JSL S.A. and its subsidiaries

Quarterly information at
March 31, 2018
and report on review of quarterly information

(A free translation of the original report in Portuguese, as filed 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)



São Paulo, May 10, 2018 - JSL (B3: JSLG3 and ADR Level 1: JSLGY), Company with the broadest portfolio of logistics services in Brazil and leader in its segment in terms of net revenue, presents its results for 1Q18 , which includes JSL Logística, and separately, the results of Vamos, Movida and JSL Light Vehicle Dealerships, which together make up the results of JSL Consolidated. The financial information is presented in millions of Reais, unless otherwise indicated. The Company's interim financial information is prepared in accordance with Brazilian corporate law and presented on a consolidated basis in accordance with CPC-21 (R1) Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the IASB. The comparisons refer to the revised data for 1Q18, 4Q17 and 1Q17, except where indicated.

1Q18 PERFORMANCE COMMENTS

Operating and Financial Highlights

- Consolidated Net Revenue of R$1.9 billion in 1Q18 (+11.2% YoY);
- Consolidated Net Revenue from Services of R$1.5 billion in 1Q18 (+18.0% YoY);
- Consolidated Net Revenue from Sale of Assets of R$424.2 million in 1Q18;
- EBITDA of R$353.9 million (+22.0% YoY) and EBITDA Margin of 23.4% in 1Q18 (+0.8 p.p. a/a);
- Net Income of R$25.1 million in 1Q18, an increase of R$43.2 million when compared to 1Q17;
- Consolidated Net CAPEX of R$355 million in 1Q18;
- Reopening of the Bonds program in January/2018 raising an additional US$300 million, extending the debt profile to an average term of 4.2 years and diversifying funding;
- Beginning of a new cycle of group development, which will be fostered by the organization of our activities into independent and synergic companies, simplifying the business structure, facilitating its understanding by the market and increasing the transparency of each company

	JSL - Consolidated						
Financial Statements (R$ million)	**1Q17**	**4Q17**	**1Q18**	**Chg. 1Q18x1Q17**	**Chg. 1Q18x4Q17**	**LTM**	**LTM[1]**
Gross Revenue	**1,951.5**	**2,040.4**	**2,194.3**	**12.4%**	**7.5%**	**8,376.3**	**8,607.1**
Net Revenue	**1,742.3**	**1,761.6**	**1,936.8**	**11.2%**	**9.9%**	**7,383.9**	**7,600.1**
Logistics	890.3	928.0	952.7	7.0%	2.7%	3,805.5	3,805.5
Vamos	168.3	161.1	228.7	35.9%	42.0%	759.0	975.3
Movida	599.6	571.3	604.2	0.8%	5.8%	2,406.1	2,406.1
Ligh Vehicle Dealerships	149.3	153.4	162.3	8.7%	5.8%	610.8	610.8
Intercompany Elimination	(65.1)	(52.1)	(11.1)	-82.9%	-78.7%	(197.6)	(197.6)
Net Revenue from Services	**1,281.7**	**1,367.3**	**1,512.6**	**18.0%**	**10.6%**	**5,604.1**	**5,778.2**
Net Revenue of Asset Sales	**460.6**	**394.3**	**424.2**	**-7.9%**	**7.6%**	**1,779.8**	**1,821.9**
EBITDA	**290.2**	**305.9**	**353.9**	**22.0%**	**15.7%**	**1,293.9**	**1,350.2**
Margin *	22.6%	22.1%	23.4%	+0.8 p.p.	+1.3 p.p.	23.1%	23.4%
Net Result	**(18.1)**	**8.6**	**25.1**	**-**	**-**	**59.9**	**63.2**
Margin	-1.0%	0.5%	1.3%	+2.3 p.p.	+0.8 p.p.	0.8%	0.8%

* Calculated on net revenue from services

[1] Considers 2017 last 9 months of Borgato

DISCLAIMER: As of January 1, 2018, the JSL Group adopted CPC 47 / IFRS 15 and CPC 48 / IFRS 9 in its financial statements. In addition, in 1Q17, the Other Operating Revenue (Expenses) account had been impacted by non-recurring revenue from the secondary sale of Movida shares, which was subsequently reversed in 3Q17 to reflect the correct accounting entry in the Net Worth. Therefore, the corresponding amounts for past periods (1T17, 4T17 and last 12 months) are displayed in a Proforma version for comparability purposes throughout the document. None of the changes leads to the restatement of the financial statements already published.

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I. New Corporate Structure

JSL starts 2018 with its business units organized in independent but synergic companies. Among the main objectives of the new organization, we highlight:

- Simplification of the business structure, facilitating its understanding by the market and the client;
- Business units transformed into independent companies with synergies;
- Greater focus and agility in the management of each unit, with dedicated management;
- Transparency of results and history of deliveries;
- Comparability with peers in the same industry;
- Cycle of perpetuation of culture and relationship with clients.

Amongst the main changes, Vamos, which covers the leasing and commercialization of trucks, machinery and equipment, also comprises the activities of Leasing and Concessionaires of Heavy Vehicles. For the logistics segment, the group focuses on two fronts: CS Brasil with service contracts with the public sector and urban mobility and JSL Logística with dedicated services, charter and cargo transportation; while Movida and the Light Vehicle Dealerships remain to be disclosed independently.



1Q18 LTM (R$ million)	JSL Logística	CS Brasil	Vamos	Original / Ponto / Ford / Avante	movida aluguel de carros	JSL Consolidated
Net Revenue	3,806		759	611	2,406	7,384
EBITDA	590		336	25	343	1,294
Net Debt	1,818		541	(47)	1,116	5,983
Net PP&E	1,952		1,307	33	2,830	6,122
Services Portfolio	- Dedicated services - Charter services - Cargo transportation	- Public fleet mgmt. - Urban mobility - Urban cleaning - New businesses	- Truck, machinery and equipment rental - Truck, machinery and equipment dealership network - Used truck, machinery and equipment stores - Leasing	- Light vehicle dealerships - Insurance brokerage	- Rent-a-Car - Light vehicle fleet management - Used light vehicle stores	Wide portfolio of services with high synergy between the businesses



II. Management Comments – JSL Consolidated

The 1Q18 emphasized the continuity of the trend in gradual improvement of results for all the companies of the JSL group. We recorded a Consolidated Net Revenue of R$1.9 billion in 1Q18, an increase of 11.2% YoY, reflecting the strength of our performance in several services, clients and sectors of the economy. We believe in the continuity of this advancement during 2018, given the prospect of economic recovery in Brazil, which first signs we have already seen in our results and, more specifically, in some clients and sectors in where we operate.

In 2018, we began a new development cycle of the group, which will be fostered by the organization of our activities into independent and synergistic companies. Thus, Vamos – the largest rental and commercialization company for trucks, machinery and equipment in Brazil – will also aggregate the activities of Leasing and Dealerships of Heavy Vehicles. In order to increase the transparency and understanding of the business by investors, as of 1Q18 we will disclose the main financial information for Vamos separately.

Consolidated EBITDA reached R$353.9 million in 1Q18 (+22.0% YoY) and EBITDA Margin totaled 23.4%, an increase of 0.8 p.p. YoY. Compared to 4Q17, Consolidated EBITDA increased (+15.7% QoQ) and EBITDA Margin improved (+1.3 p.p. QoQ), highlighting the focus on profitability and efficiency at JSL Consolidated.

- **JSL Logística:** EBITDA of R$143.4 million (+18.9% YoY), with EBITDA Margin of 16.2% in 1Q18. This improvement is mainly explained by the price adjustments implemented during the quarter, as well as by the management of the Company's costs and expenses.
- **Vamos:** EBITDA of R$105.4 million (+26.2% YoY), with EBITDA Margin of 50.3% in 1Q18. EBITDA growth is mainly due to the consolidation of Borgato and the organic growth in Agribusiness. We highlight that, in line with the increase in Net CAPEX in the period, there was an increase in pre-operational costs, which impacted EBITDA Margin in the annual comparison.
- **Movida:** EBITDA of R$102.3 million (+20.2% YoY), with EBITDA Margin of 38.2% in 1Q18. EBITDA increased in the period mainly due to the growth in revenue, expansion of Fleet Management and Outsourcing margins and cost dilution with the existing installed operational platform.

We highlight the **liability management** and the change in the debt profile throughout the 1Q18, mainly aimed at increasing its average term and the utilization of new funding sources. With this in mind, in January 2018, JSL reopened its Bond program in the international markets and raised an additional US$300 million, extending the average maturity of its consolidated net debt to 4.2 years. JSL's liability management, in addition to the Company's financial discipline will continuously improve the Company's debt profile and capital structure.

Net Financial Expenses totaled R$169.5 million in 1Q18 versus R$180.7 million in 1Q17 (-6.2% YoY). The decrease in the annual comparison reflects the impact of the drop in the SELIC rate and therefore a reduction in the average cost of gross debt in recent quarters. We emphasize, however, that Net Financial Expenses are still impacted by the cash carry cost after the US$300 million Bond issuance with a 7-year maturity, concluded in January 2018.

Consolidated Net Income totaled R$25.1 million in 1Q18, versus a Net Loss of R$18.1 million in 1Q17, which represents a positive variation of the Net Result by R$43.2 million in the annual comparison. The evolution of results was supported by better operational performance in all business units, as well as by the lower Net Financial Expenses in the period.

III. JSL Logística

In 2018, we began a new development cycle of the group, which will be fostered by the organization of our activities in independent and synergistic companies. Thus, we will disclose the main financial information for Vamos separately, which will not be consolidated in JSL Logística as of 1Q18.

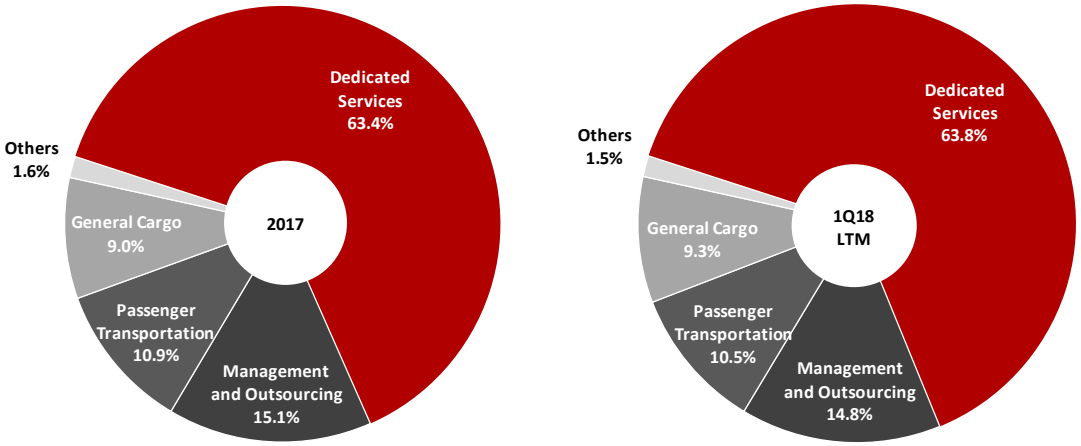
Gross Revenue

In 1Q18, Total Gross Revenue reached R$1.1 billion (+9.0% YoY), with a Gross Revenue from Services of R$1.1 billion (+12.0% YoY) and a Gross Revenue from Sale of Assets of R$68.7 million (-23.0% YoY). We highlight the volume increase for the Automotive and Pulp & Paper sectors, as well as the readjustment of service prices to clients, which was possible due to the recovery of the economic scenario and the beginning of the pick-up of volumes in the period.

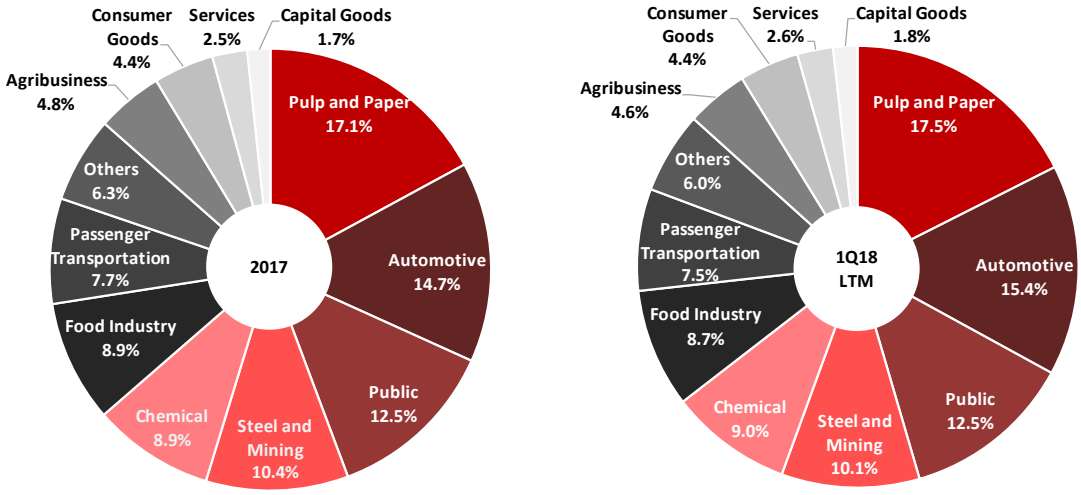
When compared to 4Q17, Total Gross Revenue remained stable (-0.6% QoQ), in line with the evolution of Gross Revenue from Services (-0.7% QoQ), partially offset by Gross Revenue from Sale of Assets, which were stable QoQ.

	JSL - Logística					
Gross Revenue (R$ million)	**1Q17**	**4Q17**	**1Q18**	**Chg. 1Q18x1Q17**	**Chg. 1Q18x4Q17**	**LTM**
Gross Revenue	**1,043.7**	**1,145.1**	**1,137.9**	**9.0%**	**-0.6%**	**4,541.6**
Revenue from Services	954.5	1,076.4	1,069.2	12.0%	-0.7%	4,236.0
Revenue from Sale of Assets	89.2	68.7	68.7	-23.0%	0.0%	305.7

Breakdown of Gross Revenue from Services by Business Line



Breakdown of Gross Revenue from Services by Economic Sector



RSC – Revenue from Same Contracts

The Gross Revenue from Same Contracts (RSC) totaled R$984.5 million in 1Q18 (+7.1% YoY), in which we highlight the nominal growth in Dedicated Services (+6.9% YoY), mainly due to the higher volumes in sectors such as the Automotive and Pulp and Paper, in addition to the pass through of prices during the quarter.

RSC (R$ million)	1Q17	1Q18	Chg. 1Q17x1Q18
Gross Revenue from Services	**919.2**	**984.5**	**7.1%**
Dedicated Services	569.3	608.4	6.9%
Management and Outsourcing (Vehic./Mach./Equip.)*	148.9	165.1	10.9%
Passenger Transportation	110.0	105.9	-3.7%
General Cargo transportation	78.3	90.9	16.0%
Others	12.6	14.2	12.6%

* With adition of services

Net Revenue

In 1Q18, JSL Logística recorded a Total Net Revenue of R$952.7 million (+7.0% YoY). Net Revenue from Services reached R$885.0 million (+10.2% YoY), while the growth in Net Revenue from Sale of Assets totaled R$67.7 million (-22.1% YoY), as per a higher sale of assets in 1Q17 due to the maturity of some contracts at that time.

When compared to 4Q17, Total Net Revenue increased by 2.7% QoQ as a result of Net Revenue from Services (+2.8% QoQ) and Net Revenue from Sale of Assets (+0.7% QoQ).

	JSL - Logística					
Net Revenue (R$ million)	**1Q17**	**4Q17**	**1Q18**	**Chg. 1Q18x1Q17**	**Chg. 1Q18x4Q17**	**LTM**
Net Revenue	**890.3**	**928.0**	**952.7**	**7.0%**	**2.7%**	**3,805.5**
Net Revenue from Services	803.4	860.8	885.0	10.2%	2.8%	3,507.7
Net Revenue from Sale of Assets	86.9	67.2	67.7	-22.1%	0.7%	297.9

Costs

In 1Q18, Costs of Services totaled R$758.8 million, a growth of 7.5% YoY, lower when compared to the +10.2% YoY growth of Net Revenue from Services in the same period. The increase in volumes in the Automotive sector, as mentioned above, reflected the increase in the independent and third-party costs, an activity that migrated in recent years to an asset light model, given that these contracts use third party personnel and trucks.

When compared to 4Q17, Costs of Services remained stable (+0.7% QoQ), growing at a lower rate than Net Revenue from Services (+2.8% QoQ).

	JSL - Logística					
Costs (R$ million)	**1Q17**	**4Q17**	**1Q18**	**Chg. 1Q18x1Q17**	**Chg. 1Q18x4Q17**	**LTM**
Cost of Services	**(705.7)**	**(753.7)**	**(758.7)**	**7.5%**	**0.7%**	**(3,032.9)**
Personnel	(230.0)	(262.5)	(245.0)	6.5%	-6.7%	(1,020.4)
Independent contractors / third parties	(194.3)	(253.0)	(246.2)	26.7%	-2.7%	(952.8)
Fuel and lubricants	(51.2)	(56.5)	(54.6)	6.6%	-3.4%	(224.0)
Parts / tires / maintenance	(71.3)	(71.0)	(77.8)	9.1%	9.6%	(285.5)
Depreciation	(77.4)	(72.8)	(71.4)	-7.8%	-1.9%	(295.5)
Others	(81.5)	(37.9)	(63.8)	-21.7%	68.3%	(254.7)
Costs of Sales of Assets	**(86.6)**	**(66.4)**	**(66.0)**	**-23.8%**	**-0.6%**	**(293.2)**
Sale of Assets used to provide services	(86.6)	(66.4)	(66.0)	-23.8%	-0.6%	(293.2)
Total	**(792.4)**	**(820.1)**	**(824.8)**	**4.1%**	**0.6%**	**(3,326.1)**
Total (as % of Total Net Revenue)	**89.0%**	**88.4%**	**86.6%**	**-2.4 p.p.**	**-1.8 p.p.**	**87.4%**

Gross Profit

In 1Q18, Total Gross Profit reached R$127.9 million (+30.6% YoY), while Gross Margin stood at 13.4%, representing an increase of 2.4 p.p. in the annual comparison, mainly due to the increase in volumes of sectors such as the Automotive and Pulp and Paper, in addition to the pass through of prices to clients, as previously mentioned.

When compared to 4Q17, Total Gross Profit increased (+18.5% YoY), while Gross Margin increased +1.8 p.p. on a quarterly comparison.

	JSL - Logística					
Gross Profit (R$ million)	**1Q17**	**4Q17**	**1Q18**	**Chg. 1Q18x1Q17**	**Chg. 1Q18x4Q17**	**LTM**
Gross Profit from Services	**97.7**	**107.2**	**126.3**	**29.3%**	**17.8%**	**474.7**
Gross Margin from Services (% of Net Revenue from Services)	12.2%	12.4%	14.3%	+2.1 p.p.	+1.9 p.p.	13.5%
Gross Profit from Sale of Assets	**0.2**	**0.7**	**1.7**	**-**	**142.9%**	**4.7**
Gross Margin from Sale of Assets (% of Net Revenue from Sale of Assets)	0.3%	1.1%	2.5%	+2.2 p.p.	+1.4 p.p.	1.6%
Total Gross Profit	**97.9**	**107.9**	**127.9**	**30.6%**	**18.5%**	**479.4**
Gross Margin (% of Total Net Revenue)	11.0%	11.6%	13.4%	+2.4 p.p.	+1.8 p.p.	12.6%

Operating Expenses before the Financial Result

Administrative and Commercial Expenses declined 9.1% YoY, while Net Revenue from Services grew 10.2% YoY. Compared to 4Q17, there was a decline of 3.7% QoQ, related to a growth in Net Revenue from Services of 2.8% QoQ.

Operating Expenses totaled R$60.1 million in 1Q18, stable compared to R$60.0 million in 1Q17. As a result, Operating Expenses over Net Revenue from Services dropped by 0.7 p.p. YoY, showing greater efficiency and focus on controlling expenses in the period.

	JSL - Logística					
Operating Expenses before Financial Results (R$ million)	**1Q17[1]**	**4Q17**	**1Q18**	**Chg. 1Q18x1Q17**	**Chg. 1Q18x4Q17**	**LTM**
Administrative and Sales Expenses	**(57.1)**	**(53.9)**	**(51.9)**	**-9.1%**	**-3.7%**	**(207.6)**
Personnel	(21.5)	(23.1)	(21.2)	-1.4%	-8.2%	(90.3)
Services Rendered	(11.2)	(6.6)	(10.0)	-10.7%	51.5%	(37.9)
Communication, advertising and marketing	(0.9)	(0.7)	(1.0)	11.1%	42.9%	(4.1)
Third-party properties rental	(5.0)	(4.9)	(3.4)	-32.0%	-30.6%	(18.3)
Depreciation	(5.2)	(4.4)	(4.6)	-11.5%	4.5%	(18.2)
Others	(13.1)	(14.3)	(11.7)	-10.7%	-18.2%	(38.7)
Tax Expenses	**(1.3)**	**(1.4)**	**(4.2)**	**-**	**-**	**(9.6)**
Other Operating Revenues (Expenses)	**(1.6)**	**6.9**	**(4.0)**	**150.0%**	**-158.0%**	**14.6**
Total	**(60.0)**	**(48.4)**	**(60.1)**	**0.2%**	**24.2%**	**(410.2)**
Total (as % of Total Net Revenue from services)	**7.5%**	**5.6%**	**6.8%**	**-0.7 p.p.**	**+1.2 p.p.**	**11.7%**

[1] Adjusted with R$ 16.9 million of revenue from the secondary sale of Movida shares recorded in Other Operating Revenues (Expenses) in 1Q17 and reversed in 3Q17

EBIT, EBITDA and EBITDA-A

In 1Q18, EBITDA totaled R$143.4 million (+18.9% YoY) while EBITDA Margin stood at 16.2%, 1.2 p.p. above the 15.0% margin recorded in 1Q17. This improvement is mainly explained by the price adjustments implemented during the quarter, as well as by the continuous management of the Company's costs and expenses.

When compared to 4Q17, EBITDA increased by 5.0% QoQ, and EBITDA Margin increased by +0.3 p.p. QoQ.

	JSL - Logística					
EBIT, EBITDA and EBITDA-A (R$ million)	**1Q17[1]**	**4Q17**	**1Q18**	**Chg. 1Q18x1Q17**	**Chg. 1Q18x4Q17**	**LTM**
EBIT	**38.0**	**59.5**	**67.4**	**77.4%**	**13.3%**	**276.4**
Margin *	4.7%	6.9%	7.6%	+2.9 p.p.	+0.7 p.p.	7.9%
EBITDA	**120.6**	**136.6**	**143.4**	**18.9%**	**5.0%**	**590.2**
Margin *	15.0%	15.9%	16.2%	+1.2 p.p.	+0.3 p.p.	16.8%
EBITDA-A	**207.2**	**203.1**	**209.5**	**1.1%**	**3.2%**	**883.3**
Margin	23.3%	21.9%	22.0%	-1.3 p.p.	+0.1 p.p.	23.2%

* Calculated on net revenue from services
[1] Adjusted with R$ 16.9 million of revenue from the secondary sale of Movida shares recorded in Other Operating Revenues (Expenses) in 1Q17 and reversed in 3Q17

Investments

In 1Q18, Total Investments in Logística came in at R$139.6 million (+43.8% YoY), of which 68.2% was allocated to the expansion of new businesses. The investments were distributed among light vehicles (57.4%), trucks (20.6%), machinery and equipment (12.8%), buses (6.1%) and others (3.1%).

Net CAPEX reached R$70.9 million in 1Q18, versus the R$7.9 million in 1Q17. The growth in Total Investments is mainly explained by expansion investments, as well as by the lower volume of asset sales in the period.

	JSL - Logística					
Capex (R$ million)	**1Q17**	**4Q17**	**1Q18**	**Chg. 1Q18x1Q17**	**Chg. 1Q18x4Q17**	**LTM**
Gross capex by nature	**97.1**	**93.5**	**139.6**	**43.8%**	**49.3%**	**434.4**
Expansion	68.5	67.6	95.2	39.0%	40.8%	271.9
Maintenance	28.5	25.9	44.3	55.4%	71.0%	162.5
Others	-	-	-	-	-	-
Gross capex by type	**97.1**	**93.5**	**139.6**	**43.8%**	**49.3%**	**434.4**
Trucks	24.5	40.0	28.8	17.6%	-28.0%	160.8
Machinery and Equipment	0.8	5.7	17.9	-	-	37.8
Light Vehicles	62.2	43.7	80.2	28.9%	83.5%	208.9
Bus	6.6	0.2	8.5	28.8%	-	13.5
Others	3.0	3.8	4.3	43.3%	13.2%	13.5
Usual sale of assets	**(89.2)**	**(68.7)**	**(68.7)**	**-23.0%**	**0.0%**	**(305.7)**
Maintenance [#]	(66.7)	(48.3)	(52.0)	-22.0%	7.7%	(246.5)
End of contract [#]	(25.4)	(4.0)	(19.9)	-21.7%	-	(41.4)
Exchange of operational scope [#]	(2.9)	(7.3)	(2.0)	-31.0%	-72.6%	(19.1)
Total net capex	**7.9**	**24.8**	**70.9**	**-**	**185.9%**	**128.7**

[#] Does not consider cancellations and sales return

IV. Vamos



	RENTAL	DEALERSHIP NETWORK AND ASSET SALES
Business Description	- Vamos' core business - Outsourcing of truck fleet, machinery and equipment - Customized and long-term contracts - Operational lease structuring for rental of trucks, machinery and equipment	- Largest chain of truck, machinery and equipment retail stores in Brazil - Key competitive advantages, as it enables control over the whole business cycle with sale of assets at contract termination - Provides financial lease for acquisition of trucks, machinery and equipment
Operating Highlights	- Total fleet: 9.566 vehicles with 2.91 years old on average - 5.744 trucks (2.77 years) - 2.227 machinery and equipment items (3.52 years) - 1.228 pickup trucks with customized equipment (2.12 years) - 367 busses (3.97 years)	- Chain of own stores: 36 stores: - 14 VW MAN - 15 Valtra - 3 DAF - 4 exclusive used vehicle stores - Operation in 9 states in Brazil

In 2018, we began a development cycle of the group, which will be fostered by the new organization of our activities into independent and synergistic companies. Thus, Vamos, the largest rental and commercialization company for trucks, machinery and equipment in Brazil, will also aggregate the activities of Leasing and Dealerships of Heavy Vehicles.

In 1Q18, Vamos presented a Net Revenue of R$228.7 million, representing an increase of 35.9% YoY. This growth is mainly due to the consolidation of Borgato, whose acquisition was concluded in December 2017. In addition, we highlight the organic growth experienced mainly in the Agribusiness sector in 1Q18. When compared to 4Q17, Net Revenue grew by 42.0% QoQ.

EBITDA totaled R$105.4 million (+26.2% YoY), reaching an EBITDA Margin of 50.3% (-5.7 p.p. YoY). We highlight that, in line with the growth of Total Investment in the period, there was an increase in pre-operational costs for the implementation of new operations, which impacted the EBITDA Margin in the annual comparison. When compared to 4Q17, EBITDA increased by 59.9% QoQ and EBITDA Margin increased by 5.6 p.p. QoQ.

Net Income totaled R$28.6 million (+5.5% YoY and +28.3% QoQ).

Financial Information (R$ million)	Vamos					
	1Q17	4Q17	1Q18	Chg. 1Q18x1Q17	Chg. 1Q18x4Q17	LTM
Gross Revenue	**190.7**	**179.7**	**254.1**	**33.2%**	**41.4%**	**849.6**
Net Revenue	**168.3**	**161.1**	**228.7**	**35.9%**	**42.0%**	**759.0**
Net Revenue from Services	149.1	147.5	209.6	40.6%	42.1%	693.3
Net Revenue from Sale of Assets	19.2	13.6	19.1	-0.5%	40.4%	65.7
EBIT	**49.6**	**38.0**	**59.9**	**20.8%**	**57.6%**	**199.5**
Margin on net revenue from services	33.3%	25.7%	28.6%	-4.7 p.p.	+2.9 p.p.	28.8%
EBITDA	**83.5**	**65.9**	**105.4**	**26.2%**	**59.9%**	**335.6**
Margin on net revenue from services	56.0%	44.7%	50.3%	-5.7 p.p.	+5.6 p.p.	44.2%
Net Income	**27.1**	**22.3**	**28.6**	**5.5%**	**28.3%**	**102.6**
Margin on total net revenue	16.1%	13.8%	12.5%	-3.6 p.p.	-1.3 p.p.	13.5%

In 1Q18, Total Investment in Vamos reached R$122.3 million (+47.5% YoY), of which 65.6% was allocated to the expansion of new businesses. The investments were distributed among trucks (53.0%), machinery and equipment (43.7%), and others (3.3%).

Net CAPEX reached R$102.1 million in 1Q18, versus R$62.7 million in 1Q17 (+62.8% YoY). The increase is mainly explained by investments for the expansion of new businesses, with a focus in the Agribusiness sector.

Capex (R$ million)	Vamos					
	1Q17	4Q17	1Q18	Chg. 1Q18x1Q17	Chg. 1Q18x4Q17	LTM
Gross capex by nature	**82.9**	**38.8**	**122.3**	**47.5%**	**-**	**221.8**
Expansion	78.9	36.7	80.2	1.6%	118.5%	175.5
Maintenance	4.0	2.1	42.1	-	-	46.3
Others	-	-	-	-	-	-
Gross capex by type	**82.9**	**38.8**	**122.3**	**47.5%**	**-**	**221.8**
Trucks	21.2	28.0	64.8	-	131.4%	105.0
Machinery and Equipment	53.2	0.6	53.5	0.6%	-	89.2
Light Vehicles	4.6	6.0	2.7	-41.3%	-55.0%	18.5
Bus	2.9	2.1	-	-	-	2.1
Others	1.0	2.0	1.2	20.0%	-40.0%	6.9
Usual sale of assets	**(20.2)**	**(13.8)**	**(20.2)**	**0.0%**	**46.4%**	**(68.5)**
Total net capex	**62.7**	**25.0**	**102.1**	**62.8%**	**-**	**153.3**

V. Movida

In 1Q18, Movida reported a Net Revenue of R$ 604.2 million (+0.8% YoY and 5.8% QoQ). In RAC, we posted a 23.1% growth in daily rentals, totaling 3.2 million in 1Q18, with an occupancy rate of 74.5% (+0.7 p.p. YoY). Our online channel is constantly expanding, with mobile revenues growing +48.2% YoY. In addition, we also improved customer experience by implementing ChatBot (website and Facebook) and Machine Learning. We also saw a significant increase in Net Revenue for Fleet Outsourcing (+33.9% YoY) as we had an expansion in total fleet by 6.5k cars in the period. As for Used Vehicles, sales volumes reached 9,0k cars in 1Q18 and the average ticket increased by +6.4% YoY.

EBITDA totaled R$102.3 million with and an EBITDA Margin of 38.2% (+1.2 p.p. YoY). The increase of 20.2% in EBITDA during the period is mainly due to: (i) increase in revenue; (ii) expansion of Fleet Management margins and (iii) dilution of fixed costs of the operational platform. When compared to 4Q17, EBITDA grew by 19.6% QoQ and Margin EBITDA increased by 5.2 p.p. QoQ.

Net Income reached R$26.9 million (+30.6% YoY and 35.2% QoQ), with Net Margin of 10.0%, a 1.0 p.p. growth YoY, demonstrating profitability gains for the period.

At the end of 1Q18, Movida had a fleet of 78,463 vehicles, 186 RAC stores and 59 Used Vehicles stores.

	Movida					
Financial Information (R$ million)	**1Q17[1]**	**4Q17**	**1Q18**	**Chg. 1Q18x1Q17**	**Chg. 1Q18x4Q17**	**LTM**
Gross Revenue	**625.6**	**604.9**	**650.2**	**3.9%**	**7.5%**	**2,545.0**
RAC	201.4	226.4	231.7	15.0%	2.3%	867.0
GTF	54.3	65.5	81.9	50.8%	25.0%	258.9
Used Vehicles	369.9	312.9	336.5	-9.0%	7.5%	1,419.0
Net Revenue	**599.6**	**571.3**	**604.2**	**0.8%**	**5.8%**	**2,406.1**
Net Revenue from Services	230.2	258.9	268.0	16.4%	3.5%	989.4
Net Revenue from Sale of Assets	369.4	312.4	336.1	-9.0%	7.6%	1,416.8
EBIT	**67.7**	**65.8**	**83.3**	**23.0%**	**26.6%**	**267.7**
Margin on net revenue from services	29.4%	25.4%	31.1%	+1.7 p.p.	+5.7 p.p.	27.1%
EBITDA	**85.1**	**85.5**	**102.3**	**20.2%**	**19.6%**	**343.5**
Margin on net revenue from services	37.0%	33.0%	38.2%	+1.2 p.p.	+5.2 p.p.	14.3%
Net Income	**20.6**	**19.9**	**26.9**	**30.6%**	**35.2%**	**72.0**
Margin on net revenue from services	9.0%	7.7%	10.0%	+1.0 p.p.	+2.3 p.p.	7.3%

[1] Proforma with adjustments according to the adoption of IFRS 15 and IFRS 9

In 1Q18, Movida's Total Investments reached R$518.1 million (+18.9% YoY), of which 99% was allocated to the purchase of Vehicles. The investments in fleet were distributed amongst renewal (73.5%) and expansion (26.5%). Net CAPEX totaled R$181.8 million in 1Q18 versus R$65.7 million in 1Q17. The increase between periods is due to: (i) focus on expanding the GTF segment; (ii) higher investments in renovation due to the scale of the business.

	Movida					
Capex (R$ million)	**1Q17**	**4Q17**	**1Q18**	**Chg. 1Q18x1Q17**	**Chg. 1Q18x4Q17**	**LTM**
Fleet	**433.2**	**449.9**	**512.3**	**18.3%**	**13.9%**	**2,153.5**
RAC	**390.9**	**347.3**	**378.3**	**-3.2%**	**8.9%**	**1,729.9**
Expansion	26.8	9.5	44.0	64.2%	-	260.3
Maintenance	364.1	337.8	334.3	-8.2%	-1.0%	1,469.6
GTF	**42.3**	**102.5**	**134.0**	**-**	**30.7%**	**423.7**
Expansion	38.2	65.3	91.7	140.1%	40.4%	317.2
Maintenance	4.1	37.2	42.3	-	13.7%	106.4
Stores	**0.9**	**1.5**	**2.6**	**188.9%**	**73.3%**	**5.3**
New	0.1	0.3	0.1	0.0%	-66.7%	0.5
Former	0.9	1.2	2.5	177.8%	108.3%	4.8
Others	**1.4**	**2.6**	**3.2**	**128.6%**	**23.1%**	**12.9**
Total Gross Capex	**435.6**	**454.0**	**518.1**	**18.9%**	**14.1%**	**2,171.7**
Sale of Assets	**(369.9)**	**(312.9)**	**(336.3)**	**-9.1%**	**7.5%**	**(1,418.8)**
Total Net Capex	**65.7**	**141.1**	**181.8**	**176.7%**	**28.8%**	**752.9**

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

VI. JSL Concessionárias de Veículos Leves

In 1Q18, the Concessionárias recorded a Total Net Revenue of R$162.3 million (+8.7% YoY), sustained by the increase in average ticket of new vehicles, as well as a higher sales margin in the annual comparison, which offset the lower volume of units sold (-9.8% YoY). EBITDA totaled R$3.1 million, compared to an EBITDA of R$1.1 million in 1Q17.

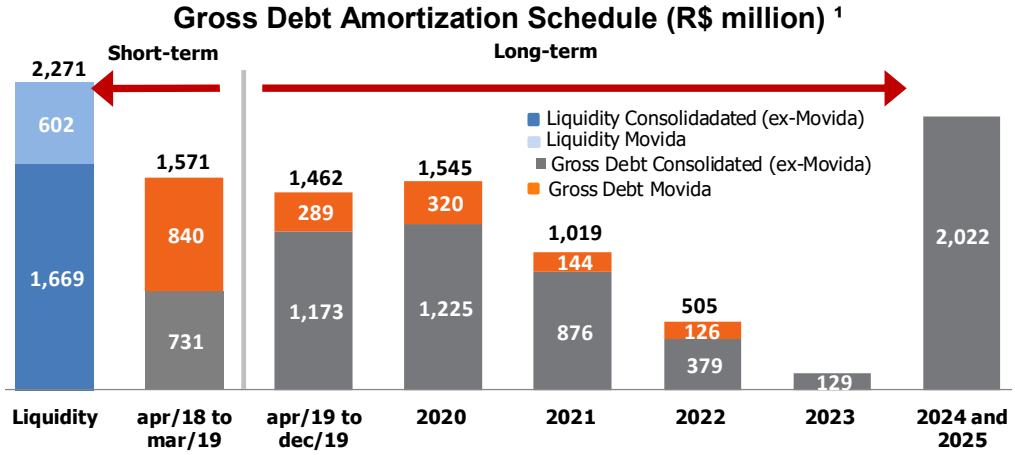
When compared to 4Q17, Net Revenue increased by 5.8% QoQ, also positively impacted by the increase in average ticket and sales margin in the period. EBITDA decreased from R$18.3 million in 4Q17 to R$3.1 million in 1Q18, however, we highlight that in 4Q17 EBITDA was positively impacted by the one-off effect of ICMS credits recorded in Other Operating Revenues and Expenses, in the amount of R$16.7 million.

	Light Vehicle Dealerships					
Financial Information (R$ million)	**1Q17**	**4Q17**	**1Q18**	**Chg. 1Q18x1Q17**	**Chg. 1Q18x4Q17**	**LTM**
Total Net Revenue	**149.3**	**153.4**	**162.3**	**8.7%**	**5.8%**	**610.8**
Light Vehicles	123.0	132.1	139.6	13.5%	5.7%	518.6
Direct Sales	3.6	1.9	2.3	-36.1%	21.1%	12.7
F&I	3.9	4.9	4.1	5.1%	-16.3%	16.7
Post Sales	18.7	14.5	16.3	-12.8%	12.4%	62.8
Total Volume (units)	**9,878**	**5,215**	**6,439**	**-34.8%**	**23.5%**	**31,531**
Light Vehicles	3,445	3,236	3,108	-9.8%	-4.0%	12,854
Direct Sales Light Vehicles	6,433	1,979	3,331	-48.2%	68.3%	18,677
Gross Profit	**25.8**	**22.7**	**25.4**	**-1.6%**	**11.9%**	**98.7**
Margin	17.3%	14.8%	15.6%	-1.7 p.p.	+0.8 p.p.	16.2%
EBIT	**(0.3)**	**16.9**	**1.8**	**-**	**-89.3%**	**19.1**
Margin	-0.2%	11.0%	1.1%	+1.3 p.p.	-9.9 p.p.	3.1%
EBITDA	**1.1**	**18.3**	**3.1**	**181.8%**	**-83.1%**	**24.8**
Margin	0.8%	11.9%	1.9%	+1.1 p.p.	-10.0 p.p.	4.1%

VII. Capital Structure - JSL Consolidated

We highlight the liability management and the change in the debt profile, mainly aimed at increasing average maturities and raising new funding sources. In January 2018, JSL reopened its Bonds program and raised an additional US$300 million, extending the average maturity of its consolidated net debt to 4.2 years.

We highlight that JSL's liability management in addition to the Company's financial discipline will continue to improve the Company's debt profile and capital structure in the coming periods. Considering the cash position at the end of 1Q18, we have enough funds to meet the needs related to debt maturities until mid-2019, with the benefit of having a more diluted and extended debt amortization schedule. We also emphasize the fact that the Company's short-term cash position will gradually reduce over the upcoming periods given the continued management of liabilities and the lower need for available resources to cover short-term obligations.



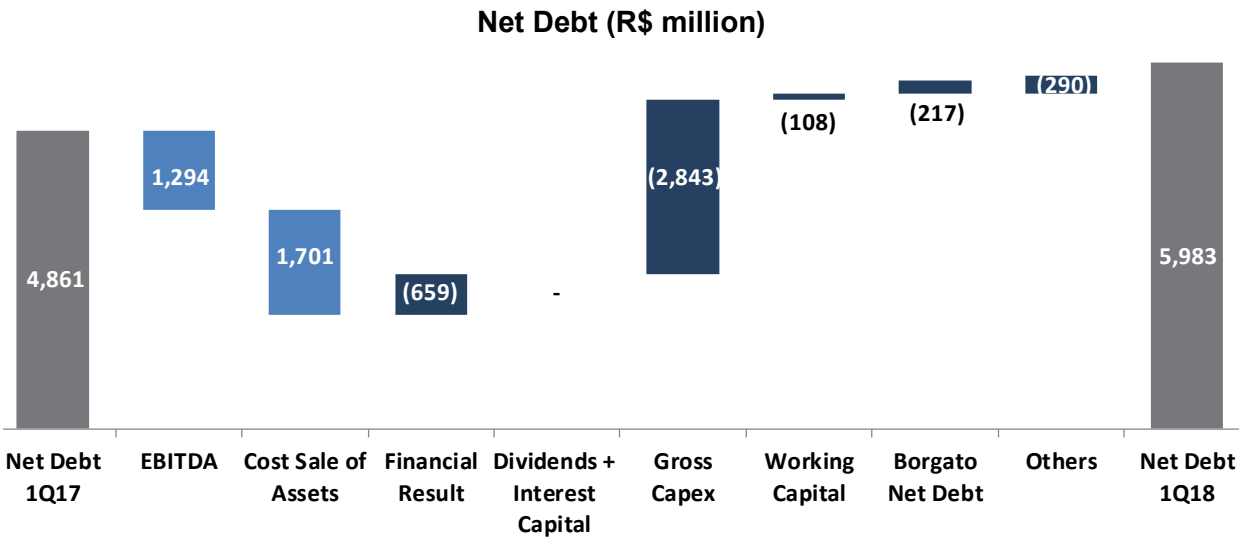
¹ Disregards the amount of R$1.569 billion resulting from the structure for entry of the *Bonds* issuance funds, which equally impacts cash and gross debt.

Net Debt totaled R$6.0 billion in March 2018 while the average cost of gross debt fell from 12.7% in 1Q17 to 9.2% in 1Q18. Despite the reduction in the average cost of gross debt in the annual comparison, mainly due to the fall in the SELIC rate, we highlight that the average cost of net debt will continue to be negatively impacted in 1H18 given the cash carry cost of the Bond issuance of US$300 million, concluded in January 2018.

The breakdown of Net Debt at the end of 1Q18 was 69.0% pegged to the CDI, 25.0% to fixed rates, 4.3% to the TJLP, 1.5% to the SELIC and 0.2% to the IPCA.

Indebtedness (R$ million)	03/31/2017	12/31/2017	03/31/2018
Cash and Investments ¹	**1,442.9**	**1,896.7**	**2,271.0**
Cash and Investments - Book value	-	**2,438.8**	**3,839.7**
Credit note	-	**(542.2)**	**(1,568.6)**
Gross debt ¹	**6,303.5**	**7,618.6**	**8,253.7**
Gross debt - Book value	-	**8,160.7**	**9,822.4**
NCE (export credit note)	-	**(542.2)**	**(1,568.6)**
Borrowings ¹	3,861.6	5,250.4	5,966.3
Local Bonds	1,549.6	2,015.5	2,014.5
Finance lease payable	327.2	212.8	210.1
Confirming payable	565.2	248.1	139.5
Debt Swap MTM ²	-	(108.3)	(76.7)
Net Debt	**4,860.6**	**5,721.9**	**5,982.7**
Average Cost of Net Debt (p.a.)	**13.0%**	**11.2%**	**10.5%**
Average Cost of Gross Debt (p.a.)	**12.7%**	**9.7%**	**9.2%**

¹ Disregards the amount of R$1.569 billion resulting from the structure for entry of the *Bonds* issuance fund, which equally impacts cash and gross debt.
² Opened as of 2Q17

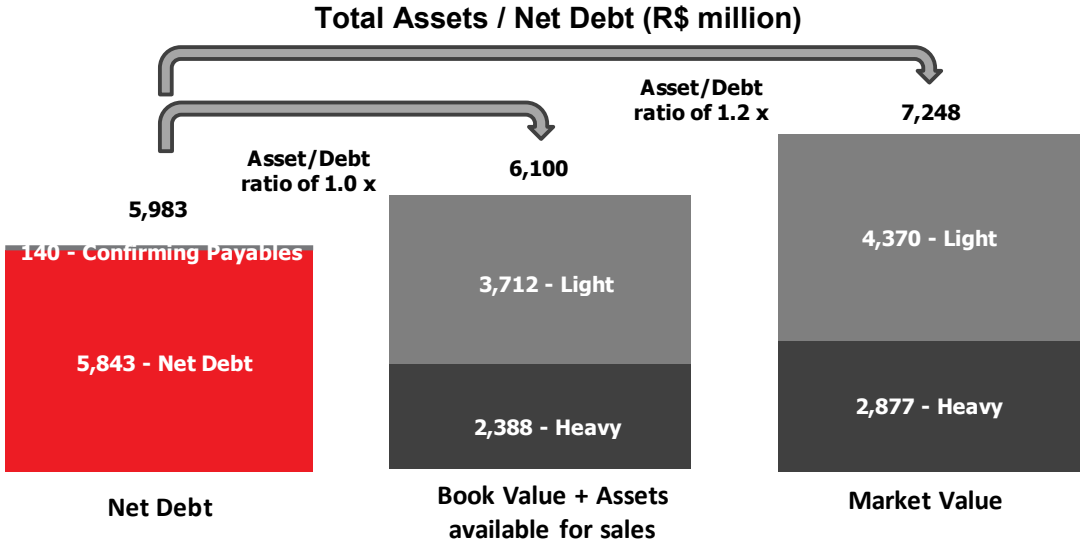


Financial Result

In 1Q18, Net Financial Expenses totaled R$169.5 million, a decrease of 6.2% when compared to R$180.7 million in the 1Q17. The variation of R$11.2 million YoY is mainly explained by the positive effect of the decrease in CDI rates, which led to a decrease of the consolidated Net Financial Expenses by R$36 million compared to 1Q17. In addition, mark-to-market of financial instruments brought a R$16 million benefit over 1Q17. On the other hand, both effects were partially offset by the increase in Net Debt in the period, as well as by the cash carry cost (due to the Bond issuance in the international market, in the amount of US$300 million, concluded in January 2018), which negatively impacted Net Financial Expenses by R$ 31 million and R$ 11 million, respectively, in 1Q18 versus the 1Q17.

When compared to 4Q17, Net Financial Expenses remained stable (+1.6% QoQ) due to the cash carry cost of the Bond issuance in the international market, in the amount of US$300 million, concluded in January 2018.

	JSL - Consolidated					
Financial Result (R$ million)	**1Q17**	**4Q17**	**1Q18**	**Chg. 1Q18x1Q17**	**Chg. 1Q18x4Q17**	**LTM**
Financial Revenues	43.4	64.9	67.5	55.5%	4.0%	238.3
Financial Expenses	(212.9)	(256.8)	(241.9)	13.6%	-5.8%	(923.9)
Derivatives Result	(15.2)	23.9	31.7	-	32.6%	60.2
Net Exchange Variation	4.0	1.1	(26.7)	-	-	(34.0)
Total	**(180.7)**	**(166.9)**	**(169.5)**	**-6.2%**	**1.6%**	**(659.4)**



Leverage Indicators

Leverage Indicators	03/31/2017	06/30/2017	09/30/2017	12/31/2017	03/31/2018	Covenants
Net Debt / EBITDA-A	1.9x	1.9x	1.9x	1.9x	2.0x	Max 3.5x
Net Debt / EBITDA[1]	4.5x	4.6x	4.6x	4.4x	4.4x	Max 4.75x
EBITDA-A / Net interest expenses	4.0x	4.2x	4.5x	4.8x	4.9x	Min 2.0x

[1] Considers EBITDA of R$ 56.3 million for the last 9 months of 2017 of Borgato and R$ 16.9 million referring to revenue from the sale of shares

The ratio between Net Debt and EBITDA was 4.4x in March 2018, a reduction in relation to the 4.5x recorded in March 2017 and in line with December 2017. In addition, the ratio between Net Debt and EBITDA-A stood at 2.0x in March 2018, versus the 1.9x ratio in March 2017 and December 2017.

VIII. EBITDA, Cash Flow and ROIC - JSL Consolidated

	JSL - Consolidated					
EBITDA Reconciliation (R$ million)	1Q17	4Q17	1Q18	Chg. 1Q18x1Q17	Chg. 1Q18x4Q17	LTM
Net Result	(7.0)	8.6	25.1	-	191.9%	48.8
Financial Result	180.7	166.9	169.5	-6.2%	1.6%	659.4
Income tax and Social contribution	(2.5)	4.1	17.1	-	-	36.9
Depreciation / Amortization	135.9	126.3	142.2	4.6%	12.6%	532.1
Adjustment of revenue from the sale of Movida's shares	(16.9)	-	-	-	-	16.9
EBITDA	**290.2**	**305.9**	**353.9**	**22.0%**	**15.7%**	**1,293.9**
Costs of Sales of Assets	438.7	377.4	401.7	-8.4%	6.4%	1,700.6
EBITDA-A	**728.9**	**683.4**	**755.6**	**3.7%**	**10.6%**	**2,994.5**

Cash Flow Summary[1] (R$ million)	1Q17	4Q17	1Q18	Chg. 1Q18x1Q17	Chg. 1Q18x4Q17	LTM
Income before tax	**(9.5)**	**12.8**	**42.2**	**-**	**-**	**85.6**
Depreciation and Amortization	135.9	132.6	141.7	4.3%	6.9%	531.6
Cost of Sale of Assets[2]	438.7	377.4	401.7	-8.4%	6.4%	1,700.6
Other Non-cash adjustments	265.9	223.5	233.0	-12.4%	4.3%	895.6
Accounts receivables, Inventory and Suppliers	(9.1)	176.3	(71.9)	-	-140.8%	(224.3)
Other Assets and Liabilities	(181.5)	(71.4)	(1.2)	-99.3%	-98.3%	137.2
Paid interest	(138.4)	(151.0)	(128.4)	-7.2%	-15.0%	(626.7)
Operating Cash Generation	**502.1**	**700.3**	**617.1**	**22.9%**	**-11.9%**	**2,499.6**
Increase in Fixed Assets	(497.3)	(1,108.8)	(701.8)	41.1%	-36.7%	(3,214.3)
Secondary offering of shares of investees (Movida)	-	(61.0)	21.2	-	-134.8%	21.2
Capital contribution and repurchase of shares of investees	-	53.0	-	-	-100.0%	-
Payment in the companies aquisitions	-	(5.5)	(33.3)	-	-	(101.0)
Other Investments[4]	(1.1)	15.0	(2.5)	127.3%	-116.7%	9.2
Investments Net Cash	**3.7**	**(407.1)**	**(99.5)**	**-**	**-75.6%**	**(785.3)**
Increase (Decrease) in Capital	567.2	(10.1)	-	-100.0%	-100.0%	(76.8)
Payment of liabilities and financial lease	-	123.7	-	-	-100.0%	-
Income received from derivatives	(11.8)	(2.0)	(4.1)	-65.3%	105.0%	(64.8)
Dividends + Interest on Capital	-	-	-	-	-	-
Assignment of receivables	-	30.2	-	-	-100.0%	30.2
Loan and Financing	(162.3)	(569.9)	1,512.5	-	-	3,305.6
(Purchasing) / Selling Treasury Shares	3.0	0.3	-	-100.0%	-100.0%	0.3
Increase (Decrease) in Cash and Financial Investments	**399.7**	**(834.9)**	**1,408.9**	**-**	**-**	**2,409.3**

[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

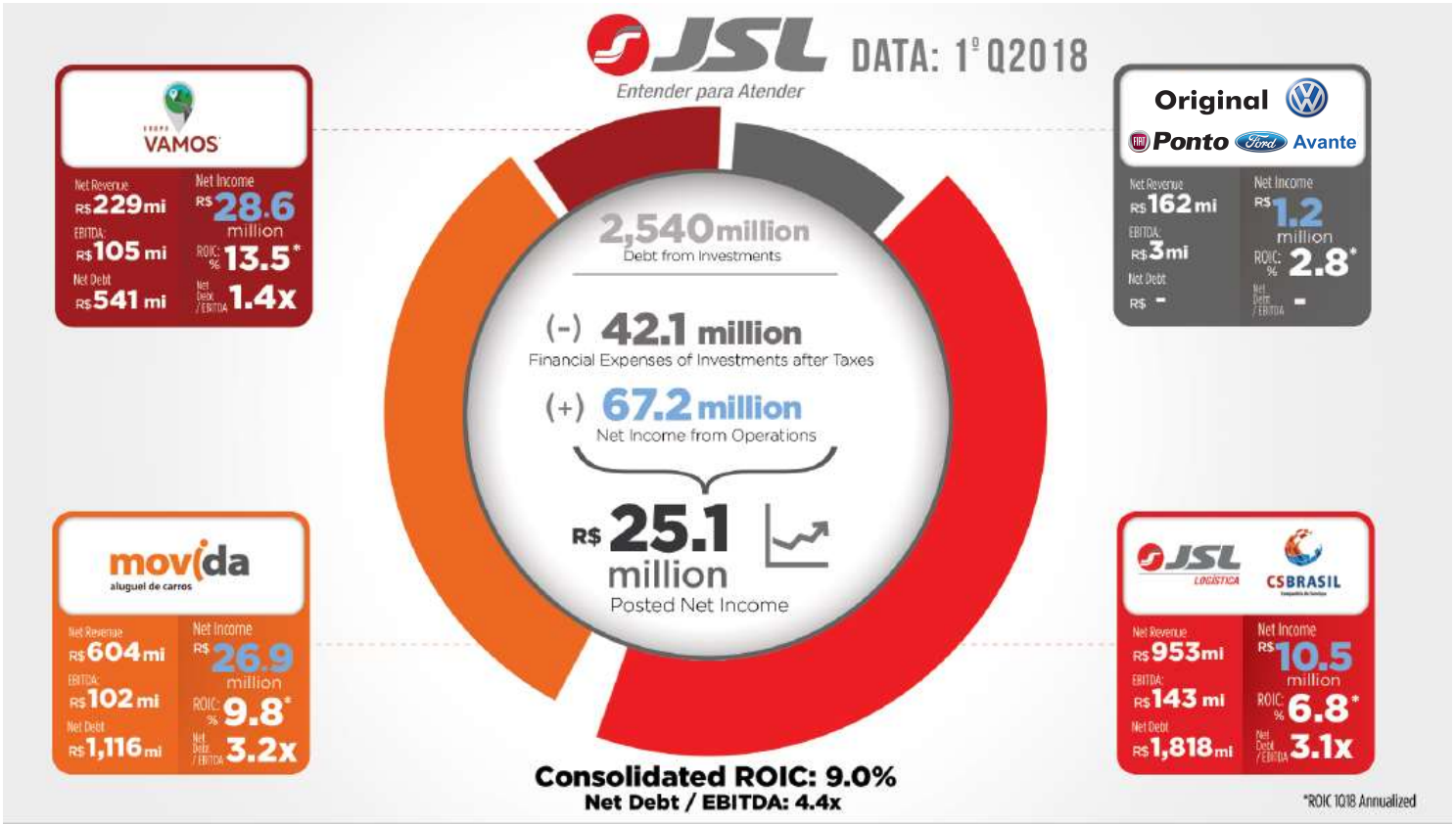
[4] Intangible assets, merger of subisidiary and business combination

JSL Consolidated recorded a cash generation before the expansion CAPEX of R$1.1 billion in 1Q18 LTM. The renewal investment totaled R$1.8 billion, while the investment in expansion reached R$1.0 billion, mainly reflecting the growth of the fleet in Movida in the last twelve months. The Free Cash Flow to Firm reached R$44 million for the period.

JSL Consolidated ex-Movida recorded a cash generation before the expansion of R$967 million in 1Q18 LTM. After an investment of R$448 million expansion, its Free Cash Flow to Firm was R$520 million, confirming the resilience of the cash generation of JSL Logística.

	JSL - Consolidated			Consolidated ex-Movida (JSL Logística)		
Free Cash Flow to Firm (R$ million)	**2016**	**2017**	**1T18 LTM**	**2016**	**2017**	**1T18 LTM**
EBITDA	**1,061**	**1,230**	**1,294**	**792**	**904**	**950**
Non-cash Asset and Investment Impairments	105	-	-	105	-	-
EBITDA adj. by Impairments	**1,166**	**1,230**	**1,294**	**897**	**904**	**950**
Book Value of Assets Sold (Non-cash Cost of Assets Sales)	1,289	1,738	1,701	316	361	356
Maintenance Capex	(1,105)	(1,753)	(1,817)	(199)	(171)	(224)
Change in Working Capital and Taxes Paid (*)	406	(191)	(108)	45	(143)	(115)
Cash Generated before Expansion Capex	**1,756**	**1,024**	**1,069**	**1,058**	**951**	**967**
Expansion Capex	(1,382)	(927)	(1,025)	(548)	(420)	(448)
Free Cash Flow to Firm	**374**	**97**	**44**	**510**	**531**	**520**

* Adjustment in working capital and taxes due to the negative impact of R$75 million (2017) and R$12 million (1Q18 LTM) from the reclassification of activities from leasing of property, plant and equipment to accounts receivable due to the change in accounting standards for IFRS at JSL Leasing.



IX. Stock Market

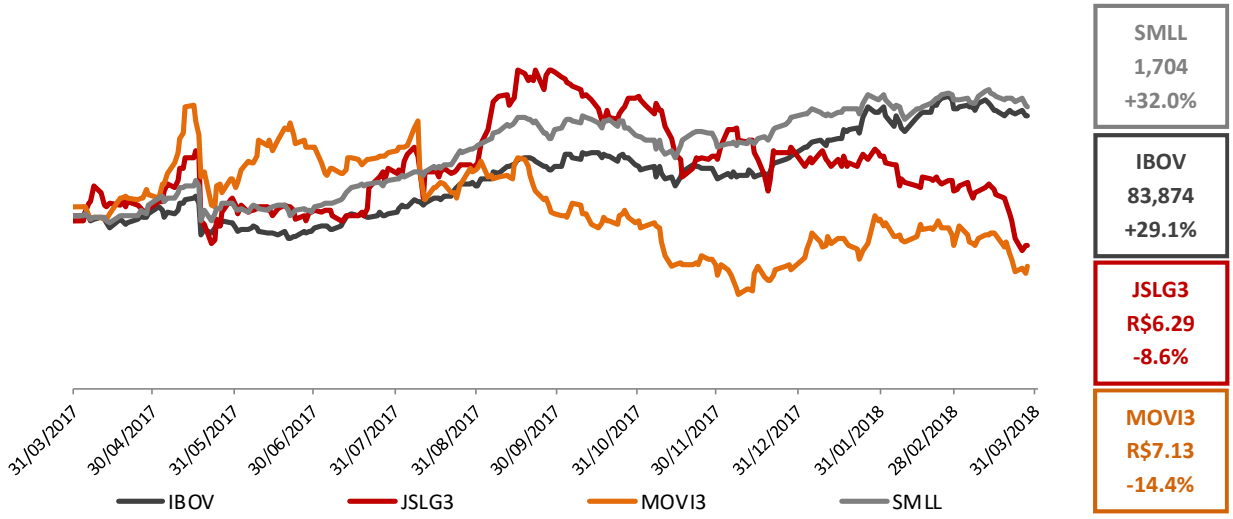
Share Performance

JSL's shares are listed on the B3'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 B3's Small Cap Index (SMLL) since January 2013.

On March 31, 2018, JSLG3's shares were priced at R$6.29.

On March 31, 2018, 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. MOVI3 vs. IBOV and SMLL11 Performance (03/31/2017 to 03/31/2018 – Base 100)



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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, 2018, comprising the balance sheet as at March 31, 2018 and the respective statements of income (loss) and comprehensive income (loss), changes in 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 added value
Individual and consolidated statements of added value (DVA) for the three month period ended at March 31, 2018, prepared under responsibility of Company's management, and presented as supplementary information for IAS 34 purposes, were submitted to review procedures carried out together with the review of the Company's interim financial information. In order to form our conclusion, we evaluated whether these statements are reconciled with the interim financial information and accounting records, as applicable, and its form and content are in accordance with the criteria defined in CPC 09 Technical Pronouncement - Statement of Added Value. Based on our review, nothing has come to our attention that causes us to believe that those statements were not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

São Paulo, May 10, 2018

KPMG Auditores Independentes
CRC 2SP014428/O-6
(Original report in Portuguese signed by)
Ulysses M. Duarte Magalhães
Accountant CRC RJ-092095/O-8

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JSL S.A. and its subsidiaries
Balance sheets
At March 31, 2018 and December 31, 2017
In thousands of Brazilian reais

		Parent company		Consolidated	
Assets	**Note**	**3/31/2018[1]**	**12/31/2017**	**3/31/2018[1]**	**12/31/2017**
Current			**(Reclassified note 2.8)**		
Cash and cash equivalents	5	208,053	116,487	693,632	714,734
Marketable securities	6	877,970	380,680	3,140,623	1,718,520
Derivative financial instruments	4.6	4,704	-	4,704	-
Trade receivables	7	666,972	637,969	1,289,200	1,211,836
Inventories	8	30,093	25,757	237,042	246,147
Taxes recoverable	9	42,779	43,332	122,102	125,015
Income tax and social contribution recoverable	10	62,966	56,295	99,354	97,196
Prepaid expenses		14,026	4,016	89,967	18,673
Related parties	27	68,738	64,669	-	-
Dividends receivable	28.4	32,484	29,847	-	-
Assets available-for-sale (fleet renewal)	11	80,682	70,866	399,272	313,390
Advances to third parties		14,780	26,087	58,392	27,687
Other credits		55,428	4,165	15,458	15,263
Total current assets		**2,159,675**	**1,460,170**	**6,149,746**	**4,488,461**
Non-current					
Long-term					
Marketable securities	6	-	-	5,427	5,584
Derivative financial instruments	4.6	92,437	108,252	92,437	108,252
Trade receivables	7	24,197	25,905	120,979	120,603
Taxes recoverable	9	40,115	40,115	62,150	61,930
Income tax and social contribution recoverable	10	20,308	20,245	20,370	20,307
Judicial deposits	25	43,662	41,574	64,655	62,335
Deferred income tax and social contribution	26.1	-	-	67,787	60,626
Related parties	27	122,700	11,650	232	188
Fund for capitalization of authorized vehicle dealerships	12	-	-	40,135	39,692
Other credits		983	932	50,179	3,634
Total long-term assets		**344,402**	**248,673**	**524,351**	**483,151**
Investments	13	2,540,786	2,485,702	564	979
Property and equipment	14	1,417,235	1,432,578	6,121,957	6,056,614
Intangible assets	15	251,983	253,344	471,085	471,719
Total non-current assets		**4,554,406**	**4,420,297**	**7,117,957**	**7,012,463**
Total assets		**6,714,081**	**5,880,467**	**13,267,703**	**11,500,924**

[1] The amounts at March 31, 2018 reflect the impacts of the adoption of CPC 48 / IFRS 9 - Financial instruments and CPC 47 / IFRS 15 - Revenue from Contracts with Customers, and the balance sheet as at December 31, 2017 is not being restated. Note 2.2 presents the effects of the first-time adoption of CPC 48 / IFRS 9 and CPC 47 / IFRS 15.

The accompanying notes are an integral part of this interim financial information.

JSL S.A. and its subsidiaries
Balance sheets
At March 31, 2018 and December 31, 2017
In thousands of Brazilian reais

		Parent company		Consolidated	
Liabilities	**Note**	**3/31/2018[1]**	**12/31/2017**	**3/31/2018[1]**	**12/31/2017**
Current					
Trade payables	16	54,717	41,489	904,723	878,274
Floor plan vehicles	17	-	-	84,057	72,051
Suppliers financing - car makers	18	2,338	3,467	139,524	248,148
Borrowings and financing	19	471,605	504,130	1,049,977	982,697
Debentures	20	271,270	267,830	280,387	284,417
Finance leases payable	21	39,883	41,588	124,033	142,329
Assignment of receivables	22	-	-	6,043	6,043
Labor liabilities	23	133,497	119,202	235,757	211,652
Income tax and social contribution payable		-	-	3,564	8,907
Tax liabilities	24	28,593	31,764	67,252	76,093
Other accounts payable		20,143	21,435	136,086	167,680
Advances from customers		7,772	3,484	144,550	50,844
Related parties	27	18,169	21,978	1,768	553
Total current liabilities		**1,047,987**	**1,056,367**	**3,177,721**	**3,129,688**
Non-current					
Borrowings and financing	19	3,407,683	2,540,541	6,485,258	4,809,871
Debentures	20	1,336,233	1,333,049	1,734,129	1,731,065
Finance leases payable	21	50,897	47,151	85,776	70,448
Assignment of receivables	22	-	-	22,660	24,171
Derivative financial instruments	4.6	20,439	-	20,439	-
Tax liabilities	24	841	841	1,810	1,705
Provision for judicial and administrative litigation	25	51,463	51,254	71,304	71,463
Deferred income tax and social contribution	26.1	39,108	70,897	277,531	288,893
Other accounts payables		109,490	93,579	231,902	184,300
Total non-current liabilities		**5,016,154**	**4,137,312**	**8,930,809**	**7,181,916**
Equity					
Share capital	28.1	660,395	660,395	660,395	660,395
Capital reserve	28.2	24,323	21,961	24,323	21,961
Treasury shares	28.3	(4,146)	(460)	(4,146)	(460)
Equity valuation adjustments	28.5	96,300	82,621	96,300	82,621
Other comprehensive income (loss)		(57,889)	(5,400)	(57,889)	(5,400)
Accumulated losses		(69,043)	(72,329)	(69,043)	(72,329)
Equity attributable to the owners of the Company		**649,940**	**686,788**	**649,940**	**686,788**
Non-controlling interests	28.6	-	-	509,233	502,532
Total equity		**649,940**	**686,788**	**1,159,173**	**1,189,320**
Total liabilities and equity		**6,714,081**	**5,880,467**	**13,267,703**	**11,500,924**

[1] The amounts at March 31, 2018 reflect the impacts of the adoption of CPC 48 / IFRS 9 - Financial instruments and CPC 47 / IFRS 15 - Revenue from Contracts with Customers, and the balance sheet as at December 31, 2017 is not being restated. Note 2.2 presents the effects of the first-time adoption of CPC 48 / IFRS 9 and CPC 47 / IFRS 15.

The accompanying notes are an integral part of this interim financial information.

JSL S.A. and its subsidiaries
Statements of income (loss)
Periods ended March 31, 2018 and 2017
In thousands of Brazilian reais, except earnings (loss) per share

	Note	Parent company		Consolidated	
		3/31/2018[1]	3/31/2017 (Reclassified note 2.8)	3/31/2018[1]	3/31/2017 (Reclassified note 2.8)
Net revenue from services rendered, rental and sale of assets used in services rendered	**31**	**720,911**	**658,983**	**1,936,812**	**1,748,406**
(-) Cost of sales, rentals and services rendered	32	(596,066)	(532,518)	(1,115,629)	(948,466)
(-) Cost of sales of demobilized assets	32	(25,745)	(44,597)	(401,663)	(438,745)
		(621,811)	**(577,115)**	**(1,517,292)**	**(1,387,211)**
(=) Gross profit		**99,100**	**81,868**	**419,520**	**361,195**
Administrative expenses	32	(32,755)	(31,597)	(121,218)	(132,570)
Selling expenses	32	(7,395)	(12,090)	(65,639)	(47,070)
Other operating (expenses) income, net	32	(6,718)	19,318	(20,491)	(10,340)
Equity in the results of investees	13.1	47,360	40,223	(439)	-
(=) Profit before finance income, costs and taxes		**99,592**	**97,722**	**211,733**	**171,215**
Finance income	33	27,717	19,264	67,454	43,352
Finance costs	33	(128,573)	(153,477)	(236,973)	(224,052)
(=) (Loss) profit before income tax and social contribution		**(1,264)**	**(36,491)**	**42,214**	**(9,485)**
Income tax and social contribution - current	26.3	-	-	(10,661)	(7,056)
Income tax and social contribution - deferred	26.3	14,840	25,828	(6,462)	9,579
Total income tax and social contribution		**14,840**	**25,828**	**(17,123)**	**2,523**
(=) Net profit (loss) for the period		**13,576**	**(10,663)**	**25,091**	**(6,962)**
Attributable to:					
Owners of the Company		13,576	(10,663)	13,576	(10,663)
Non-controlling interests		-	-	11,515	3,701
(=) Basic earnings (loss) per share (in Reais)	34	-	-	0.0673	(0.0525)
(=) Diluted earnings (loss) per share (in Reais)	34	-	-	0.0660	(0.0525)

[1] The amounts at March 31, 2018 reflect the impacts of the adoption of CPC 48 / IFRS 9 - Financial instruments and CPC 47 / IFRS 15 - Revenue from Contracts with Customers, and the period ended March 31, 2017 is not being restated. Note 2.2 presents the effects of the first-time adoption of CPC 48 / IFRS 9 and CPC 47 / IFRS 15.

JSL S.A. and its subsidiaries
Statements of comprehensive income (loss)
Periods ended March 31, 2018 and 2017
In thousands of Brazilian reais

	Parent company		Consolidated	
	3/31/2018[1]	3/31/2017	3/31/2018[1]	3/31/2017
Net profit (loss) for the period	**13,576**	**(10,663)**	**25,091**	**(6,962)**
Losses on cash flow hedge	(67,310)	-	(67,310)	-
Income tax and social contribution on cash flow hedge	22,885	-	22,885	-
Unrealized losses on debt instruments measured at fair value through other comprehensive income	(8,064)	-	(8,064)	-
Total other comprehensive income (loss)	**(52,489)**	**-**	**(52,489)**	**-**
Comprehensive loss for the period	**(38,913)**	**(10,663)**	**(27,398)**	**(6,962)**
Attributable to:				
Owners of the Company	(38,913)	(10,663)	(38,913)	(10,663)
Non-controlling interests	-	-	11,515	3,701

[1] The amounts at March 31, 2018 reflect the impacts of the adoption of CPC 48 / IFRS 9 - Financial instruments and CPC 47 / IFRS 15 - Revenue from Contracts with Customers, and the period ended March 31, 2017 is not being restated. Note 2.2 presents the effects of the first-time adoption of CPC 48 / IFRS 9 and CPC 47 / IFRS 15.

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JSL S.A. and its subsidiaries
Statements of changes in equity
Periods ended March 31, 2018 and 2017
In thousands of Brazilian reais

	Notes	Capital reserve				Profit reserves	Other comprehensive income (loss)						
		Share capital	Share- based payments	Government grant reserve	Treasury shares	Accumulated losses	Losses on cash flow hedge	Unrealized losses on financial investments at fair value through other comprehensive income	Total other comprehensive (loss) income	Equity valuation adjustments	Total equity of owners of the Company	Non- controlling interests	Total equity
Balance at December 31, 2016		**660,395**	**11,078**	**2,982**	**(3,741)**	**(66,359)**	**-**	**-**	**-**	**4,634**	**608,989**	**-**	**608,989**
Share-based payments	28.2	-	(1,926)	-	-	-	-	-	-	-	**(1,926)**	-	**(1,926)**
Repurchase of shares	28.3	-	-	-	2,954	-	-	-	-	-	**2,954**	-	**2,954**
Gain on equity interests in subsidiaries	28.5	-	-	-	-	-	-	-	-	85,941	**85,941**	-	**85,941**
(Loss) net profit for the period		-	-	-	-	(10,663)	-	-	-	-	**(10,663)**	3,701	**(6,962)**
Non-controlling interests		-	-	-	-	-	-	-	-	-	-	464,385	**464,385**
Balances at March 31, 2017		660,395	9,152	2,982	(787)	(77,022)	-	-	-	90,575	**685,295**	468,086	**1,153,381**
Balance at December 31, 2017		**660,395**	**15,751**	**6,210**	**(460)**	**(72,329)**	**(937)**	**(4,463)**	**(5,400)**	**82,621**	**686,788**	**502,532**	**1,189,320**
Changes with the first-time application of IFRS 9 and 15 [1]		-	-	-	-	(12,580)	-	-	-	-	(12,580)	**(5,256)**	(17,836)
Restated balances at January 1, 2018		**660,395**	**15,751**	**6,210**	**(460)**	**(84,909)**	**(937)**	**(4,463)**	**(5,400)**	**82,621**	**674,208**	**497,276**	**1,171,484**
Share-based payments	**28.2**	-	1,833	-	-	-	-	-	-	-	1,833	-	1,833
Repurchase of shares	**28.3**	-	-	-	(3,686)	2,819	-	-	-	-	(867)	-	(867)
Gain on equity interests in subsidiaries	**28.5**	-	-	-	-	-	-	-	-	13,679	13,679	442	14,121
Net profit (loss) for the period		-	-	-	-	13,576	-	-	-	-	13,576	11,515	25,091
Government grants	**28.2**	-	-	529	-	(529)	-	-	-	-	-	-	-
Losses on cash flow hedge	**4.5**	-	-	-	-	-	(44,425)	-	(44,425)	-	(44,425)	-	(44,425)
Unrealized losses on debt instruments at fair value through other comprehensive income	**4.1**	-	-	-	-	-	-	(8,064)	(8,064)	-	(8,064)	-	(8,064)
Balance at March 31, 2018		**660,395**	**17,584**	**6,739**	**(4,146)**	**(69,043)**	**(45,362)**	**(12,527)**	**(57,889)**	**96,300**	**649,940**	**509,233**	**1,159,173**

(1) The amounts at March 31, 2018 reflect the impacts of the adoption of CPC 48 / IFRS 9 - Financial instruments and CPC 47 / IFRS 15 - Revenue from Contracts with Customers and the period ended and year ended March 31 and December 31, 2017 are not being restated. Note 2.2 presents the effects of the first-time adoption of CPC 48 / IFRS 9 and CPC 47 / IFRS 15, respectively.

The accompanying notes are an integral part of this interim financial information.

JSL S.A. and its subsidiaries
Statements of cash flows – indirect method
Periods ended March 31, 2018 and 2017
In thousands of Brazilian reais

	Parent company		Consolidated	
	3/31/2018	3/31/2017	3/31/2018	3/31/2017
Cash flows from operating activities				(Reclassified note 2.8)
(Loss) profit before income tax and social contribution	(1,264)	(36,491)	42,214	(9,485)
Adjustment to:				
Depreciation and amortization (Notes 13, 14 and 15)	51,117	60,421	141,748	135,855
Cost of sale of assets used in services rendered	25,745	44,597	401,663	438,745
Realization of surplus value of assets	4,472	1,702	-	-
Equity in the results of investees	(47,360)	(40,223)	-	-
Provision for judicial and administrative litigation (Note 25)	209	646	(159)	55,313
Expected credit losses in accounts receivables (Note 7)	3,219	5,338	9,267	7,711
(Purchase) / Write-off of other fixed assets	1,161	(90)	6,573	(29)
Provision for (reversal of provision for) stolen and damaged vehicles	142	(1,547)	30,162	60,504
Adjustment to present value on assets and liabilities	(1,731)	3,303	(1,731)	3,303
Secondary offering of shares of subsidiary	-	(16,894)	-	(16,894)
Provision for inventory losses (Note 8)	(48)	369	440	727
Extemporaneous tax credits	(852)	-	(1,332)	-
Share-based payments (Note 29)	966	(1,926)	966	(1,926)
(Gain) loss on fair value of derivative financial instruments	(31,664)	15,154	(31,664)	15,154
Interest and monetary variations on borrowings and financing, finance leases, debentures and suppliers financing - car makers	153,100	123,083	230,212	150,492
	157,212	**157,442**	**828,359**	**839,470**
Decrease (increase) in assets				
Trade receivables	66,064	22,671	(118,228)	(1,208)
Inventories	(4,288)	(153)	8,665	(8,693)
Taxes recoverable	(5,329)	(11,280)	1,805	(11,289)
Related parties	(117,756)	884	1,215	(157)
Judicial deposits	(2,087)	60,389	(2,320)	62,883
Other credits and advances to third parties	(40,230)	(1,447)	(77,029)	(4,948)
Prepaid expenses and Fund for capitalization of authorized vehicle dealerships	(10,009)	(10,158)	(68,738)	(53,686)
(Decrease) increase in operating liabilities				
Trade payables	7,391	28,905	15,951	(2,646)
Floor plan vehicles	-	-	12,005	(4,979)
Labor and tax liabilities	11,124	12,374	15,369	21,731
Advances from customers	4,288	3	93,704	(542)
Other accounts payables	42,763	(119,512)	50,797	(127,612)
Related parties	(3,757)	(15,567)	(44)	(1,249)
Changes in current and non-current assets and liabilities	**(51,826)**	**(32,891)**	**(66,848)**	**(132,395)**
Cash provided by operating activities	**105,386**	**124,551**	**761,511**	**707,105**
(Investments in) redemptions of marketable securities	(505,353)	(90,488)	(1,430,010)	(433,095)
Judicial and administrative litigation paid	-	(6,867)	-	(59,671)
Income tax and social contribution paid	-	-	(16,004)	(6,937)
Interest paid on borrowings and financing, finance leases, debentures and suppliers financing - car makers	(83,962)	(97,005)	(128,443)	(138,443)
Acquisition of operational property and equipment for rental	(27,770)	(40,215)	(694,141)	(438,326)
Net cash (used in) provided by operating activities	**(511,699)**	**(110,024)**	**(1,507,087)**	**(369,397)**
Cash flows from investing activities				
Gain on interests in subsidiary (Note 13.1)	-	-	21,168	-
Acquisition of receivables	(99,842)	-	-	-
Payment for the acquisition of companies in prior years	(33,292)	-	(33,332)	-
Capital contribution / (Write-off of investment)	-	(7,669)	-	-
Acquisition of property and equipment	(3,655)	(3,035)	(7,678)	(58,979)
Acquisition of intangible assets	(311)	(206)	(2,545)	(1,065)
Dividends and interest on capital received (Note 13.1)	3,101	85,964	-	-
Net cash used in investing activities	**(133,999)**	**75,054**	**(22,387)**	**(60,044)**
Cash flows from financing activities				
Cancelation (repurchase) of treasury shares	-	2,954	-	2,954
Capital contribution and repurchase of shares of investees	-	61,046	-	567,190
New borrowings and financing and debentures	977,301	1,365,330	1,954,602	1,332,909
Payments of borrowings and financing, finance leases and debentures	(235,941)	(1,513,508)	(442,134)	(1,495,213)
Derivative financial instruments received	(4,096)	(11,805)	(4,096)	(11,805)
Net cash provided by (used in) financing activities	**737,264**	**(95,983)**	**1,508,372**	**396,035**
Net (decrease) increase in cash and cash equivalents	**91,566**	**(130,953)**	**(21,102)**	**(33,406)**
Cash and cash equivalents				
At the beginning of the year	116,487	318,623	714,734	585,920
At the end of the year	208,053	187,670	693,632	552,514
Net (decrease) increase in cash and cash equivalents	**91,566**	**(130,953)**	**(21,102)**	**(33,406)**
Main non-cash transactions				
Raising of finance leases and *Finame* for the acquisition of operational property and equipment	(32,920)	(10,485)	(137,656)	(106,165)
Changes in the balance of suppliers financing - car makers	1,264	(1,536)	121,784	(13,866)
Acquisitions of property and equipment to be financed	(5,836)	-	(10,498)	-
Capital increase with assets	-	11,979	-	-
Assignment of receivables	-	-	1,511	-

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The accompanying notes are an integral part of this interim financial information.

JSL S.A. and its subsidiaries
Statements of value added
Periods ended March 31, 2018 and 2017
In thousands of Brazilian reais

	Notes	Parent company		Consolidated	
		3/31/2018[1]	3/31/2017	3/31/2018[1]	3/31/2017
Sales and services rendered	31	879,549	799,055	2,194,330	1,966,948
Expected credit losses in accounts receivables	32	(3,219)	(5,674)	(9,267)	(23,335)
Other operating (expenses) income		(1,622)	19,400	(20,491)	16,236
		874,708	**812,781**	**2,164,572**	**1,959,849**
Inputs acquired from third parties					
Cost of sales and services rendered		(399,407)	(339,934)	(745,685)	(704,495)
Materials, electricity, outsourced services and others		(14,275)	(17,243)	(384,452)	(319,066)
Impairment or recovery of assets		-	(81)	-	(81)
		(413,682)	**(357,258)**	**(1,130,137)**	**(1,023,642)**
Gross value added		**461,026**	**455,523**	**1,034,435**	**936,207**
Retentions					
Depreciation and amortization	32	(51,117)	(60,421)	(141,748)	(135,855)
Net value added generated by the Company		**409,909**	**395,102**	**892,687**	**800,352**
Value added received through transfer					
Equity in the results of investees	13.1	47,360	40,223	(439)	-
Finance income	33	27,717	19,264	67,454	43,352
		75,077	**59,487**	**67,015**	**43,352**
Total value added to distribute		**484,986**	**454,589**	**959,702**	**843,704**
Distribution of value added					
Personnel and payroll charges		204,536	188,315	350,738	316,556
Federal taxes		68,106	50,312	160,339	145,709
State taxes		47,799	53,588	96,269	82,312
Municipal taxes		14,527	12,825	20,765	22,111
Interest and bank fees		128,573	153,445	236,975	225,959
Rentals		7,869	6,767	69,525	58,019
Retained earnings (losses) for the period		13,576	(10,663)	25,091	(6,962)
		484,986	**454,589**	**959,702**	**843,704**

(1) The amounts at March 31, 2018 reflect the impacts of the adoption of CPC 48 / IFRS 9 - Financial instruments and CPC 47 / IFRS 15 - Revenue from Contracts with Customers, and the period ended March 31, 2017 is not being restated. Note 2.2 presents the effects of the first-time adoption of CPC 48 / IFRS 9 and CPC 47 / IFRS 15.

The accompanying notes are an integral part of this interim financial information.

1. ABOUT THE COMPANY

JSL S.A. ("Company" or "parent company") is a publicly-traded corporation with its headquarters at 1.071 Renato Paes de Barros Street - 1.017 – 9º. Itaim Bibi - São Paulo, and has its shares traded on B3 (*"Brasil, Bolsa e Balcão"*). The Company also trades share deposit certificates on the over-the-counter market of the United States of America (USA) in order to facilitate the purchase, maintenance and sale of shares by North American investors.

The Company and its subsidiaries (collectively referred to as "JSL Group") operate in four main segments: Transportation and logistics, Authorized vehicle dealerships of light vehicles, rentals of light vehicles ("Movida") and rental of heavy vehicles and equipment ("VAMOS"). The activities in these segments basically consist of:

i. Transportation and 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;

ii. Authorized light vehicle dealerships: sale of light vehicles, resale of used cars, parts, machinery and accessories, providing mechanical services, bodywork and painting services, and brokerage services for automotive insurance sales;

iii. Rental of light vehicles ("Movida"): rentals of light vehicles and fleet management segments, and resale of vehicles replaced for renewal of the respective fleets, through the Movida brand stores; and

iv. Rental of heavy vehicles and equipment ("VAMOS"): rental of heavy vehicles, machinery and equipment, finance and/or operating lease transactions for the purchase of vehicles and equipment, sale of new parts and accessories for auto vehicles, wholesale of new and used bus and micro-bus, sale of trucks, machinery and equipment, new and used tractors, agricultural machinery and implements and provision of agricultural services in all segments.

2. BASIS OF PREPARATION AND PRESENTATION OF THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

2.1 Statement of compliance (with regard to the International Financial Reporting Standards - IFRS and standards of the Accounting Pronouncements Committee - CPC)

The interim financial information was prepared in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and CPC 21 (R1) – Interim Financial Reporting and presented according to the standards issued and approved by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information - ITR.

All significant information in the interim financial information, and only this information, is being disclosed and corresponds to that used by Management in its activities.

The interim financial statements, in this case, interim financial information, have the purpose of providing an update based on the last annual full financial statements. Therefore, they are focused on new activities, events and circumstances and do not duplicate information previously disclosed, except when Management considers important the maintenance of certain information.

The issuance of the individual and consolidated interim financial information was authorized by the Board of Directors on May 10, 2018.

2.2 Changes in significant accounting policies

Except for the adoption of CPC 47 / IFRS 15 Revenue from Contracts with Customers and CPC 48 / IFRS 9 Financial Instruments, no changes of any nature occurred regarding such policies and methods of estimate calculations, and as permitted by CVM Resolution 673/11, which addresses interim financial information, Management opted not to disclose again, in details, the accounting policies adopted by the Company. Accordingly, this individual and consolidated interim financial information should be read in conjunction with the individual and consolidated annual financial statements for the year ended December 31, 2017 so that the readers can improve their understanding about the Company's financial situation and liquidity, and its capacity to generate profits and cash flows.

JSL Group adopted CPC 47 / IFRS 15 Revenue from Contracts with Customers and CPC 48 / IFRS 9 Financial Instruments as of January 1, 2018. A series of other new standards are affective as of January 1, 2018, however, without material effect on the Company's financial statements. Consequently, the balances of the period ended March 31, 2018 are being presented with the respective accounting effects of such adoption, as described in notes 2.2.1 and 2.2.2. The changes in accounting policies must also be reflected in the JSL Group's individual and consolidated financial statements for year ending December 31, 2018.

The new standard allows two transition methods:

- full retrospective (for all periods presented); and
- retrospective modified with the cumulative effect of the initial adoption recognized as an adjustment to the opening balance of retained earnings on the first-time adoption date.

The Company opted for the adoption of the retrospective modified method and, consequently, will not be required to restate the comparative balances of the previous period.

2.2.1 CPC 47 / IFRS 15 Revenue from Contracts with Customers

CPC 47 / IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces CPC 30/ IAS 18 Revenue, CPC 17 / IAS 11 Construction Contracts and related interpretations.

The Group adopted CPC 47 / IFRS 15 using the cumulative effect (without practical expedients), with the effect of initially applying this standard recognized at the date of initial application (i.e. January 1, 2018). As a result, the information presented for 2017 was not restated and, therefore, was presented as previously reported in accordance with CPC 30 / IAS 18, CPC 17 / IAS 11 and related interpretations.

In accordance with CPC 47 / IFRS 15, revenue is recognized when the customer obtains the control of goods or services. Determine the moment of transfer of control - at a specific moment in time or over time - requires judgment. The adoption of this standard resulted in the following main changes in accounting policies:

Item	Nature, performance satisfaction and significant payment conditions	Nature of change in accounting policy
(a) Reclassification of reimbursement of damages, fuel and traffic fines	The Company and its subsidiaries receive as reimbursement from its clients, amounts to cover costs incurred with traffic fines, damages and fuel. The Company does not include a profit margin in this type of collection, not characterizing an additional performance obligation.	Considering that there is no promise of service delivery related to these reimbursements, and there is no profit margin in these collections, these reimbursements must be stated in a reducing line of the respective origin costs or expenses, since there is no additional performance obligation in this operation.

(b) Capitalization of incremental costs of obtaining a contract	The Company, through its subsidiaries, has sales commission costs deriving from contracts with customers. Currently, the Company has a policy of recognizing the costs of obtaining a contract as they incur.	CPC 47 / IFRS 15 define incremental costs as those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained, which should be capitalized if the entity expects to recover those costs, directly or indirectly. Therefore, the Company through its subsidiaries recognized these costs as a contractual asset, since it expects to recover the costs. The capitalized balance will be amortized over the period the goods and services are transferred to the customer. Similarly, certain costs to fulfill the contract, which were recorded as incurred, were capitalized and will be deferred to the extent they relate to performance obligations that are satisfied over time.
(c) Loyalty program	The Company, through its subsidiary Movida Rent a car, grants to the client future benefits of services and parts or discount coupons with commercial partners through a loyalty program. The Company acts as principal when there is the redemption of its own goods or services and as an agent when the redemption is made for products of third parties.	Under CPC 47 / IFRS 15, the loyalty program operation falls into the concept of performance obligation satisfied in a specific moment in time, since the obligation is only satisfied when the client redeems the points. In other words, until the client chooses the goods or services to be provided (by the entity or by third parties) or the points have expired, the entity cannot satisfy its performance obligation. The portion related to the loyalty program which is recognized at the same moment as the rental shall be deferred until the moment of its fulfillment, which is the redemption of points or when the points expire. In addition, recognizing that it is acting as an agent, regarding exchange of points for discounts in third-party companies, the Company will recognize as revenue only the portion related to the fee or commission that the entity receives from these third parties for the rendering of services.

2.2.2 CPC 48 / IFRS 9 Financial Instruments

On January 1, 2018, the JSL Group adopted for the first-time the accounting standard CPC 48 / IFRS 9 - Financial instruments. The changes in accounting policies from the first-time adoption were made prospectively (effects presented in equity). The adoption of this standard resulted in the following change in accounting policy:

- Financial assets: The main change introduced by CPC 48 / IFRS 9 Financial Instruments is that the criterion for classification of financial assets no longer uses the concept of Management's individual intention on each financial asset, and now classifies financial instruments based on the business model and portfolio management, as well as the analysis of contractual cash flows characteristics ("SPPI – Solely Payment of Principal and Interest"). These factors determine whether financial assets are measured at (i) amortized cost, (ii) fair value through profit or loss (FVTPL) or (iii) fair value through other comprehensive income (FVTOCI). The new standard also establishes other options to designate an instrument at fair value through profit or loss under certain conditions.

- Financial liabilities: The classification of financial liabilities remains substantially unaltered, they continue to be measured at amortized cost or at fair value through profit or loss. For liabilities measured at fair value upon initial recognition, the JSL Group will recognize the variation of credit risk attributed to its own risk in other comprehensive income, when applicable.

- Impairment: The requirements introduced by CPC 48 / IFRS 9 Financial instruments regarding impairment are applicable to financial assets measured at amortized cost, fair value through other comprehensive income, lease receivables and a few off-balance items, such as, contracts with financial guarantees. The main change of CPC 48 / IFRS 9 Financial instruments is that impairment is now measured through the concept of expected credit loss (ECI) compared to the incurred loss model (IAS 39 / CPC 38).

- Hedge Accounting: CPC 48 / IFRS 9 Financial Instruments provides for an approach for hedge accounting based on the Group's Risk Management, which is based more in principles than the current approach provided for in CPC 38 / IAS 39. One of the main changes in the standard is in the assessment of hedge effectiveness. CPC 38 / IAS 39 defines the percentage for calculation (80% to 125%), while the new standard establishes that management should evaluate the effectiveness conditions and percentages, bringing a qualitative approach to the process. The JSL Group adopted the hedge accounting in accordance with the new requirements of CPC 48 / IFRS 9 Financial Instruments. The new hedge accounting model improves the alignment of the Group's risk management and accounting objectives. The adoption does not change the types of hedge relationship of the JSL Group and all existing effective relationships will continue to qualify for hedge accounting in accordance with CPC 48 / IFRS 9 Financial Instruments, however, the documentation and disclosure of hedge structure were changed in compliance with the requirements of the new accounting standard, see note 4.6.

Reclassification of financial Instruments

The JSL Group assessed in detail the business models used for managing financial assets and the characteristics of contractual cash flows at the first-time adoption date and classified financial instruments according to the appropriate category of CPC 48 / IFRS 9 Financial instruments. The main impacts arising from this reclassification are the following:

	Note	At fair value through profit or loss	Fair value of hedge instruments	Available-for- sale	Loans and receivables	Total financial assets	At fair value through profit or loss - FVTPL	Fair value of hedge instruments	At fair value through other comprehensive income - FVTOCI	Amortized cost	Total financial assets
Balance at 12/31/2017 (CPC 38/IAS 39)		**1,430,424**	**22,900**	**1,074,145**	**1,371,145**	**3,898,614**	-	-	-	-	-
Maintenance in the category of asset at fair value through profit or loss	*(i)*	(1,430,424)	(22,900)	-	-	(1,453,324)	1,430,424	22,900	-	-	1,453,324
Reclassification of available-for-sale to fair value through other comprehensive income (FVOCI)	*(ii)*	-	-	(533,519)	-	(533,519)	-	-	533,519	-	533,519
Reclassification of loans and receivables to amortized cost	*(iii)*	-	-	-	(1,371,145)	(1,371,145)	-	-	-	1,371,145	1,371,145
Reclassification of available-for-sale to fair value through profit or loss	*(iv)*	-	-	(540,626)	-	(540,626)	540,626	-	-	-	540,626
Balances at 1/1/2018 (CPC48 / IFRS 9)		-	-	-	-	-	**1,971,050**	**22,900**	**533,519**	**1,371,145**	**3,898,614**

(i) Maintenance in the category of asset at fair value through profit or loss

Investments in investment funds allocated in cash and cash equivalents and marketable securities which were classified as assets at fair value through profit or loss remain in this category.

(ii) Reclassification of available-for-sale to fair value through other comprehensive income (FVOCI)

The investments in sovereign and corporate securities previously classified as "available-for-sale" and which were measured at fair value with the mark-to-market recognized in other comprehensive income, were classified in the business models whose objective is to obtain interest income and sell the assets in accordance with CPC 48 / IFRS 9 Financial Instruments, and were classified as assets at fair value through other comprehensive income (FVOCI).

(iii) Reclassification of loans and receivables to amortized cost

The balances of cash and cash equivalents, trade receivables, related parties and other assets that were previously classified as "loans and receivables" and the carrying amount was measured at the effective interest rate, were assessed the business models whose objective were to obtain return of interest and principal according to IFRS 9 / CPC 38 were classified as amortized cost.

(iv) Reclassification of available-for-sale to fair value through profit or loss

The CLN – credit linked notes that were previously classified as "available-for-sale" and which were measured at fair value with mark-to-market recording in other comprehensive income, were evaluated in the business models whose objective is to obtain interest return and according to the CPC 48 / IFRS 9 Financial Instruments were classified as assets at fair value through profit or loss.

On the first-time adoption date, January 1, 2018, the Company's financial instruments were the following:

Consolidated

Financial asset	Balances at 12/31/2017		At 1/01/2018	
	Measurement CPC 38/IAS 39	Carrying amount CPC 38/IAS 39	Measurement CPC 48/IFRS 9	Carrying amount CPC 48/IFRS 9
Cash and cash equivalents - CDB, Repo operations, Financial bills, units of funds and other	Fair value through profit or loss	695,113	Fair value through profit or loss	695,113
Securities - LFT, LTN, other securities	Fair value through profit or loss	649,959	Fair value through profit or loss	649,959
Derivatives	Fair value through profit or loss	85,352	Fair value through profit or loss	85,352
Derivatives	Fair value of hedge instruments	22,900	Fair value of hedge instruments	22,900
Sovereign and corporate securities	Available-for-sale	533,519	Fair value through other comprehensive income	533,519
CLN - Credit linked note	Available-for-sale	540,626	Fair value through profit or loss	540,626
Cash and cash equivalents - cash and banks	Loans and receivables	19,621	Amortized cost	19,621
Trade receivables, related parties and other credits	Loans and receivables	1,351,524	Amortized cost	1,351,524

Financial liabilities	Measurement CPC 38/IAS 39	Carrying amount CPC 38/IAS 39	Measurement CPC 48/IFRS 9	Carrying amount CPC 48/IFRS 9
Borrowings and financing and debentures	Fair value through profit or loss	554,894	Fair value through profit or loss	554,894
Trade payables, floor plan vehicles, suppliers financing - car makers, borrowings and financing, debentures, finance leases payable, related parties, assignment of receivables and other payables.	Loans and receivables	9,047,153	Amortized cost	9,047,153

2.2.2.1 Non-derivative financial assets

i. Recognition date

All financial assets and liabilities are initially recognized on the trade date, that is, when the JSL Group becomes a party to the contractual provisions of the instrument. This comprises: purchases or sales of financial assets that require the delivery of the asset in a determined period due to regulation or standard of market.

ii. Classification and subsequent measurement of financial assets

The JSL Group classifies and measures its financial assets into the following measurement categories:

- Amortized cost;
- Fair value through other comprehensive income; or
- Fair value through profit or loss.

Financial investments, marketable securities and receivables - debt instruments

In the new accounting standard, except for a financial asset initially designated at fair value through profit or loss (in order to eliminate or reduce the accounting mismatch), the debt instruments should be subsequently classified at amortized cost, fair value through other comprehensive income or fair value through profit or loss based on the following items:

- The Company's business model for managing the financial assets;
- The contractual cash flow characteristics of the financial asset (also named SPPI - solely payments of principal and interest).

Business models: The business models reflect the manner in which the JSL Group manages its financial assets in order to generate cash flows. That is, based on the business models, the JSL Group determines whether the cash flows arise from the receipt of contractual cash flow or both receipt of contractual cash flow and sales. If none of these two business models are applicable, then such financial assets are classified as "other" business models and measured at fair value through profit or loss.

The factors considered by the JSL Group in determining its business models include:

- Past experience on how the contractual cash flows are collected (including the assessment of the history of sales of financial assets);
- How the performance of the business model and the financial assets held within the business models are measured and reported to key management personnel;

- The risks affecting the performance of the business models (and the financial assets held within the business model) and, specifically, how these risks are managed; and

- How the business managers are compensated (for example, whether compensation is based on the fair value of the assets managed or on the contractual cash flows received).

SPPI: The analysis of whether contractual cash flows comprise solely payment of principal and interest (SPPI test) is required if the financial asset is held within a business model in which the objective is to held assets to receive contractual cash flows or in a business model in which the objective is achieved either for the receipt of contractual cash flows or the sale of financial assets. For this, the JSL Group performs the SPPI test to assess whether the contractual cash flows of financial assets are solely payment of principal and interest on the outstanding principal amount.

In the event of identification of financial assets that cause exposure to risks and volatilities and that are inconsistent with the basic borrowing agreement, such assets are classified and measured as at fair value through profit or loss.

Subsequent measurement: The debt instruments are measured in accordance with one of the following categories:

- *Amortized cost:* financial assets held to collect contractual cash flows, which represent solely payment of principal and interest and which are not designated as at fair value through profit or loss, are measured at amortized cost. The carrying amount of these assets is adjusted using a provision for expected credit loss and measured in accordance with the methodology described in note 2.2.2.2. The interest income from these financial assets is included in the statement of income (loss) in line item “finance income” using the effective interest method.

  The “effective interest rate" is the discount rate that corresponds exactly to the initial value of the financial instrument in relation to the total estimated cash flows, of all types, over their remaining useful life. In the case of fixed rate financial instruments, the effective interest rate coincides with the contractual interest rate defined at the contracting date, plus, if applicable, commissions and transactions costs that, due to their nature, are part of their financial return. In the case of variable rate financial instruments, the effective interest rate coincides with the return rate in effect in all commitments up to the next interest renewal reference date.

- *Fair value through other comprehensive income - FVTOCI:* the financial assets held to collect contractual cash flows and for sale, which represent solely payment of principal and interest and which are not designated at fair value through profit or loss, are measured at fair value through other comprehensive income. The changes in fair value are recognized in other comprehensive income in equity, except for the recognition of impairment losses, interest income and gains/losses on exchange differences that are recognized in profit or loss for the period. The interest income from these financial assets is included in the statement of income (loss) in line item “finance costs” using the effective interest rate.

- *Fair value through profit or loss*: the financial assets that do not meet the criteria of amortized cost or fair value through other comprehensive income, are measured at fair value through profit or loss. The gains/losses on the debt instrument that is subsequently measured at fair value through profit or loss is recognized as finance income or cost in the profit or loss for the period.

iii. Reclassification of financial assets and liabilities

The reclassifications of financial assets occur only if a business model of the JSL Group is modified, therefore reclassifications are not frequent.

In the occurrence of reclassification, this is applied prospectively (as from the reclassification date).

The financial liabilities are not reclassified.

2.2.2.2 Impairment of non-derivative financial assets

Based on the new requirements of CPC 48/IFRS 9 the impairment of the Company's financial assets is now measured through the expected credit loss instead of the incurred loss of CPC 38/IAS 39. The expected credit loss model in the JSL Group is applicable to financial assets recorded in the classifications of (i) at amortized cost and (ii) at fair value through other comprehensive income (FVTOCI) but is not applicable to investments in equity instruments (shares) or financial assets measured at FVTPL in accordance with CPC 48/IFRS 9, the credit losses are recognized earlier than in relation to CPC 38/IAS 39.

The new impairment model has two approaches, in which the provision is measured in accordance with expected losses for 12 months or lifetime expected losses for the financial asset. The provision basis will depend on the analysis of the credit risk on initial recognition.

For trade receivables and contractual assets arising from transactions within the scope of CPC 47/IFRS 15 and that do not have a significant financing component, CPC 48/IFRS 9 allows as practical expedient the application of a simplified model, in which the expected losses are recognized for the lifetime of the financial asset.

The JSL Group uses a simplified "provision matrix" to calculate the expected losses on trade receivables, since these meet the requirements of the standard for the adoption of a simplified approach. The provision matrix is based on the percentages of historical losses over the expected life of receivables and is adjusted for specific customers in accordance with future estimates and qualitative factors, such as the debtor financial capacity, guarantees provided, renegotiations in progress, among others that are monitored, and these qualitative factors are monitored monthly by a committee, named credit and collection committee. The percentages of historical loss and changes in future estimates are reviewed at each reporting period or whenever there is a significant event that indicates a significant change in these percentages.

For expected credit losses associated to marketable securities classified as at fair value through other comprehensive income - FVTOCI and amortized cost, the methodology of impairment applied depends on the significant increase of the counterparty's credit risk. Note 4.5 (i) details how the JSL Group determines whether there was a significant increase in credit risk.

2.2.2.3 Non-derivative financial liabilities

In general, financial liabilities are measured at amortized cost, except for financial liabilities designated as hedge object in which the hedged risks are measured at fair value and the financial liabilities designated at fair value on initial recognition.

For financial liabilities measured at fair value on initial recognition, the portion corresponding to changes in credit risk of the Company (named "Debit Valuation Adjustment - DVA") is recorded in other comprehensive income (items that will not be reclassified to profit or loss).

2.2.3 Presentation of effects related to the application of new pronouncements

The effects of the adoption of CPC 47 / IFRS 15 Revenue from Contracts with Customers and CPC 48 / IFRS 9 Financial Instruments as of January 1, 2018, with impacts on the opening balance sheet as at January 1, 2018 are presented below:

	Parent company				Consolidated			
	Disclosed 12/31/2017	Adjustments adoption CPC 48 / IFRS 9	Adjustments adoption CPC 47 / IFRS 15	Amount adjusted on 1/1/2018	Disclosed 12/31/2017	Adjustments adoption CPC 48 / IFRS 9	Adjustments adoption CPC 47 / IFRS 15	Amount adjusted on 1/1/2018
ASSETS								
Cash and cash equivalents and financial investments	116,487	-	-	116,487	714,734	-	-	714,734
Trade receivables	706,955	-	-	706,955	1,434,934	-	-	1,434,934
(-) Expected credit losses in accounts receivables	*(68,986)*	(3,264)	-	*(72,250)*	*(223,098)*	(29,710)	-	*(252,808)*
Prepaid expenses	-	-	-	-	*18,673*	-	2,999	*21,672*
Other current assets	705,714	(3,264)	-	751,192	2,543,218	-	-	2,543,218
Total current assets	**1,460,170**	**(3,264)**	**-**	**1,456,906**	**4,488,461**	**(29,710)**	**2,999**	**4,461,750**
Investments	2,485,702	(10,425)	-	2,475,277	979	-	-	979
Other non-current assets	1,934,595	-	-	1,934,595	7,011,484	-	-	7,011,484
Total non-current assets	**4,420,297**	(10,425)	**-**	**4,409,872**	**7,012,463**	**-**	**-**	**7,012,463**
Total assets	**5,880,467**	(13,689)	**-**	**5,866,778**	**11,500,924**	(29,710)	2,999	**11,474,213**
LIABILITIES AND EQUITY								
Other accounts payable	21,435	-	-	21,435	167,680	-	313	167,993
Other current liabilities	1,034,932	-	-	1,034,932	2,962,008	-	-	2,962,008
Total current liabilities	**1,056,367**	**-**	**-**	**1,056,367**	**3,129,688**	**-**	**313**	**3,130,001**
Deferred income tax and social contribution	70,897	(1,110)	-	69,787	288,893	(10,101)	913	279,705
Other current and non-current liabilities	4,066,415	-	-	4,066,415	6,893,023	-	-	6,893,023
Total non-current liabilities	**4,137,312**	**(1,110)**	**-**	**4,136,202**	**7,181,916**	**(10,101)**	**913**	**7,172,728**
Share capital	660,395	-	-	660,395	660,395	-	-	660,395
Capital reserves	21,961	-	-	21,961	21,961	-	-	21,961
Treasury shares	(460)	-	-	(460)	(460)	-	-	(460)
Equity valuation adjustments	77,221	-	-	77,221	77,221			77,221
Profit reserves	(72,329)	(12,579)	-	(84,908)	(72,329)	(14,353)	1,773	(84,908)
Total equity	**686,788**	(12,579)	**-**	**674,209**	**686,788**	**(14,353)**	**1,773**	**674,209**
Non-controlling interests	-	-	-	-	502,532	(5,256)	-	497,276
Total liabilities and equity	**5,880,467**	**(13,689)**	**-**	**5,866,778**	**11,500,924**	**(29,710)**	**2,999**	**11,474,213**

The effects on statement of income (loss) for the year ended December 31, 2017 for presentation purposes are presented as follows:

	Consolidated		
	Disclosed 12/31/2017	Adjustments adoption CPC 47 / IFRS 15	Amount adjusted on 1/1/2018
Net revenue from services rendered and sale of assets used in services rendered	7,255,804	(66,470)	7,189,334
(-) Cost of services rendered	(4,032,052)	66,470	(3,965,582)
(-) Cost of sales of assets used in services rendered	(1,737,637)	-	(1,737,637)
	(5,769,689)	**-**	**(5,769,689)**
(=) Gross profit	**1,486,116**	**-**	**1,486,116**
Administrative and selling expenses	(746,102)	-	(746,102)
Other operating income (expenses), net	(35,543)	-	(35,543)
Profit before finance income and costs	**704,470**	**-**	**704,470**
Finance income	209,255	-	209,255
Finance costs	(880,096)	-	(880,096)
(=) Profit before income tax and social contribution	**33,929**	**-**	**33,929**
Income tax and social contribution	(17,211)	-	(17,211)
Net profit for the year	**16,718**	**-**	**16,718**

2.3 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 reporting 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 individual and consolidated interim financial information.

2.4 Basis of measurement

The individual and consolidated interim financial information was prepared on the historical cost basis, except for financial instruments measured at fair value through profit or loss, when applicable.

2.5 Functional and presentation currency

The interim financial information of each subsidiary included in the consolidated interim financial information is prepared based on the functional currency of each entity. The functional currency of an entity is the currency of the primary economic environment in which it operates. The JSL Group defines the functional currency of each of its subsidiaries by analyzing which currency significantly affects the sale price of its goods and services and the currency in which most of its operating and administrative costs are paid or incurred.

The individual and consolidated interim financial information is presented in Brazilian reais (R$), which is the Group’s presentation currency.

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 monetary assets and liabilities, indexed in a currency different than the functional currency, are presented in the statement of income (loss) as finance income (cost).

2.6 Equity interests and basis of consolidation

The consolidated interim financial information at March 31, 2018 and December 31, 2017 includes the operations of the Company and the following subsidiaries, whose interest percentages at the balance sheet date are as follows:

				% Interest	
Company	**Subsidiary**	**Headquarter country**	**Segment**	**3/31/2018**	**12/31/2017**
Medlog Prestação de Serviços de Logística S.A.	Direct	Brazil	Logistics	99.90	99.90
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda.	Direct	Brazil	Logistics	99.99	99.99
Agrolog Transportadora de Cargas em Geral Ltda. (i)	Direct	Brazil	Logistics	99.80	99.80
Riograndense Navegação Ltda. (i)	Direct	Brazil	Logistics	99.99	99.99
Quick Armazéns Gerais - Eirelli – ME	Direct	Brazil	Logistics	99.99	99.99
Quick Logística 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
CS Brasil Frotas Ltda.	Direct	Brazil	Logistics	99.99	99.99
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	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
Movida Participações S.A.	Direct	Brazil	Rental of vehicles	65.59	65.59
Movida Gestão e Terceirização de Frotas S.A.	Indirect	Brazil	Rental of vehicles	65.59	65.59
Movida Locação de Veículos S.A.	Indirect	Brazil	Rental of vehicles	65.59	65.59
Movida Locação de Veículos Premium Ltda.	Indirect	Brazil	Rental of vehicles	65.59	65.59
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A.	Direct	Brazil	VAMOS	99.99	99.99
Borgato Máquinas S.A.	Indirect	Brazil	VAMOS	99.99	99.99
Borgato Serviços Agrícolas S.A.	Indirect	Brazil	VAMOS	99.99	99.99
Borgato Caminhões S.A.	Indirect	Brazil	VAMOS	99.99	99.99
Transrio Caminhões, Ônibus, Máquinas e Motores Ltda.	Indirect	Brazil	VAMOS	99.99	99.99
JSL Holding Financeira Ltda.	Indirect	Brazil	VAMOS	99.90	99.90
JSL Leasing S.A.	Indirect	Brazil	VAMOS	99.90	99.90
Avante Veículos Ltda.	Direct	Brazil	Authorized vehicle dealerships	100.00	100.00
JSL Corretora e Administradora de Seguros Ltda.	Direct	Brazil	Authorized vehicle dealerships	100.00	100.00
Original Veículos Ltda.	Direct	Brazil	Authorized vehicle dealerships	100.00	100.00
Ponto Veículos Ltda.	Direct	Brazil	Authorized vehicle dealerships	100.00	100.00
JSL Empreendimentos Imobiliários Ltda.	Direct	Brazil	Logistics	99.99	99.99
JSL Europe	Direct	Luxembourg	Logistics	100.00	100.00
JSL Finance S.a.r.	Direct	Luxembourg	Logistics	100.00	100.00

(i) Company in pre-operational phase or dormant;

(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%);

All subsidiaries and consortia were consolidated into the interim financial information of the JSL Group. Control is achieved when the company has the power to govern the financial and operating policies of such entity to obtain benefits from its activities.

When necessary, the interim financial information of subsidiaries is adjusted to bring their accounting policies into line with those defined by the JSL Group.

In JSL Group´s individual interim financial information, investments in subsidiaries and joint ventures are accounted for under the equity method of accounting. Investments disclosed in note 13 are represented by the same companies disclosed in the individual and consolidated annual financial statements for the year ended December 31, 2017, issued on March 22, 2018.

All transactions, balances, revenues and expenses between Group's companies were fully eliminated in the consolidated interim financial information.

2.7 Use of estimates and judgments

The preparation of the interim financial information amount requires the use of certain critical accounting estimates and also the exercise of judgment by the JSL Group's management in applying the accounting policies. Those areas that require a higher degree of judgment and have greater complexity, as well as the areas where assumptions and estimates are significant to the interim financial information, are disclosed in the notes below:

i) Fair value of financial instruments - Note 4;
ii) Expected credit losses in accounts receivables - Note 4.5 (i);
iii) Property and equipment (depreciation of vehicles, machinery and equipment, definition of residual value and estimate of losses for goods which are damaged or were involved in accidents) - Note 14;
iv) Impairment of intangible assets - Note 15.2;
v) Provision for judicial and administrative litigation - Note 25;
vi) Tax liabilities and deferred income tax and social contribution credits recoverable - 26.1;
vii) Share-based payment transactions - Note 29.

2.8 Restatement of comparative amounts

2.8.1 Reclassification of comparative balances

(a) Dividends receivable – parent company

The amount corresponding to dividends receivable, in the parent company, in the amount of R$ 9,856, previously presented in the balance sheet, related to the year ended December 31, 2017, was transferred from the line item related parties to dividends receivable. Additionally, all effects of such reclassifications were duly reflected in the statement of cash flows.

(b) Revenue deductions

The amounts corresponding to tolls, in the parent company and consolidated, relate to the period ended March 31, 2017, in the amount of R$ 9,058 in the parent company and R$ 9,396 in the consolidated, were transferred from the line item cost of sales, rentals and services rendered to net revenue from services rendered, rental and sale of assets used in services rendered.

(c) Breakdown of operating expenses

Without impacting the net operating expenses, in the parent company and consolidated, and in order to segregate the presentation and disclosure of the financial information and the comparability with 2018, the Company has broken down the corresponding information of the statement of income for the period ended March 31, 2018. We highlight that this refers to the segregation of accounts within the same group of accounts in the statement of income for 2017, since these were presented as such in 2018 and broken down in the same way in 2017 for comparison purposes. See note 32.

2.8.2 Error corrections

During the period ended March 31, 2018, errors were identified in the statements of cash flows of the comparative period for better presentation, as shown below:

	Parent company			Consolidated		
	Disclosed on 03/31/2017	Adjustment	Adjusted value on 03/31/2017	Disclosed on 03/31/2017	Adjustment	Adjusted value on 03/31/2017
Cash flows from operating activities						
Loss before income tax and social contribution	(36,491)	-	(36,491)	(9,485)	-	(9,485)
Adjustment for:						
Other adjustments on loss before income tax and social contribution	212,374	-	212,374	805,345	-	805,345
Provision for and write-off of stolen and damaged vehicles	(1,547)	-	(1,547)	27,600	32,904	60,504
Write-off of investments due to sale of shares of subsidiaries	44,152	(44,152)	-	44,152	(44,152)	-
Secondary offering of shares of subsidiary	-	(16,894)	(16,894)	-	(16,894)	(16,894)
	218,488	**(61,046)**	**157,442**	**867,612**	**(28,142)**	**839,470**
Others changes in current and non-current assets and liabilities	86,621	-	86,621	(4,241)	-	(4,241)
Other accounts payable	(119,512)	-	(119,512)	(128,154)	-	(128,154)
Changes in current and non-current assets and liabilities	**(32,891)**	**-**	**(32,891)**	**(132,395)**	**-**	**(132,395)**
Cash provided by (used in) operating activities	**185,597**	**(61,046)**	**124,551**	**735,217**	**(28,142)**	**707,075**
Other operating changes	(234,575)	-	(234,575)	(1,076,472)	-	(1,076,472)
Net cash (used in) provided by operating activities	**(48,978)**	**(61,046)**	**(110,024)**	**(341,255)**	**(28,142)**	**(369,397)**
Cash flows from investing activities						
Other changes in investing activities	(75,054)	-	(75,054)	(60,044)	-	(60,044)
Net cash used in investing activities	**(75,054)**	**-**	**(75,054)**	**(60,044)**	**-**	**(60,044)**
Cash flows from financing activities						
Other changes in investing activities	(157,029)	-	(157,029)	(138,251)	(32,904)	(171,155)
Primary and secondary offering of shares of subsidiary	-	61,046	61,046	506,144	61,046	567,190
Net cash provided by (used in) financing activities	**(157,029)**	**61,046**	**(95,983)**	**367,893**	**28,142**	**396,035**

In the statement of value added, the amount of R$ 8,724 was reclassified, related to finance income that was reducing the finance cost amount.

3. OPERATING SEGMENTS

Segment information is presented in relation to the business segments of the JSL Group and its subsidiaries identified based on the Management structure and internal managerial information utilized by the JSL Group'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 JSL Group's businesses were divided into four operating segments: Transportation and logistics, Authorized light vehicle dealerships, Rental of light vehicles (“Movida”) and Rental of heavy vehicles (“Vamos”).

No customer represented more than 10% of gross operating revenue during the three-month periods ended March 31, 2018 and 2017.

The business segment information for the periods ended March 31, 2018 and 2017 is as follows:

	Transportation and logistics	Authorized vehicle dealerships	Rental of vehicles (Movida)	Vamos	Eliminations (i)	3/31/2018 Consolidated
Net revenue from services rendered and sale of assets used in services rendered	**959,033**	**162,345**	**604,151**	**228,684**	**(17,401)**	**1,936,812**
(-) Cost of sales, rentals and services rendered	(766,056)	(135,333)	(103,604)	(127,378)	16,742	(1,115,629)
(-) Cost of sales of demobilized assets	(65,661)	(1,619)	(318,039)	(17,003)	659	(401,663)
(=) Gross profit	**127,316**	**25,393**	**182,508**	**84,303**	**-**	**419,520**
Administrative expenses	(47,871)	(7,881)	(41,979)	(23,487)	-	(121,218)
Selling expenses	(7,257)	(15,718)	(39,097)	(3,567)	-	(65,639)
Other operating income (expenses), net	(4,018)	(610)	(18,111)	2,248	-	(20,491)
Equity in the results of investees	(439)	-	-	-	-	(439)
Profit before finance income and (costs)	**67,731**	**1,184**	**83,321**	**59,497**	**-**	**211,733**
Finance result, net						(169,519)
(=) Profit before income tax and social contribution						**42,214**
income tax and social contribution - current and deferred						(17,123)
(=) Net profit for the period						**25,091**
Attributable to:						
Owners of the Company						13,576
Non-controlling interests						11,515
Total assets per segment	11,019,327	267,800	3,915,850	2,214,400	(4,149,686)	12,267,703
Total liabilities per segment	9,244,012	110,900	2,624,209	1,408,200	(1,278,796)	12,108,530

(i) Eliminations of transactions between the segments.

	Transportation and logistics	Authorized vehicle dealerships	Rental of vehicles (Movida)	Vamos	Eliminations (i)	3/31/2017 Consolidated
Net revenue from services rendered and sale of assets used in services rendered	**876,866**	**149,255**	**615,111**	**168,293**	**(61,119)**	**1,748,406**
(-) Cost of sales, rentals and services rendered	(698,339)	(121,726)	(97,200)	(80,162)	48,961	(948,466)
(-) Cost of sales of demobilized assets	(81,179)	(1,761)	(349,510)	(18,453)	12,158	(438,745)
(=) Gross profit	**97,348**	**25,768**	**168,401**	**69,678**	**-**	**361,195**
Administrative expenses	(52,285)	(20,414)	(43,541)	(16,330)	-	(132,570)
Selling expenses	(5,703)	(5,130)	(32,505)	(3,732)	-	(47,070)
Other operating income (expenses), net	15,211	(1,384)	(24,671)	504	-	(10,340)
Profit before finance income and (costs)	**54,571**	**(1,161)**	**67,685**	**50,120**	**-**	**171,215**
Finance result, net						(180,700)
(=) Loss before income tax and social contribution						**(9,485)**
income tax and social contribution expenses – current and deferred						2,523
(=) Loss for the period						**(6,962)**
Attributable to:						
Owners of the Company						(10,663)
Non-controlling interests						3,701
Total assets per segment	6,682,437	395,437	3,313,640	1,493,986	(2,579,102)	9,306,689
Total liabilities per segment	5,142,933	94,590	2,064,744	994,984	(143,943)	8,153,308

(i) Eliminations of transactions between the segments.

The period ended March 31, 2017 is being restated to reflect the current segments of the JSL Group.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments used by the Company and its subsidiaries are restricted to cash and cash equivalents, marketable securities, derivative financial instruments, trade receivables, other credits, trade payables, floor plan vehicles, suppliers financing - car makers, borrowings and financing, debentures, finance leases payable, assignment of receivables, other accounts payable and payables to related parties 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.

4.1 Financial instruments by category

Financial instruments are classified into the following categories:

	Consolidated				
	3/31/2018				
Assets, as per balance sheet	**Assets at fair value through profit or loss**	**Fair value of hedge instruments**	**Assets at fair value through other comprehensive income - FVOCI**	**Amortized cost**	**Total**
Cash and cash equivalents	666,334		-	27,298	693,632
Marketable securities	2,611,698		534,352	-	3,146,050
Derivative financial instruments	82,988	14,153	-	-	97,141
Trade receivables	-		-	1,410,170	1,410,170
Related parties	-		-	232	232
Other credits	-		-	65,637	65,637
	3,361,020	**14,153**	**534,352**	**1,503,337**	**5,412,862**

Liabilities, as per balance sheet	**Liabilities at fair value through profit or loss**	**Other financial liabilities**	**Total**
Trade payables	-	904,723	904,723
Floor plan vehicles	-	84,057	84,057
Suppliers financing - car makers	-	139,524	139,524
Borrowings and financing	98,420	7,436,816	7,535,235
Debentures	367,148	1,647,367	2,014,516
Finance leases payable	-	209,809	209,809
Assignment of receivables	-	28,703	28,703
Derivative financial instruments	20,439	-	20,439
Related parties	-	1,768	1,768
Other accounts payable	-	367,988	367,988
	486,007	**10,820,755**	**11,306,762**

The year ended December 31, 2017 is presented in note 2.2.2.

4.2 Fair value of financial assets and liabilities

A comparison by accounting category of the carrying amount and fair value of the JSL Group's financial instruments, is shown below:

	Consolidated			
	Carrying amount		Fair value	
	3/31/2018	12/31/2017	3/31/2018	12/31/2017
Financial assets				
Cash and cash equivalents	693,632	714,734	693,632	714,734
Marketable securities	3,146,050	1,724,204	3,146,050	1,724,204
Derivative financial instruments	97,141	108,252	97,141	108,252
Trade receivables	1,410,170	1,332,439	1,410,170	1,332,439
Related parties	232	188	232	188
Other credits	65,637	18,897	65,637	18,897
Total	**5,412,862**	**3,898,714**	**5,412,862**	**3,898,714**
Financial liabilities				
Trade payables	904,723	878,274	904,723	878,274
Floor plan vehicles	84,057	72,051	84,057	72,051
Suppliers financing - car makers	139,524	248,148	139,524	248,148
Borrowings and financing	7,535,235	5,792,567	7,530,430	5,783,127
Debentures	2,014,515	2,015,483	1,975,723	1,989,649
Finance leases payable	209,810	212,777	209,810	212,771
Assignment of receivables	28,703	30,214	28,703	30,214
Derivative financial instruments	20,439	-	20,439	-
Related parties	1,768	553	1,768	553
Other accounts payable	367,988	351,980	367,988	351,980
Total	**11,306,762**	**9,602,047**	**11,263,165**	**9,566,767**

The fair value of the debt was calculated based on the current price of each of the JSL Group's debt instruments in a way so that, by replacing them, the JSL Group will have the same cash flow characteristics and remaining periods as it would under the original transaction. Specifically, for the *Finame* agreements at fixed the fair 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, 2018 was as follows:

Interest curve – Brazil

Vertex	1M	6M	1Y	2Y	3Y	5Y	10Y
Rate (p.y.) - %	6.39	6.22	6.29	7.26	7.26	9.03	9.97

Source: B3 ("*Brasil, Bolsa e Balcão*") on 3/31/2018

The fair values of financial assets and liabilities are measured in accordance with the following categories:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities. In this category are included the investments in investment funds, such as Financial Treasury Bills ("LFT"), National Treasury Bills ("LTN"), Units of Funds and other securities, as well as the sovereign and corporate securities;

Level 2 - Quoted prices in active markets for similar instruments, observable prices for identical or similar instruments in non-active markets and valuation models for unobservable inputs. This category includes the bank deposit certificates (CDB), Repo operations, Financial Bills, Credit linked notes (CLN), derivatives, borrowings and financing and debentures.

Level 3 - Instruments with unobservable significant inputs. The Company has no instruments classified in this category.

The table below presents the general classification of financial instruments assets and liabilities, according to the fair value hierarchy.

	Consolidated					
			3/31/2018			12/31/2017
	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets at fair value through profit or loss						
Cash and cash equivalents						
Bank deposit certificates ("CDB")	-	337,290	337,290	-	313,906	313,906
Repo operations	-	134,190	134,190	-	181,860	181,860
Financial bills	-	105,613	105,613	-	99,734	99,734
Units of other funds	55,045	-	55,045	74,194	-	74,194
Others	34,196	-	34,196	-	25,419	25,419
Marketable securities						
Financial Treasury Bills ("LFT")	620,363	-	620,363	317,490	-	317,490
National Treasury Bills ("LTN")	424,466	-	424,466	324,929	-	324,929
Credit linked note ("CLN")	-	1,561,442	1,561,442	-	540,626	540,626
Foreign securities	5,457	-	5,457	-	7,540	7,540
Derivative financial instruments						
Swap agreement	-	82,988	82,988	-	85,352	108,252
	1,139,527	**2,221,523**	**3,375,203**	**716,613**	**1,254,437**	**1,993,950**
Assets at fair value through other comprehensive income - FVOCI						
Marketable securities						
Sovereign securities (in USD)	321,317	-	321,317	319,677	-	319,677
Corporate securities (in USD)	213,035	-	213,035	213,842	-	213,842
	534,352	**-**	**534,352**	**533,519**	**-**	**533,519**
Fair value of hedge instruments						
Swap agreement	**-**	14,153	**-**		22,900	
	1,673,879	**2,235,676**	**3,909,555**	**1,250,132**	**1,277,337**	**2,527,469**
Liabilities at fair value through profit or loss						
Derivative financial instruments						
Swap agreement	-	20,439	20,439	-	-	-
Borrowings and financing	-	98,420	98,420	-	199,951	-
Debentures	-	367,148	367,148	-	354,943	-
	-	**486,007**	**486,007**	**-**	**554,894**	**-**

4.3 Liability designated at fair value

In order to protect against the risk of exchange variations, the Company contracted derivative financial instruments (swap), at the same notional amounts and maturities, exchanging the index of the debt from dollar to reais. To eliminate a possible accounting mismatch due to the measurement and recognition of the derivative and the borrowing, the Company chose to designate the borrowings at fair value through profit or loss (fair value option).

With the adoption of CPC 38/IFRS 9 Financial Instruments, the component of the changes in fair value related to the Company' credit risk, is recognized in other comprehensive income (OCI). The amounts recognized in OCI will not be reclassified to statement of income (loss), but can be reclassified to retained earnings or accumulated losses when realized. The changes in the fair value related to market risk are recognized in statement of income (loss).

The Company uses as criteria to define the changes in the fair value attributable to credit risk, determining first the changes in market conditions that give rise to the risk, and following, deducing these changes in the total fair value of liabilities. The market conditions that give rise to the market risk include changes in reference interest rates.

4.4 Sensitivity analysis

The JSL Group's management conducted a study of the potential impact of variations in interest rates on the amounts of financial investments, borrowings and financing, including debentures, finance leases payable and suppliers financing - car makers. The debt was divided into three parts: debts subject to CDI, debts subject to TJLP and debts subject to IPCA and SELIC, which could have different movements according to the inherent rate.

This study estimated a probable scenario of CDI rate of 6.29%, based on the future interest rate curve of B3 (*"Brasil, Bolsa e Balcão"*), proportionally impacting on the JSL Group's debt and financial investments. With regard to IPCA, the scenario considered probable by the JSL Group is the maintenance of the rate at March 31, 2018. And with regard to TJLP, the scenario considered probable at March 31, 2018 is 6.60% p.a. and SELIC is 6.50%.

The following sensitivity analysis of financial instruments was prepared according to CVM Instruction No. 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) for the floating rate agreements.

Operation	Exposure	Active	Probable rate	Scenario I probable	Scenario II + 25%	Scenario III + 50%
Cash and cash equivalents	666,334	98.37% of CDI	6.29%	41,912	52,390	62,868
Marketable securities	620,363	SELIC	6.50%	40,324	50,405	60,486
		Total assets		**82,236**	**102,795**	**123,354**
Borrowings, financing and debentures	(6,304,699)	CDI + 2.17%	6.29%	(396,566)	(495,708)	(594,849)
Finance leases payable	(209,809)	CDI + 3.5%	6.29%	(13,197)	(16,496)	(19,796)
		Total CDI liabilities		**(409,763)**	**(512,204)**	**(614,495)**
Borrowings, financing and debentures	(12,702)	IPCA + 4.35%	4.08%	(518)	(648)	(777)
Borrowings, financing and debentures	(258,902)	TJLP + 2.71%	6.60%	(17,088)	(21,360)	(25,632)
Borrowings, financing and debentures	(86,349)	SELIC + 4.5%	6.50%	(5,613)	(7,016)	(8,420)
		Total IPCA / TJLP liabilities		**(23,219)**	**(29,024)**	**(34,829)**
Total impact on the sensitive finance costs				**(350,746)**	**(438,433)**	**(526,120)**
Debts at fixed rates						
Marketable securities	2,525,687	FIXED RATE	6.50%	164,170	164,170	164,170
Borrowings, financing and debentures	(2,887,098)	FIXED RATE	8.59%	(248,002)	(248,002)	(248,002)
Suppliers financing - car makers	(139,524)	FIXED RATE	12.99%	(17,761)	(17,761)	(17,761)
Total impact of finance costs on the statement of income (loss)				**(452,339)**	**(540,026)**	**(627,713)**

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

4.5 Financial risk management

The main non-derivative financial liabilities of the JSL Group refer to trade payables, floor plan vehicles, suppliers financing - car makers, borrowings and financing, debentures, finance leases payable, assignment of receivables and other accounts payable. The primary purpose underlying these financial liabilities is to foster the operations. The JSL Group has trade receivables, other credits and demand and short-term deposits arising directly from its operations. The JSL Group is exposed to **market, credit, and liquidity risk**.

Management monitors the management of these risks supported in this activity by a Financial Committee, which advises in the assessment of the financial risks according a governance structure appropriate for the JSL Group. Management, supported by the Financial Committee, recommends actions to the Board of Directors so that the activities that result in financial risks to the JSL Group are governed by appropriate practices and procedures.

It is the responsibility of the Board of Directors to authorize transactions involving any kind of derivative financial instrument, which is defined as any agreements that generate financial assets and liabilities, regardless of the market in which they are traded or listed, the amounts of which are subject to fluctuations.

The JSL Group has a policy of not entering into derivative transactions for speculative purposes. These transactions are used only for protection against fluctuations related to market risks.

i. *Credit risk*

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

- Trade receivables

  As mentioned in note 2.2.2.2., the JSL Group uses a simplified provision matrix to calculate the expected losses on its trade receivables. The provision matrix is based on the historical percentages of loss observed and is adjusted for specific customers in accordance with the future estimates and qualitative factors observed by the Collection and Credit Committee.

  The JSL Group considers that trade receivables in default are all that are past due over 90 days, in relation to their contractual maturities, observed in the provision matrix.

  The JSL Group write-offs its financial assets when there is no reasonable expectation of recovery. The JSL Group determines the write-off of a receivable after 12 or 24 months overdue, according to the recoverability study of each company of the JSL Group. The receivables written-off by the Company continue in the process of collection to recover the amount receivable. When there are recoveries, these are recognized as income from credit recovery in the statement of income (loss) for the period.

- Cash and cash equivalents, financial investments and marketable securities

  Credit risk associated with balances at banks and financial institutions is managed by the JSL Group's treasury area in accordance with the guidelines approved by the Financial Committee and the Board of Directors. Surpluses are deposited only in approved institutions and in compliance with the limits set for each, in order to minimize risk concentration.

The JSL Group determines the credit risk of a debt instrument based on the analysis of the history of payments, current financial and macroeconomic conditions of the counterparty and the evaluation of rating agencies when applicable, thus assessing each receivable individually.

The maximum period considered in the expected credit loss is the maximum contractual period during which the Company is exposed to the credit risk.

Expected credit losses are estimated weighted by the likelihood of credit losses. Credit losses are measured at present value based on all cash deficits (that is, the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Expected credit losses are discounted by the effective interest rate of the financial asset.

- Impairment presentation

The provision for impairment of financial assets measured at amortized cost is deduced from the gross carrying amount of the assets.

For debt instruments measured at FVOCI, the provision for losses is recognized in OCI instead of reducing the asset's carrying amount.

Impairment losses related to the trade receivables and other credits, including contractual assets, are presented separately in the statement of income (loss) and OCI.

The impairment losses on other financial assets are presented in "finance costs", similarly to the presentation under CPC38/IAS39, when applicable.

ii. 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 prices. 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 JSL Group's financial instruments affected by market risk include cash and cash equivalents, marketable securities, borrowings and financing, finance leases payable, assignment of receivables and debentures, and are basically subject to interest rate risk.

- 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 JSL Group's exposure to risk associated with market interest rate fluctuations relates primarily to JSL Group's cash and cash equivalents and marketable securities, borrowings and financing, debentures and finance leases payable, subject to interest rates. The sensitivity analysis is presented in the item 4.4.

- Foreign exchange rate risk

The JSL Group obtained borrowings indexed to exchange rate changes. All these instruments were hedged against exchange rate changes by swap instruments, exchanging indexation to exchange rate for interest indexed to a percentage of the CDI and financial investments in foreign currency at the same amount. Therefore, the JSL Group is not exposed to foreign exchange losses.

iii. Liquidity risk

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

The JSL Group's purpose is to maintain in its assets balance of cash and highly-liquid investments and maintain flexibility through the use of bank loans and the ability to raise funds through capital markets, in order to ensure its liquidity and operational continuity. The JSL Group 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.

					Consolidated
	Carrying amount	Contractual flow	Up to 1 year	1-2 years	3-8 years
Financial liabilities					
Trade payables	904,723	904,723	904,723	-	-
Floor plan vehicles	84,057	84,057	84,057	-	-
Suppliers financing - car makers	139,524	139,524	139,524	-	-
Borrowings and financing	7,535,235	9,881,181	1,499,768	1,759,515	6,621,898
Debentures	2,014,515	2,420,501	446,041	678,903	1,295,557
Assignment of receivables	28,703	38,073	8,015	15,029	15,029
Derivative financial instruments	20,439	20,439	20,439	-	-
Finance leases payable	209,810	220,598	130,144	42,198	48,256
Related parties	1,768	1,768	1,768	-	-
Other accounts payable	367,988	376,146	137,096	203,528	35,522
Total	**11,306,762**	**14,087,010**	**3,371,575**	**2,699,173**	**8,016,262**

4.6 Derivative financial instruments

The JSL Group uses derivative financial instruments solely with the purpose of hedging against market risks. In accordance with the JSL Group's policy, the operations that may adversely affect the JSL Group's statement of income (loss) or cash flows will be hedged, due to the risks involved. When the JSL Group carries out transactions that involve unwanted exposure, senior Management will assess the need to contract financial instruments with the objective to hedge and mitigate the risks to which it is exposed.

At March 31, 2018, the JSL Group has derivative financial instruments (swap agreements) that were classified as cash flow hedge, and applied the hedge accounting pursuant to CPC 48/ IFRS 9 – Financial instruments, as shown in the movement at the end of this note. The cash flow hedge consists in providing a hedge against variations in cash flows attributable to a specific risk associated to a recognized asset or liability or a highly probable forecast transaction that may affect the result.

The relationship between the hedging instrument and the hedged item, as well as the risk management policies and objectives, were documented at the beginning of the transaction. The prospective and retrospective effectiveness tests are also properly documented, confirming that the designated derivatives are effective in offsetting the changes in the fair value of the hedged items.

The effective portion of the changes in the fair value of derivatives designated and qualifying as cash flow hedge is recognized as a component of "other comprehensive income (loss)", net of the respective income tax. As at March 31, 2018, the negative variation was R$ 44,425. The gain or loss relating to the ineffective portion, when determined, is recognized immediately in statement of income (loss). During the period ended March 31, 2018, no gain or loss on the ineffective portion was recognized.

The amounts accumulated in "other comprehensive income (loss)", net of taxes, are reclassified to the stat7ement of income (loss) for the periods when the hedged item affects statement of income (loss) (for example, when the settlement of the hedged item occurs).

The JSL Group has other derivative financial instruments (swap agreements) that were not elected for the application of the hedge accounting pursuant to CPC 48 / IFRS IAS 9 – Financial instruments, the resulting gains and losses of which arising from changes in the fair value of these transactions are recognized in the statement of income (loss). During the periods ended March 31, 2018 and 2017, the gains on swap transactions were R$ 31,664 (loss of R$ 15,154 in 2017) in the parent company and consolidated. These expenses set over against on the underlying hedged instruments. See the impact on the result in Note 33.

The outstanding contracts at March 31, 2018 are the following:

							Consolidated	
							Balance of the hedged debt at 3/31/2018	
Instrument	Derivative instrument type	Operation	Notional amount	Maturity	Hedge index	Average rate	Amortized cost	Fair value
Swap agreement	Cash flow hedge	Swap USD x Spread x CDI	USD 463,500	07/2024	FIXED RATE + EXCHANGE RATE	100% CDI	1,568,635	1,568,635
Swap agreement	Fair value option	Swap IPCA x CDI	R$ 213,811	07/2020	IPCA + EXCHANGE RATE	109% CDI	260,221	267,438
Swap agreement	Fair value option	Swap IPCA x CDI	R$ 71,751	06/2021	IPCA + EXCHANGE RATE	100% CDI	94,752	99,710
Swap agreement	Fair value option	Swap USD x Spread x CDI	USD 30,000	03/2019	FIXED RATE + EXCHANGE RATE	100% CDI	100,140	98,420
						Total	2,023,748	2,034,203

The outstanding balances are as follows:

						Consolidated
		3/31/2018				12/31/2017
Operation	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Swap – USD x DI	USD 493,500	18,857	(20,439)	USD 220,000	34,670	-
Swap - IPCA x CDI	R$ 285,562	78,284	-	R$ 285,562	73,582	-
		97,141	**(20,439)**		**108,252**	**-**
Current assets		4,704	-		-	-
Non-current assets		92,437	20,439		108,252	-
Total		**97,141**	**20,439**		**108,252**	-

5. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	3/31/2018	12/31/2017	3/31/2018	12/31/2017
Cash	166	340	3,684	1,900
Banks	14,152	4,045	23,614	17,721
Total cash and banks	**14,318**	**4,385**	**27,298**	**19,621**
Bank deposit certificates (“CDB”)	73,770	29,875	337,290	313,906
Repo operations	41,164	63,637	134,190	181,860
Financial bills	62,186	2,135	105,613	99,734
Units of funds	2,386	2,550	55,045	74,194
Others	14,229	13,905	34,196	25,419
Total financial investments	**193,735**	**112,102**	**666,334**	**695,113**
Total	**208,053**	**116,487**	**693,632**	**714,734**

The financial investments are immediately redeemable, and held for the daily management of the JSL Group’s cash. The fair values are similar to the balances at amortized cost for these transactions in the period ended March 31, 2018 and year ended December 31, 2017.

During the three-month period ended March 31, 2018, the average income of these investments was 98.37% of the CDI, equivalent to 1.56% p.m., while for the year ended December 31, 2017 the average income was 100.8% of the CDI, equivalent to 0.80% p.m.

6. MARKETABLE SECURITIES

	Parent company		Consolidated	
Transactions	**3/31/2018**	**12/31/2017**	**3/31/2018**	**12/31/2017**
Government securities – Exclusive funds				
Financial Treasury Bills ("LFT")	294,779	24,642	620,363	317,490
National Treasury Bills ("LTN")	286,560	50,683	424,466	324,929
Foreign securities	-	-	5,457	7,540
Foreign securities				
Sovereign securities (in USD)	-	-	321,317	319,677
Corporate securities (in USD)	-	-	213,005	213,842
Credit linked note ("CLN")	-	-	1,561,442	540,626
Debentures	296,631	305,355	-	-
Total	**877,970**	**380,680**	**3,146,050**	**1,724,104**
Current assets	877,970	380,680	3,140,623	1,718,520
Non-current assets	-	-	5,427	5,584
Total	**877,970**	**380,680**	**3,146,050**	**1,724,104**

The average income of government securities allocated to exclusive funds is defined at fixed and floating rates, based on the variation of the daily SELIC rate. The average income for the three-month period ended March 31, 2018 was 1.56% p.m. (December 31, 2017 – 0.80% p.m.). These funds are managed by first tier financial institutions with low credit risk. The average income disclosed are net of management fee and commission.

Corporate securities are debt securities issued by Brazilian companies such as bonds, notes and others that have weighted risk rating "BB" in global scale. Sovereign securities are debt securities issued by the Brazilian government or by entities controlled by the government. These securities are naturally hedged by the respective amount of the debt in USD, as disclosed in Note 19. The remuneration from these securities is defined based on the coupon of each issuance and on the yield rate at the acquisition date. The weighted average income for the year ended March 31, 2018 was 1.29% p.a.

Debentures are debt securities issued by the Subsidiary Movida Participações S.A., which are eliminated in consolidation, the remuneration of these operations is CDI + 1.75% p.a. and mature on September 24, 2018.

7. TRADE RECEIVABLES

	Parent company		Consolidated	
Description	**3/31/2018**	**12/31/2017**	**3/31/2018**	**12/31/2017**
Receivables from services and rentals	508,999	477,994	1,040,036	1,024,947
Commission on sales of used vehicles	-	-	49,784	43,099
Receivables from credit cards (i)	-	-	13,817	6,860
Leases receivable (ii)	-	-	110,182	27,507
Unbilled revenue from services rendered and rental (iii)	190,812	208,504	318,582	312,283
Intercompany receivables	33,475	13,494	13,120	13,904
Other accounts receivable	33,352	32,868	126,733	126,937
(-) Expected credit losses in accounts receivables	(75,469)	(68,986)	(262,075)	(223,098)
Total	**691,169**	**663,874**	**1,410,179**	**1,332,439**
Current assets	666,972	637,969	1,289,200	1,211,836
Non-current assets	24,197	25,905	120,979	120,603
Total	**691,169**	**663,874**	**1,410,179**	**1,332,439**

(i) Accounts receivable from credit cards refer to sales made by Movida and Concessionárias, and paid by the client through credit cards.

(ii) Refers to balances receivable related to finance leases agreements that are allocated mainly to Borgato Máquinas S.A. and JSL Leasing.

(iii) Unbilled service and rental revenue (parent company) comprises any shipping orders used, issued and recognized as revenue for the period not yet invoiced to the client, and logistics and fleet management services in progress, recognized based on the measurements and rentals. 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 unbilled revenue is measured in proportion to the days of rental.

7.1 Aging list and expected credit losses in accounts receivables

	Parent company		Consolidated	
	3/31/2018	12/31/2017	3/31/2018	12/31/2017
Falling due	**593,748**	**576,383**	**1,108,350**	**1,079,792**
Overdue for up to 30 days	41,879	43,999	92,182	80,423
Overdue from 31 to 91 days	33,310	18,771	102,959	55,665
Overdue from 91 to 180 days	18,255	18,330	48,594	55,324
Overdue from 181 to 365 days	17,939	11,075	66,721	62,452
Overdue for more than 365 days	61,507	64,302	253,448	221,881
Total overdue	**172,890**	**156,477**	**563,904**	**475,745**
(-) Expected credit losses in accounts receivables	(75,469)	(68,986)	(262,075)	(223,098)
Total	**691,169**	**663,874**	**1,410,179**	**1,332,439**

The changes in the expected credit losses in accounts receivables are shown below:

	Parent company	Consolidated
At December 31, 2016	**(60,501)**	**(147,343)**
(-) Additions	(18,991)	(122,175)
(+) Write-offs or reversal	10,506	61,493
(+) Additions due to business combination	-	(15,073)
At December 31, 2017	**(68,986)**	**(223,098)**
Remeasurement (CPC 48 / IFRS 9)	(3,264)	(29,710)
At January 1 2018	**(72,250)**	**(252,808)**
(-) Additions	(5,816)	(25,412)
(+) Write-offs or reversal	2,597	16,145
At March 31, 2018	**(75,469)**	**(262,075)**

The expected credit losses in accounts receivables were computed considering the assumptions described in note 4.5 (i).

8. INVENTORIES

	Parent company		Consolidated	
Description	**3/31/2018**	**12/31/2017**	**3/31/2018**	**12/31/2017**
New vehicles	-	-	91,743	83,371
Used vehicles	-	-	54,545	47,913
Parts for resale	-	-	53,926	82,386
Materials for use and consumption	36,789	32,501	46,709	41,997
Others	-	-	775	696
(-) Estimated losses of inventories (i)	(6,696)	(6,744)	(10,656)	(10,216)
Total	**30,093**	**25,757**	**237,042**	**246,147**

(i) The provision for impairment of inventories refers to materials for use and consumption and parts for resale.

The changes in estimated losses on impairment of inventories are shown below:

	Parent company	Consolidated
At December 31, 2016	**(5,802)**	**(8,888)**
(-) Additions	(4,547)	(7,644)
(+) Write-offs	3,605	6,316
At December 31, 2017	**(6,744)**	**(10,216)**
(-) Additions	(1,399)	(2,176)
(+) Write-offs	1,447	1,736
At March 31, 2018	**(6,696)**	**(10,656)**

9. TAXES RECOVERABLE

	Parent company		Consolidated	
Description	**3/31/2018**	**12/31/2017**	**3/31/2018**	**12/31/2017**
IRRF	2,930	1,869	12,655	12,376
ICMS	17,595	17,654	39,925	40,762
INSS	58,760	51,664	76,465	68,760
PIS and COFINS	1,688	10,408	49,611	60,186
ISS	-	-	2,470	2,442
Others	1,921	1,852	3,126	2,419
Total	**82,894**	**83,447**	**184,252**	**186,945**
Current assets	42,779	43,332	122,102	125,015
Non-current assets	40,115	40,115	62,150	61,930
Total	**82,894**	**83,447**	**184,252**	**186,945**

10. INCOME TAX AND SOCIAL CONTRIBUTION RECOVERABLE

Refers to (i) Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) to offset for withholdings, advances made during the year 2018 and balances of prepayments remaining from prior years, as follows:

	Parent company		Consolidated	
	3/31/2018	**12/31/2017**	**3/31/2018**	**12/31/2017**
Current assets	62,966	56,295	99,354	97,196
Non-current assets (i)	20,308	20,245	20,370	20,307
Total	**83,274**	**76,540**	**119,724**	**117,503**

(i) Refer to PERD/COMPs with objection of compliance, which will be analyzed by the tax authority.

11. ASSETS AVAILABLE-FOR-SALE (FLEET RENEWAL)

As a result of the fleet renewal process, certain assets (vehicles, machinery and equipment) of the JSL Group were made available-for-sale, in the parent company totaling R$ 80,682 (at December 31, 2017 - R$ 70,866) and in the consolidated totaling R$ 399,272 (at December 31, 2017 - R$ 313,390). This account includes assets that were recorded as property and equipment and that, as a result of their replacement, are available for immediate sale.

Amounts are presented at the lower of the 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 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 and equipment and their depreciation is again recorded.

The movements in assets available-for-sale in the year ended December 31, 2017 are presented in the individual and consolidated annual financial statements for that year, disclosed on March 22, 2018.

The changes in the three-month period ended March 31, 2018 are shown below:

	Parent company			Consolidated		
	Vehicles	Machinery and equipment	Total	Vehicles	Machinery and equipment	Total
Cost or valuation:						
At December 31, 2017	**111,274**	**25,791**	**137,065**	**362,253**	**81,608**	**443,861**
Assets transferred from property and equipment	66,058	11,356	77,414	582,795	25,216	608,011
Assets written-off due to sale	(55,177)	(6,491)	(61,668)	(466,734)	(14,022)	(480,756)
At March 31, 2018	**122,155**	**30,656**	**152,811**	**478,314**	**92,802**	**571,116**
Accumulated depreciation:						
At December 31, 2017	**(43,444)**	**(22,755)**	**(66,199)**	**(74,411)**	**(56,060)**	**(130,471)**
Assets transferred from property and equipment	(32,859)	(8,994)	(41,853)	(101,754)	(18,715)	(120,469)
Assets written-off due to sale	30,511	5,412	35,923	70,251	8,842	79,093
At March 31, 2018	**(45,792)**	**(26,337)**	**(72,129)**	**(105,914)**	**(65,933)**	**(171,847)**
Net value:						
At December 31, 2017	**67,830**	**3,036**	**70,866**	**287,842**	**25,548**	**313,390**
At March 31, 2018	**76,363**	**4,319**	**80,682**	**369,130**	**30,142**	**399,272**

12. FUNDS FOR CAPITALIZATION OF AUTHORIZED VEHICLE DEALERSHIPS

The Fund for capitalization of authorized vehicle dealerships corresponding to the payments made by the Company's subsidiaries, that operate authorized vehicle dealerships, to the Credit Guarantee Fund with car makers. These are percentage values of the cost of acquiring vehicles retained by car makers, 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. In the consolidated, the balance at March 31, 2018 is R$ 40,135, and at December 31, 2017 the balance was R$ 39,692.

13. INVESTMENTS

These investments are accounted for under the equity method of accounting, based on the financial information of the investees for the period ended March 31, 2018, as follows:

						Parent company	Consolidated	
Investments	**Equity at 3/31/2018**	**Interest %**	**Equity in the results of investees**	**Asset balance 3/31/2018**	**Negative equity 3/31/2018 (ii)**	**12/31/2017 (iii)**	**Asset balance 3/31/2018**	**12/31/2017**
Mogipasses	17,901	99.99980	414	17,901	-	17,488	-	-
Yolanda	23,181	99.99998	(554)	23,181	-	23,735	-	-
JSL Empreendimentos Imobiliários	5,783	99.99999	(344)	5,783	-	6,127	-	-
CS Brasil	535,481	99.99998	17,111	535,481	-	518,284	-	-
Vamos	719,848	91.00000	23,063	655,061	-	611,137	-	-
Medlog	605	99.99999	152	605	-	453	-	-
Quick Logística	26,167	99.99999	(2,776)	25,852	-	28,628	-	-
Quick Armazéns	5,071	99.99999	(250)	5,071	-	5,321	-	-
CS Brasil Frotas	235,429	99.99999	(891)	235,429	-	236,320	-	-
Movida	1,291,641	65.59046	17,612	847,193	-	832,683	-	-
JSL Europe	(12,947)	100.00000	(1,861)	-	(12,947)	-	-	-
JSL Finance	(23,441)	100.00000	(4,965)	-	(23,442)	-	-	-
Original Veículos	102,588	100.00000	(467)	102,588	-	103,055	-	-
Ponto Veículos	28,375	100.00000	171	28,375	-	28,204	-	-
Avante Veículos	19,376	100.00000	(33)	19,376	-	19,409	-	-
JSL Corretora e administradora de seguros Ltda.	6,528	100.00000	978	6,528	-	5,550	-	-
Gain on the acquisition of Quick Logística	-	-	-	25,880	-	32,402	-	-
Goodwill on the acquisition of businesses (i)	-	-	-	6,482	-	6,481	-	-
BRT Sorocaba Concessionárias -	-	-	-	-	-	-	564	979
Total permanent investments			**47,360**	**2,540,786**	**(36,389)**	**2,475,277**	**564**	**979**

(i) Goodwill arising on the acquisition of companies and businesses, classified as investment in the parent company, in accordance with CPC 18 (R2) - Investments in associates and joint ventures (IFRS 10).

(ii) Balances related to losses on investments in subsidiaries that were reclassified to the group of “Other accounts payable”.

(iii) The balances include the adjustments to the opening balance on January 1, 2018, arising from the application of new standards as described in note 2.2.3.

13.1 Changes in investments

								Parent company	
Investments	**12/31/2017 (i)**	**Capital contribution**	**Equity in the results of investees**	**Realization of surplus value of assets (ii)**	**Amortization of surplus value (iii)**	**Gain on equity interests in subsidiaries**	**Dividends and interest on capital**	**Other changes (iv)**	**3/31/2018**
Mogipasses	17,488	-	413	-	-	-	-	-	17,901
Yolanda	23,735	-	(554)	-	-	-	-	-	23,181
JSL Empreendimentos Imobiliários	6,127	-	(344)	-	-	-	-	-	5,783
CS Brasil	518,284	-	17,111	-	-	-	-	86	535,481
Vamos	611,137	-	23,064	-	-	20,725	-	135	655,061
Medlog	453	-	152	-	-	-	-	-	605
Quick Logística	28,628	-	(2,776)	-	-	-	-	-	25,852
Quick Armazéns	5,321	-	(250)	-	-	-	-	-	5,071
CS Brasil Frotas	236,320	-	(891)	-	-	-	-	-	235,429
Movida	832,683	-	17,612	-	-	-	(3,101)	-	847,194
Original Veículos	103,055	-	(467)	-	-	-	-	-	102,588
Ponto Veículos	28,204	-	171	-	-	-	-	-	28,375
Avante Veículos	19,409	-	(33)	-	-	-	-	-	19,376
JSL Corretora e Administradora de seguros Ltda.	5,550	-	978	-	-	-	-	-	6,528
Gain on the acquisition of Quick Logística	32,402	-	-	(4,472)	(2,050)	-	-	-	25,880
Goodwill authorized vehicle dealerships	6,481	-	-	-	-	-	-	-	6,481
Total investments	**2,475,277**	**-**	**54,186**	**(4,472)**	**(2,050)**	**20,725**	**(3,101)**	**221**	**2,540,786**
Provisions for investment losses									
JSL Europe	(12,228)	1,142	(1,861)	-	-	-	-	-	(12,947)
JSL Finance	(10,411)	-	(4,965)	-	-	-	-	(8,066)	(23,442)
Total permanent investments	**2,452,638**	**1,142**	**47,360**	**(4,472)**	**(2,050)**	**20,725**	**(3,101)**	**(7,845)**	**2,504,397**

(i) The balances include the adjustments to the opening balance on January 1, 2018, arising from the application of new standards as described in note 2.2.3;

(ii) Refers to the realization of the purchase price allocation due to sale of the asset;

(iii) Refers to added value amortization balance of assets acquired on the acquisition of subsidiaries; and

(iv) Refers to the effect of equity in the capital reserve balances in subsidiaries, deriving from the share-based payment plans and the mark to market of investments classified as fair value through other comprehensive income, which were recognized in the equity of the subsidiary JSL Finance.

13.2 Balance of assets and liabilities and results of investees and subsidiaries

The share of assets, liabilities and statement of income (loss) in subsidiaries for the period ended March 31, 2018, included in the consolidated interim financial information, is presented below:

	3/31/2018							
	Parent company							
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenue	Costs and Expenses	Net profit (loss) for the period
Yolanda	4,353	26,479	6,978	674	23,180	4,307	(4,861)	(554)
Vamos	538,544	1,590,221	536,096	873,511	719,159	225,240	(199,280)	25,960
Medlog	1,506	17	818	100	605	1,673	(1,521)	152
Mogipasses	42,186	440	7,069	17,656	17,901	1,211	(797)	414
CS Brasil	358,146	448,920	174,164	97,421	535,481	199,907	(182,796)	17,111
Quick Logística	36,520	28,641	28,720	10,589	25,852	28,039	(30,815)	(2,776)
Quick Armazéns	1,806	3,280	15	-	5,071	(123)	(127)	(250)
CS Brasil Frotas	42,322	237,330	27,216	17,007	235,429	12,012	(12,903)	(891)
JSL Empreendimentos Imobiliários	302	10,511	5,030	-	5,783	(5)	(338)	(343)
Movida	1,035,787	2,880,063	1,670,389	953,820	1,291,641	613,711	(586,858)	26,853
JSL Europe	1,561,772	557,856	30,863	2,101,712	(12,947)	38,962	(40,823)	(1,861)
JSL Finance	534,415	-	-	557,856	(23,441)	6,019	(10,984)	(4,965)
Original Veiculos	107,655	67,476	67,397	5,146	102,588	121,684	(122,151)	(467)
Ponto Veiculos	35,737	19,095	24,978	1,479	28,375	28,788	(28,617)	171
Avante Veiculos	25,876	5,660	11,489	671	19,376	13,204	(13,237)	(33)
JSL Corretora	7,271	20	734	17	6,540	1,861	(871)	990

14. PROPERTY AND EQUIPMENT

The changes in property and equipment for the year ended December 31, 2017 are presented in the individual and consolidated annual financial statements for that year, issued on March 22, 2018.

The changes for period ended March 31, 2018 are shown below:

	Parent company							
	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Others	Construction in progress	Total
Cost or valuation:								
At December 31, 2017	**1,323,915**	**388,810**	**180,547**	**16,352**	**25,279**	**189,265**	**7,728**	**2,131,896**
Additions	47,392	17,870	-	806	475	31	2,343	68,917
Transfers	(262)	271	-	(8)	273	(274)	-	-
Transfers to available-for-sale assets	(66,058)	(11,356)	-	-	-	-	-	(77,414)
Assets written-off and others	(535)	-	(2,836)	(221)	(22)	(5)	-	(3,619)
At March 31, 2018	**1,304,452**	**395,595**	**177,711**	**16,929**	**26,005**	**189,017**	**10,071**	**2,119,780**
Accumulated depreciation:								
At December 31, 2017	**(391,550)**	**(194,846)**	**(44,580)**	**(12,017)**	**(11,520)**	**(44,805)**	**-**	**(699,318)**
Depreciation expense for the period	(28,657)	(11,492)	(2,417)	(569)	(620)	(3,640)	-	(47,395)
Transfers	65	(71)	-	-	(122)	128	-	-
Transfers to available-for-sale assets	32,859	8,994	-	-	-	-	-	41,853
Assets written-off and others (i)	27	-	2,210	72	3	3	-	2,315
At March 31, 2018	**(387,256)**	**(197,415)**	**(44,787)**	**(12,514)**	**(12,259)**	**(48,314)**	**-**	**(702,545)**
Net value:								
At December 31, 2017	**932,365**	**193,964**	**135,967**	**4,335**	**13,759**	**144,460**	**7,728**	**1,432,578**
At March 31, 2018	**917,196**	**198,180**	**132,924**	**4,415**	**13,746**	**140,703**	**10,071**	**1,417,235**
Average depreciation rates (%) - for the period:								
Light	11.03%	-	-	-	-	-	-	
Heavy	7.3%	12.1%	-	-	-	-	-	
Others	-	-	5.4%	13.7%	9.7%	7.7%	-	

	Consolidated										
	Vehicles	Vehicles in progress	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Buildings	Others	Land	Construction in progress	Total
Cost or valuation:											
At December 31, 2017	**5,628,526**	**67,912**	**1,061,062**	**357,000**	**37,998**	**50,027**	**16,451**	**220,669**	**15,917**	**11,128**	**7,466,690**
Additions	637,064	11,146	72,301	68	1,183	1,082	-	34	-	5,311	728,189
Transfers	47,445	(39,311)	(1,531)	302	(8)	326	(22)	(6,859)	-	(342)	-
Transfers to available-for-sale assets	(582,795)	-	(25,216)	-	-	-	-	-	-	-	(608,011)
Assets written-off and others (i)	(35,796)	-	(721)	(2,844)	(221)	(37)	-	(8)	-	-	(39,627)
At March 31, 2018	**5,694,444**	**39,747**	**1,105,895**	**354,526**	**38,952**	**51,398**	**16,429**	**213,836**	**15,917**	**16,097**	**7,547,241**
Accumulated depreciation:											
At December 31, 2017	**(779,750)**	**-**	**(410,047)**	**(110,636)**	**(28,887)**	**-22,562**	**(4,351)**	**(53,843)**	**-**	**-**	**(1,410,076)**
Depreciation expense for the period	(95,958)	-	(28,477)	(7,605)	(1,037)	(1,231)	(496)	(3,924)	-	-	(138,728)
Transfers	8	-	(19)	41	-	(169)	11	128	-	-	-
Transfers to available-for-sale assets	101,754	-	18,715	-	-	-	-	-	-	-	120,469
Assets written-off and others	759	-	13	2,202	72	3	-	2	-	-	3,051
At March 31, 2018	**(773,187)**	**-**	**(419,815)**	**(115,998)**	**(29,852)**	**(23,959)**	**(4,836)**	**(57,637)**	**-**	**-**	**(1,425,284)**
Net value:											
At December 31, 2017	**4,848,776**	**67,912**	**651,015**	**246,364**	**9,111**	**27,465**	**12,100**	**166,826**	**15,917**	**11,128**	**6,056,614**
At March 31, 2018	**4,921,257**	**39,747**	**686,080**	**238,528**	**9,100**	**27,439**	**11,593**	**156,199**	**15,917**	**16,097**	**6,121,957**
Average depreciation rates (%)											
Light	4.96%	-	-	-	-	-	-	-	-	-	
Heavy	6.43%	-	10.80%								
Others	-	-	-	8.80%	10.64%	10.01%	15.64%	7.44%	-	-	

(i) Refers mainly to write-offs due to damages and damaged assets amounting to R$ 142 in the parent company and R$ 30,162 in the consolidated.

14.1 Lease of property and equipment items

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

	Parent company		Consolidated	
	3/31/2018	**12/31/2017**	**3/31/2018**	**12/31/2017**
Cost - capitalized finance leases	95,578	117,638	276,966	269,658
Accumulated depreciation	(31,890)	(22,015)	(53,469)	(40,663)
Net balance	**63,688**	**95,623**	**223,497**	**228,995**

15. INTANGIBLE ASSETS

The changes in intangible assets for the year ended December 31, 2017 are presented in the individual and consolidated annual financial statements for that year, issued on March 22, 2018.

The changes in the parent company for the three-month period ended March 31, 2018 are shown below:

				Parent company
	Goodwill	**Software**	**Others**	**Total**
Cost:				
At December 31, 2017	**232,609**	**47,458**	**1,157**	**281,224**
Additions	-	311	-	311
At March 31, 2018	**232,609**	**47,769**	**1,157**	**281,535**
Accumulated amortization:				
At December 31, 2017	**-**	**(27,572)**	**(308)**	**(27,880)**
Amortization expenses in the period	-	(1,666)	(6)	(1,672)
At March 31, 2018	**-**	**(29,238)**	**(314)**	**(29,552)**
Net value:				
At December 31, 2017	**232,609**	**19,886**	**849**	**253,344**
At March 31, 2018	**232,609**	**18,531**	**843**	**251,983**
Average amortization rates (%)	-	13.9%	10.0%	

The changes in the consolidated for the three-month period ended March 31, 2018 are shown below:

						Consolidated
	Goodwill	**Non-compete agreement and customer lists**	**Software**	**Commercial fund (i)**	**Other (ii)**	**Total**
Cost:						
At December 31, 2017	**336,377**	**54,904**	**60,980**	**46,178**	**22,837**	**521,276**
Additions	-	-	2,539	6	-	2,545
Write-offs	-	-	-	-	(159)	(159)
At March 31, 2018	**336,377**	**54,904**	**63,519**	**46,184**	**22,678**	**523,662**
Accumulated amortization:						
At December 31, 2017	**-**	**(8,395)**	**(33,160)**	**(3,720)**	**(4,282)**	**(49,557)**
Amortization expenses in the period	-	(1,095)	(1,925)	-	-	(3,020)
At March 31, 2018	**-**	**(9,490)**	**(35,085)**	**(3,720)**	**(4,282)**	**(52,577)**
Net value:						
At December 31, 2017	**336,377**	**46,509**	**27,820**	**42,458**	**18,555**	**471,719**
At March 31, 2018	**336,377**	**45,414**	**28,434**	**42,464**	**18,396**	**471,085**
Average annual amortization rates (%)	**-**	20.0%	12.1%	-	10.0%	

(i) Refers to amounts paid on the acquisition of points of sale used for Movida stores and vehicle dealerships without definite useful lives.

(ii) 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 and client portfolio identified in business combinations.

15.1 Impairment test

The impairment test 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. For the period ended March 31, 2018, Management has concluded that there are no indicators of impairment in their cash-generating units. Intangible assets were last tested for impairment for the year ended December 31, 2017 as presented in the individual and consolidated annual financial statements issued on March 22, 2018.

16. TRADE PAYABLES

	Parent company		Consolidated	
	3/31/2018	12/31/2017	3/31/2018	12/31/2017
Car makers	4,854	2,887	626,574	675,321
Parts and maintenance	16,531	10,663	33,028	16,969
Suppliers of machinery and vehicles	6,322	2,453	114,296	80,954
Inventory	6,712	7,388	12,052	13,200
Contracted services	11,673	11,659	18,757	14,984
Property leasing	2,936	2,622	8,548	4,039
Others	5,689	3,817	91,468	72,807
Total	**54,717**	**41,489**	**904,723**	**878,274**

17. FLOOR PLAN VEHICLES

Part of the purchases of new vehicles for the segment of authorized vehicle dealerships are paid with extended term under the program to finance the inventory of new and used vehicles and automobile parts Floor Plan Vehicles, with revolving credit facilities made available by financial institutions, and with the agreement of car makers. These programs generally have an initial period during which they are interest-free and maturities ranging from 150 to 180 days after the invoice issuance, subject to interest of up to 100% of the CDI plus interest of up to 0.5% p.m. after the grace period, which is usually of 180 days. The balance presented at March 31, 2018 is R$ 84,057 (R$ 72,051 at December 31, 2017).

18. SUPPLIERS FINANCING - CAR MAKERS

								Parent company
Type	**Monthly rate (%)**	**Maturity**	**3/31/2018**	**New borrowings**	**Amortization**	**Interest paid**	**Interest**	**12/31/2017**
In local currency								
Suppliers financing - car makers	0.94%	Aug/2018	2,338	-	(1,264)	(106)	241	3,467

								Consolidated
Type	**Monthly rate (%)**	**Maturity**	**3/31/2018**	**New borrowings**	**Amortization of surplus value of assets**	**Interest paid**	**Interest**	**12/31/2017**
In local currency								
Suppliers financing - car makers	1.02%	Aug/2018	139,524	59,408	(181,192)	(1,033)	14,193	248,148

The Company and its subsidiaries have entered into “suppliers financing” agreements with financial institutions to manage the amounts to be paid for purchase of vehicles to car makers. Through 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 the assets (vehicles) linked to the guaranteed operations.

19. BORROWINGS AND FINANCING

Parent company

Type	Annual average rate (%)	Average rate structure (%)	Maturity	3/31/2018			Maturity Current					12/31/2017		
				Current	Non-current	Total	New borrowings	Amortization	Interest paid	Interest	Exchange rate changes	Current	Non-current	Total
In local currency														
CCB (i)	8.84%	CDI + 2.45% p.a.	Mar/2023	143,634	880,844	1,024,478	-	(26,505)	(22,888)	23,052	-	126,875	923,944	1,050,819
CRA (ii)	7.22%	CDI + 0.8% p.a.	Jun/2020	104,135	366,525	470,660	-	1,229	-	8,438	-	95,697	365,296	460,993
Finame (iii)	4.34%	Fixed rate	Jan/2025	58,245	238,528	296,773	4,950	(27,795)	(3,340)	3,302	-	63,035	256,621	319,656
Finame (iii)	9.82%	TJLP / SELIC.	Dec/2022	11,551	42,702	54,253	17,028	(9,694)	(1,163)	1,232	-	15,667	31,183	46,850
NCE (iv)	9.59%	CDI + 3.2% p.a.	May/2019	10,424	300,000	310,424	-	(59,992)	(2,369)	8,501	-	64,284	300,000	364,284
FINEM (v)	7.74%	TJLP / IPCA	Mar/2021	16,179	17,627	33,806	-	(3,079)	(542)	826	-	16,516	20,085	36,601
FNO	3.49%	Fixed rate	Jan/2024	1,871	8,935	10,806	-	(462)	(96)	95	-	1,872	9,397	11,269
Others	7.28%	Fixed rate	Jan/2019	3,108	-	3,108	-	(1,181)	(14)	(38)	-	4,325	16	4,341
				349,147	**1,855,161**	**2,204,308**	**21,978**	**(127,479)**	**(30,412)**	**45,408**	**-**	**388,271**	**1,906,542**	**2,294,813**
In foreign currency														
NCE (iv)	7.55%	USD + 7.55%	Jul/2024	21,618	1,547,017	1,568,635	977,301	-	(15,214)	30,383	34,000	12,885	529,280	542,165
International credit (4131) - USD (x)	4.00%	USD + 4.00%	Mar/2019	98,420	-	98,420	-	(102,168)	(1,904)	1,005	1,536	100,711	99,240	199,951
International credit (4131) - USD (x)	7.60%	Fixed rate	Apr/2021	2,420	5,505	7,925	-	-	-	31	152	2,263	5,479	7,742
				122,458	**1,552,522**	**1,674,980**	**977,301**	**(102,168)**	**(17,118)**	**31,419**	**35,688**	**115,859**	**633,999**	**749,858**
				471,605	**3,407,683**	**3,879,288**	**999,279**	**(229,647)**	**(47,530)**	**76,827**	**35,688**	**504,130**	**2,540,541**	**3,044,671**

Consolidated

Type	Annual average rate (%)	Average rate structure (%)	Maturity	3/31/2018			Maturity Current					12/31/2017		
				Current	Non-current	Total	New borrowings	Amortization	Interest paid	Interest	Exchange rate changes	Current	Non-current	Total
In local currency														
CCB (i)	8.68%	CDI + 2.29% p.a.	Aug/2025	173,276	1,220,524	1,393,800	-	(45,146)	(28,069)	31,001	-	176,785	1,259,229	1,436,014
CRA (ii)	7.22%	CDI + 0.8% p.a.	Jun/2020	104,135	366,525	470,660	-	1,229	-	8,438	-	95,697	365,296	460,993
Finame (iii)	5.00%	Fixed rate	Jan/2025	136,425	494,140	630,565	45,041	(75,223)	(6,896)	7,002	-	150,816	509,825	660,641
Finame (iii)	10.02%	TJLP / SELIC	Jul/2022	91,046	233,101	324,147	53,452	(96,481)	(8,390)	9,456	-	107,494	258,616	366,110
NCE (iv)	9.59%	CDI + 3.2% p.a.	May/2019	10,424	300,000	310,424	-	(59,992)	(2,369)	8,500	-	64,284	300,000	364,284
FINEM (v)	7.74%	TJLP / IPCA	Mar/2021	16,179	17,627	33,806	-	(3,079)	(542)	827	-	16,516	20,085	36,601
FNO	3.49%	Fixed rate	Jan/2024	1,871	8,935	10,806	-	(462)	(96)	95	-	1,872	9,397	11,269
NP (vi)	7.32%	CDI + 0.9%	Dec/2019	314,762	134,145	448,907	-	390	-	8,066	-	159,852	280,599	440,451
FNE (viii)	8.66%	Fixed rate	Jun/2021	46,659	97,959	144,618	-	(12,819)	(2,298)	3,064	-	51,309	105,361	156,670
Working capital (CDC) (viii)	11.57%	Fixed rate	May/2022	3,797	7,468	11,265	-	(178)	(10)	280	-	3,025	8,148	11,173
Others	7.39%	Fixed rate	Jan/2019	4,578	-	4,578	-	(1,509)	(22)	(56)	-	6,150	16	6,166
				903,152	**2,880,424**	**3,783,576**	**98,493**	**(293,270)**	**(48,692)**	**76,673**	**-**	**833,800**	**3,116,572**	**3,950,372**
In foreign currency														
Senior notes "Bond" (ix)	7.75%	USD + 7.75%	Jul/2024	24,367	2,052,312	2,076,679	977,301	(11,129)	-	27,168	(8,999)	33,038	1,059,300	1,092,338
NCE (iv)	7.55%	USD + 7.55%	Jul/2024	21,618	1,547,017	1,568,635	977,301	-	(15,214)	30,383	34,000	12,885	529,280	542,165
International credit (4131) - USD (x)	4.00%	USD + 4.00%	Mar/2019	98,420	-	98,420	-	(102,166)	(1,904)	1,004	1,535	100,711	99,240	199,951
International credit (4131) - USD (x)	7.60%	Fixed rate	Apr/2021	2,420	5,505	7,925	-	-	-	30	153	2,263	5,479	7,742
				146,825	**3,604,834**	**3,751,659**	**1,954,602**	**(113,295)**	**(17,118)**	**58,585**	**26,689**	**148,897**	**1,693,299**	**1,842,196**
				1,049,977	**6,485,258**	**7,535,235**	**2,053,095**	**(406,565)**	**(65,810)**	**135,258**	**26,689**	**982,697**	**4,809,871**	**5,792,568**

(i) **CCBs** are Bank Credit Bills raised with financial institutions for financing the working capital and the purchase of vehicles, machinery and equipment used in operations. These are comprised of several agreements, part of which include an average annual interest rate calculated based on the variation of the Interbank Deposit Certificate - CDI, plus average spread of 2.45% p.a. in the parent company and 2.29% in the consolidated. These agreements have varying maturities, either quarterly or semi-annually until March 2023 in the parent company and until August 2025 in the Consolidated and have covenants, including the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization and cost of sales of demobilized assets (EBITDA-A).

(ii) **CRAs** are Agribusiness Receivables Certificates issued for raising funds to finance the agribusiness sector chain. These transactions were raised with average interest rates of 0.8% p.a. plus the CDI variation and with periodic maturities until June 2020. These transactions have covenants, including the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization and cost of sales of demobilized assets (EBITDA-A).

(iii) ***FINAME*** are financing for investments in vehicles, machinery and equipment used in operations. Part of the agreements have long-term floating rates ("TJLP") or the SELIC rate and part have average fixed interest rates of 4.34% p.a. in the parent company and 5.00% p.a. in the Consolidated. They comprise various agreements with varying maturities until January 2025. New agreements are signed on a monthly basis, related to the purchase of new assets under the normal fleet renewal process. These financing agreements do not have covenants.

(iv) **NCEs** in local currency are Export Credit Notes issued to be fully used in the payment of costs, expenses, investments, refinancing of debt for financing the activities of support and complement to export operations and fundamental export operations, which are related to service agreements with our clients. These notes in local currency have average annual interest rate of 2.8%, plus the variation of the Interbank Deposit Certificate - CDI rate and have periodic maturities until May 2019. NCE transactions in foreign currency were raised at the average rate of 7.55% p.a. and have periodic maturities until 2024. The exchange rate changes on these transactions are hedged by swap agreements. These operations have covenants, including the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization (EBITDA).

(v) **FINEM** are financing for investments in infrastructure raised for the construction, renovation and installation of operating sites. The agreements have long-term floating rates ("TJLP" and "IPCA"), and fixed rates, which total an average rate of 7.74% p.a. and have maturities until March 2021. These transactions do not have covenants.

(vi) **Promissory notes** refer to written promise to pay signed by the subsidiaries Movida Participações S.A. and Movida GTF to the subscriber. These transactions were raised with average interest rates of 0.9% p.a. plus the Interbank Deposit Certificate - CDI variation and with have maturity until December 2019. These operations have covenants, including maintaining the financial index tied to the debt percentage in relation to earnings before interest, taxes, depreciation and amortization (EBITDA).

(vii) **FNEs** refer to transactions of the Constitutional Fund for Financing the Northeast. These transactions are subject to an average interest rate of 8.66% and have maturities until June 2021. These transactions do not have covenants.

(viii) **Working capital (CDC)** refer to short-term transactions used to manage the Group's cash. These transactions are subject to an average interest rate of 11.57% and maturity until May 2022. These transactions have covenants for the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization (EBITDA).

(ix) ***Senior Notes "Bond"*** refer to debt bonds issued by the subsidiary JSL Europe in the international market, with maturity on July 26, 2024 and semi-annual payment of interest of 7.75% per year,

beginning on January 26, 2018. On January 8, 2018 the parent company made a “Retap” offering in the amount of U$ 300,000 (three hundred million dollars) keeping the same characteristics from the original issuance. These bonds were issued with a 6.75% rate p.a., where the company recognized a gain in the amount of R$ 49,400, related to the balancing in the original rate of 7.75% p.a., this gain will be recognized in the statement of income (loss) over the maturity of the transaction. These transactions have covenants for the maintenance of certain financial ratios linked to the percentage of debt in relation to earnings before interest, taxes, depreciation and amortization (EBITDA). The balance payable is indexed to the US dollar (“USD” or “dollar”) is naturally hedged by financial investments in the same amount also indexed to the dollar.

(x) **International Credit:** refer to borrowing transactions with foreign institutions. These agreements are subject in part to average fixed interest rates of 7.60% and part to the variation of dollar plus 4.00% p.a. and have maturities until April 2021. These transactions have covenants for the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization (EBITDA).

All commitments described in the contracts were complied with at March 31, 2018, including maintaining financial indexes as shown below:

Covenant	Limits	12 months ended 3/31/2018	12 months ended 12/31/2017
Net debt/ Added EBITDA	Less than 3.5	2.01	1.93
Added EBITDA/ Finance costs, net	Greater than 2	4.55	4.70
Net debt / Adjusted EBITDA	Less than 4.75	4.43	4.35

Net debt: means the total balance of short and long-term borrowings and financing in the name of JSL Group, 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; and (b) borrowings arranged under the program for financing inventories of new and used vehicles, locally made or imported, and automotive parts, under revolving credit facilities from financial institutions linked to the car makers.

Adjusted EBITDA*:* means earnings before interest, taxes, depreciation, amortization, impairment of assets and equity in subsidiaries, plus impairment losses.

Added EBITDA: means earnings before interest, taxes, depreciation, amortization, impairment of assets and equity accounting, plus cost of sale of demobilized assets, calculated over the last 12 months.

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

19.1 Amortization schedule:

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

					3/31/2018
		Parent company		Consolidated	
	Maturity of installments	Total	%	Total	%
Total current liabilities	**Until March 2019**	**471,605**	**12%**	**1,049,977**	**14%**
	April to December 2019	713,947	18%	1,062,562	14%
	2020	448,083	12%	838,139	11%
	2021	304,713	8%	433,783	6%
	2022	296,166	8%	377,652	5%
	2023	89,510	2%	127,101	2%
	2024	1,555,211	40%	3,643,226	48%
	2025	53	0%	2,795	0%
Total non-current liabilities		**3,407,683**	**88%**	**6,485,258**	**86%**
Total		**3,879,288**	**100%**	**7,535,235**	**100%**

19.2 Guarantees and bank guarantees

At March 31, 2018, the Company and its subsidiaries have certain guarantees for the borrowing and financing transactions as follows:

i. **FINAME and finance leases -** guaranteed by the respected financed vehicles and equipment;

i. **FINEM, FNE, FNE, Tax Execution -** bank guarantees;

ii. **CCBs –** assignment of trade notes of R$31,000; pledge of 10% of the shares of CS Brasil Frotas Ltda.

The other transactions do not have any guarantees.

20. DEBENTURES

											Parent company
			3/31/2018			Changes			12/31/2017		
Type	Annual average rate (%)	Maturity	Current	Non-current	Total	Amortization	Interest paid	Interest accrued	Current	Non-current	Total
In local currency											
6th issuance	8.1%	Jul/2020	134,054	294,555	428,609	1,567	(10,476)	13,239	133,226	291,053	424,279
8th issuance	8.4%	Jun/2021	137,216	296,788	434,004	105	-	9,553	127,709	296,637	424,346
10th issuance	8.8%	Mar/2021	-	349,105	349,105	1,116	(15,448)	7,299	6,895	349,243	356,138
11th issuance	8.8%	Jun/2021	-	395,785	395,785	-	(8,328)	7,997	-	396,116	396,116
			271,270	**1,336,233**	**1,607,503**	**2,788**	**(34,252)**	**38,088**	**267,830**	**1,333,049**	**1,600,879**

											Consolidated
			3/31/2018			Changes			12/31/2017		
Type	Annual average rate (%)	Maturity	Current	Non-current	Total	Amortization	Interest paid	Interest accrued	Current	Non-current	Total
In local currency											
6th issuance	8.1%	Jul/2020	134,054	294,555	428,609	1,568	(10,476)	13,239	133,226	291,052	424,278
8th issuance	8.4%	Jun/2021	137,216	296,788	434,004	105	-	9,553	127,709	296,637	424,346
10th issuance	8.8%	Mar/2021	-	349,105	349,105	1,116	(15,448)	7,299	6,895	349,243	356,138
11th issuance	8.8%	Jun/2021	-	395,785	395,785	-	(8,327)	7,995	-	396,117	396,117
1st issuance - Movida GTF	8.8%	Sep/2018	2,901	-	2,901	-	-	2,215	686	-	686
1st issuance - Movida Participações	9.1%	Jul/2022	6,216	397,896	404,112	227	(18,642)	8,610	15,901	398,016	413,917
			280,387	**1,734,129**	**2,014,516**	**3,016**	**(52,893)**	**48,911**	**284,417**	**1,731,065**	**2,015,482**

The characteristics of the debentures are presented in the table below:

Description	6th issuance	8th issuance	10th issuance	11th issuance	1st issuance Movida GTF S.A.	1st issuance Movida Participações
a. Identification of process by nature						
Financial institution	*BTG Pactual*	*Votorantim*	*Banco do Brasil*	*Banco do Brasil*	*CEF*	*Bradesco*
1st series amount	90,749	31,187	352,000	400,000	150,000	150,000
2nd series amount	13,678	63,468	-	-	-	250,000
3rd series amount	72,797	118,201	-	-	-	-
Financial institution	*Caixa Geral*	*Bradesco (former HSBC)*	-	-	*Bradesco (former HSBC)*	-
1st series amount	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	400,000	400,000	352,000	400,000	300,000	400,000
Total received in checking account	401,910	400,390	352,000	400,000	300,000	400,000
Issuance	7/15/2013	6/15/2014	3/20/2017	6/20/2017	9/29/2015	7/4/2017
Funding	7/30 and 7/31/2013 and 8/1/2013	6/18/2014	3/29/2017	6/30/2017	10/29/2015	7/27/2017
Maturity	7/15/2020	6/15/2021	3/20/2021	6/20/2021	9/24/2018	7/15/2020 & 7/15/2022
Type	Unsecured	Unsecured	Unsecured	Floating	Unsecured	Unsecured
Identification of the asset with CETIP	JSML16/26/36	JSML 18/28/38	JSML 10	JSML A1	JSLO 11	MOVI 11/21
b. Transaction costs incurred	**(914)**	**(71)**	**(87)**	**(99)**	**(114)**	**(111)**
Attorney's fees	(631)	(50)	(60)	(70)	(92)	(83)
CETIP / CVM / Anbima registration	(282)	(20)	(24)	(26)	(20)	(26)
Expenses with the agent bank	(1)	(1)	(3)	(3)	(2)	(2)
c. Premiums						
Additional due to settlement	7/30 and 7/31/2013 and 8/1/2013	N.A.	N.A.	N.A.	N.A.	N.A.
Amount of settlement	1,910	390	-	-	-	-
d. Effective interest rate p.a. % %						
1st series	CDI + 1.80%	116% CDI	127.5% CDI	127.50% CDI	CDI + 1.93%	CDI + 1.55%
2nd series	CDI + 2.20%	IPCA + 8.0%	-	-	-	CDI + 2.70%
3rd series	IPCA + 7.5%	118.5% CDI	-	-	-	-
e. Amount of costs and premiums to be apportioned until maturity	**716**	**419**	**1,225**	**1,607**	**299**	**404**

The Debentures issued by the JSL Group are all simple debentures, non- unsecured, except for the 11th issuance that was issued as debentures of the floating guarantee type. All debentures have clauses of maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization, plus cost of sale of demobilized assets, calculated over the last 12 months (EBITDA-A).

All commitments described in the contracts were complied with at March 31, 2018, including maintaining financial indexes as shown below:

Covenant	Limits	12 months ended 3/31/2018	12 months ended 12/31/2017
Net debt/ Added EBITDA	Less than 3.5	2.01	1.93
Added EBITDA/ Finance costs, net	Greater than 2	4.55	4.70

Net debt: means the total balance of short and long-term borrowings and financing in the name of JSL 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; and (b) borrowings arranged under the program for financing inventories of new and used vehicles, locally made or imported, and automotive parts, under revolving credit facilities from financial institutions linked to the car makers.

Added EBITDA: means earnings before interest, taxes, depreciation, amortization, impairment of assets and equity accounting, plus cost of sale of assets used in services rendered, calculated over the last 12 months.

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

For the11th issuance of debentures of the JSL Group, there is the requirement to maintain at least 125% of the debt balance, amount equivalent to assets free of burden and debt.

The repayment schedule of debentures is as follows:

		3/31/2018			
		Parent company		Consolidated	
	Maturity of installments	Total	%	Total	%
Total current liabilities	Until March 2019	**270,270**	**17%**	**280,387**	**14%**
	April to December 2019	294,517	18%	368,831	18%
	2020	594,183	37%	668,466	33%
	2021	447,533	28%	572,090	28%
	2022	-		124,742	6%
Total non-current liabilities		**1,336,233**	**83%**	**1,734,129**	**86%**
Total		**1,607,503**	**100%**	**2,014,515**	**100%**

21. FINANCE LEASES PAYABLE

Finance leases contracts under *Finame* leasing and finance leases for the acquisition of vehicles and assets of the JSL Group's operating activity have annual post and pre-fixed charges, and are distributed as follows:

												Parent company		
				3/31/2018			Changes				12/31/2017			
Type	Annual average rate (%)	Average rate structure (%)	Maturity	Current	Non-current	Total	New borrowings	Amortization	Interest paid	Interest accrued	Current	Non-current	Total
In local currency													
Finance leases	9.91%	Floating / Fixed rate	Mar/2023	39,883	50,897	90,780	10,942	(8,676)	(2,481)	2,256	41,588	47,151	88,739
				39,883	**50,897**	**90,780**	**10,942**	**(8,676)**	**(2,481)**	**2,256**	**41,588**	**47,151**	**88,739**

												Consolidated		
				3/31/2018			Changes				12/31/2017			
Type	Annual average rate (%)	Average rate structure (%)	Maturity	Current	Non-current	Total	New borrowings	Amortization	Interest paid	Interest accrued	Current	Non-current	Total
In local currency													
Finance leases	9.85%	Floating / Fixed rate	Nov/2022	124,033	85,776	209,809	39,161	(38,176)	(9,114)	5,161	142,329	70,448	212,777
				124,033	**85,776**	**209,809**	**39,161**	**(38,176)**	**(9,114)**	**5,161**	**142,329**	**70,448**	**212,777**

21.1 Amortization schedule:

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

		3/31/2018			
		Parent company		Consolidated	
	Maturity of installments	Total	%	Total	%
Total current liabilities	**Until March 2019**	**39,883**	**44%**	**124,033**	**59%**
	April to December 2019	19,960	22%	30,848	15%
	2020	23,871	26%	38,076	18%
	2021	2,773	3%	12,199	6%
	2022	2,049	2%	2,182	1%
	2023	2,244	2%	2,471	1%
Total non-current liabilities		**50,897**	**56%**	**85,777**	**41%**
Total		**90,780**	**100%**	**209,809**	**100%**

22. ASSIGNMENT OF RECEIVABLES

In 2017, the subsidiary Vamos assigned part of its future receivables arising from rental agreements and related services. The assignment included agreements whose assets for rental were delivered, with proper acknowledgment of the rental and service rendered by the customer. Vamos will be responsible for operating the collection of these receivables; however, there is no regressive claim or co-obligation for the receivables, and it will not be responsible for the solvency of the contracting customer. The future value of the portfolio assigned was R$ 40,077 and the amount received by Vamos was R$ 30,214, and the interest paid will be recognized as finance costs in statement of income (loss) over the agreement period. This transaction has a period of 60 months, with maturity in December 2022. The balances recorded at March 31, 2018 are as follows:

	Consolidated	
	3/31/2018	**12/31/2017**
Sale of receivables	38,073	40,077
Interest to be recognized	(9,370)	(9,863)
Total	**28,703**	**30,214**
Total current	6,043	6,043
Total non-current	22,660	24,171
Total	**28,703**	**30,214**

23. LABOR LIABILITIES

	Parent company		Consolidated	
Description	**3/31/2018**	**12/31/2017**	**3/31/2018**	**12/31/2017**
Salaries	37,801	37,679	67,390	67,547
INSS	28,351	22,603	45,338	37,780
FGTS	3,134	4,494	5,103	7,379
Provision for vacation, 13th salary, charges and bonuses	64,011	54,208	116,055	96,905
Others	200	218	1,871	2,041
Total	**133,497**	**119,202**	**235,757**	**211,652**

24. TAX LIABILITIES

	Parent company		Consolidated	
Description	**3/31/2018**	**12/31/2017**	**3/31/2018**	**12/31/2017**
PIS and COFINS	15,027	16,297	38,492	36,230
ICMS	11,615	11,752	17,999	18,068
ISS	-	401	-	2,980
IRRF	2,139	3,569	5,755	14,880
Others	653	586	6,816	5,640
Total	**29,434**	**32,605**	**69,062**	**77,798**
Current liabilities	28,593	31,764	67,252	76,093
Non-current liabilities	841	841	1,810	1,705
Total	**29,434**	**32,605**	**69,062**	**77,798**

25. PROVISION FOR JUDICIAL AND ADMINISTRATIVE LITIGATION AND JUDICIAL DEPOSITS

The Company and its subsidiaries, in the normal course of their business, present judicial deposits and civil, tax and labor litigation in an administrative and judicial forum, and judicial deposits and blockages made in guarantee of these litigations. Based on the opinion of its legal advisors, provisions were recorded to cover probable losses related to these litigations and are presented net of their respective judicial deposits as shown below:

	Parent company				Consolidated			
	Judicial deposits		Provisions		Judicial deposits		Provisions	
	03/31/018	**12/31/2017**	**3/31/2018**	**12/31/2017**	**3/31/2018**	**12/31/2017**	**3/31/2018**	**12/31/2017**
Labor	23,131	21,645	(36,224)	(35,477)	39,897	38,354	(50,817)	(51,431)
Civil	11,511	11,147	(14,478)	(15,016)	14,002	13,564	(19,686)	(19,231)
Tax	9,020	8,782	(761)	(761)	10,756	10,417	(801)	(801)
	43,662	**41,574**	**(51,463)**	**(51,254)**	**64,655**	**62,335**	**(71,304)**	**(71,463)**

25.1 Judicial deposits

Judicial deposits refer to amounts deposited in an account or legal freezes on the Company's checking accounts, ruled by the court, as guarantee for any payment required, or amounts deposited in court account to replace tax payments or payables that are being challenged in the court.

25.2 Provision for judicial and administrative litigation

The Company and its subsidiaries, in the normal course of their business, are parties to civil, administrative, tax, social security and labor lawsuits.

The Company classifies the risks of loss on lawsuits as "probable", "possible" or "remote". The provision recognized in relation to these lawsuits is determined by the Company's Management, based on the analysis of its legal counsel, and reasonably reflect the estimated probable losses.

The Company's Management believes that the provision for tax, civil and labor risks is sufficient to cover any losses on administrative and judicial litigation, as shown below.

The changes in provision for judicial and administrative litigation for the three-month period ended March 31, 2018 are presented below:

				Parent company
	Labor	Civil	Tax	Total
At December 31, 2017	**35,477**	**15,016**	**761**	**51,254**
Additions	2,919	42	-	2,961
Reversal	(2,172)	(580)	-	(2,752)
At March 31, 2018	**36,224**	**14,478**	**761**	**51,463**

				Consolidated
	Labor	Civil	Tax	Total
At December 31, 2017	**51,431**	**19,231**	**801**	**71,463**
Additions	4,378	2,215	-	6,593
Reversal	(4,992)	(1,760)	-	(6,752)
At March 31, 2018	**50,817**	**19,686**	**801**	**71,304**

Labor

The provision for labor lawsuits was recognized to cover losses on lawsuits claiming labor related indemnities filed by former employees of the JSL Group.

Civil

The provision for civil lawsuits is related to indemnity claims for damages due to several reasons against the companies of the JSL Group, and also annulment actions and claims for breach of contract.

Tax

The provision for tax lawsuits refers to administrative and judicial proceedings filed by the Company and its subsidiaries against certain tax assessment notices issued in tax audits against the disallowance of PERDCOMP, and other lawsuits filed to challenge the legality of certain taxes charged.

25.3 Possible losses not provided for in the balance sheet

At March 31, 2018, the Company and its subsidiaries were parties to tax, civil and labor lawsuits in progress (judicial and administrative) with losses considered possible by management and its legal advisors, as shown in the table below:

	Parent company		Consolidated	
	3/31/2018	12/31/2017	3/31/2018	12/31/2017
Labor	139,432	130,001	164,713	153,540
Civil	84,426	29,815	110,198	102,424
Tax	162,989	145,246	172,609	150,820
Total	**386,847**	**305,062**	**447,520**	**406,784**

Labor

The labor lawsuits are related to claims for labor-related indemnities filed by former employees of the JSL Group.

Civil

The civil lawsuits are related to claims for indemnity related to damages for several reasons against the companies of the JSL Group, and also annulment actions and claims for breach of contract.

Tax

The main natures of lawsuits are the following: (i) Challenges related to alleged non-payment of ICMS; (ii) challenges of part of PIS and COFINS credits that comprise the negative balance presented in PER/DCOMP (Electronic Request for Refund/Tax Offset Return); (iii) challenges related to tax credits of IRPJ, CSLL, PIS and COFINS; (iv) challenges related to the offset of IRPJ and CSLL credits and (v) challenge related to the recognition of ICMS credits.

	Parent company		Consolidated	
	3/31/2018	12/31/2017	3/31/2018	12/31/2017
IRPJ/CSLL	96,211	78,769	97,968	80,326
ICMS	23,713	24,299	29,001	26,602
INSS	7,767	7,295	7,918	7,295
PER/DCOMP	12,171	12,171	12,858	12,858
PIS/COFINS	14,923	14,520	15,437	14,859
Other	8,204	8,292	9,427	8,880
Total	**162,989**	**145,346**	**172,609**	**150,820**

26. INCOME TAX AND SOCIAL CONTRIBUTION

26.1 Deferred income tax and social contribution

Deferred income tax (IRPJ) and social contribution on net income (CSLL) assets and liabilities were calculated based on the balances of tax losses and temporary differences for income tax and social contribution that are deductible or taxable in the future.

The origins are comprised as follows:

	Parent company		Consolidated	
Description	**3/31/2018**	**12/31/2017**	**3/31/2018**	**12/31/2017**
Tax credits				
Tax loss and social contribution tax loss	105,439	74,401	219,145	182,616
Provision for judicial and administrative litigation	24,875	24,357	45,860	45,092
Expected credit losses in accounts receivables	12,929	10,724	65,128	46,428
Other provision	24,741	24,368	27,006	31,322
Gain on disposal of investment	-	5,742	-	5,742
Provision for transaction costs related to issuance of shares	5,332	5,080	5,805	5,079
Provision for adjustment to market value and obsolescence	31,564	29,735	32,853	30,998
Total tax credits - gross	**204,880**	**174,407**	**387,694**	**347,277**
Tax debits				
Present value adjustment	(5,150)	(5,740)	(5,199)	(5,230)
Gain on bargain purchase	(10,829)	(10,829)	(10,783)	(10,829)
Deferred net income from sales to public authorities	(1,287)	(1,295)	(32,440)	(27,236)
Swap agreement	(1,415)	(2,322)	(1,416)	(2,322)
Fair value of cash flow hedge	(13,345)	(7,786)	(13,345)	(7,786)
Surplus value	(8,923)	(9,427)	(8,923)	(9,427)
Accounting vs. tax depreciation	(99,333)	(108,810)	(368,385)	(358,666)
Property and equipment - finance leases	(4,930)	(3,343)	(66,487)	(58,583)
Gains on Interest in subsidiaries	(45,075)	(43,770)	(44,189)	(42,894)
Realization of goodwill	(53,702)	(51,982)	(54,373)	(52,571)
Total tax debts - gross	**(243,989)**	**(245,304)**	**(605,541)**	**(575,544)**
Total tax debts, net	**(39,108)**	**(70,897)**	**(209,744)**	**(228,267)**
Deferred tax assets	-	-	67,787	60,626
Deferred tax liabilities	(39,108)	(70,897)	(277,531)	(288,893)
Total tax debts, net	**(39,108)**	**(70,897)**	**(209,744)**	**(228,267)**

The movements in deferred tax assets are as follows:

	Parent company	Consolidated
Net balance of deferred income tax at December 31, 2017	**(70,897)**	**(228,267)**
Deferred income tax and social contribution recognized in the statement of income (loss)	14,840	(6,462)
Write-off due to PERT	22,885	22,885
Deferred income tax and social contribution arising from new IFRS	1,110	9,146
Deferred income tax and social contribution on gains on interests in subsidiaries	(7,046)	(7,046)
Net balance of deferred income tax at March 31, 2018	**(39,108)**	**(209,744)**

26.2 Estimated realization schedule

Deferred tax assets arising from temporary differences will be used as the respective differences are settled or realized.

Tax losses can be carried forward indefinitely and, at March 31, 2018 and December 31, 2017 deferred income tax and social contribution were recognized for all tax loss carryforwards.

In estimating the realization of deferred tax assets, Management considers its budget and strategic plan based on the estimated realization schedule of assets and liabilities that gave rise to them, and in earnings projections for the subsequent years.

26.3 Reconciliation of income tax and social contribution (expense) credit

Current amounts are calculated based on the current rates levied on taxable profit before income tax and social contribution, as adjusted by respective additions, deductions and offsets allowed by the prevailing legislation:

	Parent company		Consolidated	
Description	**3/31/2018**	**3/31/2017**	**3/31/2018**	**3/31/2017**
Profit (loss) before income tax and social contribution	**(1,264)**	**(36,491)**	**42,214**	**(9,485)**
Statutory rates	34%	34%	34%	34%
Income tax and social contribution calculated at the standard rates	**429**	**12,407**	**(14,353)**	**3,225**
Permanent (additions) exclusions				
Equity in the results of investees	16,102	13,676	(149)	-
Tax incentives - Workers Meal Program ("PAT")	-	-	106	63
Interest on capital remuneration	(1,054)	-	553	-
Nondeductible expenses	(637)	(255)	(469)	(280)
Unrecognized tax assets on tax losses abroad	-	-	(2,811)	-
Other (additions) deductions	-	-	-	(485)
Income tax and social contribution calculated	**14,840**	**25,828**	**(17,123)**	**2,523**
Current	-	-	(10,661)	(7,056)
Deferred	14,840	25,828	(6,462)	9,579
Income tax and social contribution on results	**14,840**	**25,828**	**(17,123)**	**2,523**
Effective rate	(1,174.05%)	(70.80%)	(40.56%)	(26.60%)

The Company's and its subsidiaries' income tax returns are open to review by tax authorities for five years from the filing of the return. As a result of these reviews, additional taxes and penalties may arise, which would be subject to interest. However, Management believes that all taxes have either been properly paid or provided for.

27. RELATED PARTIES

27.1 Related-party balances (assets and liabilities)

In the table below, the line items trade receivables, other credits, accounts payable and advances from customers include the balances receivable and payable of intercompany transactions of the JSL Group that are eliminated in consolidation:

Parent company

Assets	Marketable securities		Other credits and advances		Trade receivables		Related parties			
	3/31/2018	12/31/2017	3/31/2018	12/31/2017	3/31/2018	12/31/2017	3/31/2018	12/31/2017	Relationship	Specification
Related parties										
Consórcio Unileste	-	-	-	-	-	-	-	49	Associate	Loan
Instituto Júlio Simões	-	-	-	-	-	-	63	67	Related parties	CSA / Reimbursement of expenses
Medlog Prestação de Serviços de Logística S.A.	-	-	-	-	-	-	123	10	Subsidiary	Reimbursement of expenses
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda.	-	-	-	-	20	-	3,838	3,836	Subsidiary	Operating lease / CSA / Interest on capital
Movida Locação de Veículos S.A.	-	-	51,696	-	-	-	4,573	3,045	Subsidiary	Sale of assets / Operating lease / Reimbursement of Expenses / CSA / Assignment of receivables
Movida Gestão e Terceirização de Frotas S.A.	-	-	-	128	134	-	467	781	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / CSA
Quick Logística Ltda.	-	-	-	-	-	-	22,983	18,841	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / CSA
Original Veículos Ltda.	-	-	-	-	828	-	69	5,984	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / Loan
Ponto Veículos Ltda.	-	-	-	-	-	-	8	5	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / Loan
Avante Veículos Ltda.	-	-	-	-	-	-	2,269	14	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / Loan
JSL Corretora e Administradora Seguros	-	-	-	-	-	-	31	18	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / Loan
Transrio Caminhões, Ônibus, Maquinas E Motores Ltda.	-	-	-	83	-	-	1,720	1,696	Subsidiary	
Ciclus Ambiental do Brasil S.A.	-	-	-	-	32,466	9,318	-	-	Subsidiary	Operating lease
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	-	-	-	-	11	-	142	2,586	Subsidiary	Reimbursement of expenses / CSA
CS Brasil Frotas Ltda.	-	-	-	-	-	-	324	39	Subsidiary	Reimbursement of expenses / CSA
Movida Participações S.A.	296,631	305,355	205	121	-	-	207	112	Subsidiary	Reimbursement of expenses / CSA
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A.	-	-	-	-	-	4,173	28,899	29,064	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / CSA
JSL Empreendimentos Imobiliários Ltda.	-	-	-	-	-	-	4,999	5,001	Subsidiary	Sale of assets (Property) / CSA
JSL Arrendamento Mercantil S.A.	-	-	8,045	16,126	16	3	397	238	Subsidiary	Reimbursement of expenses / JSL Card
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	-	-	-	-	-	-	33	17	Subsidiary	Reimbursement of expenses / CSA
JSL Europe	-	-	-	-	-	-	6,497	4,908	Subsidiary	Reimbursement of expenses
Quick Armazéns Gerais Ltda.	-	-	-	-	-	-	13	8	Subsidiary	Reimbursement of expenses / CSA
Borgato Serviços Agrícolas S.A.	-	-	-	-	-	-	15,247	-	Subsidiary	Loan
Borgato Máquinas S.A.	-	-	-	-	-	-	98,362	-	Subsidiary	Reimbursement of expenses / Loan
Borgato Caminhões S.A.	-	-	-	-	-	-	1	-	Subsidiary	Reimbursement of expenses
Others	-	-	-	-	-	-	167	-	Associate	Reimbursement of expenses
Total	**296,631**	**305,355**	**59,946**	**16,458**	**33,475**	**13,494**	**191,432**	**76,319**		
Current	296,631	305,355	59,846	16,458	33,475	13,494	68,732	64,669		
Non-current	-	-	-	-	-	-	122,700	11,650		
Total	**296,631**	**305,355**	**59,846**	**16,458**	**33,475**	**13,494**	**191,432**	**76,319**		

	Parent company					
	Other accounts payables and advances		Related parties			
Liabilities	**3/31/2018**	**12/31/2017**	**3/31/2018**	**12/31/2017**	**Relationship**	**Specification**
Related parties						
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda.	-	213	-	-	Subsidiary	Operating lease
Movida Locação de Veículos S.A.	-	-	48	110	Subsidiary	Reimbursement of expenses / Operating lease / CSA
Movida Gestão e Terceirização de Frotas S.A.	297	406	597	478	Subsidiary	Reimbursement of expenses / Operating lease / CSA
Movida Locação de Veículos Premium Ltda.	5	-	-	-	Subsidiary	Reimbursement of expenses / Operating lease / CSA
Quick Logística	118	118	1,078	-	Subsidiary	Reimbursement of expenses / Operating lease / CSA
Original Veículos Ltda.	-	11	309	273	Subsidiary	Reimbursement of expenses / Discounts on the purchase of vehicles
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	269	337	9,422	13,697	Subsidiary	Reimbursement of expenses / Operating lease / CSA
Vamos Locação de Caminhões, Maq. e Equip. S.A.	56	56	-	-	Subsidiary	Reimbursement of expenses / Operating lease / CSA
JSL Arrendamento Mercantil S.A.	-	-	5,837	7,365	Subsidiary	Reimbursement of expenses / JSL Card
Transrio Caminhões, Ônibus, Maquinas E Motores Ltda.	-	-	275	-	Subsidiary	Reimbursement of expenses
Ponto Veículos Ltda.	2	-	6	-	Subsidiary	Reimbursement of expenses / Discounts on the purchase of vehicles
Avante Veículos Ltda.	11	-	-	-	Subsidiary	Reimbursement of expenses / Discounts on the purchase of vehicles
Quick Armazéns Gerais Ltda.	-	6	-	-	Subsidiary	Reimbursement of expenses
Instituto Júlio Simões	-	-	4	3	Related parties	Reimbursement of expenses
Ribeira Imóveis	-	-	593	-	Associate	Reimbursement of expenses
Others (i)	-	-	-	52	Subsidiaries	Reimbursement of expenses / Discounts on the purchase of vehicles
Total	**758**	**1,147**	**18,169**	**21,978**		

(i) Refers to tax consulting services rendered by a tax law firm where members of the board of directors and the supervisory board are partners.

Amounts corresponding to agreements with related parties are subject to contractual charges of 100% of the CDI rate plus 2.5% p.a., which are recognized in the finance results of the respective entities.

The administrative services center is used by Management to share the corporate expenses between members of the JSL Group by reimbursement of expenses. In the table below are the balances of intercompany transactions that are not eliminated in consolidation:

	Consolidated			
Assets	**Related parties**			
	3/31/2018	**12/31/2017**	**Relationship**	**Specification**
Related parties				
Consórcio 123	-	2	Associate	CSA / Reimbursement of Expenses
Instituto Julio Simões	63	68	Associate	Loan
Simpar S/A	70	-	Associate	Reimbursement of expenses
Ribeira Imóveis	98	-	Associate	Reimbursement of expenses
Centro de Memória e Cultura Julio Simões	1	-	Related parties	CSA / Reimbursement of Expenses
Other	-	118	Associate	Reimbursement of expenses / Operating lease / CSA
Total	**232**	**188**		

Liabilities	**Related parties**					
	3/31/2018	**12/31/2017**	**Relationship**	**Specification**	**Effectiveness**	**Limit**
Related parties						

São José Passes	498	498	Associate	Reimbursement of expenses		
Instituto Julio Simões	3	3	Associate	Loan	12/31/2017	2,000
Centro de Memória e Cultura Julio Simões	3	-	Associate	Reimbursement of expenses		
Ribeira imóveis	1,264	-	Associate	Rental		
Others (i)	-	52	Board of Directors' representative	Services rendered		
Total	**1,768**	**553**				

(i) Refers to tax consulting services rendered by a tax law firm where members of the board of directors and the supervisory board are partners.

27.2 Related-party transactions with effects on the statement of income (loss) for the period

The table below presents the results from transactions between the JSL Group companies:

Results	Services rendered		Contracted services		Fleet sale		Fleet purchase		Deduction from the sale of assets		Other operating income/ expenses		Finance income		Finance costs	
	3/31/2018	3/31/2017	3/31/2018	3/31/2017	3/31/2018	3/31/2017	3/31/2018	3/31/2017	3/31/2018	3/31/2017	3/31/2018	3/31/2017	3/31/2018	3/31/2017	3/31/2018	3/31/2017
Balances eliminated:																
Consolidated																
JSL S.A.	4,530	21,490	(4,688)	(5,342)	82	2,750	(721)	(5,559)	-	(385)	640	627	793	-	-	-
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	91	2,368	(4,732)	(13,327)	453	786	(1,414)	(1,094)	-	-	-	-	-	-	-	-
CS Brasil Frotas Ltda.	-	-	-	-	1,265	-	(289)	-	-	-	-	-	-	-	-	-
Movida Gestão e Terceirização de Frotas S.A.	1,242	3,537	(37,156)	(17,469)	-	9,513	(16)	(1,208)	-	-	-	-	-	-	-	-
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A.	8,893	8,890	(3,591)	(9,587)	640	1,301	-	(6,874)	-	-	-	-	-	-	-	-
JSL Investimentos em Concessionárias e Lojas de Veículos, Máquinas, e Equipamentos S.A.	-	2,778	-	(28,436)	-	-	-	-	-	-	-	-	-	-	-	-
JSL Corretora e Administradora Seguros	-	-	(84)	-	-	-	-	-	-	-	-	-	-	-	-	-
Avante Veículos Ltda.	334	-	(342)	-	-	-	-	-	-	-	-	-	-	-	-	-
Original Veículos Ltda.	1,479	-	(869)	-	-	-	-	-	-	-	-	-	-	-	-	-
Ponto Veículos Ltda.	978	-	(1,185)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transrio Caminhões, Ônibus, Maquinas E Motores Ltda.	997	-	(427)	-	-	-	-	-	-	-	-	-	-	-	-	-
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda.	-	-	(640)	(627)	-	-	-	-	-	-	-	-	-	-	-	-
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	365	352	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movida Locações de Veículos Ltda. (ii)	34,896	33,707	(699)	(328)	-	-	-	-	-	-	-	-	402	-	-	-
Movida Locação de Veículos Premium Ltda.	-	-	(488)	-	-	-	-	-	-	-	-	-	-	-	-	-
JSL Arrendamento Mercantil S.A.	1,592	1,319	(16)	-	-	-	-	-	-	-	-	-	-	-	(2,012)	-
JSL Empreendimentos Imobiliários Ltda.	57	57	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quick Logística Ltda.	-	91	(1,177)	(99)	-	-	-	-	-	-	-	-	-	-	-	-
JSL Holding	-	-	-	-	-	-	-	-	-	-	-	-	1,219	-	-	-
Total	**55,454**	**74,589**	**(56,094)**	**(75,215)**	**2,440**	**14,350**	**(2,440)**	**(14,735)**	**-**	**(385)**	**640**	**627**	**2,414**	**-**	**(2,012)**	**-**
Balances not eliminated:																
Ciclus	9,708	8,335	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ribeira Imóveis	-	-	(3,482)	(6,208)	-	-	-	-	-	-	-	-	-	-	-	-
Radi Calil	-	-	(542)	(284)	-	-	-	-	-	-	-	-	-	-	-	-
Almeida Prado	-	-	(35)	(35)	-	-	-	-	-	-	-	-	-	-	-	-
Total	**65,162**	**82,924**	**(60,153)**	**(81,742)**	**2,440**	**14,350**	**(2,440)**	**(14,735)**	**-**	**(385)**	**640**	**627**	**2,414**	**-**	**(2,012)**	**-**

(i) Refers to tax consulting services rendered by a tax law firm where members of the board of directors and the supervisory board are partners.

27.3 Transactions or relationships with shareholders related to property leasing

The JLS Group has operating and administrative lease agreements for properties with the associate Ribeira Imóveis Ltda. The rent amount recognized in statement of income (loss) for the period ended March 31, 2018 was R$ 3,482 (March 31, 2017 - R$ 2,390). The agreements have conditions in line with market values and have maturities until 2023.

27.4 Administrative services center

In order to better apportion common expenses between the companies that use corporate services, the JSL Group conducts studies of expenses attributable to the entities that share the same structure and back office. For the period ended March 31, 2018, the amount related to recovery of expenses in the parent company was R$ 4,501 (2017 - R$ 7,465). The Administrative services center does not charge management fees nor applies profitability margin on services rendered. Only the costs are shared.

27.5 Management compensation

For the three-month period ended March 31, 2018, the compensation of key management personnel was R$ 5,969 (R$ 9,624 in 2017), including social charges. This amount was recognized in line item “general and administrative expenses”. Except for the share-based payment plan, as disclosed in note 29, management does not have post-retirement benefits or any other long-term benefits.

The managers are included in the JSL Group's share-based compensation plan. During the quarter ended March 31, 2018 and 2017, there were no grant and exercise of stock options by the managers.

The compensation limit approved by the Shareholders’ Meeting in 2018 was R$ 21,000, plus payroll charges.

28. EQUITY

28.1 Share capital

The Company's fully subscribed and paid-in capital at March 31, 2018 is R$ 676,614, divided into 202,500,000 registered common shares, with no par value, less the transaction costs incurred in the process of IPO in the amount of R$ 16,219, totaling R$ 660,395, and the same amount in 2017.

The Company is authorized to increase its capital up to R$ 2,000,000, excluding the shares already issued, without any amendment to its bylaws and according to the decision of the Board of Directors, which is responsible for the establishment of issuance conditions, including price, term and payment conditions, and the approval by the Fiscal Council.

28.2 Capital reserves

i. *Share-based payments*

The JSL Group has a stock option plan under which subscription rights are allocated to the Management and employees of the JSL Group. The amounts related to the vesting period are recognized in income or loss for the year against capital reserves. Any cancellations of grants are reversed against the same reserves in accordance with CPC 10 (R1) - Share-based payment.

Until March 31, 2018, the amount of R$ 17,584 was recognized in capital reserves (R$ 15,751 at December 31, 2017).

ii. *Government grants*

The JSL Group through its subsidiary Quick Logística is entitled to a tax benefit grant related to the value-added tax on sales and services (ICMS) in the State of Goiás. During the three-month period ended March 31, 2018, the amount used was R$ 529 (2017 - R$ 3,228). At March 31, 2018, the accumulated amount is R$ 6,739 (2017 - R$ 6,210).

28.3 Treasury shares

At March 31, 2018, the Company has a balance of R$ 4,146 in treasury shares, and at December 31, 2017, the balance was R$ 460. During the period ended March 31, 2018, there was a repurchase shares amounting to R$ 3,686.

28.4 Interest on capital and distribution of dividends

Pursuant to the Company's Bylaws, shareholders are entitled to annual mandatory dividends equal to or higher than 25% of the Company's annual profit, as adjusted by the following additions or deductions:

i. 5% allocated to the legal reserve; and

ii. an amount allocated to the contingency reserve and the reversal of the same reserves set up in prior years. A portion of the profit can also be retained based on a capital budget of a statutory profit reserve called "investment reserve."

The amount to be distributed is approved at the Annual General Meeting ("AGM") that also approves Management accounts related to the prior year, based on the proposal submitted by the Executive Board and approved by the Board of Directors. Dividends are distributed in accordance with the resolution of this AGM, held in the first four months of each year. The Company's Bylaws also allow for the distribution of quarterly dividends, which can be included in the mandatory dividend.

Interest on capital is calculated on equity accounts, except for the unrealized revaluation reserves, even if capitalized, by applying the variation of the long-term interest rate (TJLP) for the period. The payment is contingent to the existence of profit for the year, before the deduction of interest on capital or retained earnings and earnings reserve.

For the purposes of the interim financial information, interest on capital is shown as an allocation of profit directly in equity.

At March 31, 2018, the parent company has a balance of R$ 32,484 (2017– R$ 29,847) related to dividends receivable from its subsidiaries.

28.5 Equity valuation adjustments

In March 31, 2018, the company has the amount of R$ 96,300 related an equity valuation adjustments, due the items described below:

i. *Deemed cost*

The JSL Group, in the acquisition of the operations of the company Transportadora Grande ABC Ltda. on December 29, 2011, and using the option allowed by Law 11,683 / 07, made the recognition of the assets of that company at their deemed cost. The surplus value of R$ 4,634 was recognized in the equity adjustments account.

ii. *Gain on interests in subsidiaries - IPO of subsidiary Movida Participações S.A.*

As mentioned in note 1, on February 8, 2017, the subsidiary Movida concluded its Initial Public Offering (IPO). As a result of this offering, the primary distribution of 71,460,674 and secondary distribution of 6,741,573 registered common shares with no par value were carried out, all free and clear of any liens or charges.

As a result of the subscription and payment of the new shares, the JSL Group recorded equity adjustments of R$ 49,564, net of taxes, reflecting capital gain without losing control in Movida.

As a result of the partial disposal of the investment in the secondary distribution, the JSL Group recorded equity adjustments of R$ 11,151, net of taxes, since it continued holding the control of the investee.

iii. *Gain on interests in subsidiary - Borgato*

As mentioned in note 1.2 during 2017, Vamos acquired the total shares of the Borgato Companies and part of the payment was made with 9% of the Vamos shares. This transaction generated a capital gain of R$ 30,951 (2017 – R$ 17,272), net of taxes, recorded in Equity Adjustments, due to the revaluation of the shares.

28.6 Non-controlling interests

The JSL Group treats transactions with non-controlling interests as transactions with owners of the Group'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 equity.

29. SHARE-BASED COMPENSATION PLANS

The share-based compensation 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 JSL Group for each category of eligible professionals, defined freely based on the Election of the Stock Option Plan Beneficiaries; (ii) the number of shares to be acquired in the exercise of the options; and (iii) the condition for exercise is based on the maintenance of employment of the professionals eligible at the JSL Group during the vesting period.

Plans are calculated based on the share average quote at B3 (*Brasil, Bolsa e Balcão*), 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 balance sheet approved by the JSL Group, 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 JSL Group.

The fair value of the options is estimated on the grant date, based on the Black-Scholes model for option pricing, which considers the history of quotations and volatility, the terms and conditions of the grant.

The options granted in the current plans may be exercised according to the summary below:

Plan	Grant year	Number of options	Tranche	Exercise price	Option's fair value (i)	Vesting period	Exercise period
II	2012	164,868	1	8.41	4.70	8/31/2012 to 3/31/2015	04/2015 to 06/2018
II	2012	164,868	2	8.41	5.37	8/31/2012 to 3/31/2016	04/2015 to 06/2018
II	2012	363,894	3	8.41	5.94	8/31/2012 to 3/31/2017	04/2015 to 06/2018
III	2013	168,558	1	12.89	6.70	5/9/2013 to 4/1/2016	04/2014 to 06/2019
III	2013	168,558	2	12.89	7.66	5/9/2013 to 4/1/2017	04/2014 to 06/2019
III	2013	337,119	3	12.89	8.50	5/9/2013 to 4/1/2018	04/2014 to 06/2019
IV	2014	132,426	1	15.55	7.68	6/23/2014 to 4/1/2017	04/2017 to 06/2018
IV	2014	132,426	2	15.55	8.57	6/23/2014 to 4/1/2018	04/2017 to 06/2018
IV	2014	264,853	3	15.55	9.35	6/23/2014 to 4/1/2019	04/2017 to 06/2018
V	2015	216,915	1	11.93	6.91	4/1/2015 to 4/1/2018	04/2018 to 06/2020
V	2015	216,915	2	11.93	6.91	4/1/2015 to 4/1/2019	04/2018 to 06/2020
V	2015	433,830	3	11.93	6.91	4/1/2015 to 4/1/2020	04/2018 to 06/2020
VI	2016	295,150	1	8.36	4.98	6/27/2016 to 4/1/2019	04/2019 to 06/2020
VI	2016	295,150	2	8.36	5.62	6/27/2016 to 4/1/2020	04/2019 to 06/2020
VI	2016	590,301	3	8.36	6.17	6/27/2016 to 4/1/2021	04/2019 to 06/2020
VII	2017	249,493	1	9.03	2.02	4/1/2017 to 4/1/2020	04/2020 to 06/2022
VII	2017	249,493	2	9.03	2.55	4/1/2017 to 4/1/2021	04/2020 to 06/2022
VII	2017	498,989	3	9.03	3.02	4/1/2017 to 4/1/2022	04/2020 to 06/2022

(i) Refers to the option's fair value at the grant date.

At March 31, 2018, the accumulated capital reserve balance related to "share-based payment" in equity is R$ 17,584 (R$ 15,751 at December 31, 2017). In statement of income (loss) for the period ended March 31, 2018, an expense was recognized R$ 1,833 in the parent company and consolidated (R$ 1,926 at March 31, 2017 in the parent company and consolidated).

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:

	Consolidated
Number of options outstanding at 12/31/2017	**4,519,870**
Canceled - 2018	
January 2018	(3,513)
Number of options outstanding at 3/31/2018	**4,516,357**

(i) The options canceled are related to shares granted to terminated employees of the JSL Group. As provided for in the "stock option plan" - plan I and II, the unvested options on the termination date automatically lose their rights.

30. 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. *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;

ii. *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 2017 and July 2018, this has an indemnity limit per trip of US$ 900 (equivalent to R$3,500), damage coverage and maximum guarantee per trip of US$ 180 (equivalent to R$ 700).

iii. *Fleet*

The Company and its subsidiaries take out insurance for their fleet as required by contract and for coverage of third-party damage, however for the most part self-insure their fleet in view of the high cost against the premium benefit.

iv. *Third-party property liability*

The insurance on third-party property is presented as follows:

		Consolidated
Insured services	**Effectiveness**	**Amount secured**
Fire, lightning and explosion	12/2016 to 05/2018	79,000
Electrical damage	12/2016 to 05/2018	1,000
Windstorms, hurricanes, cyclones, tornados, hailstorms and vehicle impacts	12/2016 to 05/2018	3,000
Broken glass	12/2016 to 05/2018	10
Landslides	12/2016 to 05/2018	60
Aggravated theft	12/2016 to 05/2018	500
Stationary equipment	12/2016 to 05/2018	500
Mobile equipment	12/2016 to 05/2018	570
Civil liability - operations	12/2016 to 05/2018	1,520
Loss of profit	12/2016 to 05/2018	600
Theft of assets inside an establishment	12/2016 to 05/2018	30
Theft of assets in transit	12/2016 to 05/2018	10
Lease payment or loss	12/2016 to 05/2018	900
Cargo transportation	12/2016 to 05/2018	350
Third-party merchandise	12/2016 to 05/2018	175,285
Total coverage		**263,335**

v. *v. Insurance for guarantees of public obligations*

The JSL Group has insurance for guarantees of public obligations with insurance companies through its subsidiary CS Brasil at March 31, 2018, as shown below:

Beneficiary	Guarantee	Location (State)	Insured amount	Effectiveness
Agencies linked to the Government of the State of São Paulo	Vehicle rental / management with maintenance	São Paulo	14,655	5/28/2013 to 12/25/2018
Agencies linked to the Government of the State of Rio de Janeiro	Vehicle rental / management with maintenance	Rio de Janeiro	10,397	6/3/2013 to 7/14/2019
Agencies linked to the Government of the State of Minas Gerais	Vehicle rental / management with maintenance	Minas Gerais	3,877	12/22/2015 to 02/01/2022
Agencies linked to the Government of the State of Paraná	Vehicle rental / management with maintenance	Paraná	3,002	12/8/2017 to 12/14/2020
Agencies linked to the Government of the State of Rio Grande do Sul	Vehicle rental / management with maintenance	Rio Grande do Sul	2,210	2/1/2014 to 5/21/2018
Agencies linked to the Government of the State of Goiás	Vehicle rental / management with maintenance	Goiás	2,018	9/18/2015 to 10/7/2018
Agencies linked to the Government of the State of Mato Grosso	Vehicle rental / management with maintenance	Mato Grosso	2,000	11/6/2012 to 12/18/2018
Agencies linked to the Government of the State of Bahia	Vehicle rental / management with maintenance	Bahia	1,289	5/29/2015 to 1/18/2019
Agencies linked to the Government of the State of Pernambuco	Vehicle rental / management with maintenance	Pernambuco	930	12/9/2013 to 2/2/2019
Agencies linked to the Government of the State of Piauí	Vehicle rental / management with maintenance	Piauí	835	5/12/2016 to 9/20/2018
Agencies linked to the Government of the State of Santa Catarina	Vehicle rental / management with maintenance	Santa Catarina	208	11/7/2016 to 12/10/2019

31. NET REVENUE FROM SERVICES RENDERED, RENTAL AND SALE OF ASSETS USED IN SERVICES RENDERED

	Parent company		Consolidated	
	3/31/2018	**3/31/2017**	**3/31/2018**	**3/31/2017**
Rental and services rendered revenue	851,521	753,713	1,537,032	1,285,779
Revenue from sale of vehicles and parts (i)	-	-	230,620	217,188
Revenue from sale of assets (ii)	28,028	45,342	426,678	463,981
Gross revenue	**879,549**	**799,055**	**2,194,330**	**1,966,948**
(-) Revenue deductions				
Taxes on sales	(132,170)	(121,030)	(212,965)	(186,857)
Returns	(14,075)	(9,986)	(25,926)	(21,519)
Others	(12,393)	(9,056)	(18,627)	(10,166)
Total net revenue	**720,911**	**658,983**	**1,936,812**	**1,748,406**

(i) Refers to revenue from sales of vehicles and parts by the segment of authorized vehicle dealerships;

(ii) Refers to revenue from sale of vehicles, machinery and equipment used in operations, which are sold in the fleet renewal process and assets intended to rental.

Taxes levied on sales consist primarily of the ICMS (rates from 7% to 19%), municipal taxes on services (rates from 2% to 5%), PIS (rates from 0.65% to 1.65%) and COFINS (rates from 3% to 7.6%).

32. EXPENSES BY NATURE

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

	Parent company		Consolidated	
	3/31/2018	3/31/2017	3/31/2018	3/31/2017
Cost of sales of new vehicles	-	-	(116,839)	(69,662)
Cost of sales of used vehicles	-	-	(61,856)	(66,064)
Fleet costs / expenses	(9,500)	(5,176)	(40,759)	(24,026)
Costs of sales of assets used in services rendered	(25,745)	(44,597)	(401,663)	(438,745)
Cost of sales of parts	-	-	(24,241)	(21,497)
Personnel	(204,536)	(188,316)	(350,738)	(316,556)
Related and third parties	(231,172)	(181,063)	(246,284)	(194,304)
Depreciation and amortization	(51,117)	(60,421)	(141,748)	(135,855)
Parts, tires and maintenance	(59,356)	(54,860)	(117,021)	(119,724)
Fuels and lubricants	(32,735)	(28,974)	(58,750)	(56,009)
(Provision) reversal for judicial and administrative litigation	(210)	6,221	159	4,358
Advertising and publicity	(417)	(173)	(1,422)	(1,089)
Contracted services	(21,783)	(9,876)	(51,176)	(25,483)
Expected credit losses in accounts receivables	(3,219)	(5,674)	(9,267)	(23,335)
Court-ordered indemnities	(2,530)	(1,855)	(4,365)	(3,571)
Electricity	(4,193)	(3,929)	(6,279)	(6,046)
Packaging material	(2,472)	(2,309)	(2,472)	(2,467)
Communication	(405)	(595)	(9,526)	(7,228)
Travel, meals and accommodation	(987)	(949)	(2,454)	(1,690)
Property leasing	(9,860)	(3,703)	(40,883)	(15,762)
Rent of vehicles, machinery and equipment	(7,872)	(6,767)	(11,625)	(8,546)
Result in the sale of damaged vehicles (ii)	270	-	(18,684)	(10,116)
Recovery of PIS and COFINS	32,850	30,812	68,495	43,851
Extemporaneous tax credits	852	-	1,332	-
Tax expenses	(3,484)	(510)	(6,743)	(3,978)
Other costs	(31,058)	(38,770)	(69,831)	(73,647)
	(668,679)	**(601,484)**	**(1,724,640)**	**(1,577,191)**
Cost of sales, rentals and services rendered	(596,066)	(532,518)	(1,115,629)	(948,466)
Cost of sales of demobilized assets	(25,745)	(44,597)	(401,663)	(438,745)
Administrative expenses (i)	(32,755)	(31,597)	(121,218)	(132,570)
Selling expenses (i)	(7,395)	(12,090)	(65,639)	(47,070)
Other operating expenses	(9,785)	(2,852)	(28,219)	(14,905)
Other operating income	3,067	22,170	7,728	4,565
	(668,679)	**(601,484)**	**(1,724,640)**	**(1,577,191)**

(i) In order to improve the presentation and disclosure of financial information and comparability with 2018, the Company reclassified in the period ended March 31, 2017 the amounts of R $ 43,687 and R $ 179,640, parent and consolidated, respectively, previously presented in heading of administrative and commercial expenses.

(ii) Refer to the cost of damaged and damaged vehicles written off, net of the respective amount recovered per sale, in the amount of R $ 10,633 (R $ 11,581 in March 2017).

33. FINANCIAL RESULTS

	Parent company		Consolidated	
	3/31/2018	3/31/2017	3/31/2018	3/31/2017
Finance costs				
Debt service costs				
Interest on borrowings and financing and debentures	(114,915)	(110,660)	(184,170)	(139,234)
Interest and bank fees on finance leases	(2,255)	(15,717)	(5,160)	(22,428)
Interest on suppliers financing – car maker	(241)	(504)	(14,193)	(20,956)
Exchange rate variations on borrowings and financing, net	(35,689)	4,061	(26,689)	4,034
Results on swap operations, net	31,664	(15,154)	31,664	(15,154)
Other interest	(3,294)	(5,733)	(16,659)	(11,210)
Total debt service costs	**(124,730)**	**(143,707)**	**(215,207)**	**(204,948)**
Other finance costs	(3,843)	(9,770)	(21,766)	(19,104)
Total finance costs	**(128,573)**	**(153,477)**	**(236,973)**	**(224,052)**
Finance income				
Financial investments	21,602	13,868	52,854	33,898
Monetary variation income	5,227	5,942	5,371	5,997
Other finance income	330	(546)	6,643	3,457
Interest received	558	-	2,586	-
Total finance income	**27,717**	**19,264**	**67,454**	**43,352**
Finance result, net	**(100,856)**	**(134,213)**	**(169,519)**	**(180,700)**

34. EARNINGS (LOSS) PER SHARE

34.1 Basic

Basic and diluted earnings (loss) per share are calculated by dividing the profit (loss) attributable to shareholders of the JSL Group by the weighted average number of outstanding common shares during the year, excluding common shares repurchased by the JSL Group and held as treasury shares.

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

	Consolidated	
	3/31/2018	3/31/2017
Numerator:		
Net profit (loss) the year attributable to owners of the Company	13,576	(10,663)
Denominator:		
Weighted average number of outstanding shares	201,583,834	203,255,385
Basic earnings (loss) per share - R$	**0.0673**	**(0.0525)**

34.2 Diluted

Diluted earnings (loss) per share are calculated by adjusting the weighted average number of outstanding common shares for presume the conversion of all potential common shares with dilutive effects.

The JSL Group 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 JSL Group shares), based on the monetary value of the subscription rights for outstanding options. The number of shares calculated as mentioned before is compared with the number of shares outstanding, assuming that all the options are exercised.

(a) Diluted

	3/31/2018	3/31/2017
Net profit (loss) the period attributable to owners of the Company	13,576	(10,663)
Net profit (loss) used to determine diluted profit (loss) per share	13,576	(10,663)
Weighted average number of outstanding shares	201,583,834	203,255,385
Adjustments for:		
Stock options	4,246,452	-
Weighted average of number of shares to diluted earnings (loss) per share	205,830,286	203,255,385
Basic earnings (loss) per share - R$	**0.0660**	**(0.0525)**

Diluted earnings are calculated considering the number of potential shares (share option). However, due to the loss reported in period ended March 31, 2018, the number of potential shares (share option) have a non-diluting effect and, consequently, are not considered in the calculation of loss per diluted share.

35. OPERATING LEASES

35.1 Group as lessee

The JSL Group has lease agreements for its branch offices and stores signed with third parties. After analyzing these agreements, Management concluded that they qualify as operating leases.

These lease agreements are effective from 1 to 15 years, automatically renewable as per the agreement, for an additional indefinite period. The lease amount is equivalent to a fixed monthly installment, adjusted for inflation annually based on an index specified in the agreement, in general the General Market Price Index (IGPM).

At March 31, 2018, the operating lease expenses totaled R$ 40,883 (R$ 15,762 at March 31, 2017).

35.2 Group as lessor

The Group has service agreements classified as operating leases, with maturities until 2027. These agreements normally have periods from 1 to 10 years, with the option of renewal after this period. The lease receipts are remeasured by inflation indexes, to reflect the market values.

36. SUPPLEMENTAL INFORMATION TO THE STATEMENT OF CASH FLOWS

The statements of cash flows, under the indirect method, are prepared and presented in accordance with the accounting pronouncement CPC03 (R2) – Statement of cash flows (IAS 7).

The JSL Group made acquisitions of vehicles for renewal and expansion of its fleet, part of these vehicles does not affect cash because they are financed. These acquisitions without cash outflow effect are as follows:

	Parent company		Consolidated	
	3/31/2018	**3/31/2017**	**3/31/2018**	**3/31/2017**
Total additions to property and equipment	68,917	55,271	728,189	617,336
Addition leasing and *Finame* for the acquisition of property and equipment	(32,920)	(10,485)	(137,656)	(106,165)
Changes in the balance of suppliers financing - car makers	1,264	(1,536)	121,784	(13,866)
Changes in the balance of trade payables for property and equipment and car makers	(5,836)	-	(10,498)	-
	31,425	**43,250**	**701,819**	**497,305**
Cash flow statements				
Operating property and equipment	27,770	40,215	694,141	438,326
Property and equipment for investment	3,655	3,035	7,678	58,979
Total additions to property and equipment	**31,425**	**43,250**	**701,819**	**497,305**

37. SUBSEQUENT EVENTS

Issuance of debentures

On April 13, 2018, the 1st issuance of simple, non-convertible, unsecured debentures of subsidiary Movida Locação de Veículos S.A. was concluded. The Issuance was made in a single series, amounting to R$ 250,000, with interest corresponding to 100% of the DI Rate, plus 2.0% p.a. and with maturity on April 13, 2023. The debentures are not subject to commitment clauses to maintain financial indicators as well as have no guarantee requirement.

Merger of Movida GTF into Movida Participações

On April 1, 2018, the process of merger into Movida Participações of its subsidiary Movida GTF was concluded, as decided by the Company's Extraordinary General Meeting, according to the terms of the Protocol and Justification of Merger.

The merger aims to simplify the Company's corporate structure, resulting in reduction of operating, administrative and financial costs. As a result of the merger, Movida GTF was legally dissolved and Movida Participações became its successor.

Movida GTF's net assets were appraised at R$ 391,601, according to the accounting appraisal report for merger purposes, issued by a specialized independent company. The balance of the investment and amounts receivable and payable of Movida GTF with the Company were eliminated in the merger process.

Repurchase of shares

On December 11, 2017, the subsidiary Movida informed, through Relevant Fact that its Board of Director approved, in a meeting held at the same date, the Share Repurchase Plan. The Plan establishes the repurchase of up to 7,000,000 (seven million) common, registered shares, without par value, of its own issuance, representing approximately 9.53% (nine point fifty-three percent) of Movida's total outstanding shares, respecting the maintenance of a minimum percentage of Outstanding Shares of 25%, as defined by the New Market Listing Regulation.

Between April 5 and 24, 2018, the subsidiary Movida repurchased 1,003,500 shares at the weighted average price of R$8.08, and the minimum acquisition cost of R$7.62 and maximum of R$8.53, totaling R$8,103. As previously disclosed, the shares were acquired to be maintained in treasury, cancellation, disposal and/or to meet eventual option exercise of the share-based payment.

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Statement of Fiscal Council

JSL S.A.
PUBLICLY-HELD COMPANY

CNPJ/MF n° 52.548.435/0001-79
NIRE 35.300.362.683

STATEMENT OF FISCAL COUNCIL

The Fiscal Council of JSL S.A ("Company"), in the exercise of the competence provided for in article 163 of Law 6.404/76, at a meeting held on this date, after examining the Interim Financial Information for the three-month period ended March 31, 2018, concludes, based on the examinations made and considering also the Independent Auditors' Report, unanimously, that these documents adequately reflect the Company's financial condition.

São Paulo, May 9, 2018.

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Luiz Augusto Marques Paes

_____
Luciano Douglas Colauto

_____
Rafael Ferraz Dias de Moraes

Statement of the Executive Board on the Financial Statements

STATEMENT OF EXECUTIVE BOARD ON INTERIM FINANCIAL INFORMATION

In accordance with item VI of article 25 of CVM Instruction 480 of December 7, 2009, the Executive Board declares that it reviewed, discussed and agreed to the interim financial information of the Company for the period ended March 31, 2018, authorizing the conclusion on this date.

São Paulo, May 10, 2018.

Fernando Antonio Simões
Chief Executive Officer

Denys Marc Ferrez
Chief Administrative, Financial and Investors' Relations Officer

Samir Moises Gilio Ferreira
Controller Director

Statement of the Executive Board on the Independent Auditors' Report

STATEMENT OF THE EXECUTIVE BOARD ON THE INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE INTERIM FINANCIAL INFORMATION

In accordance with item V of article 25 of CVM Instruction 480 of December 7, 2009, the Executive Board declares that reviewed, discussed and agreed with the conclusions expressed on the Independent Auditors' Report on review of the interim financial information of the Company, for the period ended March 31, 2018 issued on this date.

São Paulo, May 10, 2018.

Fernando Antonio Simões
Chief Executive Officer

Denys Marc Ferrez
Chief Administrative, Financial and Investors' Relations Officer

Samir Moises Gilio Ferreira
Controller Director