damaged vehicles (insurance claims)	1,873	-	-	-	-	-	-	-	1,873
Special operations (*)	418	(75)	-	-	197	79	-	(64)	555
At March 31, 2017	**(440,042)**	**(166,060)**	**-**	**(39,197)**	**(9,981)**	**(9,719)**	**(1,880)**	**(36,527)**	**(703,407)**
Net value:									
At December 31, 2016	**1,095,914**	**221,672**	**21,194**	**134,882**	**5,824**	**14,029**	**145**	**150,813**	**1,644,473**
At March 30, 2017	**1,016,251**	**211,254**	**11,290**	**143,492**	**5,503**	**13,707**	**145**	**148,883**	**1,550,526**
Average depreciation rates(%) - in the year:									
Light	10.1	-	-	-	-	-	-	-	
Heavy	9.4	-	-	-	-	-	-	-	
Others	-	2.7	-	1.8	5.1	2.6	-	1.8	

Change related to the year ended December 31, 2016.

	Parent company								
	Vehicles	Machinery and equipment	Construction in progress (i)	Leasehold improvements (ii)	Computers and peripherals	Furniture and fixtures	Vessels (iii)	Other	Total
Cost or valuation:									
At December 31, 2015	**2,086,443**	**590,518**	**20,921**	**162,844**	**17,650**	**21,921**	**2,025**	**135,180**	**3,037,502**
Additions	166,741	29,050	10,810	142	1,329	1,652	-	-	209,724
Transfers	(43,521)	2,860	(10,725)	9,594	(131)	143	-	41,780	-
Transfers to available-for-sale assets	(299,705)	(44,328)	-	-	-	-	-	-	(344,033)
Spun-off assets	(384,317)	(150,264)	-	-	-	-	-	-	(534,581)
Damaged vehicles (insurance claims)	(5,688)	(9,539)	-	-	-	-	-	(12)	(15,239)
Special operations (*)	32,519	(36,674)	187	(1,642)	(3,320)	(485)	-	(41)	(9,455)
At December 31, 2016	**1,552,472**	**381,622**	**21,193**	**170,938**	**15,528**	**23,231**	**2,025**	**176,907**	**2,343,917**
Depreciation:									
At December 31, 2015	**(533,595)**	**(205,831)**	**-**	**(26,329)**	**(9,616)**	**(7,376)**	**(1,665)**	**(18,331)**	**(802,743)**
Depreciation expenses in the year	(191,012)	(70,023)	-	(10,297)	(3,273)	(2,245)	(215)	(7,515)	(284,580)
Transfers	565	(565)	-	-	(1)	1	-	-	-
Transfers to available-for-sale assets	181,666	50,326	-	-	-	-	-	-	231,991
Spun-off assets	79,724	45,529	-	-	-	-	-	-	125,253
Damaged vehicles (insurance claims)	2,915	2,349	-	-	-	-	-	(20)	5,244
Special operations (*)	3,168	18,265	-	571	3,186	418	-	(217)	25,391
At December 31, 2016	**(456,559)**	**(159,951)**	**-**	**(36,055)**	**(9,704)**	**(9,202)**	**(1,880)**	**(26,083)**	**(699,445)**
Net value:									
At December 31, 2015	**1,552,848**	**384,687**	**20,921**	**136,515**	**8,034**	**14,545**	**360**	**116,849**	**2,234,759**
At December 31, 2016	**1,095,912**	**221,671**	**21,193**	**134,883**	**5,824**	**14,029**	**145**	**150,824**	**1,644,481**
Average depreciation rates(%) - in the year:									
Light	10.1	-	-	-	-	-	-	-	
Heavy	9.4	-	-	-	-	-	-	-	
Other	-	11.3	-	6.4	17.4	9.6	10.6	5.6	

Change related to the quarter ended March 31, 2017.

	Consolidated										
	Vehicles	Machinery and equipment	Construction in progress (i)	Leasehold improvements (ii)	Computers and peripherals	Furniture and Fixtures	Land	Buildings	Vessels (iii)	Others	Total
Cost or valuation:											
At December 31, 2016	**5,348,093**	**627,449**	**38,040**	**320,540**	**36,559**	**44,138**	**28,122**	**134,944**	**2,025**	**61,757**	**6,641,667**
Additions	558,357	54,089	3,226	660	343	595	-	-	-	66	617,336
Transfers	98	(112)	(18,982)	18,982	48	101	-	(101)	-	(34)	-
Transfers to available-for-sale assets	(533,397)	(13,462)	-	-	-	-	-	-	-	-	(546,859)
Special operations (iv)	(35,457)	(67)	12	(2,808)	(195)	149	-	(1)	-	(281)	(38,648)
At March 31, 2017	**5,337,694**	**667,897**	**22,296**	**337,374**	**36,755**	**44,983**	**28,122**	**134,842**	**2,025**	**61,508**	**6,673,496**
Depreciation:											
At December 31, 2016	**(835,774)**	**(259,113)**	**-**	**(75,965)**	**(25,460)**	**(17,381)**	**-**	**(28,316)**	**(1,880)**	**(11,059)**	**(1,254,948)**
Depreciation expense in the period	(100,504)	(17,240)	-	(7,640)	(1,244)	(1,126)	-	(2,436)	(45)	(1,623)	(131,858)
Transfers	(51)	58	-	-	(4)	(40)	-	40	-	(3)	-
Transfers to available-for-sale assets	91,190	9,970	-	-	-	-	-	-	-	-	101,160
Special operations (iv)	7,745	-	-	2,834	306	137	-	-	-	(64)	10,958
At March 31, 2017	**(837,394)**	**(266,325)**	**-**	**(80,771)**	**(26,402)**	**(18,410)**	**-**	**(30,712)**	**(1,925)**	**(12,749)**	**(1,274,689)**
Net value:											
At December 31, 2016	**4,512,319**	**368,336**	**38,040**	**244,575**	**11,099**	**26,757**	**28,122**	**106,628**	**145**	**50,698**	**5,386,719**
At March 31, 2017	**4,500,300**	**401,572**	**22,296**	**256,603**	**10,353**	**26,573**	**28,122**	**104,130**	**100**	**48,759**	**5,398,807**
Average depreciation rates(%) - in the year											
Light	7.4	-	-	-	-	-	-	-	-	-	
Heavy	8.1	-	-	-	-	-	-	-	-	-	
Others	-	15.2	-	(6.6)	(0.3)	(0.3)	-	(0.8)	(0.0)	(0.4)	

Change related to the year ended December 31, 2016.

											Consolidated
	Vehicles	Machinery and equipment	Construction in progress (i)	Leasehold improvements (ii)	Computers and peripherals	Furniture and fixtures	Land	Buildings	Vessels (iii)	Other	Total
Cost or valuation:											
At December 31, 2015	4,654,601	632,949	69,132	232,555	27,598	38,834	13,800	12,664	2,025	155,766	5,839,924
Additions due to business combination	152,445	18,968	-	22,067	165	1,192	-	-	-	-	194,838
Additions	2,379,214	41,887	34,432	14,618	3,667	4,637	-	-	-	841	2,479,296
Transfers	(43,189)	(6,411)	(65,568)	64,438	8,807	144	-	-	-	41,779	-
Transfers to available-for-sale assets	(1,846,350)	(49,197)	-	-	-	-	-	-	-	-	(1,895,547)
Special operations (iv)	51,372	(10,747)	44	(13,138)	(3,678)	(669)	14,322	122,280	-	(136,629)	23,157
At December 31, 2016	**5,348,093**	**627,449**	**38,040**	**320,540**	**36,559**	**44,138**	**28,122**	**134,944**	**2,025**	**61,757**	**6,641,666**
Depreciation:											
At December 31, 2015	(762,884)	(218,572)	-	(42,441)	(14,983)	(13,073)	-	(1,096)	(1,665)	(20,948)	(1,075,662)
Additions due to business combination	(39,619)	(18,818)	-	(11,151)	-	(688)	-	-	-	-	(70,276)
Depreciation expenses in the year	(392,777)	(85,035)	-	(34,552)	(4,974)	(4,099)	-	(507)	(215)	(10,074)	(532,233)
Transfers to available-for-sale assets	446,943	54,622	-	-	-	-	-	-	-	-	501,565
Special operations (iv)	(87,905)	189	-	12,210	3,435	478	-	(26,713)	-	19,963	(78,344)
At December 31, 2016	**(835,774)**	**(259,113)**	**-**	**(75,965)**	**(25,460)**	**(17,381)**	**-**	**(28,316)**	**(1,880)**	**(11,059)**	**(1,254,950)**
Net value:											
At December 31, 2015	3,891,717	414,377	69,132	190,114	12,615	25,761	13,800	11,568	360	134,818	4,764,262
At December 31, 2016	4,512,319	368,336	38,040	244,574	11,098	26,757	28,122	106,628	145	50,698	5,386,716
Average depreciation rates(%) - in the year:											
Light	7.4	-	-	-	-	-	-	-	-	-	
Heavy	8.1	-	-	-	-	-	-	-	-	-	
Other	-	15.2	-	2.1	20.0	10.0	-	5.0	5.0	10.0	

i) Balances substantially composed of expenses with construction of warehouse in Recife-PE and balances corresponding to the second phase of the works of the intermodal terminal of Itaquaquecetuba-SP;

ii) Improvements in third-party property include the construction of the intermodal terminal in Itaquaquecetuba-SP in the amount of R$ 104,955 to cover storage activities and general cargo. In the quarter ended March 31, 2017 we had no interest on capitalized loans (R$ 9 in the year ended in 2016); and

iii) The amounts presented in the transaction with special operations refer substantially to the reduction of stolen and damaged vehicles, net of addition by the purchase of shares of consortia of vehicles.

15.1 Lease of property, plant and equipment items

A portion of the assets were acquired by the Company by means of a finance lease, and substantially include vehicles, machinery and equipment. These balances are part of property, plant and equipment, according to the following:

	Consolidated	
	03/31/2017	**12/31/2016**
Cost - capialized finance leases	492,778	522,531
Accumulated depreciation	(107,671)	(100,476)
Net balance	**385,107**	**422,055**

16. Intangible assets

Change related to the quarter ended March 31, 2017.

	Parent company			
	Goodwill arising from business combination (16.1)	Software (iii)	Other	Total
Cost or valuation:				
At December 31, 2016	**232,609**	**46,804**	**1,157**	**280,570**
Additions	-	206	-	206
Write-offs	-	(15)	-	(15)
Special operations	-	(90)	-	(90)
At March 31, 2017	**232,609**	**46,905**	**1,157**	**280,671**
Amortization:				
At December 31, 2016	**-**	**(20,447)**	**(285)**	**(20,732)**
Amortization expenses in the period	-	(2,021)	(10)	(2,031)
Write-offs	-	15	-	15
Special operations	-	180	-	180
At March 31, 2017	**-**	**(22,273)**	**(295)**	**(22,568)**
Intangible assets, net:				
At December 31, 2016	**232,609**	**26,357**	**872**	**259,838**
At March 31, 2017	**232,609**	**24,632**	**862**	**258,103**

Change related to the year ended December 31, 2016.

	Parent company			
	Goodwill arising from business combination (16.1)	Software	Other	Total
Cost or valuation:				
At December 31, 2015	232,609	51,136	957	284,702
Additions	-	3,328	225	3,553
Write-offs	-	(7,660)	(25)	(7,685)
At December 31, 2016	**232,609**	**46,804**	**1,157**	**280,570**
Amortization:				
At December 31, 2015	-	(20,572)	(64)	(20,636)
Amortization expenses in the year	-	(7,534)	(248)	(7,782)
Write-offs	-	7,659	27	7,686
At December 31, 2016	**-**	**(20,447)**	**(285)**	**(20,732)**
Net intangible assets:				
At December 31, 2015	**232,609**	**30,564**	**893**	**264,066**
At December 31, 2016	**232,609**	**26,357**	**872**	**259,838**

Change in the consolidated figures related to the quarter ended March 31, 2017.

						Consolidated
	Goodwill arising from business combination (16.1)	Fair value from the acquisition of Quick Logistica (i)	Software (ii)	Goodwill (iii)	Other (iv)	Total
Cost or valuation:						
At December 31, 2016	**250,764**	**17,420**	**56,491**	**46,178**	**11,233**	**382,086**
Additions	-	-	685	-	380	1,065
Write-offs	-	-	(15)	-	-	(15)
Special operations	-	-	77	-	(1)	76
At March 31, 2017	**250,764**	**17,420**	**57,238**	**46,178**	**11,612**	**383,212**
Amortization:						
At December 31, 2016	**-**	**(3,285)**	**(24,870)**	**(3,720)**	**(4,182)**	**(36,057)**
Amortization expenses in the period	-	(1,643)	(2,349)	-	(5)	(3,997)
Write-offs	-	-	15	-	-	15
Special operations	-	-	179	-	(145)	34
At March 31, 2017	**-**	**(4,928)**	**(27,025)**	**(3,720)**	**(4,332)**	**(40,005)**
Intangible assets, net:						
At December 31, 2016	**250,764**	**14,135**	**31,621**	**42,458**	**7,051**	**346,029**
At March 31, 2017	**250,764**	**12,492**	**30,213**	**42,458**	**7,280**	**343,207**

Change in the consolidated figures related to the year ended December 31, 2016.

						Consolidated
	Goodwill arising from business combination (16.1)	Fair value arising from the acquisition of Quick Logística (Note 1.1)	Software (ii)	Goodwill (iii)	Other (iv)	Total
Cost or valuation:						
At December 31, 2015	280,932	-	58,529	46,308	9,949	395,718
Additions from business combination (i)	-	22,065	-	-	-	22,065
Additions	-	-	6,204	-	1,316	7,520
Impairment loss	(30,168)	(4,645)	-	-	-	(34,813)
Write-offs	-	-	(8,242)	(130)	(32)	(8,404)
At December 31, 2016	**250,764**	**17,420**	**56,491**	**46,178**	**11,233**	**382,086**
Amortization:						
At December 31, 2015	-	-	(24,130)	(6,194)	(3,604)	(33,928)
Amortization expenses in the year	-	(3,285)	(8,754)	(2,598)	(318)	(14,954)
Write-offs	-	-	8,014	5,072	(260)	12,826
At December 31, 2016	**-**	**(3,285)**	**(24,870)**	**(3,720)**	**(4,182)**	**(36,057)**
Net intangible assets:						
At December 31, 2015	280,932	-	34,399	40,114	6,345	361,790
At December 31, 2016	250,764	14,135	31,620	42,458	7,051	346,029

i) Intangible assets acquired upon the purchase of the companies Quick Logistica and Quick Armazéns on February 15, 2016. The fair values identified upon measurement of the fair value of Quick Logística and Quick Armazéns, which make up the amount of the investment made, are recorded in the "Investments" line item in the parent company's financial statements.

ii) Software assets have a useful life of five years and are amortized on a straight-line basis over this period. The amortization rate is 20% p.a.

iii) Goodwill refers to right to use trademark in Authorized Vehicle Dealerships; and

iv) Mainly composed of concession right to provide urban transportation services acquired in 2008, with 12-year term, and right of concession to provide urban transportation services in the city of Sorocaba-SP acquired on June 16, 2011 with eight-year term. Both of them have been amortized on a straight-line basis, according to their agreements' effectiveness.

16.1 Goodwill on business combination

Goodwill on business combination is represented by the positive difference between the amount paid and/or payable for the acquisition of a business and the net amount of the fair value of the assets and liabilities of the acquired subsidiary. Goodwill on acquisitions of subsidiaries is recorded as "Intangible assets" in the consolidated financial information and as "Investment" in the parent company's financial information. Goodwill is annually tested for impairment. Goodwill is recorded at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the book value of the goodwill related to the entity sold.

Goodwill is allocated to Cash-Generating Units for impairment testing purposes. The allocation is made to the CGUs or grupos of CGUs that are expected to benefit from the business combination from which the goodwill originated and that are identified in accordance with the business segment.

			3/31/2017	12/31/2016
Goodwill arising from business combinations	**Original cost**	**Impairment**	**Balance**	**Balance**
Lubiani (i)	30,359	-	30,359	30,359
Grande ABC (i)	83,060	-	83,060	83,060
Schio (ii)	119,190	-	119,190	119,190
Total Parent	**232,609**	**-**	**232,609**	**232,609**
Transrio (iii)	13,063	(9,143)	3,920	3,920
Yolanda (i)	6,025	(6,025)	-	-
JSL Concessionárias (ii)	21,481	(15,000)	6,481	6,481
Movida (iv)	1,395	-	1,395	1,395
Apta (iv)	2,777	-	2,777	2,777
JSL Arrendamento (v)	3,582	-	3,582	3,582
	280,932	**(30,168)**	**250,764**	**250,764**

i) Goodwill on the acquisition of businesses, based on expectations of future profitability. In the parent company, this amount comprises the cost of the investment in the respective subsidiaries;

ii) Goodwill arising from business combinations, based on expected future profitability. Rodoviário Schio Ltda. was acquired in December 2011 and JSL Concessionárias was acquired in February 2012. The goodwill of Schio was merged into the parent company at December 31, 2011;

iii) Goodwill in Original Veículos Ltda. from the acquisition of Transrio Veículos Ltda., based on expected future profitability;

iv) Goodwill arising from business combinations, based on expected future profitability. Movida and Apta were acquired on November 30, 2013. In the parent company, the goodwill of Movida and Apta was recorded in "Investments; and

v) Goodwill in JSL Holding Financeira Ltda. from the acquisition of JSL Leasing S.A. (previously referred to as BGN Leasing S.A.), based on expected future profitability.

16.2 Impairment Analysis

The impairment analysis of assets with indefinite useful life is performed once a year or when there are indications of impairment of some of the cash-generating units. At March 31, 2017, Management has concluded that there are no indicators of impairment in their cash-generating units.

17. Trade accounts payable and floorplan vehicles

17.1 Trade payables

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Car makers	1,449	2,356	805,620	850,931
Parts and maintenance	8,436	8,291	25,248	44,272
Suppliers of machinery and vehicles (i)	30,121	-	78,343	49,540
Machinery and equipment	6,035	2,473	6,035	2,474
Inventory	-	5,500	-	10,712
Contracted services	18,429	16,112	18,429	17,788
Other	1,149	1,982	56,047	16,651
Total	**65,619**	**36,714**	**989,722**	**992,368**

i) Refers to accounts payable to suppliers of machinery and vehicles to be financed under FINAME agreements.

17.2 Floorplan vehicles

Part of the operating structure of the authorized vehicle dealerships business refers to the program to finance the inventory of new and used vehicles, both domestic and imported, and automobile parts, with revolving credit facilities made available by financial institutions, and with the agreement of manufacturers. These programs generally have an initial period during which they are interest-free, as shown below:

			Consolidated Concessionaires	
Financial institution	Financial charges	Maturity	3/31/2017	12/31/2016
In local currency				
Banco Fidis S.A. - Fiat	0 to 35 days - 0% CDI , 36 to 45 days - 50% , Over 45 days - 100% CDI	Up to 150 days from the issue of invoice	8,374	9,164
Banco Volkswagen S.A. (Light vehicles)	0 to 25 days - 0%, Over 25 days - CDI + 0.5% p.m.	Up to 180 days from the issue of invoice	11,014	8,299
Banco Volkswagen S.A. (Heavy vehicles)	0 to 30 days - 0%, Over 51 days - CDI + 0.5% p.m.	Up to 180 days from the issue of invoice	4,020	10,924
	Total		**23,408**	**28,387**

18. Borrowings and financing

				Parent Company					
				Current		Noncurrent		Total	
Type	Average annual rate (%)	Average rate structure (%)	Maturity	3/31/2017	12/31/2016	3/31/2017	12/31/2016	3/31/2017	12/31/2016
In local currency									
Finame (i)	8.7	/ Long-term Interest Rate (TJLP)	2021	103,761	102,979	292,857	264,325	396,618	367,304
Finame (i)	5.4	Fixed	2024	31,651	45,497	217,047	316,801	248,698	362,298
FINEM (ii) (*)	7.7	2.7+TJLP & Fixed/Floating-rate (TJLP and IPCA)	2021	17,314	16,938	34,165	37,191	51,479	54,129
FNO	4.5	Fixed Rate	2024	1,875	1,875	10,784	11,246	12,659	13,121
CRA (iv)	13.2	1.1 + CDI	2019	131,018	120,073	197,362	196,796	328,380	316,869
Working capital	14.6	114.2% of CDI	2025	112,506	217,690	1,019,999	1,002,749	1,132,505	1,220,439
Export credit note (iv)	15.1	2.17 + CDI	2019	76,607	7,276	300,000	359,992	376,607	367,268
Consortium (vi)	15.7		2019	3,364	3,650	2,198	3,299	5,562	6,949
				478,096	**515,978**	**2,074,412**	**2,192,399**	**2,552,508**	**2,708,377**
In foreign currency									
Working capital (2770) - USD	14.1	Swap for CDI+2	2021	161,103	234,921	197,451	105,330	358,554	340,251
				639,199	**750,899**	**2,271,863**	**2,297,729**	**2,911,062**	**3,048,628**

				Consolidated					
				Current		Noncurrent		Total	
Type	Average annual rate (%)	Average rate structure (%)	Maturity	3/31/2017	12/31/2016	3/31/2017	12/31/2016	3/31/2017	12/31/2016
In local currency									
Finame (i)	8.7	/ Long-term Interest Rate (TJLP)	2021	103,761	102,979	292,856	264,325	396,617	367,304
Finame (i)	5.4	Fixed	2024	162,459	167,216	709,839	766,066	872,298	933,282
FINEM (ii) (*)	7.7	2.7+TJLP & Fixed/Floating-rate (TJLP and IPCA)	2021	17,314	16,938	34,165	37,191	51,479	54,129
FNO	4.5	Fixed Rate	2024	1,875	1,875	10,784	11,246	12,659	13,121
CDC	16.8	Fixed	2021	5,638	5,445	19,416	20,843	25,054	26,288
CRA (iv)	13.2	1.1 + CDI	2019	131,018	120,073	197,362	196,797	328,380	316,870
Working capital	14.6	2.4 + CDI	2025	126,503	227,852	1,306,001	1,191,578	1,432,504	1,419,430
Export credit note (iv)	15.1	3.0 + CDI	2019	76,607	7,276	300,000	359,992	376,607	367,268
Consortium (vi)	15.7		2019	4,547	4,341	2,853	3,852	7,400	8,193
				629,722	**653,995**	**2,873,276**	**2,851,890**	**3,502,998**	**3,505,885**
In foreign currency									
Working capital (4131) - USD	14.1	Swap for CDI + 1.9	2021	161,103	234,921	197,451	105,330	358,554	340,251
				790,825	**888,916**	**3,070,727**	**2,957,220**	**3,861,552**	**3,846,136**

Key:
FINAME – Financing of machinery and equipment;
FINEM (*) – Financing of undertakings. Guarantee fees are included in the rate structure;
FNO – Constitutional Financing Fund of the North;
CDC –Direct Consumer Credit;
CRA – Agribusiness receivables certificate.

Amortization schedules for the parent company and consolidated are presented below, by year of maturity:

		3/31/2017			
		Parent Company		Consolidated	
	Maturity of Installments	Total	%	Total	%
Total current liabilities	until Mar 2018	**639,199**	**22.0**	**790,825**	**20.5**
	April to Dec 2018	401,873	13.8	510,820	13.2
	2019	784,421	26.9	982,838	25.5
	2020	348,944	12.0	667,910	17.3
	2021	325,906	11.2	401,070	10.4
	2022	302,436	10.4	348,087	9.0
	2023	98,587	3.4	133,883	3.5
	2024	9,696	0.3	23,175	0.6
	2025 and thereafter	-	0.0	2,944	0.1
Total non-current liabilities		2,271,863	78.0	3,070,727	79.5
Total		**2,911,062**	**100.0**	**3,861,552**	**100.0**

18.1 Loans and financing - In local currency

i) The financing transactions for investment in vehicles and equipment ("FINAME") have long-term floating interest rates ("TJLP") plus 5.3% p.a. and average fixed interest rates of 9% p.a.;

ii) TJLP plus 2.7% per annum;

iii) Financial charges on export credit notes (“NCE”) include an annual interest rate averaging 2.17 %, plus the variation of the CDI rate; and

iv) Financial charges on rural agricultural credit ("CRA") include an average annual interest rate of 1.2% over the CDI rate.

On March 9, 2017, as part of the financial liabilities management, the Company concluded the two new borrowings, clearing two other existing ones, with Caixa Econômica Federal. The new agreement includes maturities from 2019 and ending in 2023, thus contributing to the lengthening of the debt repayment profile.

Warranties

Loans and financing in local currency are guaranteed as follows:

Finame and financial leases: guaranteed by the financed goods, vehicles and equipment, according to contracts, these vehicles are valued at acquisition cost.

18.2 Borrowings and financing - In foreign currency

Below is a summary of current contracts in foreign currency:

Bank	Amount	Term	Grace period of the principal amount
The Bank of Tokyo-Mitsubishi UFJ, Ltd	USD 30,000	two years	twenty-four months
Bank Scotiabanck	USD 20,000	two years	twenty-four months
Bank JP Morgan	USD 30,000	two years	twenty-four months
Bank Caterpillar	USD 30,000	three years	thirty-six months

The above contracts are designated by the Company as a financial liability at fair value through profit or loss at its initial recognition, and are hedged to eliminate currency risk, as explained in Note 32.

With respect to its borrowings, the Company is subject to certain restrictive covenants that may result in accelerated debt maturities in certain situations (Note 32.4). These requirements were being met at March 31, 2017.

18.3 Bank guarantees

The Company and its subsidiaries have the following bank guarantees:

				3/31/2017
Nature	**Beneficiary**	**Amount**	**Maturity**	**Term**
Parent Company				
Tax enforcement action	Attorney General of the National Treasury	R$ 11,000.00	Indefinte	Indefinite
BNDES financing	BNDES	R$ 32,579.00	2/9/2018 and 4/18/2018	36 months
BNDES financing	BNDES	R$ 7,620.00	2/9/2018 and 4/18/2018	36 months
Tax enforcement action Itaquaquecetuba-SP	Municipality	R$ 2,129.00	Indefinite	Indefinite
PERD / COMP	Federal Court - São Paulo - SP Section	R$ 10.600 + R$ 2.186	Indefinite	Indefinite
BNDES financing	BNDES	R$ 29,121.00	3/14/2019	36 months
BNDES financing	BNDES	R$ 14,611.00	6/13/2019	36 months
Banco Amazônia FNO non-rural Sustainable Program	Banco Amazônia S.A	R$ 14,941.00	2/18/2019, 2/19/2019, 3/12/2019	60 months
BNDES financial	BNDES	R$ 6,900.00	7/14/2017	36 months
Subsidiary Movida Participações S.A.				
Rental guarantee	Infraero	R$ 36	05/12/2017	12 months

				12/31/2016
Nature	**Beneficiary**	**Amount**	**Maturity**	**Term**
Parent Company				
Tax enforcement action	National Treasury Attorney-General's Office	R$ 11,000	Indeterminate	Indefinite
BNDES bridge loan	BNDES	R$ 32.579 + R$ 7.620	2/9/2018 and 4/18/2018	36 months
Tax enforcement action Itaquaquecetuba-SP	Municipality	R$ 2,129	Indefinite	Indefinite
Annulment Action of Tax Debt	3rd Specialized Court of National Treasury of Cuiabá/MT	R$ 1,206	20/01/2017	Indefinite
PERD / COMP	Federal Court - São Paulo -SP Section	R$ 10.600 + R$ 2.186	Indeterminate	Indefinite
BNDES bridge loan	BNDES	R$ 29,121	14/03/2019	36 months
BNDES bridge loan	BNDES	R$ 14,611	13/06/2019	36 months
Banco Amazônia FNO non-rural Sustainable Program	Banco Amazônia S.A	R$ 14,941	2/18/2019, 2/19/2019, 3/12/2019	60 months
BNDES bridge loan	BNDES	R$ 6,900	14/07/2017	36 months
Purchase and sale of Company interest	Rivas Rezende da Costa	R$ 40,000	04/03/2017	12 months
Subsidiary JSL Investimentos em Concessionárias				
Floor Plan of FIAT vehicle assembler	Banco FIDIS S.A.	R$ 12,240	18/01/2017	24 months
Floor Plan of Ford vehicle assembler	Ford Company do Brasil	R$ 5,000	07/04/2017	24 months
Guaranteed IPI tax return	Volkswagen do Brasil S.A.	R$ 1,317	23/07/2017	12 months
Tax enforcement action - Original Veículos	Federal Court - São Paulo -SP Section	R$ 151	01/02/2017	12 months
Tax enforcement action - Original Veículos	Federal Court - São Paulo -SP Section	R$ 521	01/02/2017	12 months
Administrative Proceedings of Lien - Original Veículos	Federal Court - São Paulo -SP Section	R$ 8,000	23/04/2017	24 months
Subsidiary Movida Participações S.A.				
Rental guarantee	Infraero	R$ 36	12/05/2017	12 months

19. Suppliers financing

				Parent Company		Consolidated	
Type	**Average rate (%)**	**ICMS**	**Maturity**	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
In local currency (CVM Instruction 01/2016)							
Suppliers financing - Car makers	5.3	4.2 months	2017	10,801	9,265	565,225	551,359
Overall Total				**10,801**	**9,265**	**565,225**	**551,359**

The Company and its subsidiaries have entered into "suppliers financing" agreements with financial institutions to manage their commitments to suppliers, which remain classified under this heading until the liability is settled. Though this operation, suppliers transfer the right to receive payment of bills for vehicles sales to the financial institutions.

The agreements signed with the financial institutions are not guaranteed by assets (vehicles) linked to the guaranteed operations.

20. Debentures

			Parent company					
			Current		Non-current		Total	
Type	Average annual charges (%)	Maturity	3/31/2017	12/31/2016	3/31/2017	12/31/2016	3/31/2017	12/31/2016
In local currency								
6th issue	CDI + 1.80/2.20 / IPCA + 7.5	2020	23,429	24,456	445,475	442,694	468,904	467,150
7th issue	117.5 of CDI	2017	-	36,647	-	67,513	-	104,160
8th issue	116 of CDI / IPCA + 8 / 118.5 of CDI	2021	21,165	6,194	413,497	412,441	434,662	418,635
10th issue	127.5 of CDI	2021	-	64,527	347,506	184,864	347,506	249,391
			44,594	**131,824**	**1,206,478**	**1,107,512**	**1,251,072**	**1,239,336**

			Consolidated					
			Current		Non-current		Total	
Type	Average annual charges (%)	Maturity	3/31/2017	12/31/2016	3/31/2017	12/31/2016	3/31/2017	12/31/2016
In local currency								
6th issue	CDI + 1.80/2.20 / IPCA + 7.5	2020	23,429	24,456	445,474	442,694	468,903	467,150
7th issue	117.5 of CDI	2017	-	36,647	-	67,513	-	104,160
8th issue	116 of CDI / IPCA + 8 / 118.5 of CDI	2021	21,165	6,194	413,498	412,441	434,663	418,635
9th issue	116 of CDI / 118.5 of CDI	2021	-	64,527	-	184,864	-	249,391
10th issue	127.5 of CDI	2021	-	-	347,506	-	347,506	-
1st issue - Movida GTF (i)	CDI + 1.93	2018	-	10,418	298,521	298,863	298,521	309,281
			44,594	**142,242**	**1,504,999**	**1,406,375**	**1,549,593**	**1,548,617**

The repayment schedule is shown below, by year of maturity:

		3/31/2017			
		Parent company		Consolidated	
	Maturity of Installments	Total	%	Total	%
Total current liabilities	Until March 2018	44,594	3.6	44,594	2.9
	April to Dec/2018	293,814	23.5	592,335	38.2
	2019	290,882	23.3	290,882	18.8
	2020	377,592	30.2	377,592	24.4
	2021	244,190	19.5	244,190	15.8
Total non-current liabilities		1,206,478	96.4	1,504,999	97.1
Total		**1,251,072**	**100.0**	**1,549,593**	**100.0**

i) Corresponds to 30,000 simple, non-convertible debentures, pursuant to Instruction 476 of the CVM, of January 16, 2009, at the unit value of R$ 10, totaling R$ 300,000, in one (a) series and on a firm guarantee basis. The debentures have a three-year maturity as of the issue date on September 24, 2015, thus maturing on September 24, 2018. The debentures' unit par will not be restated. The debentures will yield half-yearly interest as of the issue date. Interest corresponds to the CDI+1.93% of the variation in the average daily interbank deposit rate "over extra group DI rate", expressed as an annual percentage, based on a year of 252 business days, calculated and disclosed on a daily basis by CETIP S.A. Interest will be calculated exponentially and cumulatively pro rata temporis in accordance with the number of business days elapsed from the issue date or the maturity date of the previous capitalization period, as applicable, to the actual payment date, on the unamortized nominal unit value of each debenture.

The transaction costs and premiums on the issuance of securities, as determined by CPC 08 (IAS 39) - Transaction cost and premiums on the issuance of securities are:

	Information / amount					
Description	**5th issue**	**6th issue**	**7th issue**	**8th issue**	**10ª Emissão**	**1st Issue of Movida GTF S.A.**
a. Identification of process by nature						
Financial institution	*Itaú*	*BTG Pactual*	*BB-BI*	*Votorantim*	*Bradesco S.A.*	*CEF*
1st series amount	100,000	90,749	170,000	31,187	352,000	150,000
2nd series amount	-	13,678	-	63,468	-	
3rd series amount	-	72,797	-	118,201	-	
Financial institution	*Santander*	*Caixa Geral*	-	*HSBC*	-	*HSBC*
1st series amount	100,000	1,000	-	52,394	-	150,000
2nd series amount	-	23,870	-	6,283	-	-
3rd series amount	-	40,234	-	30,873	-	-
Financial institution	-	*Santander*	-	*Santander*	-	-
1st series amount	-	54,480	-	81,594	-	-
2nd series amount	-	19,074	-	2,000	-	-
3rd series amount	-	4,189	-	14,000	-	-
Financial institution	-	*Votorantim*	-	-	-	-
1st series amount	-	6,200	-	-	-	-
2nd series amount	-	5,850	-	-	-	-
3rd series amount	-	67,879	-	-	-	-
Total	200,000	400,000	170,000	400,000	352,000	300,000
Total received in current account	201,270	401,910	170,000	400,390	352,000	300,000
Issue	24/05/2012	15/07/2013	24/10/2013	15/06/2014	20/03/2017	29/09/2015
Settlement	18/06/2012	7/31/2013 and 7/30/2013 and 8/1/2013	29/10/2013	18/06/2014	20/03/2020 & 20/03/2021	29/10/2015
Maturity	24/05/2016	15/07/2020	24/10/2019	15/06/2021	20/03/2021	24/09/2018
Type	Unsecured	Unsecured	Unsecured	Unsecured	Quirografárias	Unsecured
Identification of the asset with CETIP	JSML15	JSML16/26/36	JSML 17	JSML 18/28/38	JSML 19/29	JSLO 11
b. Transaction costs incurred	**(141)**	**(914)**	**(62)**	**(71)**	**(65)**	**(114)**
Attorneys' fees	(128)	(631)	(50)	(50)	(50)	(92)
CETIP / CVM / Anbima registration	(11)	(282)	(11)	(20)	(13)	(20)
Expenses with the agent bank	(2)	(1)	(1)	(1)	(2)	(2)
c. Premiums						
Additional due to settlement	18/06/2012	7/31/2013 and 7/30/2013 and 8/1/2013	N.A.	N.A.	N.A.	N.A.
Amount of settlement	1,270	1,910	-	390	-	-
d. d. Effective interest rate p.a. %						
1st series	CDI + 1.85%	CDI + 1.80%	117.55% of CDI	116% CDI	127,5% CDI	CDI + 1.93%
2nd series	-	CDI + 2.20%	-	IPCA + 8,0%	-	-
3rd series	-	IPCA + 7,5%	-	118,5% CDI	-	-
e. Amount of costs and premiums to be appropriated until maturity	**(758)**	**(7,768)**	**(1,517)**	**(1,424)**	**(6,365)**	**(2,361)**
f. Changes	(i)	N.A.	N.A.	N.A.	N.A.	N.A.

i) Purchase option on November 7, 2013 for 2,866 debentures, purchase option on September 14, 2015 for 2,867 debentures, and purchase option on December 11, 2015 for 249 debentures. This issue was redeemed in 2016.

The debentures issued by the Company and its subsidiaries are subject to restrictive clauses, which may opportunely anticipate the debt maturity (note 31.4). These requirements were met on March 31, 2017.

21. Leases and commitments

21.1 Finance leasing

Refers to lease agreements (FINAME leasing and finance leases) entered into in connection with the operating activities of the Company and its subsidiaries, at annual charges averaging 15.6% (floating and fixed). The lease agreements mainly reflect fixed rates on obligations contracted in an economic scenario marked by high interest rates. They consist of the following:

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Banco Itaú	5,855	6,508	7,170	8,932
Banco HSBC	54,249	58,004	77,243	85,582
Banco Santander	15,158	15,556	94,751	99,786
Banco Bradesco	1,362	1,395	1,362	1,395
Banco Daycoval	14,589	20,928	67,483	73,360
Banco Safra	56,586	61,272	79,146	85,678
Total	**147,799**	**163,663**	**327,155**	**354,733**
Current liabilities	62,982	69,058	162,477	165,716
Non-current liabilities	84,817	94,605	164,678	189,017
Total	**147,799**	**163,663**	**327,155**	**354,733**

The non-current portion has the following maturities:

		3/31/2017			
		Parent Company		Consolidated	
	Maturity of Installments	Total	%	Total	%
Total current liabilities	Up to Mar/2018	62,982	42.6	162,477	49.7
	April to Dec/2018	33,845	22.9	99,327	30.4
	2019	29,961	20.3	36,792	11.2
	2020	19,998	13.5	27,546	8.4
	2021	861	0.6	861	0.3
	2022	152	0.1	152	0.05
Total non-current liabilities		84,817	57.4	164,678	50.3
Total		**147,799**	**100.0**	**327,155**	**100.0**

21.2 Operating leases

These leases mainly refer to stores for the resale of vehicles and locations to serve other logistics operations, as well as vehicle rental outlets.

Minimum future amounts payable under operating leases at March 31, 2017 are as follows:

	Parent company				Consolidated			
			3/31/2017	12/31/2016			3/31/2017	12/31/2016
	Lessor-Ribeira Imóveis (i)	Other lessors	Total	Total	Lessor-Ribeira Imóveis (i)	Other lessors	Total	Total
Up to one year	21,059	37,249	58,308	64,680	24,607	68,030	92,637	118,564
One to five years	13,949	22,336	22,336	56,522	16,144	54,591	70,735	166,381
More than five years	16,149	61,105	77,254	27,683	21,617	111,258	132,875	37,511
	51,157	**120,690**	**157,898**	**148,885**	**62,368**	**233,879**	**296,247**	**322,456**

i) Ribeira Imóveis is an entity related to the Company through the parent company Simpar S.A. (see Note 26.3).

22. Labor liabilities

	Parent Company		Consolidated	
Description	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Vacation pay and charges payable	59,150	49,774	101,968	89,815
Salaries	23,324	25,250	42,441	43,910
INSS	31,681	25,174	46,900	37,977
FGTS	2,805	3,986	4,664	6,160
Other	1,109	217	3,193	1,556
Total	**118,069**	**104,401**	**199,166**	**179,418**

23. Tax liabilities

	Parent Company		Consolidated	
Description	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
PIS, COFINS and ISS	11,233	13,727	29,689	33,066
ICMS	11,992	9,971	17,175	14,665
IRRF and IRPJ / CSLL	2,392	3,353	4,608	6,056
Other tax liabilities	691	551	4,925	617
Federal Revenue Special Installment Program - PAES	-	-	255	265
Total	**26,308**	**27,602**	**56,652**	**54,669**
Current liabilities	25,049	26,286	54,168	51,968
Non-current liabilities	1,259	1,316	2,484	2,701
Total	**26,308**	**27,602**	**56,652**	**54,669**

24. Other accounts payable

	Parent Company		Consolidated	
Description	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Acquisitions of companies (i)	90,654	206,551	90,654	206,551
Reserve fund - Inter-municipal transport	-	-	14,558	43,862
Accounts payable - Consortia (ii)	-	-	14,281	3,836
Leasing letters	-	-	25,566	23,133
Credit cards payable	-	-	23,391	30,524
Prepaid credit-residual value	-	-	25,707	19,161
Freight and carriage payable	6,377	6,242	11,446	10,374
Customer Advance	1,575	-	18,161	29,360
Accounts payable - Related parties (26.1)	-	1,061	-	-
Other accounts payable	11,842	16,218	26,755	11,472
Total	**110,448**	**230,072**	**250,519**	**378,273**
Current liabilities	19,556	23,402	143,766	151,377
Non-current liabilities	90,892	206,670	106,753	226,896
Total	**110,448**	**230,072**	**250,519**	**378,273**

i) The installment payment of business acquisitions refers to the amounts payable to former owners of the acquired companies, according to the agreement signed between the parties. The balance comprises basically the amounts payable for the acquisition of Rodoviário Schio, Quick Logística e Armazéns, Transportadora Grande ABC and Yolanda Logística. The reduction in the balance in the quarter ended March 31, 2017 is due to the settlement of liabilities related to the balances of the companies Transportadora Grande ABC, Yolanda Logistica Ltda. and Rodoviário Schio S.A. The outstanding installments will be substantially adjusted by the IGP/FGV plus 1% p.a. During the first quarter of 2017, the Company settled the outstanding amount of R$ 66,828 from Transportadora Grande ABC and R$ 53,952 from Rodoviário Schio; and

ii) Balance corresponding to amounts maintained by an urban passenger transportation entity (Consórcio Metropolitano de Transportes – Transporte Urbano de Passageiros – "CPTM") relating to its operating activities. The Company held a 3.63% interest up to October 2016, when it left the consortium.

25. Advances payable

	Parent Company		Consolidated	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
Advances from the sale of vehicles (i)	-	-	3,683	6,577
Advances from transportation of passengers (i)	-	-	13,779	17,465
Advances from clients	10	7	11,127	5,059
Total	**10**	**7**	**28,589**	**29,101**

i) Amounts received in advance for vehicle sales and fleet renewal, commission and ticket sales for public passenger transportation.

26. Related parties

26.1 Related-party balances (assets and liabilities)

In the table below, the items other receivables, trade receivables, trade payables, accounts payable and advances include the balances of intercompany transactions that are eliminated in consolidation:

Assets	Trade receivables		Related parties:			Parent Company
	31/03/2017	31/12/2016	31/03/2017	31/12/2016	Relationship	Specification
Subidiaries						
Consórcio Unileste	-	-	48	46	Associated company	Loan
Jecap	-	-	12	6	Related parties	Loan
Personal	-	-	6	12	Related parties	Loan
Centro de Memória	-	-	3	5	Related parties	CSA / Reimbursement of Expenses
Consórcio 123	-	-	63	81	Associated company	CSA / Reimbursement of Expenses
Instituto Júlio Simões	-	-	11	35	Related parties	CSA / Reimbursement of Expenses
Medlog	-	-	10	-	Subsidiary	Reimbursement of Expenses
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda.	-	-	3,168	3,072	Subsidiary	Operating lease / CSA / Interest on capital
Movida Locações de Veículos Ltda.	-	-	5,913	3,133	Subsidiary	Reimbursement of expenses /Operating lease
Movida Gestão e Terceirização de Frotas S.A.	-	-	535	1,735	Subsidiary	Reimbursement of expenses /Operating lease / CSA
Quick Logística	-	-	439	-	Subsidiary	Reimbursement of Expenses
JSL Investimentos em Concessionárias e Lojas de Veículos, Maquinas,e Equipamentos S.A.	-	-	3,135	2,273	Subsidiary	Operating lease / Sale of assets / Reimbursement of expenses
Serb Saneamento	8,336	9,060	-	-	Subsidiary	Operating lease
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	-	-	44	81	Subsidiary	Reimbursement of expenses
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	-	-	96	130	Subsidiary	Sale of assets
Movida Participações S.A.	-	-	108	106	Subsidiary	JCP / Dividends / Reimbursement of Expenses
Jsl Locações de Máquinas e Veículos Pesados Ltda.	3,602	3,470	55,521	59,440	Subsidiary	Sale of assets / Operating lease / Reimbursement of Expenses
Jsl Empreendimentos Imobiliariários Ltda.	-	-	5,003	5,005	Subsidiary	Sale of assets (Property) / CSA
Jsl Arrendamento Mercantil S.A.	-	-	325	164	Subsidiary	Reimbursement of expenses
Total	**11,938**	**12,530**	**74,440**	**75,324**		
Current	11,938	12,530	74,440	73,475		
Non-current	-	-	-	1,849		
Total	**11,938**	**12,530**	**74,440**	**75,324**		

Liability	payments		Related parties			
	31/03/2017	31/12/2016	31/03/2017	31/12/2016	Relationship	Specification
Subidiaries						
Movida Locações de Veículos Ltda.	-	-	53	76	Subsidiary	Reimbursement of Expenses /Operating lease
JSL Investimentos em Concessionárias e Lojas de Veículos, Maquinas,e Equipamentos S.A.	177	276	173	169	Subsidiary	Reimbursement of Expenses / Discounts without purchase of vehicles
Movida GTF	428	-	444	-	Subsidiary	Reimbursement of Expenses /Operating lease
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	293	394	12,217	24,397	Subsidiary	Reimbursement of Expenses /Operating lease / CSA
Movida Participações S.A.	-	391	-	1,154	Subsidiary	JCP
Jsl Locações de Máquinas e Veículos Pesados Ltda.	56	-	297	3,530	Subsidiary	Reimbursement of Expenses /Operating lease
Jsl Arrendamento Mercantil S.A.	-	-	5,664	5,089	Subsidiary	Reimbursement of expenses
Total	**954**	**1,061**	**18,848**	**34,415**		

CSA - Administrative Services Center.

Amounts corresponding to loan agreements with related parties are subject to contractual charges of 104% of the CDI rate, which is recognized in the finance results of the parent company and subsidiaries.

The administrative services center is used by Management to share the corporate expenses between member of the JSL business group (as mentioned in note 2.1), by reimbursement of costs.

The table below shows the balances of intercompany transactions that are not eliminated in consolidation:

						Consolidated
Assets	**Related parties**					
	3/31/2017	**12/31/2016**	**Relationship**	**Specification**	**Effective period**	**Limite**
Subsidiaries and associates						
Consórcio Unileste	10	76	Associated company	Loan	12/31/2017	2,000
Ribeira imóveis	182	-	Associated company	Loan	12/31/2017	2,000
Instituto Julio simões	41	-	Subsidiary	Loan	12/31/2017	2,000
Total	**233**	**76**				

Liability	**Related parties**					
	3/31/2017	**12/31/2016**	**Relationship**	**Specification**	**Effective period**	**Limite**
Subsidiaries and associaties						
Consórcio Unileste	507	29	Associated company	Loan	12/31/2017	2,000
Consórcio 123	26	498	Associated company	Loan	12/31/2017	3,000
Ribeira imóveis	-	1,243	Associated company	Loan	12/31/2017	3,000
JSL Investimentos em Concessionárias	-	12	Subsidiary	Loan	12/31/2017	3,000
Total	**533**	**1,782**				

26.2 Related-party transactions with effects on profit or loss

The table below presents the results in the income, costs, deductions and other operating income/(expenses) accounts from transactions between the Companies that are eliminated in the consolidated:

Results	**Revenue from services rendered**		**Cost of services rendered**		**Fleet renewal revenue**		**Fleet renewal costs**		**Deduction from the sale of assets**		**Other operating income / expenses**	
	3/31/2017	**3/31/2016**	**3/31/2017**	**3/31/2016**	**3/31/2017**	**3/31/2016**	**3/31/2017**	**3/31/2016**	**3/31/2017**	**3/31/2016**	**3/31/2017**	**3/31/2016**
Parent company												
JSL S.A.	21,490	33,107	(5,342)	(22,661)	2,750	4,641	(5,559)	-	(385)	-	627	600
Consolidated												
JSL S.A.	21,490	33,107	(5,342)	(22,661)	2,750	4,641	(5,559)	-	(385)	-	627	600
CS Brasil	2,368	2,940	(13,327)	(29,050)	786	108	(1,094)	-	-	-	-	-
Movida GTF	3,537	-	(17,469)	-	9,513	-	(1,208)	-	-	-	-	-
JSL Locações	-	13,521	-	(10,110)	-	2,865	-	-	-	-	-	-
JSL Concessionárias	2,778	3,828	(28,436)	(2,802)	-	-	-	(28,088)	-	-	-	-
Yolanda	-	-	(627)	(600)	-	-	-	-	-	-	-	-
Mogi Passes	352	344	-	-	-	-	-	-	-	-	-	-
Movida Locação	33,707	4,676	(328)	(868)	-	20,888	-	-	-	-	-	-
JSL Locações Pesados	8,890	7,188	(9,587)	-	1,301	-	(6,874)	(414)	-	-	-	-
JSL Arrendamento Mercantil	1,319	-	-	(215)	-	-	-	-	-	-	-	-
JSL Empreendimentos	57	102	-	-	-	-	-	-	-	-	-	-
Quick Logistica	91	-	(99)	-	-	-	-	-	-	-	-	-
Total	**74,589**	**65,706**	**(75,215)**	**(66,306)**	**14,350**	**28,502**	**(14,735)**	**(28,502)**	**(385)**	**-**	**627**	**600**

26.3 Transactions or relationships with shareholders related to property leasing

The Company has operating and administrative lease agreements for properties, which are owned by Ribeira Imóveis Ltda. The rent amount recognized in profit or loss in the period ended March 31, 2017 was R$ 7,049 (2016 - R$ 6,186), in line with market values. The agreements terminate up to 2023.

26.4 Administrative services center

In order to better apportion common expenses between the companies that use corporate services, the Company conducts studies of expenses attributable to the entities that share the same structure and back office. Based on this study, expenses were apportioned between the companies after having first been recognized in profit or loss of parent company. On March 31, 2017, the amount related to the recovery of expenses, reduced the balance in the Parent Company by R$ 4,387 (2016 - R$ 2,822). The Administrative Services Center does not charge a administration fee or applies a margin of rentability on the services provided repassing only costs.

26.5 Management compensation

Compensation, including charges, paid to Management and executive officers in the three-month period ended March 31, 2017 was R$ 7,700 (R$ 2,265 in the same period of 2016), recorded under "Short-term benefits to employees and management", except for share-based compensation, which is classified in equity (Note 27.3).

The directors are included in the Company's share-based compensation plan. During the quarters ended March 31, 2017 and 2016, no stock options were granted and exercised by management.

The managers are included at the shared-based compensation. During the period ended at March 31, 2017 and March 31, 2016, there are no grant and exercise of stock options by the managers.

The limit approved by the Shareholders' Meeting for compensation in 2017 was R$ 17,000,plus payroll charges.

26.6 Dividends

In the year ended December 31, 2016, the Company had recorded the amount of R $ 85,964 to be received from dividends of its subsidiary Movida Participações S.A., which was settled on March 31, 2017, as shown in the cash flow statement.

27. Equity

27.1 Share capital

The Company's fully subscribed and paid-in capital at March 31, 2017 and December 31, 2016 was R$ 676,614, divided into 202,500,000 registered common shares, with no par value, less the transaction costs incurred in the process of going public (IPO) and tax effects, totaling R$ 660,395.

The Company is authorized to increase its capital up to R$ 2,000,000, excluding the shares already issued, according to the decision of the Board of Directors, which is responsible for the establishment of issue conditions, including price, term and payment conditions, and the approval by the Statutory Audit Board.

27.2 Capital reserves

i) Share-based payment transactions

As mentioned in Note 30, the Company has a stock option plan under which subscription rights are allocated to the Management and employees of the Company.

	3/31/2017	12/31/2016
Share-based compensation	9,152	11,078
	9,152	**11,078**

27.3 Treasury shares

At the Board of Directors' Meeting held on August 9, 2016, the Company approved the purchase of 1,500,000 (one million and five hundred thousand) registered common shares with no par value, of its own issue, without capital reduction ("Repurchase of Shares"). At March 31, 2017, the Company had purchased 4,291,800 common shares amounting to R$ 9,706, with a remaining balance of 172,394 shares to be purchased.

27.4 Equity valuation adjustment

i) Deemed cost

The Company, in the acquisition of the operations of the company Transportadora Grande ABC Ltda. And using the option allowed by Law 11,683 / 07, made the recognition of the assets of that company at its assigned cost. The amount of the balance of this adjustment in the amount of R$ 4,634, refers to three lands linked to that company.

ii) Gain on IPO of subsidiary Movida Participações S.A.

On February 6, 2017, the subsidiary Movida Participações S.A. (Movida) under the provisions of Instruction No. 358 of the Brazilian Securities Commission ("CVM"), of January 3, 2002, and Article 52 of the CVM Instruction Nº 400 of December 29, 2003, ("CVM Instruction 400"), announced the beginning of the IPO of primary distribution of 71,460,674 and secondary distribution of 6,741,573 registered common shares with no par value, issued by Movida Participações S.A., all free and clear of any liens or charges ("Shares"), with the exclusion of the right of first refusal of the current shareholders of Movida Participações S.A., within the limit of the authorized capital made in Brazil and with placement efforts abroad ("Offer").

The price per share was set after completion of the bookbuilding procedure with Institutional Investors, conducted in Brazil and abroad, in line with the provisions of Article 23, paragraph 1, and article 44 of the CVM Instruction 400 and had as a parameter the interest indications in relation to the quality and quantity of the demand (by volume and price) collected with Institutional Investors during the Bookbuilding procedure. The issuance of Shares under this price setting criterion did not result in unwarranted dilution of the current shareholders of Movida Participações S.A..

As a result of the subscription and payment of the new shares at the time of the offer, the Company recorded an equity adjustment of R $ 85,941, reflecting the equity appreciation of Movida, reducing the share of JSL S.A. in Movida from 99.99% to 62.52%.

27.5 Non-controlling interests

The Company treats transactions with non-controlling interests as transactions with owners of the Company's assets. For non-controlling interests, the difference between any consideration paid and the acquired portion of the book value of the subsidiary's net assets is recorded in shareholders' equity. Gains or losses on disposals for non-controlling interests are also recorded directly in equity in the "Equity valuation adjustment" account.

The shareholding composition of the Company's capital is presented in note 14.

28. Provision for income tax and social contribution

Deferred taxes

Deferred tax assets and liabilities were calculated based on the balances of tax losses and temporary differences for income tax and social contribution that can be offset or are to be taxed in the future. These are calculated and classified according to their projected realization and the expected future profitability of the Company and its subsidiaries.

The deferred income tax and social contribution assets and liabilities are comprised as follows:

28.1 Deferred income tax and social contribution

	Parent Company		Consolidated	
Description	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Tax loss and social contribution tax loss carryforwards	(100,520)	(74,508)	(170,871)	(146,674)
Provision for judicial and administrative litigation	(25,476)	(28,294)	(44,032)	(46,254)
Allowance for doubtful accounts	(9,655)	(7,840)	(36,223)	(25,171)
Other provision	(15,558)	(15,444)	(11,921)	(22,627)
Provision for adjustment to market value and obsolescence	(10,820)	(10,695)	(12,119)	(11,754)
Total tax credits - gross	**(162,029)**	**(136,781)**	**(275,166)**	**(252,480)**
Tax debts				
Present value adjustments	7,763	8,589	7,754	8,584
Gain on bargain purchase	10,829	10,829	10,829	10,829
Deferred net income from sales to public authorities	1,417	1,437	21,449	22,420
Surplus value	6,850	6,832	6,850	6,832
Accounting vs. tax depreciation	130,768	130,730	269,988	253,428
Property and equipment - finance leases	18,984	20,493	63,346	66,746
Asset valuation	3,596	3,596	3,596	3,596
Income tax and social contribution on tax realization of goodwill	46,825	45,106	47,414	45,695
Total tax debts - gross	**227,032**	**227,612**	**431,226**	**418,130**
Total tax debts, net	**65,003**	**90,831**	**156,060**	**165,650**
Deferred tax assets	-	-	(33,808)	(31,438)
Deferred tax liabilities	65,003	90,831	189,868	197,088
Total tax debts, net	**65,003**	**90,831**	**156,060**	**165,650**

The individual estimates of the Company and its subsidiaries indicated that the deferred taxes are likely to be used as indicated below:

	Parent Company		Consolidated	
Tax credits	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Deferred tax recoverable in up to 12 months	(1,869)	(1,578)	(33,808)	(17,885)
Deferred tax recoverable after 12 months	(160,160)	(135,203)	(241,358)	(234,595)
Total tax credits, net	**(162,029)**	**(136,781)**	**(275,166)**	**(252,480)**

Tax debts	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Deferred tax recoverable in up to 12 months	65,003	91,593	191,643	199,325
Deferred tax recoverable after 12 months	162,029	136,019	239,583	218,805
Total tax debts, net	**227,032**	**227,612**	**431,226**	**418,130**

28.2 Reconciliation of income tax and social contribution

	Parent Company		Consolidated	
Description	**3/31/2017**	**3/31/2016**	**3/31/2017**	**3/31/2016**
Profit before income tax and social contribution	**(36,491)**	**12,623**	**(9,485)**	**16,783**
Statutory rates	34%	34%	34%	34%
IRPJ and CSLL calculated at the standard rates	12,407	(4,292)	3,225	(5,706)
Permanent (additions) exclusions				
Equity in the results of investees	13,676	3,015	-	-
Tax incentives - Workers Meal Program ("PAT")		-	63	14
Nondeductible expenses	(255)	(144)	(280)	(230)
Other (additions) deductions	-	1	(485)	342
IRPJ and CSLL calculated	**25,828**	**(1,420)**	**2,523**	**(5,580)**
Current	-	-	(7,056)	(1,554)
Deferred	25,828	(1,420)	9,579	(4,026)
IRPJ and CSLL on results	**25,828**	**(1,420)**	**2,523**	**(5,580)**
Effective rate	-70.8%	-11%	-26.6%	-33%

29. Insurance coverage

The Company and its subsidiaries have insurance coverage at amounts deemed sufficient by Management to cover potential risks related to their assets and/or responsibilities. The insurance coverage can be summarized as follows:

i) Passenger transportation (a significant share of third-party civil liability)

Effective from December 2016 to December 2017, this covers property damage (R$100) per vehicle, bodily injury (R$700) per insured party, pain and suffering (R$100) and personal accidents for all operations carried out by the Company and its subsidiaries;

ii) Cargo transport - vehicles

Vehicle transportation operations are insured directly by the customers. For all other cases, the contracted insurance coverage varies according to the value of the vehicles transported; and

iii) Cargo transport - products

Insurance coverage contracted for possible damage or losses in transit varies according to the value of the cargo transported: Effective between July 2016 and July 2017, this has an indemnity limit per trip of U$900 thousands (equivalent to R$3,500), damage coverage and maximum guarantee per trip of U$180 thousands (equivalent to R$700).

Third-party property liability

Insurance taken out for possible damage or losses that may occur in storage. Effective between December 2016 and December 2017, this covers against: i) fire, thunder and explosion (R$109,000); ii) Electrical damage (R$1,000); iii) Windstorms, hurricanes, cyclones, tornados, hailstorms and vehicle impacts (R$3,000); iv) Broken

glass (R$10); v) Landslides (R$60); vi) Aggravated theft (R$500); Stationary equipment (R$500); Mobile equipment (R$570); Civil liability- operations (R$1,520); Loss of profit (R$600); Theft of assets inside an establishment (R$30); Theft of assets in transit (R$10); Lease payment or loss (R$900) and Cargo transportation (R$350).

Third-party merchandise, stored in the Company's warehouses during the course of logistics and storage activities, amounted to R$ 270,905 at March 31, 2017 (R$ 256,741 at December 31, 2016), of which R$ 256,775 were the responsibility of third parties at March 31, 2017 (R$ 230,658 at December 31, 2016).

Fleet

The Company and its subsidiaries take out insurance for their fleet as required by contract, however for the most part self-insure their fleet in view of the high cost and low claims history.

The subsidiary Movida Participações S.A. holds insurance coverage in an amount considered by Management to be sufficient to cover any risks to its assets and its liabilities.

The fleet insurance of the subsidiary Movida Participações S.A. is as shown in the table below:

			Vehicles/ Equipment		Amount	
Beneficiary	Guarantee	Location	Quantity	Type	Secured	Effectiveness
Movida Locaçõa de Veículos S.A.	Vehicle rental, including management and maintenance	Brasil	Total Frota	Vehicles	3,000	4/29/2016 to 4/29/2017

30. Share-based compensation plans

The plans are managed by the Board of Directors, and establish (i) the criteria for granting stock options to Management, employees in executive positions and individuals providing services to the Company for each category of eligible professionals, defined freely based on the Election of the Stock Option Plan Beneficiaries, and (ii) the number of shares to be acquired by each in the exercise of their options.

Plans are calculated based on the share average quote at the BM&FBOVESPA, weighted by the trading volume over the past 30 trading sessions preceding the year of the date of concession, except for the second lot of Plan II which is calculated based on the last approved balance sheet of the Company, which shall be restated according to the variation of 100% of the CDI, as from the grant date up to the date on which the beneficiary pays the exercise price to the Company.

The options granted under the current Plan II, Plan III, Plan IV, Plan V and Plan VI may be exercised subject to the following conditions:

Plan II - Option exercise price defined at eight reais and forty-one centavos (R$8.41) in the first tranche and eleven reais and seventy-one centavos (R$11.71) in the second tranche.

Plano II

Tranche	Grant Date	Vesting period	Exercise period	Percentage of total exercisable granted options
1	8/31/2012	8/31/2012 to 3/31/2015	4/2/2015 to 6/1/2017	Up to 25%
2	8/31/2012	8/31/2012 to 3/31/2016	4/2/2016 to 6/1/2017	Up to 50%
3	8/31/2012	8/31/2012 to 3/31/2017	4/2/2017 to 6/1/2017	Up to 100%

Plano III

Tranche	Grant Date	Vesting period	Exercise period	Percentage of total exercisable granted options
1	05/09/2013	5/9/2013 to 4/1/2016	4/2/2016 to 6/2/2018	Up to 25%
2	05/09/2013	5/9/2013 to 4/1/2017	4/2/2017 to 6/2/2018	Up to 50%
3	05/09/2013	5/9/2013 to 4/1/2018	4/2/2018 to 6/2/2018	Up to 100%

Plano IV

Tranche	Grant Date	Vesting period	Exercise period	Percentage of total exercisable granted options
1	6/23/2014	6/23/2014 to 4/1/2017	4/2/2017 to 6/2/2019	Up to 25%
2	6/23/2014	6/23/2014 to 4/1/2018	4/2/2018 to 6/2/2019	Up to 50%
3	6/23/2014	6/23/2014 to 4/1/2019	4/2/2019 to 6/2/2019	Up to 100%

Plano V

Tranche	Grant Date	Vesting period	Exercise period	Percentage of total exercisable granted options
1	04/01/2015	4/1/2015 to 4/1/2018	4/2/2018 to 6/2/2020	Up to 25%
2	04/01/2015	4/1/2015 to 4/1/2019	4/2/2019 to 6/2/2020	Up to 50%
3	04/01/2015	4/1/2015 to 4/1/2020	4/2/2020 to 6/2/2020	Up to 100%

Plano VI

Tranche	Grant Date	Vesting period	Exercise period	Percentage of total exercisable granted options
1	6/27/2016	6/27/2016 to 4/1/2019	4/2/2019 to 6/2/2020	Up to 25%
2	6/27/2016	6/27/2016 to 4/1/2020	4/2/2020 to 6/2/2021	Up to 50%
3	6/27/2016	6/27/2016 to 4/1/2021	4/2/2021 to 6/2/2022	Up to 100%

The fair value of each option is estimated on the grant date, based on the binomial model for option pricing, which considers the terms and conditions of the grant.

The accumulated balance of the share-based compensation capital reserve account in equity was R$ 9,152 (R$ 11,078 in 2016).

Movement during the period

The following table sets forth the quantity and weighted average exercise price and the movement of stock options during the period:

	Number of shares				
	Granted	Cancelled (i)	Realized (ii)	Stock options outstanding	Average exercise price (R$)
Concessions granted on 11/30/2011	570,429	(107,074)	(463,355)	-	8.00
Concessions granted on 08/31/2012 (Tranche - I)	659,472	(125,921)	-	533,551	8.41
Concessions granted on 08/31/2012 (Tranche - II)	34,158	-	(34,158)	-	11.71
Concessions granted on 05/09/2013	674,235	(96,586)	-	577,649	12.89
Concessions granted on 06/26/2014	529,705	(101,451)	-	428,254	15.55
Concessions granted on 09/16/2015	867,660	(35,676)	-	831,984	11.93
Concessions granted on 06/27/2016	1,180,601	(30,144)	-	1,150,457	8.36
At march 31, 2016	**4,516,260**	**(496,852)**	**(497,513)**	**3,521,895**	

31. Financial instruments

Financial instruments used by the Company and its subsidiaries are restricted to cash and cash equivalents, marketable securities, derivatives, receivables, borrowings for working capital purposes and investments, receivables and payables with related parties and other credits and liabilities, negotiated under normal market conditions and recognized in the interim financial information. These instruments are managed pursuant to operating strategies aiming at liquidity, profitability and risk minimization.

31.1 Financial instruments by category

	Consolidated					
	3/31/2017			12/31/2016		
Assets, as per balance sheet	Loans and receivables	Assets at fair value through profit or loss	Total	Loans and receivables	Assets at fair value through profit or loss	Total
Cash and cash equivalents	552,514	-	**552,514**	585,920	-	**585,920**
Marketable securities	-	890,395	**890,395**	-	457,300	**457,300**
Derivative financial instruments	-	20,465	**20,465**	-	23,814	**23,814**
Trade accounts receivable and other receivables	1,181,137	-	**1,181,137**	1,154,145	-	**1,154,145**
	1,733,651	**910,860**	**2,644,511**	**1,740,065**	**481,114**	**2,221,179**

	3/31/2017			12/31/2016		
Liabilities, as per balance sheet	Liabilities at fair value through profit or loss	Other financial liabilities	Total	Liabilities at fair value through profit or loss	Other financial liabilities	Total
Loans and borrowings / Debentures	358,554	5,052,591	**5,411,145**	340,251	5,054,502	**5,394,753**
Finance lease liabilities	-	327,155	**327,155**	-	354,733	**354,733**
Trade accounts payable, suppliers financing and ohter payables	-	1,698,713	**1,698,713**	-	1,694,131	**1,694,131**
	358,554	**7,078,459**	**7,437,013**	**340,251**	**7,103,366**	**7,443,617**

31.2 Fair value of financial assets and liabilities

A comparison by accounting category of the carrying amount and fair values of the Company's financial instruments, as presented in the consolidated interim financial information, is shown below:

	Consolidated			
	Carrying amount		Fair value	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Financial assets				
Cash and cash equivalents	552,514	585,920	552,514	585,920
Marketable securities	890,395	457,300	890,395	457,300
Derivative financial instruments	20,465	23,814	20,465	23,814
Trade receivables	1,122,462	1,127,459	1,122,462	1,127,459
Other receivables	58,675	26,686	58,675	26,686
Total	**2,644,511**	**2,221,179**	**2,644,511**	**2,221,179**
Financial liabilities				
Borrowing, financing and finance leases payable	3,861,552	3,846,136	3,820,572	3,805,657
Debentures	1,549,593	1,548,617	1,549,593	1,548,617
Derivative financial instruments	327,155	354,733	327,155	354,733
Trade payables / Floorplan vehicles	1,013,130	1,572,114	1,013,130	1,572,114
Other payables	250,519	122,017	250,519	122,017
Total	**7,001,949**	**7,443,617**	**6,960,969**	**7,403,138**

The fair value used for the purpose of accounting for financial investments was determined based on quotations of similar transactions taking place in active markets, classified in level 1 in the fair value hierarchy.

Cash is basically comprised by CDB´s and Repo operations and such financial assets do not meet the criteria of trading in active markets. Therefore are considered level 2 in the fair value hierarchy.

There are no financial instruments measured at fair value at levels 2 or 3 of the hierarchy.

The fair value of the debt was calculated based on the current price of each of the Company's debt instruments in a way so that, by replacing them, the Company will have the same cash flow characteristics and remaining periods as it would under the original transaction. Specifically for the FINAME agreements at fixed rates, the realization value was calculated on a marking-to-market basis.

The curve used in the calculation of the fair value of the agreements indexed to the CDI at March 31, 2017 was as follows:

Interest curve - Brazil	
Vertex	**Rate (p.a.) - %**
1M	11.61%
6M	10.32%
1A	9.67%
2A	9.54%
3A	9.72%
5A	9.91%
10A	10.02%

Source: BM&F 3/31/2017

31.3 Financial risk management objectives and policies

The Company's main non-derivative financial liabilities relate to loans, trade payables and other accounts payable. The primary purpose underlying these financial liabilities is to obtain funds for the operations. The Company has loans and other credits, trade receivables and other accounts receivable, and demand and short-term deposits arising directly from its operations. The Company is exposed to market, credit, and liquidity risk.

The Company's Management monitors the administration of these risks, supported in this activity by the Financial and Sourcing Committee with a governance structure adequate to the Company. This Committee supports and makes recommendations to the Board of Directors so that Company activity involving any kind of financial exposure is performed in compliance with the appropriate risk management policies and practices.

It is the responsibility of the Board of Directors to decide on transactions involving any kind of derivative financial instrument, which is defined as any agreement that may generate a financial asset or liability for the parties to such agreement, regardless of the market in which they are traded or listed, or the type of agreement. The Company has a policy of not engaging in derivatives transactions for speculative purposes. The Company has a policy of not engaging in derivatives transactions for speculative purposes.

Market risk

Market risks involve potential fluctuations in the fair value of future cash flows derived from a given financial instrument in response to variations in its market price. Market prices typically involve three types of risk: interest rate risk, exchange rate risk and price risk, the last of which can be broken down further into commodities, stocks, or other price-related risks.

The Company is exposed to interest rate risk only since the foreign exchange risk was mitigated by a foreign exchange swap as shown in the table of sensitivity to the foreign exchange variation.

Financial instruments affected by market risk include receivables, borrowings, deposits, financial investments, marketable securities and debentures.

Interest rate risk

Interest rate risk involves potential fluctuation in the fair value of the future cash flows derived from a given financial instrument in response to variations in market interest rates. The Company's exposure to risk associated with market interest rate fluctuations relates primarily to borrowings, debentures, financial investments and marketable securities, subject to floating interest rates.

Interest rate sensitivity

The following sensitivity analysis of financial instruments was prepared according to CVM Instruction 475/2008, to show the balances of the main financial assets and liabilities, taking into consideration a probable scenario (Scenario I), with stresses of 25% (Scenario II) and 50% (Scenario III).

The objective of this sensitivity analysis is to measure the impact of changes in market variables on the Company’s financial instruments, assuming that all other market factors remain constant, showing the impact on the statement of income and equity of the Company. Such amounts may differ from those stated upon their settlement due to the estimates used in their preparation.

The Company conducted a study of the potential impact of variations in interest rates on the amounts of financial investments and borrowings, including debentures and leases payable. The debt was divided into three parts: debt subject to the CDI rate, debt subject to the TJLP and debt subject to the IPCA, which could be subject to different changes in accordance with the inherent rate.

Operations	Exposure	Risk	Potential gain / (loss)	Probable scenario	Scenario I + 25% deterioration	Scenario I + 50% deterioration
Financial investments						
Position at 3/31/2017	R$ 1,418,506	CDI		9.7%	12.1%	14.5%
Impact on Profit or Loss / Equity			Gain (loss)	(35,037)	(780)	33,477
Debt subject to CDI						
Ownership interest as at 3/31/2017	R$ 2,947,300	CDI		9.7%	12.1%	14.5%
Impact on Profit or Loss / Equity			Gain (loss)	72,798	1,621	(69,556)
Debt subject to TJLP						
Ownership interest as at 3/31/2017	R$ 259,001	TJLP		6.5%	8.1%	9.8%
Impact on Profit or Loss / Equity			Gain (loss)	1,295	(2,914)	(7,123)
Debt subject to IPCA						
Ownership interest as at 3/31/2017	R$ 16,454	IPCA		4.8%	6.0%	7.2%
Impact on Profit or Loss / Equity			Gain (loss)	245	47	(150)
Total impact				**39,301**	**(2,026)**	**(43,352)**

(*)Source of the indexes: Focus Report - BACEN and BM&F

This study estimated a probable scenario of 2.43% % decrease in the CDI rate, based on the future interest rate curve of BM&F (the average rate at March 31, 2017 was 12.13%), proportionally impacting on the Company's debt and financial investments. With regard to the IPCA, the scenario considered probable by the Company is the maintenance of the rate at December 31, 2016 (9.38%). And with regard to TJLP, the scenario considered probable is a 0.5% reduction over the rate at March 31, 2017.

Scenario II considers an increase of 25% in the CDI, TJLP and IPCA rates, when compared to the probable scenario. Scenario III considers an increase of 50% in the CDI, TJLP and IPCA rates also compared to the probable scenario.

Credit risk

Credit risk involves the potential default of a counterparty to an agreement or financial instrument, resulting in financial loss. The Company is exposed to credit risk on account of its operations (especially with regard to its accounts receivable) and investment activities, including deposits at banks and other financial institutions, and other financial instruments.

Trade receivables

The Company reviews its customer-related credit risk on a monthly basis in accordance with the procedures, controls and policies established to address risks of this nature. Outstanding trade receivables are monitored very closely by the Company's Management. Every month the Company reviews the need to set up a provision for impairment of trade receivables on an individual basis for its key customers. In addition, the Company pools several similar low-value accounts receivable for the purpose of estimating the loss collectively. This calculation is based on historical data.

Financial instruments and cash deposits

Credit risk associated with funds held in banks and other financial institutions is managed by the Company's treasury area in accordance with the relevant policy in effect. Surpluses are deposited only in approved institutions and in compliance with the limits set for each, in order to minimize risk concentration and therefore mitigate potential financial losses in the event of any such institution going bankrupt.

Liquidity risk

The Company monitors risks associated with funding shortages on an ongoing basis through a recurring liquidity planning tool.

The Company's purpose is to achieve a balance between funding continuity and flexibility through the use of overdraft accounts, bank loans, debentures, as well as finance and operating lease transactions. The Company contracts medium-term indebtedness to secure short-term liquidity, analyzing payment schedules, charges and cash flows.

Presented below are the contractual maturities of financial liabilities, including the interest payment and excluding the impact of the negotiation of currencies by net position.

					Consolidated
	Carrying amount	Fair value	1 year	1- 2 years	3-8 years
Financial liabilities					
Borrowing and financing payable	3,861,552	3,820,572	790,825	510,820	2,559,907
Debentures	1,549,593	1,549,593	44,594	592,335	912,664
Finance leases payable	327,155	327,155	162,477	99,327	65,351
Trade payables / Floorplan vehicles	447,905	447,905	447,905	-	-
Drawee risk payable	565,225	565,225	565,225	-	-
Other payables	250,519	250,519	143,766	106,753	-
Total	**7,001,949**	**6,960,969**	**2,154,792**	**1,309,235**	**3,537,922**

31.4 Loan and debenture covenants

The debentures issued by the Company and the loans raised are subject to covenants, and failure to meet them could lead to early maturity of the obligations. Details are given below:

Covenants	Limits	3 months ended at 3/31/2017	12 months ended at 12/31/2016
Net Debt / EBITDA adjusted	less than 3.5	1.90	2.26
EBITDA adjusted / Net financial expenses	More than 2	4.00	3.71

There are other restrictive clauses annually controlled and that were completed on December 31, 2016.

Net financial debt: means the total balance of short and long-term loans and financing in the name of JSL S.A. (parent company of Movida S.A.), including debentures and any other debt securities, after deducting (a) cash and short-term financial investments, namely investments with daily liquidity maturing within 360 days, (b) borrowings arranged under the program for financing stocks of new and used vehicles, locally made or imported, and automotive parts, under revolving credit facilities from financial institutions linked to the manufacturers.

Added EBITDA: means income before financial income, tax, depreciation, amortization, impairment of assets and equity accounting, plus selling costs of assets used in the provision of services, calculated over the last 12 months, including the added EBITDA for the last 12 months of companies taken over or purchased by JSL S.A.

Net financial expenses: means borrowing costs plus monetary adjustments, less income from financial investments, all relating to the items described in the above definition of "Net financial debt", calculated on an accrual basis over the last 12 months.

31.5 Derivatives

The Company uses derivative financial instruments solely with the purpose of hedging against market risks. In accordance with the Company’s policy, the operations that may adversely affect the Company’s statement of income (loss) or cash flows will be hedged, due to the risks involved. When the Company carries out transactions

that involve unwanted exposures, senior Management will assess the need to contract financial instruments with the objective to hedge and mitigate the risks to which it is exposed.

As a way to protect the variations of the IPCA, the Company contracted a hedge through a financial derivative (swaps) to mitigate exposure to this variation. The swap agreements were signed as described in the tables below:

Derivativo Financeiro (Swap) - Objeto de proteção: Dívida contratada em dólar

Riscos envolvidos Swap: Variação do dólar (posição ativa) e variação do CDI (posição passiva)
Riscos envolvidos Dívida: Variação do dólar

Contrato	Descrição	Valor	Vencimento	Taxa efetiva
Banco de Tokio *SWAP* USD + CDI + 1,95%	Valor da posição ativa do *Swap*	USD 30.000	Acompanha o fluxo da dívida - Trimestral a partir do 12º mês - Último vencimento 29/03/2019	Acompanha as taxas da dívida: i) 02/04/2015 a 31/03/2017: 106,5% do CDI
	Dívida contratada em dólar	USD 30.000	Trimestral a partir do 12º mês – Último vencimento 29/03/2019	i) 02/04/2015 a 31/03/2017: 106,5% do CDI
JP Morgan *SWAP* USD + CDI + 1,96%	Valor da posição ativa do *Swap*	USD 30.000	Acompanha o fluxo da dívida - Trimestral a partir do 12º mês - Último vencimento 24/08/2019	Acompanha as taxas da dívida: i) 24/08/2015 a 24/08/2017: CDI + 1,96%
	Dívida contratada em dólar	USD 30.000	Trimestral a partir do 12º mês – Último vencimento 24/08/2019	i) 24/08/2015 a 24/08/2017: CDI + 1,96%
Caterpillar *SWAP* + USD 117,75% do CDI	Valor da posição ativa do *Swap*	USD 30.000	Acompanha o fluxo da dívida - Trimestral a partir do 12º mês - Último vencimento 07/07/2018	Acompanha as taxas da dívida: i) 07/07/2015 a 07/07/2018: 117,75% do CDI
	Dívida contratada em dólar	USD 30.000	Trimestral a partir do 12º mês – Último vencimento 07/07/2018	i) 07/07/2015 a 07/07/2018: 117,75% do CDI
Scotiabank *SWAP* + USD CDI + 2,56%	Valor da posição ativa do *Swap*	USD 20.000	Acompanha o fluxo da dívida - semestral a partir do 12º mês - Último vencimento 14/11/2019	Acompanha as taxas da dívida: i) 13/11/2015 a 14/11/2017:CDI + 2,56%
	Dívida contratada em dólar	USD 20.000	Trimestral a partir do 12º mês – Último vencimento 14/11/2019	i) 13/11/2015 a 14/11/2017:CDI + 2,56%

Derivative Instrument (Swap) - Hedge protection: Debentures indexed to the IPCA

Swap risks involved: IPCA variation (asset position) and CDI variation (liability position)
Debt risks involved: IPCA variation

Agreement	Description	Amount	Maturity	Effective rate
Itaú BBA SWAP IPCA + 7.5% X 108.85% of CDI	Swap long *position*	R$ 123,472	Interest payments amortized annually in the last two years (2019 and 2020) final maturity on 7/15/2020	Follows the debt rates: i) Asset position: IPCA + 7.5% ii) Liability position: 108.85% of CDI
	Debt contracted in reais	R$ 185,099	Interest payments amortized annually in the last two years (2019 and 2020) final maturity on 7/15/2020	i) IPCA + 7,5%
JP Morgan *SWAP* IPCA + 7,5% X 108,85% do CDI	Swap long *position*	R$ 98,723	Interest payments amortized annually in the last two years (2019 and 2020) final maturity on 7/15/2020	Follows the debt rates: i) Asset position: IPCA + 7.5% ii) Liability position: 108.85% of CDI
	Debt contracted in reais	R$ 98,723	Interest payments amortized annually in the last two years (2019 and 2020) final maturity on 7/15/2020	i) IPCA + 7,5%
Santander SWAP IPCA + 8.0% X CDI + 2.53%	Swap long *position*	R$ 71,751	Interest payments amortized annually in the last two years (2020 and 2021) final maturity on 6/15/2021	Follows the debt rates: i) Asset position: IPCA + 8% ii) Liability position: CDI + 2.53%
	Debt contracted in reais	R$ 71,751	Interest payments amortized annually in the last two years (2020 and 2021) final maturity on 6/15/2021	i) IPCA + 8%

The derivatives designated as financial hedge are recognized at their net amount, as assets or liabilities in the balance sheet presented in the “Derivative financial instruments” account, of the current and non-current group and are measured at fair value, as presented in note 3.

Sensitivity analysis

The Company carried out two simulations with increases in the foreign exchange rates (R$/US$), considering deterioration of 25% and 50% in relation to the probable scenario. The probable scenario considers Company projections for the foreign exchange rates on the balance sheet date.

It is important to note that this risk is mitigated by the offsetting exposure that the Company has in relation to the debt contracted as presented in the following table:

Operation	Exposure	Risk	Potential gain (loss)	Probable scenario	Scenario I + 25% deterioration	Scenario I + 50% deterioration
Instruments in foreign currency - USD						
Debt						
Liability position - CDI interest rate	R$ 394,493	R$		394,493	493,116	591,739
Impact on protif or loss/ Equity			(loss)		(98,623)	(197,246)
SWAP						
Asset position - CDI interest rate	R$ 405,470	R$		405,470	506,838	608,205
Liability position - NTN-B22				(362,276)	(156,548)	(234,781)
Impact on protif or loss/ Equity			gain	43,194	350,289	373,424

The Company carried out two simulations with increases in the IPCA of 25% and 50%, and the probable scenario considers the Company's projections for the IPCA rate at the balance sheet date. It is important to mention that this risk is mitigated by the inverse exposure that the Company has in respect of the debentures.

Operation	Exposure	Risk	Potential gain (loss)	Probable scenario	Scenario I + 25% deterioration	Scenario II + 50% deterioration
Instruments in local currency - R$						
Debt						
Liability position - IPCA	R$ 265,330	R$		265,330	331,663	397,995
Impact on profit or loss / Equity			(loss)		(66,333)	(132,665)
SWAP						
Asset position - IPCA	R$ 263,381	R$		267,652	334,565	401,479
Liability position - NTN-B22				287,030	(262,119)	(334,828)
Impact on profit or loss / Equity			(loss) / gain	(19,378)	72,447	66,651

32. Net revenue from services rendered and sale of assets used in services rendered

	Parent Company		Consolidated	
	3/31/2017	3/31/2016 (Reclassified Note 2.6)	3/31/2017	3/31/2016 (Reclassified Note 2.6)
Sales and services revenue	**753,713**	**791,459**	**1,502,967**	**1,424,971**
Revenue from sales of assets used in services rendered	**45,342**	**37,129**	**463,981**	**266,795**
Gross Revenues	**799,055**	**828,588**	**1,966,948**	**1,691,766**
(-) Revenue deductions				
Taxes on sales	**(121,030)**	**(116,800)**	**(186,857)**	**(175,016)**
ICMS	(32,840)	(26,834)	(40,834)	(33,252)
Cofins	(52,854)	(53,491)	(93,716)	(87,303)
PIS	(11,474)	(11,687)	(20,343)	(18,984)
ISS	(12,825)	(13,222)	(16,843)	(18,785)
INSS	(11,037)	(11,566)	(15,121)	(16,692)
Returns	(9,986)	(9,724)	(21,519)	(18,594)
Discounts granted	-	-	(770)	(3,227)
Total net revenue	**668,039**	**702,064**	**1,757,802**	**1,494,929**

No customer represented more than 10% of gross operating revenue during the periods ended March 31, 2017 and 2016.

Taxes levied on sales consist primarily of the ICMS (rates ranging from 7% to 19%), local service taxes (rates ranging from 2% to 5%), PIS (rates are either 0.65% or 1.65%) and COFINS (rates are either 3% or 7.6%).

33. Financial results

	Parent company		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Finance costs				
Interest on borrowings and financing	(110,660)	(135,442)	(139,234)	(156,381)
Interest on lease operation	(15,717)	(4,926)	(22,428)	(7,727)
Interest on debt extension (i)	(504)	(1,323)	(20,956)	(18,063)
Other interst	(5,733)	(1,796)	(11,210)	(3,862)
Other finance costs	(9,770)	(5,336)	(19,104)	(9,843)
	(142,384)	**(148,823)**	**(212,932)**	**(195,876)**
Finance income				
Financial investments	13,868	25,092	33,898	43,306
Inflation adjustment	5,942	8,219	5,997	8,252
Other finance income	(546)	1,795	3,457	2,890
	19,264	**35,106**	**43,352**	**54,448**
Result from derivative financial instruments	**(15,154)**	**1,618**	**(15,154)**	**(4,911)**
Net exchange variation	**4,061**	**(5,300)**	**4,034**	**(756)**
Net financial result	**(134,213)**	**(117,399)**	**(180,700)**	**(147,095)**

i) Consisting mainly of suppliers financing transactions (interest payable to manufacturers).

34. Expenses by nature

The Company's statements of income (loss) are presented by function. Expenses by nature are as follows:

	Parent company		Consolidated	
	3/31/2017	3/31/2016 (Reclassified Note 2.6)	3/31/2017	3/31/2016 (Reclassified Note 2.6)
Costs from the sale of assets used in services rendered	(44,597)	(36,857)	(438,745)	(254,018)
Personnel	(188,316)	(193,987)	(316,556)	(319,520)
Related and third parties	(181,063)	(154,803)	(194,304)	(156,903)
Depreciation and amortization	(60,421)	(72,600)	(135,855)	(127,984)
Parts, tires and maintenance	(54,860)	(36,629)	(119,724)	(102,562)
Fuels and lubricants	(28,974)	(20,051)	(56,009)	(56,393)
Advertising and publicity	(173)	(162)	(1,089)	(920)
Cost of sales of new vehicles	-	-	(69,662)	(77,824)
Cost of sales of used vehicles	-	-	(66,064)	(66,063)
Fleet costs	(5,176)	(8,609)	(24,026)	(23,455)
Contracted services	(9,876)	(24,360)	(25,483)	(53,338)
Estimated losses with doubtful accounts	(5,674)	(8,752)	(23,335)	(13,496)
Communication	(595)	(2,898)	(7,228)	(5,858)
Travel, meals and accommodation	(949)	(817)	(1,690)	(1,873)
Property leasing	(3,703)	(1,829)	(15,762)	(12,478)
Damaged vehicles revenues	-	-	11,253	2,225
Damaged vehicles costs	-	-	(21,369)	(5,380)
Recovery of PIS and COFINS	30,812	29,450	43,851	50,181
Other costs	(56,465)	(47,282)	(120,813)	(102,264)
	(610,030)	**(580,186)**	**(1,582,610)**	**(1,327,923)**
Cost of services rendered	(541,574)	(516,291)	(957,862)	(903,580)
Costs from the sale of assets used in services rendered	(44,597)	(36,857)	(438,745)	(254,018)
Selling and administrative expenses	(43,177)	(48,562)	(175,663)	(152,764)
Other operating income (expenses), net	19,318	21,524	(10,340)	(17,561)
	(610,030)	**(580,186)**	**(1,582,610)**	**(1,327,923)**

35. Segment reporting

Segment information is presented in relation to the business segments of the Company and its subsidiaries identified based on the Management structure and internal managerial information utilized by the Company's main decision-makers.

The results by segment, as well as assets and liabilities, consider items directly attributed to the segment, as well as those that can reasonably be allocated to it.

The Company’s businesses were divided into four operating segments: logistics operations, concession, Movida and leasing (operation approved by BACEN on August 5, 2014).

The Company's business is allocated to the following operating segments:

- Logistics operations: Subsidiaries Mogipasses Comércio de Bilhetes Eletrônicos Ltda., Yolanda Logística Armazém Transportes e Serviços Gerais Ltda., CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda., Riograndense e Navegação Ltda., JSL Locação de Máquinas e Veículos Pesados Ltda., Quick Logística Ltda., Quick Armazéns Gerais – Eirelli – ME;

- Authorized Vehicle Dealerships operations: JSL Concessionárias;

- Movida operations: Movida Participações S.A.; and

- Leasing operations: JSL Holding Ltda.

The business segment information for the three-month period ended March 31, 2017 is as follows:

	3/31/2017					
	Logistics	Authorized Vehicle Dealerships	Movida	Leasing	Eliminations (i)	Consolidated
Net revenue from services rendered and sale of assets used in services rendered	1,005,000	199,985	615,112	10,560	(72,854)	1,757,803
Cost of sales and services	(751,944)	(160,038)	(97,200)	(8,197)	59,517	(957,862)
Costs of sales of assets used in services rendered	(101,203)	(1,996)	(349,510)	-	13,963	(438,746)
Gross profit	**151,853**	**37,951**	**168,402**	**2,363**	**626**	**361,195**
Selling and administrative expenses	(60,461)	(36,988)	(75,489)	(2,725)	-	(175,663)
Tax expenses	(1,279)	(2,102)	(557)	(39)	-	(3,977)
Other operating income (expenses)	15,682	(709)	(24,671)	(15)	(627)	(10,340)
Profit before finance income and (costs)	**105,795**	**(1,848)**	**67,685**	**(416)**	**(1)**	**171,215**
Finance result, net						(180,700)
Profit before tax provision						**(9,485)**
Taxes and contributions on income						2,523
Loss for the period						**(6,962)**
Assigned to:						
Owners of the Company						(10,663)
Non-controlling interests						3,701
Total assets per segment	7,611,691	509,625	3,436,978	134,487	(2,386,092)	9,306,689
Total liabilities per segment	5,938,461	208,487	2,188,083	88,755	(270,478)	8,153,308

	3/31/2016					
	Logistics	Authorized Vehicle Dealerships	Movida	Leasing	Eliminations (i)	(Reclassified Note 2.6) Consolidated
Net revenue from services rendered and sale of assets used in services rendered	905,834	211,754	420,446	4,452	(47,558)	1,494,928
Cost of sales and services	(669,539)	(168,477)	(109,732)	(3,389)	47,558	(903,579)
Costs of sales of assets used in services rendered	(47,160)	(4,094)	(202,764)	-		(254,018)
Gross profit	**189,135**	**39,183**	**107,950**	**1,063**	**-**	**337,331**
Selling and administrative expenses	(64,227)	(42,190)	(44,615)	(1,732)	-	(152,764)
Tax expenses	(992)	(2,107)	(20)	(9)	-	(3,128)
Other operating income (expenses)	(7,460)	(1,122)	(9,005)	26	-	(17,561)
Equity in the results of investees	**116,456**	**(6,236)**	**54,310**	**(652)**	**-**	**163,878**
Finance resul, net						(147,095)
Profit before tax provision						**16,783**
Taxes and contributions on income						(5,580)
Profit for the period						**11,203**
Total assets per segment	6,674,619	507,143	2,572,909	60,521	(1,241,212)	8,573,980
Total liabilities per segment	5,862,493	186,749	1,810,691	33,454	(133,900)	7,759,487

i) Eliminations in consolidation between the logistics, Movida and authorized vehicle dealerships segments.

36. Commitments

Below is a list of the Company's main commitments guaranteed by insurance companies through its subsidiary CS Brasil at March 31, 2017:

Beneficiary	Guarantee	Location	Vehicles/ Equipment Amount	Vehicles/ Equipment Type	Insured Secured	Effectiveness
Secretaria de Estado da Segurança Pública – GO	Vehicle rental, including management and maintenance	Goiás	651 643 5 3 651	Vehicles Station Wagon Trucks Vans Radio transmitters	R$ 1,994	9/23/2014 to 9/23/2018
COMPAGAS – Gás Natural	Vehicle rental, including management and maintenance	Paraná	21	Vehicles	-	9/18/2015 to 9/17/2017
CORSAN – Companhia Riograndense de Saneamento	Vehicle rental, including management and maintenance	Rio Grande do Sul	805 260	Trucks Vehicles	R$ 1,299	2/19/2014 to 1/30/2018
COMLURB - Companhia Municipal de Limpeza Urbana	Vehicle and equipment rental, including drivers, management and maintenance	Rio de Janeiro	-	-	R$ 200,293	5/23/2014 to 5/23/2019
Agência Estadual de Meio Ambiente - CPRH	Vehicle rental, including management and maintenance	Pernambuco	-	-	-	8/25/2015 to 8/24/2017

37. Basic and diluated earnings (loss) per share at the end of the period

i) Basic

Basic earnings (losses) per share are calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of outstanding common shares during the year, excluding common shares purchased by the Company and held as treasury shares (Note 27.2).

The calculation of basic and diluted earnings (loss) per share is presented below:

	3/31/2017	3/31/2016
Numerator:		
(Loss) profit for the period	(10,663)	11,203
Denominator:		
Weighted average number of outstanding shares	203,255,385	213,996,669
Basic (loss) earnings per share - R$	**(0.05)**	**0.05**

ii) Diluted

Diluted earnings (losses) per share are calculated by adjusting the weighted average number of outstanding common shares for potential dilution. The Company has a category of common shares which could potentially cause dilution: stock options. In the case of stock options, the number of shares that could be purchased at fair value is determined (fair value being the annual average market price for the Company shares), based on the monetary value of the subscription rights for outstanding options. The result of this calculation is compared with the number of shares in circulation, assuming that all the options are exercised.

	3/31/2017	3/31/2016
(Loss) profit for the period	(10,663)	11,203
(Loss) profit used to determine diluted earnings per share	(10,663)	11,203
Weighted average number of outstanding shares	203,255,385	213,996,669
Adjustments for:		
Stock options	3,521,895	2,497,964
Weighted average number of shares to calculate diluted earnings per share	206,777,280	216,494,633
Diluted (loss) earnings per share	**(0.05)**	**0.05**

38. Subsequent events

On April 5, 2017, the Company acquired 6,549,700 (six million, five hundred, forty-nine thousand, seven hundred) common shares of Movida Participações SA in the amount of R$ 20,970, increasing its capital participation from 62.52% to 65.59% of the Company's share capital.