JSL S.A. and subsidiaries

Quarterly information (ITR) at June 30, 2017 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)



Mogi das Cruzes, August 10, 2017 – **JSL** (B3: **JSLG3** and ADR Level 1: **JSLGY**), company with the broadest portfolio of logistics services in Brazil and leader in terms of net revenue, announces its **2Q17 results**, which include **JSL Logística**, and, **separately**, the results of **Movida**, **JSL Concessionárias** and **JSL Leasing**, which **together** comprise the **results** of **JSL Consolidated**. The financial and operational information is presented in Brazilian reais as per Brazilian GAAP, and the **comparisons** refer to the **reported and audited data of 2Q17, 1Q17 and 2Q16**, except where otherwise indicated.

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Conference Call and Webcast

August 11, 2017

11:00 a.m. (Brasília) – with simultaneous interpretation into English

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JSL S.A.

2Q17 Earnings Release

Operating and Financial Highlights

- **Consolidated Net Revenue** of **R$1.8 billion** in 2Q17 **(+10.6% YoY)**;
- **Consolidated Net Revenue from Services** of **R$1.4 billion** in 2Q17 **(+6.2% YoY)**;
- **Consolidated Net Revenue from Sale of Assets** of **R$455.4 million** in 2Q17 **(+26.3% YoY)**, demonstrating the Company's assets sale capacity;
- **EBITDA** of **R$304.8 million** (+3.1% YoY) and **EBITDA Margin** of **22.2%** in 2Q17;
- **Positive Net Result of R$13.9 million** in 2Q17;
- **Net CAPEX** of R$322.9 million in 2Q17, boosted by seasonal purchases of Movida in 2Q17;
- **Free Cash Flow to Firm** of **R$413 million** for the last 12 months;
- **Total debt raised of over R$3.5 billion until July 2017,** including the first bond of JSL with a maturity of 7 years, **which increases the average maturity of the consolidated debt** from 2.5 years to 4 years, **diversifying the investor base,** which becomes global.

	JSL - Consolidated						
Financial Statements (R$ million)	**2Q16**	**2Q17**	**Chg. 2Q17x2Q16**	**1H16**	**1H17**	**Chg. 1H17x1H16**	**LTM**
Gross Revenue	**1,874.1**	**2,045.5**	**9.1%**	**3,565.9**	**4,012.5**	**12.5%**	**7,830.4**
Net Revenue	**1,655.7**	**1,830.5**	**10.6%**	**3,150.8**	**3,588.3**	**13.9%**	**6,960.7**
Logistics	1,024.4	1,067.5	4.2%	1,944.5	2,044.4	5.1%	4,124.4
Movida	465.3	590.5	26.9%	870.9	1,205.6	38.4%	2,165.4
Dealerships	218.5	197.4	-9.7%	430.3	397.4	-7.6%	802.7
Leasing	6.5	14.6	124.6%	11.0	25.2	129.1%	42.4
Intercompany Elimination	(59.0)	(39.6)	-32.9%	(105.8)	(84.3)	-20.3%	(174.1)
Net Revenue from Services	**1,295.2**	**1,375.1**	**6.2%**	**2,524.0**	**2,672.3**	**5.9%**	**5,313.3**
Net Revenue of Asset Sales	**360.5**	**455.4**	**26.3%**	**626.7**	**916.0**	**46.2%**	**1,647.5**
EBITDA	**295.5**	**304.8**	**3.1%**	**587.4**	**611.8**	**4.2%**	**1,085.4**
Margin *	22.8%	22.2%	-0.6 p.p.	23.3%	22.9%	-0.4 p.p.	20.4%
EBITDA-A	**635.8**	**741.8**	**16.7%**	**1,181.7**	**1,487.6**	**25.9%**	**2,655.8**
Margin	38.4%	40.5%	+2.1 p.p.	37.5%	41.5%	+4.0 p.p.	38.2%
Net Result	**(16.9)**	**13.9**	**-**	**(5.7)**	**6.9**	**-**	**(170.6)**
Margin	-1.0%	0.8%	+1.8 p.p.	-0.2%	0.2%	+0.4 p.p.	-2.5%

* Calculated on net revenue from services

DISCLAIMER: As of January 1, 2017, the Company will account for PIS and COFINS credits on acquisition of inputs and depreciation charges as credits that reduce the costs of products and services sold, to better reflect the nature of such credits and expenses. The amounts corresponding to these credits referring to past periods were reclassified for purposes of comparison.

JSLG3 NOVO MERCADO BM&FBOVESPA

I. Management Comments – JSL Consolidated

The 2Q17 results corroborate our belief that we have a solid basis to begin a next cycle of increase in **profitability** of our **operations**, after the previous years of growth. The profitability of our operations will be mainly supported by the process of **consolidation of the Used-Vehicle stores and RAC channels of Movida**, together with a **deceleration in the group's net investments** in 2017, along side the **resilience of Logistics' cash generation**.

JSL Logística continues to show the **leadership position** in Brazil's logistics market, and in 2Q17 we began to notice higher volumes for some clients, such as the Automotive segment and Pulp and Paper. Meanwhile, Movida holds an important position in the domestic market, given that investments over recent years should enable the Company to further benefit from **gains in scale** and its increased **asset turnover capacity**.

In 2Q17, **Consolidated Net Revenue totaled R$1.8 billion, + 10.6% YoY**, which proves once again the value of our diversification – of services, clients and economic sectors – confirming the Company's resilience, and our ability to execute. Consolidated Net Revenue was: R$1.4 billion of Revenue from Services and R$455.4 million of Revenue from Sale of Assets.

EBITDA totaled R$304.8 million, with EBITDA Margin of 22.2% in 2Q17, primarily consisting of:

- **JSL Logística:** EBITDA of R$228.1 million (+0.2% YoY), with EBITDA Margin of 23.7% (-0.2 p.p. YoY). The resilience of the EBITDA and maintenance of the EBITDA margin in a year-over-year comparison demonstrate our business strength, despite the challenging macroeconomic scenario.
- **Movida**: EBITDA of R$71.5 million (+12.3% YoY), with EBITDA Margin of 29.7% due to expansion of more than 10,000 cars in the average operational fleet of the Company, fueled by the opening of 34 new points of sale in the period.

Net Financial Expenses totaled R$153.1 million in 2Q17, versus R$186.0 million in 2Q16 (-17.7%). The decrease in the year-over-year comparison is mostly related to the reduction of the Brazilian Interbank rate - SELIC, as well as the positive effect of interest on past tax credits.

Net Profit was R$13.9 million in 2Q17, mainly impacted by the resilience of JSL Logística cash geration, and lower financial expenses in the period.

In addition to the net profit, we point out the better cash flow for the period: In a year-over-year comparison, the **Free Cash Flow to Firm went from R$78 million in 2Q16 to R$413 million in 2Q17**, mainly due to the lower net CAPEX in JSL Logística and increase in the sale of assets in Movida, with the maturity of the fleet.

Since the beginning of the year the Company raised over **R$3.5 billion in a series of debt** instruments of which we highlight an issuance of CRA of R$270 million, CDI+0.7% p.a. and the Company´s first international issuance of Bonds of US$325 million at 7.875% p.a. and a 7 year tenor. The Bond issuance increases the access to different sources of funding which becomes global and increases the average tenor of its debt from 2.5 years to 4.0 years

II. JSL Logística

Financial performance

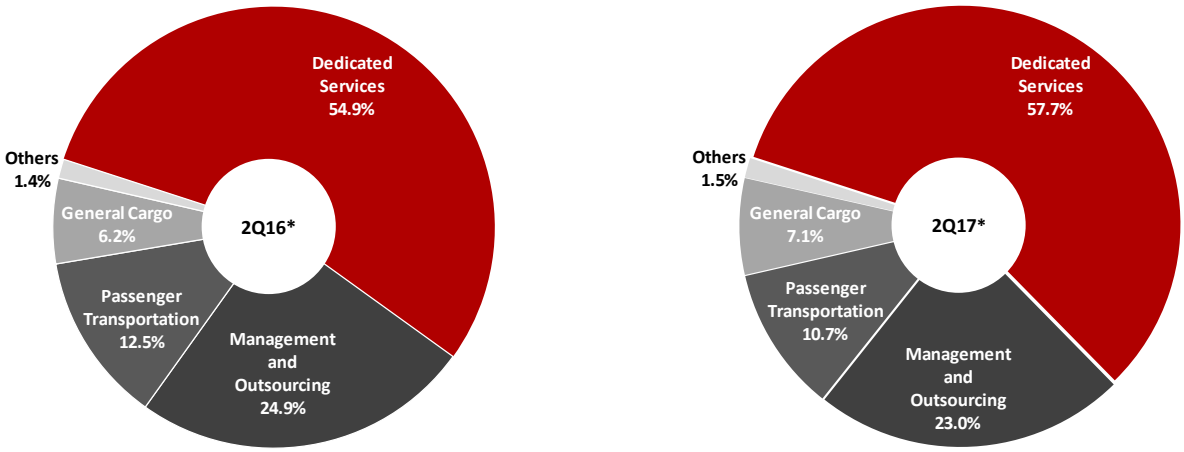
Gross Revenue

Total gross revenue amounted to R$1.2 billion (+2.9% YoY) for the 2Q17, of which R$1.1 billion (+0.1% YoY) from services and R$106.4 million (+46.0% YoY) from sale of assets.

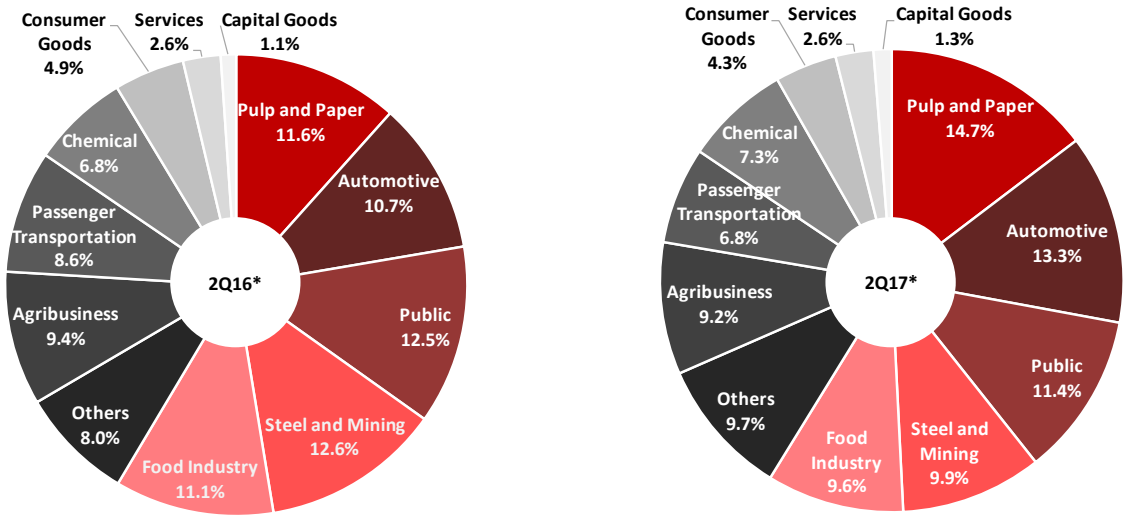
In comparison to the 1Q17, total gross revenue grew 8.3%, as a result of gross revenue from services (+8.7% QoQ) and from sale of assets (+4.4% QoQ).

	JSL - Logística								
Gross Revenue (R$ million)	**2Q16**	**1Q17**	**2Q17**	**Chg. 2Q17x2Q16**	**Chg. 2Q17x1Q17**	**1H16**	**1H17**	**Chg. 1H17x1H16**	**LTM**
Gross Revenue	**1,202.0**	**1,142.0**	**1,236.7**	**2.9%**	**8.3%**	**2,277.8**	**2,378.7**	**4.4%**	**4,819.8**
Revenue from Services	1,129.1	1,040.1	1,130.3	0.1%	8.7%	2,157.8	2,170.4	0.6%	4,419.8
Revenue from Sale of Assets	72.9	101.9	106.4	46.0%	4.4%	120.0	208.4	73.7%	399.9

Breakdown of Gross Revenue from Services by Business Line



Breakdown of Gross Revenue from Services by Economic Sector



(*) Last 12 months

Net revenue

JSL Logística recorded a 4.2% increase in total net revenue for the annual comparison, due to the increase in revenue from services (+1.1% YoY) and mainly from the sale of assets (+46.2% YoY).

Compared to 1Q17, net revenue grew 9.3%, as a result of the growth of revenue from services (+9.9% QoQ) and from sale of assets (+4.1% QoQ). We highlight the performance of the Sugar and Alcohol clients, favorably impacted by the effect of seasonality in 2Q17, given the beginning of the harvest of the crop, represented in the Agribusiness sector. The Pulp and Paper and Automotive sectors also stood out positively, since they increased their volume in relation to 1Q17, which reinforces our view that the Brazilian economy is at an inflection point.

	JSL - Logística								
Net Revenue (R$ million)	**2Q16**	**1Q17**	**2Q17**	**Chg. 2Q17x2Q16**	**Chg. 2Q17x1Q17**	**1H16**	**1H17**	**Chg. 1H17x1H16**	**LTM**
Net Revenue	**1,024.4**	**976.9**	**1,067.5**	**4.2%**	**9.3%**	**1,944.5**	**2,044.4**	**5.1%**	**4,124.4**
Net Revenue from Services	953.9	877.9	964.4	1.1%	9.9%	1,827.5	1,842.3	0.8%	3,740.3
Net Revenue from Sale of Assets	70.5	99.0	103.1	46.2%	4.1%	117.0	202.1	72.7%	384.1

RSC – Revenue from Same Contracts

The Revenue from Same Contracts (RSC) of Dedicated Services grew 7.1% YoY, while the inflation index - IPCA increased 3.0% in the same period, which proves the capacity of price pass-through of these contracts and an upward trend for volumes in some economic sectors, as mentioned previously.

RSC (R$ million)	**2Q16**	**2Q17**	**Chg. 2Q16x2Q17**	**1H16**	**1H17**	**Chg. 1H16x1H17**
Gross Revenue from Services	**1,012.2**	**1,077.5**	**6.5%**	**1,817.4**	**1,924.3**	**5.9%**
Dedicated Services	581.9	623.0	7.1%	1,010.4	1,092.9	8.2%
Management and Outsourcing (Vehic./Mach./Equip.)*	229.4	238.4	3.9%	420.2	409.7	-2.5%
Passenger Transportation	112.9	113.5	0.4%	216.4	223.4	3.3%
General Cargo transportation	72.5	83.1	14.6%	139.6	163.8	17.3%
Others	15.5	19.6	26.4%	30.7	34.5	12.3%

* With adition of services / public / heavy

Costs

In 2Q17, costs of services totaled R$787.5 million (+1.8% YoY), slightly above the growth of net revenue from services in the same period (+1.1% YoY). The main variation was in costs with independent contractors and third parties (+26.5% YoY), with the change to contracts that use assets and personnel of third parties and contractors (asset light contracts).

Compared to 1Q17, the cost of services grew 8.4%, led by the 11.7% increase in personnel expenses, due to annual salary adjustments which occur in 2Q17. The cost with contractors and third parties increased 13.1% QoQ.

	JSL - Logística								
Costs (R$ million)	**2Q16**	**1Q17**	**2Q17**	**Chg. 2Q17x2Q16**	**Chg. 2Q17x1Q17**	**1H16**	**1H17**	**Chg. 1H17x1H16**	**LTM**
Cost of Services	**(773.3)**	**(726.5)**	**(787.5)**	**1.8%**	**8.4%**	**(1,452.1)**	**(1,514.0)**	**4.3%**	**(3,101.5)**
Personnel	(263.1)	(231.2)	(258.2)	-1.9%	11.7%	(503.0)	(489.4)	-2.7%	(1,012.9)
Independent contractors / third parties	(173.8)	(194.3)	(219.8)	26.5%	13.1%	(330.7)	(414.1)	25.2%	(804.9)
Fuel and lubricants	(67.4)	(50.4)	(58.2)	-13.6%	15.5%	(118.5)	(108.6)	-8.4%	(234.0)
Parts / tires / maintenance	(74.7)	(75.1)	(71.3)	-4.6%	-5.1%	(134.0)	(146.4)	9.3%	(296.9)
Depreciation	(103.9)	(105.0)	(105.2)	1.3%	0.2%	(203.2)	(210.2)	3.4%	(435.9)
Others	(90.3)	(70.5)	(74.7)	-17.3%	6.0%	(162.7)	(145.2)	-10.8%	(316.9)
Costs of Sales of Assets	**(70.1)**	**(98.0)**	**(102.7)**	**46.5%**	**4.8%**	**(117.3)**	**(200.7)**	**71.1%**	**(377.1)**
Sale of Assets used to provide services	(70.1)	(98.0)	(102.7)	46.5%	4.8%	(117.3)	(200.7)	71.1%	(377.1)
Sale of Assets with Management	-	-	-	-	-	-	-	-	-
Total	**(843.4)**	**(824.4)**	**(890.2)**	**5.5%**	**8.0%**	**(1,569.4)**	**(1,714.6)**	**9.3%**	**(3,478.6)**
Total (as % of Total Net Revenue)	**82.3%**	**84.4%**	**83.4%**	**+1.1 p.p.**	**-1.0 p.p.**	**80.7%**	**83.9%**	**3.2 p.p.**	**84.3%**

Gross Profit

In 2Q17, gross profit totaled R$177.3 million (-2.0% YoY), while the gross margin stood at 16.6%, down 1.1 p.p. YoY, still affected by lower volumes YoY.

Compared to 1Q17, total gross profit increased (+16.3%), while gross margin grew 1.0 p.p, stimulated by better prices and volumes in some economic sectors, in addition to the seasonality of some contracts as mentioned above.

	JSL - Logística								
Gross Profit (R$ million)	**2Q16**	**1Q17**	**2Q17**	**Chg. 2Q17x2Q16**	**Chg. 2Q17x1Q17**	**1H16**	**1H17**	**Chg. 1H17x1H16**	**LTM**
Gross Profit from Services	**180.6**	**151.5**	**176.9**	**-2.0%**	**16.8%**	**375.5**	**328.3**	**-12.6%**	**638.8**
Gross Margin from Services (% of Net Revenue from Services)	18.9%	17.3%	18.3%	-0.6 p.p.	+1.0 p.p.	20.5%	17.8%	-2.7 p.p.	17.1%
Gross Profit from Sale of Assets	**0.4**	**1.0**	**0.4**	**0.0%**	**-60.0%**	**(0.3)**	**1.4**	**-**	**7.0**
Gross Margin from Sale of Assets (% of Net Revenue from Sale of Assets)	0.5%	1.0%	0.4%	-0.1 p.p.	-0.6 p.p.	-0.3%	0.7%	+1.0 p.p.	1.8%
Total Gross Profit	**180.9**	**152.5**	**177.3**	**-2.0%**	**16.3%**	**375.1**	**329.8**	**-12.1%**	**645.8**
Gross Margin (% of Total Net Revenue)	17.7%	15.6%	16.6%	-1.1 p.p.	+1.0 p.p.	19.3%	16.1%	-3.2 p.p.	15.7%

Operating Expenses before the Financial Result

In 2Q17, operating expenses totaled R$59.1 million, representing 6.1% of net revenue from services (-0.5 p.p. YoY). The 7.8% YoY decline in personnel expenses was mainly due to staff downsizing, which allowed the Company to begin 2017 with a leaner workforce. We highlight the positive effect of past tax credits in the amount of R$10.0 million in Other Operating Revenues. If we were to disregard these tax credits, the operating expenses would have been R$69.1 million in 2Q17.

Compared to 1Q17, operating expenses grew 26.6%. It is worth noting the positive impact of R$15.1 million in Other Operating Revenues in 1Q17, mainly as a result of R$16.9 million in revenue from the secondary distribution of Movida's shares. If this extraordinary operating revenue is disregarded, operating expenses would have been R$63.6 million in 1Q17, while adjusted expenses in 2Q17, as explained above, would have been R$69.1 million, a R$5.5 million difference, mainly due to annual salary adjustments in the personnel account during the 2Q17.

	JSL - Logística								
Operating Expenses before Financial Results (R$ million)	**2Q16**	**1Q17**	**2Q17**	**Chg. 2Q17x2Q16**	**Chg. 2Q17x1Q17**	**1H16**	**1H17**	**Chg. 1H17x1H16**	**LTM**
Administrative and Sales Expenses	**(65.8)**	**(60.5)**	**(58.8)**	**-10.6%**	**-2.8%**	**(133.3)**	**(119.3)**	**-10.5%**	**(254.5)**
Personnel	(28.1)	(22.9)	(25.9)	-7.8%	13.1%	(53.1)	(48.8)	-8.1%	(102.3)
Services Renderded	(13.3)	(11.5)	(11.5)	-13.5%	0.0%	(24.8)	(23.0)	-7.3%	(46.5)
Communication, advertising and marketing	(4.0)	(1.0)	(1.3)	-67.5%	30.0%	(7.3)	(2.3)	-68.5%	(5.9)
Third-party properties rental	(3.4)	(5.1)	(5.2)	52.9%	2.0%	(7.5)	(10.3)	37.3%	(18.9)
Depreciation	(5.9)	(5.3)	(4.6)	-22.0%	-13.2%	(10.1)	(9.9)	-2.0%	(21.2)
Others	(11.1)	(14.7)	(10.3)	-7.2%	-29.9%	(30.5)	(25.0)	-18.0%	(59.6)
Tax Expenses	**(1.5)**	**(1.3)**	**(1.0)**	**-33.3%**	**-23.1%**	**(2.5)**	**(2.3)**	**-8.0%**	**(6.5)**
Other Operating Revenues (Expenses)	**4.1**	**15.1**	**0.7**	**-82.9%**	**-95.4%**	**(3.3)**	**15.8**	**-**	**(53.4)**
Total	**(63.2)**	**(46.7)**	**(59.1)**	**-6.5%**	**26.6%**	**(139.1)**	**(105.8)**	**-23.9%**	**(569.0)**
Total (as % of Total Net Revenue from services)	**6.6%**	**5.3%**	**6.1%**	**-0.5 p.p.**	**+0.8 p.p.**	**7.6%**	**5.7%**	**-1.9 p.p.**	**15.2%**

EBIT, EBITDA and EBITDA-A

In 2Q17, EBITDA totaled R$228.1 million (+0.2% YoY), while the EBITDA margin was 23.7%, similar to the 23.9% of 2Q16 (-0.2 p.p. YoY).

Compared to 1Q17, absolute EBITDA grew +5.6%, which represented a 0.9 p.p. decrease in the EBITDA margin for the same period.

	JSL - Logística								
EBIT, EBITDA and EBITDA-A (R$ million)	**2Q16**	**1Q17**	**2Q17**	**Chg. 2Q17x2Q16**	**Chg. 2Q17x1Q17**	**1H16**	**1H17**	**Chg. 1H17x1H16**	**LTM**
EBIT	**117.8**	**105.8**	**118.2**	**0.3%**	**11.7%**	**236.0**	**224.0**	**-5.1%**	**331.3**
Margin *	12.3%	12.1%	12.3%	+0.0 p.p.	+0.2 p.p.	12.9%	12.2%	-0.7 p.p.	8.9%
EBITDA	**227.6**	**216.1**	**228.1**	**0.2%**	**5.6%**	**449.3**	**444.1**	**-1.2%**	**788.5**
Margin *	23.9%	24.6%	23.7%	-0.2 p.p.	-0.9 p.p.	24.6%	24.1%	-0.5 p.p.	21.1%
EBITDA-A	**297.7**	**314.0**	**330.8**	**11.1%**	**5.4%**	**566.6**	**644.8**	**13.8%**	**1,165.6**
Margin	29.1%	32.1%	31.0%	+1.9 p.p.	-1.1 p.p.	29.1%	31.5%	+2.4 p.p.	28.3%

* Calculated on net revenue from services

2 Investments

In 2Q17, JSL Logística's total investments reached R$163.0 million (+4.8% YoY), 60.5% of which allocated to the expansion of new businesses. The investments were allocated to trucks (42.0%), light vehicles (29.6%), machinery and equipment (25.7%), buses (1.3%) and other (1.4%).

Net investments totaled R$56.6 million in 2Q17 vs. R$82.6 million in 2Q16 (-31.5% YoY) and R$77.2 million in 1Q17 (-26.7% QoQ). Such a reduction was mainly due to the increase in sale of assets in the logistics activity.

	JSL - Logística								
Capex (R$ million)	**2Q16**	**1Q17**	**2Q17**	**Chg. 2Q17x2Q16**	**Chg. 2Q17x1Q17**	**1H16**	**1H17**	**Chg. 1H17x1H16**	**LTM**
Gross capex by nature	**155.5**	**179.1**	**163.0**	**4.8%**	**-9.0%**	**390.3**	**342.1**	**-12.3%**	**654.5**
Expansion	90.2	147.6	98.6	9.3%	-33.2%	313.0	246.1	-21.4%	454.6
Maintenance	65.3	31.6	64.5	-1.2%	104.1%	77.3	96.0	24.2%	199.8
Others	-	-	-	-	-	-	-	-	-
Gross capex by type	**155.5**	**179.1**	**163.0**	**4.8%**	**-9.0%**	**390.3**	**342.1**	**-12.3%**	**654.5**
Trucks	18.9	45.7	68.4	-	49.7%	160.3	114.1	-28.8%	144.7
Machinery and Equipment	3.4	53.9	41.9	-	-22.3%	14.0	95.8	-	109.5
Light Vehicles	125.5	66.9	48.3	-61.5%	-27.8%	201.5	115.2	-42.8%	359.6
Bus	1.0	9.6	2.1	110.0%	-78.1%	2.7	11.7	-	26.5
Others	6.8	3.0	2.3	-66.2%	-23.3%	11.7	5.3	-54.7%	14.2
Usual sale of assets	**(72.9)**	**(101.9)**	**(106.4)**	**46.0%**	**4.4%**	**(120.0)**	**(208.4)**	**73.7%**	**(399.9)**
Maintenance #	(63.4)	(69.3)	(100.2)	58.0%	44.6%	(107.6)	(169.5)	57.5%	(309.6)
End of contract #	(0.2)	(27.3)	(0.8)	-	-97.1%	(2.6)	(28.1)	-	(67.0)
Exchange of operational scope #	(1.0)	(2.9)	(2.6)	160.0%	-10.3%	(2.0)	(5.5)	175.0%	(8.7)
Total net capex	**82.6**	**77.2**	**56.6**	**-31.5%**	**-26.7%**	**270.3**	**133.8**	**-50.5%**	**254.5**

Does not consider cancellations and sales return

III. Movida Participações S.A.

In 2Q17, Movida posted net revenue of R$590.5 million, a 26.9% increase in the annual comparison.

EBIT totaled R$53.3 million (+26.3% YoY), with an EBIT margin of 22.1% (-0.9 p.p. YoY).

At the end of 2Q17, Movida' fleet had 70,843 vehicles, 183 RAC stores and 60 Used-vehicle stores.

	Movida								
Financial Information (R$ million)	**2Q16**	**1Q17**	**2Q17**	**Chg. 2Q17x2Q16**	**Chg. 2Q17x1Q17**	**1H16**	**1H17**	**Chg. 1H17x1H16**	**LTM**
Gross Revenue	**489.2**	**641.1**	**617.5**	**26.2%**	**-3.7%**	**919.9**	**1,258.6**	**36.8%**	**2,269.1**
RAC	155.6	216.9	211.4	35.9%	-2.5%	320.6	428.3	33.6%	793.1
GTF	50.9	54.3	55.9	9.8%	2.9%	102.7	110.2	7.3%	213.6
Used Vehicles	282.7	369.9	350.2	23.9%	-5.3%	496.5	720.1	45.0%	1,262.4
Net Revenue	**464.7**	**615.1**	**590.5**	**27.1%**	**-4.0%**	**870.2**	**1,205.6**	**38.5%**	**2,165.4**
Net Revenue from Services	183.7	245.7	240.8	31.1%	-2.0%	375.9	486.5	29.4%	905.2
Gross Profit	**107.8**	**168.4**	**149.9**	**39.1%**	**-11.0%**	**217.8**	**318.3**	**46.1%**	**569.6**
Margin	23.2%	27.4%	25.4%	+2.2 p.p.	-2.0 p.p.	25.0%	26.4%	+1.4 p.p.	26.3%
Net Income	**5.6**	**20.6**	**11.1**	**98.2%**	**-46.1%**	**18.8**	**31.8**	**69.1%**	**45.1**
Margin	3.1%	8.4%	4.6%	+1.5 p.p.	-3.8 p.p.	5.0%	6.5%	+1.5 p.p.	5.0%
EBIT	**42.2**	**67.7**	**53.3**	**26.3%**	**-21.3%**	**94.7**	**121.0**	**27.8%**	**217.5**
Margin on net revenue from services	23.0%	27.5%	22.1%	-0.9 p.p.	-5.4 p.p.	25.2%	24.9%	-0.3 p.p.	24.0%

In 2Q17, total investments in Movida reached R$610.2 million (+47.0% YoY), 99.2% of which were allocated to the purchase of vehicles. The investments in fleet were divided in expansion (39.9%) and renewal (60.1%).

The net capex totaled R$260.0 million in 2Q17. We point out that the investments made in 2Q17 are in line with Movida´s budget, and the funds used to purchase fleet are consistent with the planning for high demand in July (vacation period).

	Movida								
Capex (R$ million)	**2Q16**	**1Q17**	**2Q17**	**Chg. 2Q17x2Q16**	**Chg. 2Q17x1Q17**	**1H16**	**1H17**	**Chg. 1H17x1H16**	**LTM**
Fleet	**405.7**	**433.2**	**605.4**	**49.2%**	**39.8%**	**677.5**	**1,038.6**	**53.3%**	**2,068.9**
RAC	**353.6**	**390.9**	**561.7**	**58.9%**	**43.7%**	**540.9**	**952.6**	**76.1%**	**1,836.9**
Expansion	130.6	26.8	206.7	58.3%	-	130.6	233.6	78.9%	722.3
Maintenance	223.1	364.1	354.9	59.1%	-2.5%	410.3	719.0	75.2%	1,114.6
GTF	**52.1**	**42.3**	**43.7**	**-16.1%**	**3.3%**	**136.6**	**86.0**	**-37.0%**	**232.0**
Expansion	35.4	38.2	36.4	2.8%	-4.7%	80.2	74.7	-6.9%	199.2
Maintenance	16.7	4.1	7.2	-56.9%	75.6%	56.4	11.4	-79.8%	32.7
Stores	**6.8**	**0.9**	**0.7**	**-89.7%**	**-22.2%**	**10.9**	**1.6**	**-85.3%**	**13.2**
New	2.1	0.1	0.0	-100.0%	-100.0%	4.9	0.1	-98.0%	5.2
Former	4.6	0.9	0.6	-87.0%	-33.3%	6.0	1.5	-75.0%	8.1
Others	**2.7**	**1.4**	**4.2**	**55.6%**	**-**	**4.7**	**5.7**	**21.3%**	**10.7**
Total Gross Capex	**415.1**	**435.6**	**610.2**	**47.0%**	**40.1%**	**693.0**	**1,045.8**	**50.9%**	**2,092.8**
Sale of Assets	**(282.7)**	**(369.9)**	**(350.2)**	**23.9%**	**-5.3%**	**(496.5)**	**(720.1)**	**45.0%**	**(1,262.4)**
Total Net Capex	**132.5**	**65.7**	**260.0**	**96.2%**	**-**	**196.5**	**325.7**	**65.8%**	**830.4**

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

IV. JSL Concessionárias de Veículos

In 2Q17, JSL Concessionárias recorded total net revenue of R$197.4 million (-9.7% YoY) and EBITDA of R$4.3 million, stable over the R$4.2 million EBITDA of 2Q16.

Compared to 1Q17, the net revenue decreased 1.3% and EBITDA increased from R$0.2 million to R$4.3 million in 2Q17. In a quarter-over-quarter comparison, the better results were mainly boosted by an increase in the volume of Heavy vehicles sales (+67.4%).

	Dealerships								
Financial Information (R$ million)	**2Q16**	**1Q17**	**2Q17**	**Chg. 2Q17x2Q16**	**Chg. 2Q17x1Q17**	**1H16**	**1H17**	**Chg. 1H17x1H16**	**LTM**
Total Net Revenue	**218.5**	**200.0**	**197.4**	**-9.7%**	**-1.3%**	**430.3**	**397.4**	**-7.6%**	**802.7**
Light Vehicles	136.9	123.0	112.2	-18.0%	-8.8%	262.8	235.2	-10.5%	484.7
Heavy Vehicles	29.8	28.0	37.8	26.8%	35.0%	66.2	65.8	-0.6%	121.2
Direct Sales	3.4	4.3	5.9	73.5%	37.2%	6.4	10.2	59.4%	15.3
F&I	4.3	4.0	3.9	-9.3%	-2.5%	8.2	7.9	-3.7%	16.3
After Sales	44.2	40.7	37.6	-14.9%	-7.6%	86.7	78.3	-9.7%	165.2
Total Volume (units)	**8,332**	**10,126**	**13,619**	**63.5%**	**34.5%**	**15,761**	**23,745**	**50.7%**	**37,688**
Light Vehicles	3,334	3,445	3,100	-7.0%	-10.0%	6,925	6,545	-5.5%	13,240
Heavy Vehicles	237	141	236	-0.4%	67.4%	492	377	-23.4%	825
Direct Sales Light Vehicles	4,620	6,433	10,149	119.7%	57.8%	8,053	16,582	105.9%	23,052
Direct Sales Heavy Vehicles	141	107	134	-5.0%	25.2%	291	241	-17.2%	571
Gross Profit	**43.1**	**38.0**	**38.2**	**-11.4%**	**0.5%**	**82.3**	**76.1**	**-7.5%**	**148.8**
Margin	19.7%	19.0%	19.3%	-0.4 p.p.	+0.3 p.p.	19.1%	19.2%	+0.1 p.p.	18.5%
EBIT	**1.0**	**(1.8)**	**2.2**	**120.0%**	**-**	**(5.2)**	**0.3**	**-105.8%**	**(28.6)**
Margin	0.5%	-0.9%	1.1%	+0.6 p.p.	+2.0 p.p.	-1.2%	0.1%	+1.3 p.p.	-3.6%
EBITDA	**4.2**	**0.2**	**4.3**	**2.4%**	**-**	**1.3**	**4.5**	**-**	**(6.2)**
Margin	1.9%	0.1%	2.2%	+0.3 p.p.	+2.1 p.p.	0.3%	1.1%	+0.8 p.p.	-0.8%

V. JSL Leasing

In 2Q17, JSL Leasing's net revenue amounted to R$14.6 million, versus R$6.5 million in 2Q16. The gross profit totaled R$3.4 million, an increase over R$1.9 million in 2Q16, while the EBIT totaled R$0.9 million in 2Q17, versus R$-0.9 million in 2Q16. The highlight was the number of operations, which increased from 132 in 2Q16 to 484 in 2Q17.

Compared to 1Q17, net revenue grew 37.7% and EBIT totaled R$0.9 million in 2Q17, a R$1.3 million increase over the R$-0.4 million EBIT of 1Q17.

	JSL - Leasing								
Results (R$ million)	**2Q16**	**1Q17**	**2Q17**	**Chg. 2Q17x2Q16**	**Chg. 2Q17x1Q17**	**1H16**	**1H17**	**Chg. 1H17x1H16**	**LTM**
Total Gross Revenue	**6.3**	**10.7**	**14.4**	**128.6%**	**34.6%**	**10.9**	**25.0**	**129.4%**	**42.6**
Deductions from Revenue	0.2	(0.1)	0.2	0.0%	-	0.1	0.1	0.0%	(0.2)
Net Revenue	**6.5**	**10.6**	**14.6**	**124.6%**	**37.7%**	**11.0**	**25.2**	**129.1%**	**42.4**
Total of Costs	**(4.6)**	**(8.2)**	**(11.2)**	**143.5%**	**36.6%**	**(8.0)**	**(19.4)**	**142.5%**	**(32.6)**
Gross Profit	**1.9**	**2.4**	**3.4**	**78.9%**	**41.7%**	**2.9**	**5.8**	**100.0%**	**9.8**
Administrative and Sales Expenses	(2.8)	(2.7)	(2.5)	-10.7%	-7.4%	(4.5)	(5.2)	15.6%	(9.3)
Tax Expenses	(0.0)	(0.0)	(0.0)	-	-	(0.0)	(0.1)	-	(0.1)
Other Operating Revenues (Expenses)	(0.0)	(0.0)	0.0	-	-	0.0	0.0	-	(0.0)
EBIT	**(0.9)**	**(0.4)**	**0.9**	**-**	**-**	**(1.6)**	**0.5**	**-131.3%**	**0.4**
Operations (Qty.)	**132**	**324**	**484**	**-**	**49.4%**	**234**	**808**	**-**	**1,143**

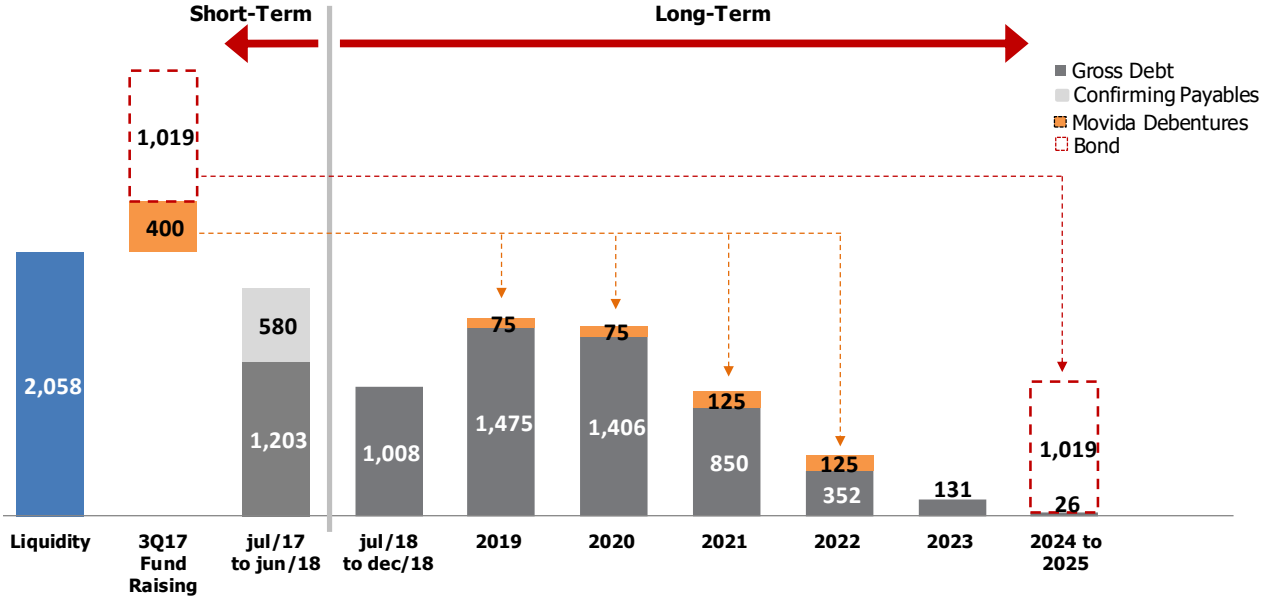
VI. Capital Structure - JSL Consolidated

The Company focused on its liability management and since the beginning of the year raised over R$3.5 billion in a series of debt instruments of which we highlight: (i) Issuance of CRA – R$270 million at CDI+0.7% p.a.; (ii) Issuance of international Bonds – US$325 million at 7.875% p.a. and maturity in 2024.

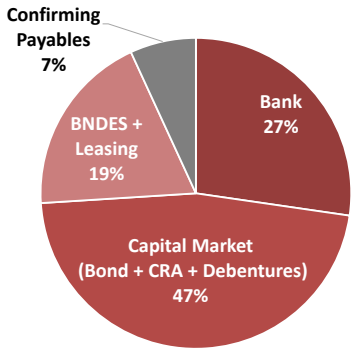
The funds obtained from the Bond will be used as working capital, as well as to pay consolidated short-term debt at maturity. We reinforce that the US dollar denominated Bond debt will be fully hedged as determined by the Board of Directors. The Bond debt increases the diversification of funding sources, which becomes global and increases the average period of the consolidated debt from 2.5 to 4.0 years. Given these deals and the current liquidity, the Company has covered its debt rollover obligations until mid-2019, with the benefit of having a better debt profile as well as having extended the average tenor, as pointed out in the debt amortization schedule below; as well as changing the profile of debt holders to 47% in the capital markets.

Despite having done these improvements to the debt profile, JSL´s liability management is an on-going initiative.

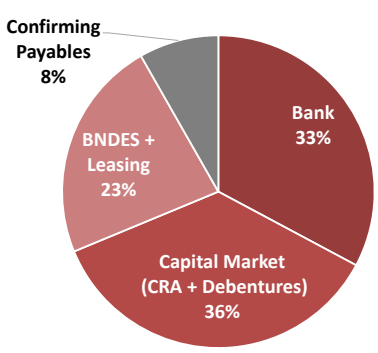
Gross Debt Amortization Schedule + Confirming Payables (R$ million)



Profile of Gross Debt



Profile of Gross Debt
Proforma Funding 3Q17

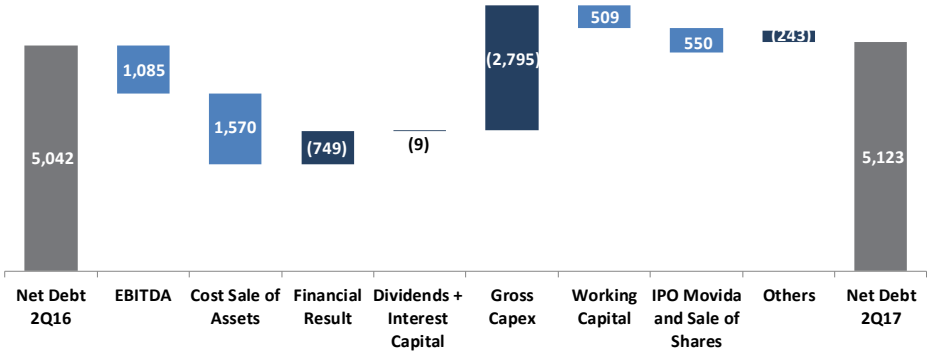


Net debt (including confirming payable) totaled R$5.1 billion in June 2017, 5.4% higher than March 2017 and 1.6% higher than June 2016. The average cost of net debt totaled 12.9% in 2Q17, versus 13.0% in 1Q17 and 13.3% in 2Q16. The breakdown of net debt at the end of June 2017 was 60.9% pegged to the CDI, 29.0% to fixed rates, 7.6% to the TJLP, 2.2% to the SELIC and 0.3% to the IPCA.

Indebtedness (R$ million)	06/30/2016	03/31/2017	06/30/2017
Cash and Investments	**1,335.0**	**1,442.9**	**1,907.9**
Borrowings	4,024.6	3,861.6	4,229.8
Local Bonds	1,576.7	1,549.6	1,962.0
Finance lease payable	366.9	327.2	304.1
Confirming payable	409.1	565.2	580.3
Debt Swap MTM*	-	-	(45.1)
Gross debt	**6,377.4**	**6,303.5**	**7,031.0**
Net debt	**5,042.4**	**4,860.6**	**5,123.2**
Average Cost of Net Debt* (p.a.)	**13.3%**	**13.0%**	**12.9%**

* Disclosure as of 2Q17

Net Debt + Confirming Payables (R$ million)

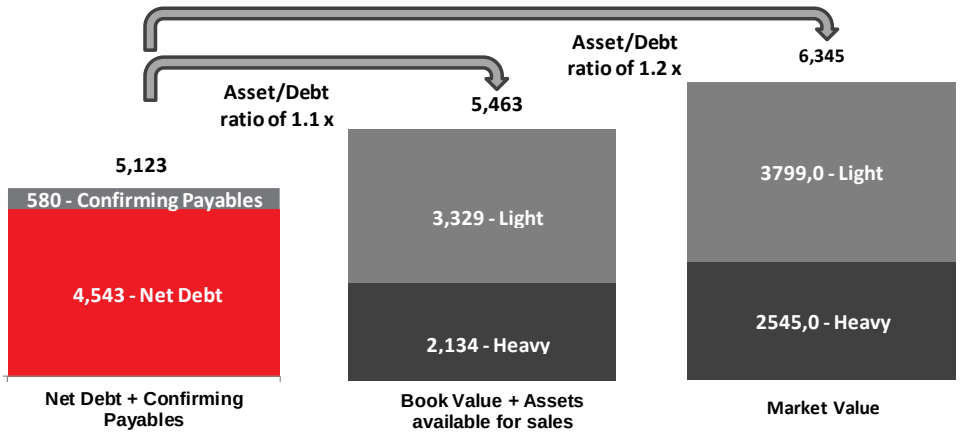


Financial Result

In 2Q17, net financial expenses totaled R$153.1 million (-17.7% YoY and -15.3% QoQ). This reduction is mainly related to the drop in the Brazilian Interbank rate - SELIC and therefore reduction in the debt average cost and the positive effect of interest on past tax credits.

	JSL - Consolidated								
Financial Result (R$ million)	2Q16	1Q17	2Q17	Chg. 2Q17x2Q16	Chg. 2Q17x1Q17	1H16	1H17	Chg. 1H17x1H16	LTM
Financial Revenues	49.1	38.8	47.2	-3.9%	21.6%	97.8	86.0	-12.1%	190.3
Financial Expenses	(207.6)	(212.7)	(190.4)	-8.3%	-10.5%	(405.4)	(403.1)	-0.6%	(850.3)
Derivatives Result	(63.0)	(15.2)	7.7	-112.2%	-150.7%	(109.7)	(7.5)	-93.2%	(25.5)
Net Exchange Variation	35.5	8.4	(17.6)	-149.6%	-	84.3	(9.1)	-110.8%	(23.6)
Extraordinary Financial Expenses	-	-	-	-	-	-	-	-	(39.9)
Total	**(186.0)**	**(180.7)**	**(153.1)**	**-17.7%**	**-15.3%**	**(333.0)**	**(333.8)**	**0.2%**	**(749.0)**

Assets / Net Debt + Confirming Payables (R$ million)



Leverage Indicators

Leverage Indicators	06/30/2016	09/30/2016	12/31/2016	03/31/2017	06/30/2017	Covenants
Net Debt + suppliers confirming / EBITDA-A[1]	2.2x	2.2x	2.2x	1.9x	1.9x	Máx 3,5x
Net Debt + suppliers confirming / EBITDA[2]	4.31x	4.50x	5.04x	4.52x	4.57x	Máx 4,75x
EBITDA-A[2] / Net interest expenses*	3.9x	3.8x	3.7x	4.0x	4.2x	Min 2,0x

[1] Accumulated over the last 12 months

[2] Accumulated over the last 12 months, considering impairment of R$ 34.8 million

* Includes the portion referring to embedded cost in the good value (confirming payables)

The ratio between net debt plus confirming payable and EBITDA came to 4.57x in June 2017, versus 4.31x in June 2016 and 4.52x in March 2017. Meanwhile, the ratio between net debt plus confirming payable and EBITDA-A stood at 1.9x in June 2017, an improvement over the 2.2x recorded in June 2016 and stable if compared to the 1.9x reported in March 2017.

VII. EBITDA, Cash Flow and ROIC - Consolidated JSL

	JSL - Consolidated								
EBITDA Reconciliation (R$ million)	2Q16	1Q17	2Q17	Chg. 2Q17x2Q16	Chg. 2Q17x1Q17	1H16	1H17	Chg. 1H17x1H16	LTM
Net Result	(16.9)	(7.0)	13.9	-182.2%	-	(5.7)	6.9	-	(170.6)
Financial Result	186.0	180.7	153.1	-17.7%	-15.3%	333.0	333.8	0.2%	749.0
Income tax and Social contribution	(9.0)	(2.5)	7.6	-184.4%	-	(3.4)	5.1	-	(57.8)
Depreciation / Amortization	135.4	135.9	130.2	-3.8%	-4.2%	263.4	266.0	1.0%	564.7
EBITDA	**295.5**	**307.1**	**304.8**	**3.1%**	**-0.7%**	**587.4**	**611.8**	**4.2%**	**1,085.4**
Costs of Sales of Assets	340.3	438.7	437.0	28.4%	-0.4%	594.3	875.7	47.3%	1,570.5
EBITDA-A	**635.8**	**745.8**	**741.8**	**16.7%**	**-0.5%**	**1,181.7**	**1,487.6**	**25.9%**	**2,655.8**

Cash Flow Summary[1] (R$ million)	2Q16	1Q17	2Q17	Chg. 2Q17x2Q16	Chg. 2Q17x1Q17	1H16	1H17	Chg. 2017x2016	LTM
Income before tax	**(25.9)**	**(9.5)**	**21.5**	**-183.2%**	**-326.9%**	**(9.1)**	**12.0**	**-232.5%**	**(228.4)**
Depreciation and Amortization	132.2	135.9	124.0	-6.2%	-8.7%	257.9	259.9	0.8%	549.2
Cost of Sale of Assets[2]	331.8	438.7	437.0	31.7%	-0.4%	585.8	875.7	49.5%	1,579.0
Other Non-cash adjustments	129.7	263.2	113.6	-12.3%	-56.8%	330.9	376.8	13.9%	793.8
Accounts receivables, Inventory and Suppliers	(337.4)	(9.1)	(102.9)	-69.5%	-1032.1%	(216.4)	(112.0)	-48.3%	514.5
Other Assets and Liabilities	30.2	(181.5)	149.7	396.4%	-182.5%	(15.1)	(31.8)	110.8%	75.2
Paid interest	(145.0)	(138.4)	(277.2)	91.1%	100.2%	(305.1)	(415.6)	36.2%	(702.3)
Operating Cash Generation	**115.5**	**499.3**	**465.9**	**303.3%**	**-6.7%**	**629.0**	**965.2**	**53.4%**	**2,581.1**
Increase in Fixed Assets	(600.1)	(497.3)	(603.9)	0.6%	21.4%	(695.8)	(1,101.2)	58.3%	(2,199.7)
Schio Acquisition	-	-	-	n.a	n.a	-	-	n.a	(62.2)
Other Investments[4]	(41.4)	29.8	(14.6)	-64.6%	149.1%	(104.8)	15.2	-114.5%	116.7
Investments Net Cash	**(525.9)**	**31.8**	**(152.6)**	**-71.0%**	**-580.0%**	**(171.6)**	**(120.8)**	**-29.6%**	**435.9**
Increase (Decrease) in Capital	-	-	-	n.a	n.a	-	-	n.a	-
Secondary offer and repurchase of investee shares	-	-	8.1	n.a	n.a	-	8.1	n.a	8.1
Capital injection - IPO Movida	-	506.1	(5.9)	n.a	-101.2%	-	500.3	n.a	500.3
Payment of liabilities and financial lease	-	(33.7)	(41.6)	n.a	23.5%	-	(75.3)	n.a	(75.3)
Income received from derivatives	-	(11.8)	(17.0)	n.a	43.9%	-	(28.8)	n.a	(23.1)
Dividends + Interest on Capital	-	-	-	n.a	n.a.	(210.0)	-	-100.0%	1.3
Loan and Financing	637.5	(95.7)	674.0	5.7%	804.3%	61.1	578.3	845.9%	(273.8)
(Purchasing) / Selling Treasury Shares	(13.8)	3.0	(0.0)	-100.0%	-100.1%	(31.2)	3.0	-109.5%	(0.5)
Increase (Decrease) in Cash and Financial Investments	**97.8**	**399.7**	**465.0**	**375.6%**	**-16.3%**	**(351.7)**	**864.7**	**-345.9%**	**572.9**

[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 w
However, as this financing is amortized, the respective cash disbursements are reflected in the loans and financing line

[4] Intangible assets and merger of subisidiary

ROIC LTM - 06/30/2017 (R$ million)	JSL Consolidada*	JSL Logística²	Logistics Operations with more than 12 months of revenue
Net revenue	**7,073.7**	**4,168.1**	**3,904.7**
Gross Profit	**1,368.3**	**638.2**	**665.5**
(-) Administrative and Sales Expenses	(730.3)	(260.7)	(177.2)
(+) Extraordinary expenses	81.3	56.0	-
(-) Others Operating Revenues (Expenses)	(113.8)	(51.3)	(43.6)
EBIT ¹	**605.4**	**382.2**	**444.8**
(-) Taxes (Considers effective tax rate of 30%)	(181.6)	(114.7)	(133.4)
(=) NOPLAT (A)	**423.8**	**267.5**	**311.4**
(=) Avarage Invested Capital (B)	**5,070.3**	**3,086.5**	**2,494.0**
ROIC without goodwill effect (A/B)	**8.4%**	**8.7%**	**12.5%**
(=) Avarage Invested Capital with suppliers confirming (C)	**5,565.0**	**3,157.6**	**2,565.0**
ROIC with suppliers confirming without goodwill effect (A/C)	**7.6%**	**8.5%**	**12.1%**

* Contemplates the consolidation of results of JSL Logistics, JSL Concessionáriasa, Movida and the eliminations among business
¹ Excluding non-recurring effects
² Excludes the effect of investments in other businesses

VIII. Free Cash Flow

In 2Q17, JSL's consolidated cash generation before expansion CAPEX was R$1.8 billion, a result of the higher sale of assets during the period for both JSL Logística as well as Movida, with the consolidation of its fleet. Investments in maintenance totaled R$1.4 billion for the period, and investments in expansion were R$1.4 billion, mainly due to Movida's fleet growth over the last twelve months. In 2Q17, the Free Cash Flow to Firm totaled R$413 million as compared to the R$374 million in 2016.

JSL Logística obtained cash generation before expansion CAPEX of R$1.1 billion and after expansion CAPEX of R$471 million, which resulted in a Free Cash Flow to Firm of R$601 million, an improvement over the R$451 million in 2016.

	JSL - Consolidated			JSL Logistics (Consolidated ex-Movida)		
	2015	2016	2Q17 12M	2015	2016	2Q17 12M
EBITDA	**1,092**	**1,061**	**1,085**	**848**	**792**	**797**
Non-cash Asset and Investment Impairments	-	105	35	-	105	35
EBITDA adj. by Impairments	**1,092**	**1,166**	**1,120**	**848**	**897**	**832**
Book Value of Assets Sold (Non-cash Cost of Assets Sales)	870	1,289	1,579	307	312	390
Maintenance Capex	(727)	(1,105)	(1,397)	(243)	(199)	(231)
Change in Working Capital and Taxes Paid	205	406	509	84	(11)	81
Cash Generated before Expansion Capex	**1,441**	**1,756**	**1,811**	**997**	**999**	**1,072**
Expansion Capex	(1,509)	(1,382)	(1,398)	(591)	(548)	(471)
Free Cash Flow to Firm	**(68)**	**374**	**413**	**406**	**451**	**601**

IX. Stock Market

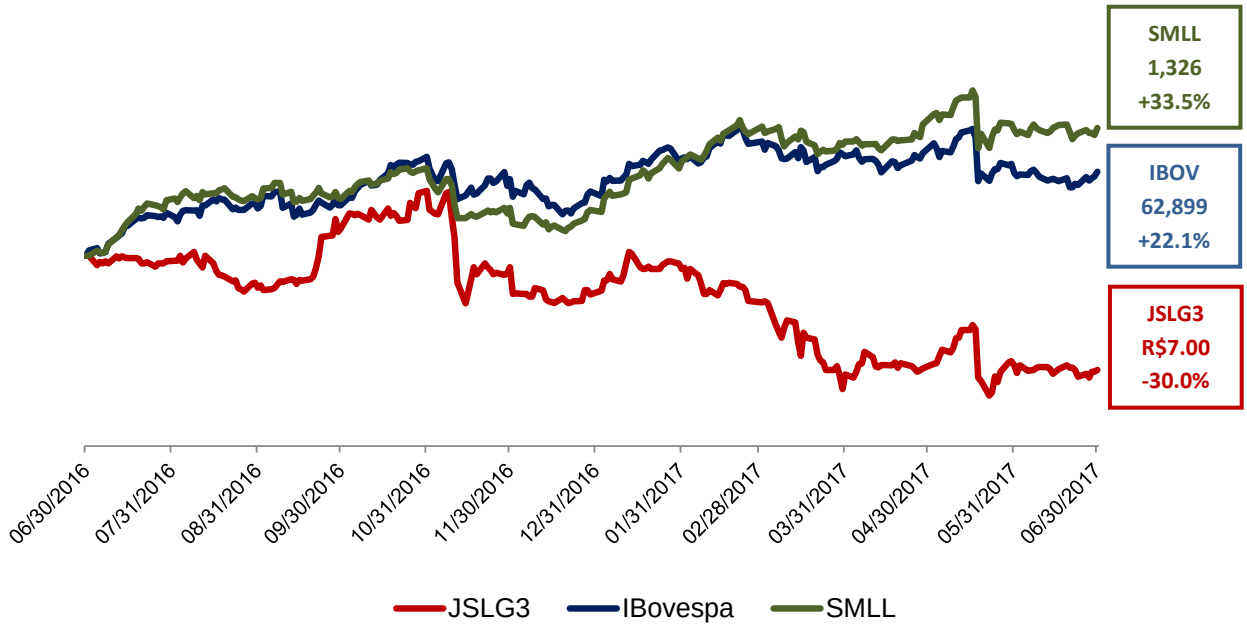
Share Performance

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 the B3's Small Cap Index (SMLL) since January 2013.

On June 30, 2017, JSLG3's shares were priced at R$7.00.

In 2Q17, the Company had a total of 202,500,000 shares, of which 202,077,032 were outstanding and 422,968 were held in treasury.

JSLG3 vs. SMLL11 vs. IBOV Performance (From 6/30/2016 to 6/30/2017 – Base 100)



Glossary

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

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

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

Elimination – Offsetting of the amounts inherent in the operations between JSL Logística, Movida and JSL Concessionárias, with a null effect on JSL Consolidated figures.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

XI. Exhibits

1. JSL Logística

Income Statement (R$ million)	Logistics								
	2Q16	1Q17	2Q17	Chg. 2Q17x2Q16	Chg. 2Q17x1Q17	1H16	1H17	Chg. 1H17x1H16	LTM
Gross Revenue	**1,202.0**	**1,142.0**	**1,236.7**	**2.9%**	**8.3%**	**2,277.8**	**2,378.7**	**4.4%**	**4,819.8**
Revenue from Sale and services rendered	1,129.1	1,040.1	1,130.3	0.1%	8.7%	2,157.8	2,170.4	0.6%	4,419.8
Fleet Renewal Revenue	72.9	101.9	106.4	46.0%	4.4%	120.0	208.4	73.7%	399.9
(-) Deductions from Revenue	**(177.7)**	**(165.1)**	**(169.2)**	**-4.8%**	**2.5%**	**(333.3)**	**(334.3)**	**0.3%**	**(695.4)**
Deductions from Revenue	(175.3)	(162.2)	(165.9)	-5.4%	2.3%	(330.2)	(328.1)	-0.6%	(679.5)
Deductions from Revenue	(2.4)	(2.9)	(3.3)	37.5%	13.8%	(3.1)	(6.2)	100.0%	(15.9)
(=) Net Revenue	**1,024.4**	**976.9**	**1,067.5**	**4.2%**	**9.3%**	**1,944.5**	**2,044.4**	**5.1%**	**4,124.4**
Revenue from Sale and services rendered	953.9	877.9	964.4	1.1%	9.9%	1,827.5	1,842.3	0.8%	3,740.3
Fleet Renewal Revenue	70.5	99.0	103.1	46.2%	4.1%	117.0	202.1	72.7%	384.1
(-) Total Costs	**(843.4)**	**(824.4)**	**(890.2)**	**5.5%**	**8.0%**	**(1,569.4)**	**(1,714.6)**	**9.3%**	**(3,478.6)**
(=) Gross Profit	**180.9**	**152.5**	**177.3**	**-2.0%**	**16.3%**	**375.1**	**329.8**	**-12.1%**	**645.8**
Gross Margin	17.7%	15.6%	16.6%	-1.1 p.p.	1.0 p.p.	19.3%	16.1%	-3.2 p.p.	15.7%
(-) Operating expenses before financial results	**(63.2)**	**(46.7)**	**(59.1)**	**-6.5%**	**26.6%**	**(139.1)**	**(105.8)**	**-23.9%**	**(314.5)**
Administrative and Sales Expenses	(65.8)	(60.5)	(58.8)	-10.6%	-2.8%	(133.3)	(119.3)	-10.5%	(254.5)
Tax Expenses	(1.5)	(1.3)	(1.0)	-33.3%	-23.1%	(2.5)	(2.3)	-8.0%	(6.5)
Other Operating Revenues (Expenses)	4.1	15.1	0.7	-82.9%	-95.4%	(3.3)	15.8	-578.8%	(53.4)
EBIT	**117.7**	**105.8**	**118.2**	**0.4%**	**11.7%**	**236.0**	**224.0**	**-5.1%**	**331.3**
EBIT Margin	12.3%	12.1%	12.3%	0.0 p.p.	0.2 p.p.	12.9%	12.2%	-0.8 p.p.	8.9%
EBITDA	**227.6**	**216.1**	**228.1**	**0.2%**	**5.6%**	**449.3**	**444.1**	**-1.2%**	**788.5**
EBITDA Margin	23.9%	24.6%	23.7%	-0.2 p.p.	-0.9 p.p.	24.6%	24.1%	-0.5 p.p.	21.1%
EBITDA-A	**297.7**	**314.0**	**330.8**	**11.1%**	**5.4%**	**566.6**	**644.8**	**13.8%**	**1,165.6**
EBITDA-A Margin	29.1%	32.1%	31.0%	1.9 p.p.	-1.1 p.p.	29.1%	31.5%	2.4 p.p.	28.3%

Assets	Logistics	
	2Q16	2Q17
In R$ million		
Current assets		
Cash and cash equivalents	474.9	207.8
Securities	599.8	948.1
Accounts receivables	837.8	785.9
Inventory	32.3	32.4
Recoverable taxes	137.5	119.2
Other credits	43.4	27.2
Prepaid Expenses	36.5	28.7
Assets availablle for sales (fleet renewal)	159.9	131.4
Deferred Tax Credits	-	-
Total current assets	**2,322.2**	**2,280.8**
Non-current assets		
Non-current		
Securities	10.0	1.2
Instrumentos financeiros derivativos	27.3	56.3
Accounts receivables	17.5	104.2
Recoverable taxes	22.5	20.1
Deposit in court	28.9	49.5
Related parties	59.3	13.2
Other credits	5.1	4.1
Prepaid Expenses	-	-
Deferred Tax Credits	1.7	2.3
Assets Held for distribution to shareholder	(120.4)	-
Total	**51.8**	**250.7**
Investments	1,133.8	1,184.2
Property, plant and equipment	3,152.0	3,051.6
Intangible	315.9	280.6
	4,601.7	4,516.3
Total Non-current assets	**4,653.5**	4,767.1
Total Assets	**6,975.7**	**7,047.9**

Liabilities	Logistics	
	2Q16	2Q17
In R$ million		
Current liabilities		
Loans and financing	598.6	834.0
Debentures	59.6	171.9
Leasing payable	93.4	97.3
Suppliers	67.1	80.1
Suppliers payable	116.1	26.0
Floor Plan	-	-
Salaries and charges payable	178.7	176.3
Taxes payable	45.7	44.6
Accounts payable and advances from customers	133.5	91.4
Related parties	7.5	5.7
Dividends and interest on capital payable	-	-
Income tax and Social Contribution payable	2.3	5.6
Total Current liabilities	**1,302.5**	**1,532.8**
Non-current liabilities		
Loans and financing	3,224.5	2,940.8
Debentures	1,208.2	1,482.0
Leasing payable	124.3	112.4
Related parties	-	-
Derivatives	25.3	11.2
Taxes payable	3.5	2.0
Provision for litigation and administrative demands	47.0	58.6
Deferred Income tax and Social Contribution	215.2	128.1
Accounts payable and advances from customers	147.7	102.2
	(108.2)	-
Total Non-current liabilities	**4,887.4**	**4,837.4**
Equity		
Capital stock	660.4	660.4
Reserves of capital	10.3	13.0
Tresuary Shares	(45.2)	(0.5)
Equity Appraisal	4.6	72.1
Reserves of earnings	155.8	(67.3)
Minority interest	-	-
Total Equity	**785.8**	**677.7**
Total Liabilities	**6,975.7**	**7,047.9**

2. Movida

Available at http://ri.movida.com.br

3. JSL Concessionárias

Income Statement (R$ million)	Dealerships 2Q16	1Q17	2Q17	Var. 2Q17x2Q16	Var. 2Q17x1Q17	1H16	1H17	Var. 1H17x1H16	LTM
Gross Revenue	**235.4**	**217.9**	**216.5**	**-8.0%**	**-0.6%**	**463.7**	**434.4**	**-6.3%**	**874.0**
Revenue from Sale and services rendered	226.6	215.0	209.7	-7.5%	-2.5%	449.0	424.7	-5.4%	854.9
Fleet Renewal Revenue	8.8	2.9	6.8	-22.7%	134.5%	14.7	9.7	-34.0%	19.1
(-) Deductions from Revenue	**(16.9)**	**(18.0)**	**(19.1)**	**13.0%**	**6.1%**	**(33.5)**	**(37.0)**	**10.4%**	**(71.3)**
(=) Net Revenue	**218.5**	**200.0**	**197.4**	**-9.7%**	**-1.3%**	**430.3**	**397.4**	**-7.6%**	**802.7**
Revenue from Sale and services rendered	209.7	197.1	190.7	-9.1%	-3.2%	415.5	387.7	-6.7%	783.6
Fleet Renewal Revenue	8.8	2.9	6.8	-22.7%	134.5%	14.7	9.7	-34.0%	19.1
(-) Total Costs	**(175.4)**	**(162.0)**	**(159.3)**	**-9.2%**	**-1.7%**	**(348.0)**	**(321.3)**	**-7.7%**	**(653.9)**
(=) Gross Profit	**43.1**	**38.0**	**38.2**	**-11.4%**	**0.5%**	**82.3**	**76.1**	**-7.5%**	**148.8**
Gross Margin	19.7%	19.0%	19.3%	-0.4 p.p.	0.4 p.p.	19.1%	19.2%	0.0 p.p.	18.5%
(-) Operating expenses before financial results	**(42.0)**	**(39.8)**	**(36.0)**	**-14.3%**	**-9.5%**	**(87.5)**	**(75.8)**	**-13.4%**	**(177.4)**
Administrative and Sales Expenses	(41.8)	(37.0)	(37.0)	-11.5%	0.0%	(84.4)	(73.9)	-12.4%	(177.3)
Tax Expenses	(0.8)	(2.1)	(0.9)	12.5%	-57.1%	(2.9)	(3.0)	3.4%	(6.9)
Other Operating Revenues (Expenses)	0.6	(0.7)	1.8	200.0%	-357.1%	(0.2)	1.1	-650.0%	6.8
EBIT	**1.0**	**(1.8)**	**2.2**	**120.0%**	**-222.2%**	**(5.2)**	**0.3**	**-105.8%**	**(28.6)**
EBIT Margin	0.5%	-0.9%	1.1%	0.6 p.p.	2.1 p.p.	-1.2%	0.1%	1.3 p.p.	-3.6%
EBITDA	**4.2**	**0.2**	**4.3**	**2.4%**	**2050.0%**	**1.3**	**4.5**	**246.2%**	**(6.2)**
EBITDA Margin	2.0%	0.1%	2.2%	0.2 p.p.	2.1 p.p.	0.3%	1.1%	0.8 p.p.	-0.8%
EBITDA-A	**10.4**	**2.2**	**10.1**	**-2.9%**	**359.1%**	**11.5**	**12.3**	**7.0%**	**13.3**
EBITDA-A Margin	4.8%	1.1%	5.1%	0.3 p.p.	4.0 p.p.	2.7%	3.1%	0.4 p.p.	1.7%

Assets	Dealerships 2Q16	2Q17
In R$ million		
Current assets		
Cash and cash equivalents	80.2	94.6
Securities	-	-
Accounts receivables	40.1	31.1
Inventory	133.3	132.4
Recoverable taxes	19.1	23.9
Other credits	18.7	13.1
Advance to third parties	4.2	5.9
Prepaid Expenses	4.4	1.8
Assets availablle for sales (fleet renewal)	-	-
Deferred Tax Credits	-	-
Total current assets	**300.0**	**302.8**
Non-current assets		
Non-current		
Securities	-	-
Instrumentos financeiros derivativos	-	-
Accounts receivables	-	-
Recoverable taxes	-	-
Deposit in court	3.6	8.3
Related parties	0.1	0.0
Other credits	55.8	39.8
Prepaid Expenses	-	-
Deferred Tax Credits	12.9	23.7
Total	**72.4**	**71.8**
Investments	0.0	0.0
Property, plant and equipment	85.6	81.9
Intangible	48.8	43.0
	134.3	**124.9**
Total Non-current assets	**206.7**	**196.7**
Total Assets	**506.8**	**499.5**

Liabilities	Dealerships 2Q16	2Q17
In R$ million		
Current liabilities		
Loans and financing	1.4	1.4
Debentures	-	-
Leasing payable	-	-
Suppliers	65.5	96.0
Confirming payable (automaker)	-	-
Floor Plan	-	-
Salaries and charges payable	16.6	13.8
Taxes payable	3.5	3.3
Accounts payable and advances from customers	61.6	43.5
Related parties	1.7	1.6
Dividends and interest on capital payable	-	-
Income tax and Social Contribution payable	3.2	5.7
Total Current liabilities	**153.3**	**165.3**
Non-current liabilities		
Loans and financing	24.9	23.4
Debentures	-	-
Leasing payable	-	-
Related parties	-	-
Derivatives	-	-
Taxes payable	0.3	0.2
provision for losses on investments in continuity	-	-
Provision for litigation and administrative demands	6.5	7.0
Deferred Income tax and Social Contribution	0.1	0.1
Accounts payable and advances from customers	-	-
Total Non-current liabilities	**31.8**	**30.7**
Equity		
Capital stock	53.8	346.1
Reserves of capital	-	-
Tresuary Shares	-	-
Equity Appraisal	-	-
Reserves of earnings	(24.5)	(42.6)
Minority interest	-	-
Advance for Future Capital Increase	292.3	-
Total Equity	**29.3**	**303.5**
Total Liabilities	**506.8**	**499.5**

4. JSL Leasing

Income Statement (R$ million)	Leasing 2Q16	1Q17	2Q17	Chg. 2Q17x2Q16	Chg. 2Q17x1Q17	1H16	1H17	Var. 1H17x1H16	LTM
Gross Revenue	**6.3**	**10.7**	**14.4**	**128.6%**	**34.6%**	**10.9**	**25.0**	**129.4%**	**42.6**
Revenue from Sale and services rendered	6.3	10.7	14.4	128.6%	34.6%	10.9	25.0	129.4%	**42.6**
Fleet Renewal Revenue	-	-	-	n.a.	n.a.	-	-	n.a.	**-**
(-) Deductions from Revenue	**0.2**	**(0.1)**	**0.2**	**0.0%**	**-300.0%**	**0.1**	**0.1**	**0.0%**	**(0.2)**
(=) Net Revenue	**6.5**	**10.6**	**14.6**	**124.6%**	**37.7%**	**11.0**	**25.2**	**129.1%**	**42.4**
Revenue from Sale and services rendered	6.5	10.6	14.6	124.6%	37.7%	11.0	25.2	129.1%	42.4
Fleet Renewal Revenue	-	-	-	n.a.	n.a.	**-**	**-**	n.a.	**-**
(-) Total Costs	**(4.6)**	**(8.2)**	**(11.2)**	**143.5%**	**36.6%**	**(8.0)**	**(19.4)**	**142.5%**	**(32.6)**
(=) Gross Profit	**1.9**	**2.4**	**3.4**	**78.9%**	**41.7%**	**2.9**	**5.8**	**100.0%**	**9.8**
Gross Margin	28.8%	22.4%	23.2%	-5.6 p.p.	0.8 p.p.	26.8%	22.8%	-4.0 p.p.	23.2%
(-) Operating expenses before financial results	**(2.8)**	**(2.8)**	**(2.5)**	**-10.7%**	**-10.7%**	**(4.5)**	**(5.2)**	**15.6%**	**(9.4)**
Administrative and Sales Expenses	(2.8)	(2.7)	(2.5)	-10.7%	-7.4%	(4.5)	(5.2)	15.6%	(9.3)
Tax Expenses	(0.0)	(0.0)	(0.0)	n.a.	n.a.	(0.0)	(0.1)	n.a.	(0.1)
Other Operating Revenues (Expenses)	(0.0)	(0.0)	0.0	n.a.	n.a.	0.0	0.0	n.a.	(0.0)
EBIT	**(0.9)**	**(0.4)**	**0.9**	**-200.0%**	**-325.0%**	**(1.6)**	**0.5**	**-131.3%**	**0.4**
EBIT Margin	-13.8%	-3.9%	6.4%	20.2 p.p.	10.3 p.p.	-14.2%	2.0%	16.2 p.p.	0.9%
EBITDA	**2.3**	**5.7**	**0.9**	**-60.9%**	**-84.2%**	**3.9**	**6.7**	**71.8%**	**16.0**
EBITDA Margin	35.2%	54.2%	6.5%	-28.7 p.p.	-47.7 p.p.	35.6%	26.5%	-9.2 p.p.	37.8%
EBITDA-A	**2.3**	**5.7**	**0.9**	**-60.9%**	**-84.2%**	**3.9**	**6.7**	**71.8%**	**16.0**
EBITDA-A Margin	35.2%	54.2%	6.5%	-28.7 p.p.	-47.7 p.p.	35.6%	26.5%	-9.2 p.p.	37.8%

Assets	Leasing 2Q16	2Q17
In R$ million		
Current assets		
Cash and cash equivalents	2.7	3.5
Securities	41.6	66.3
Accounts receivables	(0.2)	(0.8)
Inventory	-	-
Recoverable taxes	0.1	0.3
Other credits	0.2	0.1
Advance to third parties		0.1
Prepaid Expenses	0.1	0.1
Assets availablle for sales (fleet renewal)	-	-
Deferred Tax Credits	-	-
Total current assets	**44.5**	**69.4**
Non-current assets		
Non-current		
Securities	-	-
Instrumentos financeiros derivativos	-	-
Accounts receivables	-	-
Recoverable taxes	-	-
Deposit in court	-	-
Related parties	0.1	-
Other credits	-	-
Prepaid Expenses	-	-
Deferred Tax Credits	4.8	8.8
Total	**4.8**	**8.8**
Investments	-	(0.0)
Property, plant and equipment	35.1	97.7
Intangible	3.7	3.7
	38.8	**101.4**
Total Non-current assets	**43.6**	**110.3**
Total Assets	**88.1**	**179.7**

Liabilities	Leasing 2Q16	2Q17
In R$ million		
Current liabilities		
Loans and financing	-	-
Debentures	-	-
Leasing payable	-	-
Suppliers	0.1	0.0
Confirming payable (automaker)	-	-
Floor Plan	-	-
Salaries and charges payable	0.7	0.7
Taxes payable	0.3	0.8
Accounts payable and advances from customers	49.6	114.5
Related parties	0.1	0.3
Dividends and interest on capital payable	-	-
Income tax and Social Contribution payable	-	-
Total Current liabilities	**50.9**	**116.4**
Non-current liabilities		
Loans and financing	-	-
Debentures	-	-
Leasing payable	-	-
Related parties	-	-
Derivatives	-	-
Taxes payable	-	-
provision for losses on investments in continuity	-	-
Provision for litigation and administrative demands	-	-
Deferred Income tax and Social Contribution	2.2	6.5
Accounts payable and advances from customers	-	-
Total Non-current liabilities	**2.2**	**6.5**
Equity		
Capital stock	35.7	55.7
Reserves of capital	-	-
Tresuary Shares	-	-
Equity Appraisal	-	-
Reserves of earnings	(8.6)	(5.9)
Minority interest	-	-
Advance for Future Capital Increase	8.0	7.0
Total Equity	**35.1**	**56.8**
Total Liabilities	**88.1**	**179.7**

5. JSL Consolidated (JSL Logística + Movida + JSL Concessionárias + JSL Leasing)

	Consolidated								
Income Statement (R$ million)	**2Q16**	**1Q17**	**2Q17**	**Chg. 2Q17x2Q16**	**Chg. 2Q17x1Q17**	**1H16**	**1H17**	**Var. 1H17x1H16**	**LTM**
Gross Revenue	**1,874.1**	**1,966.9**	**2,045.5**	**9.1%**	**4.0%**	**3,565.9**	**4,012.5**	**12.5%**	**7,830.4**
(-) Deductions from Revenue	(218.4)	(209.1)	(215.0)	-1.6%	2.8%	(415.2)	(424.2)	2.2%	(869.7)
(=) Net Revenue	**1,655.7**	**1,757.8**	**1,830.5**	**10.6%**	**4.1%**	**3,150.7**	**3,588.3**	**13.9%**	**6,960.7**
Revenue from Sale and services rendered	1,295.2	1,297.2	1,375.1	6.2%	6.0%	2,524.0	2,672.3	5.9%	5,313.3
Fleet Renewal Revenue	360.5	460.6	455.4	26.3%	-1.1%	626.7	916.0	46.2%	1,647.5
(-) Total Costs	**(1,327.9)**	**(1,396.6)**	**(1,461.7)**	**10.1%**	**4.7%**	**(2,485.5)**	**(2,858.3)**	**15.0%**	**(5,598.5)**
(=) Gross Profit	**327.8**	**361.2**	**368.8**	**12.5%**	**2.1%**	**665.2**	**730.0**	**9.7%**	**1,362.2**
Gross Margin	19.8%	20.5%	20.1%	0.3 p.p.	-0.4 p.p.	21.1%	20.3%	-0.8 p.p.	19.6%
(-) Operating expenses before financial results	**(167.7)**	**(190.0)**	**(194.2)**	**15.8%**	**2.2%**	**(341.2)**	**(384.2)**	**12.6%**	**(841.6)**
Administrative and Sales Expenses	(159.5)	(175.7)	(182.5)	14.4%	3.9%	(312.7)	(358.1)	0.1 p.p.	(715.8)
Tax Expenses	(2.3)	(4.0)	(2.0)	-13.0%	-50.0%	(5.4)	(6.0)	11.1%	(14.3)
Other Operating Revenues (Expenses)	(5.9)	(10.3)	(9.7)	64.4%	-5.8%	(23.0)	(20.1)	-12.6%	(111.5)
Equity Account Result	0.0	(0.0)	(0.0)	n.a.	n.a.	(0.0)	(0.0)	n.a.	0.0
EBIT	**160.1**	**171.2**	**174.6**	**9.1%**	**2.0%**	**324.0**	**345.8**	**6.7%**	**520.6**
*EBIT Margin**	12.4%	13.2%	12.7%	0.3 p.p.	-0.5 p.p.	12.8%	12.9%	0.1 p.p.	9.8%
(+-) Financial Results	**(186.0)**	**(180.7)**	**(153.1)**	**-17.7%**	**-15.3%**	**(333.0)**	**(333.8)**	**0.2%**	**(749.0)**
(=) Income before tax	**(25.9)**	**(9.5)**	**21.5**	**-183.0%**	**-326.3%**	**(9.1)**	**12.0**	-2.3 p.p.	**(228.4)**
Provision for income tax and social contribution	9.0	2.5	(7.6)	-184.4%	-404.0%	3.4	(5.1)	-250.0%	57.8
(=) Net Income	**(16.9)**	**(7.0)**	**13.9**	**-182.2%**	**-298.6%**	**(5.7)**	**6.9**	**-221.1%**	**(170.6)**
Net Margin	-1.0%	-0.4%	0.8%	1.8 p.p.	1.2 p.p.	-0.2%	0.2%	0.4 p.p.	-2.5%
Controlling shareholders	0.0%	(10.7)	10.1	-	0.0 p.p.	0.0%	(0.6)	0.0%	(0.6)
Non-controlling shareholders	0.0%	3.7	3.8	-	0.0 p.p.	0.0%	7.5	0.0%	7.5
EBITDA	**295.5**	**307.1**	**304.8**	**3.1%**	**-0.7%**	**587.4**	**611.8**	**4.2%**	**1,085.4**
*EBITDA Margin**	22.8%	23.7%	22.2%	-0.6 p.p.	-1.5 p.p.	23.3%	22.9%	-0.4 p.p.	20.4%
EBITDA-A	**635.8**	**745.8**	**741.8**	**16.7%**	**-0.5%**	**1,181.7**	**1,487.6**	**25.9%**	**2,655.8**
*EBITDA-A Margin**	38.4%	42.4%	40.5%	2.1 p.p.	-1.9 p.p.	37.5%	41.5%	4.0 p.p.	38.2%

* Calculated on net revenue from services

	Consolidated	
Assets	**2Q16**	**2Q17**
In R$ million		
Current assets		
Cash and cash equivalents	630.8	557.7
Securities	694.3	1,349.1
Accounts receivables	1,090.6	1,165.6
Inventory	165.7	164.8
Recoverable taxes	173.0	166.4
Other credits	72.9	61.7
Advance to third parties	-	-
Prepaid Expenses	62.9	56.8
Assets availablle for sales (fleet renewal)	333.6	343.3
Deferred Tax Credits	-	-
Related Parties	0.5	-
Total current assets	**3,224.2**	**3,865.4**
Non-current assets		
Non-current		
Securities	10.0	1.2
Instrumentos financeiros derivativos	28.6	61.3
Accounts receivables	17.5	104.2
Recoverable taxes	22.5	20.1
Deposit in court	32.7	58.4
Related parties	-	0.2
Other credits	60.9	6.0
Prepaid Expenses	-	-
Deferred Tax Credits	19.3	35.1
Capitalization funds - vehicle	-	37.9
Total	**191.5**	**324.2**
Investments	0.2	1.2
Property, plant and equipment	5,003.8	5,566.3
Intangible	382.6	345.9
	5,386.6	**5,913.5**
Total Non-current assets	**5,578.1**	**6,237.7**
Total Assets	**8,802.3**	**10,103.1**

	Consolidated	
Liabilities	**2Q16**	**2Q17**
In R$ million		
Current liabilities		
Loans and financing	635.3	849.0
Debentures	70.4	181.9
Leasing payable	168.2	157.7
Suppliers	657.5	1,014.0
Suppliers payable	409.1	580.3
Floor Plan	9.8	34.9
Salaries and charges payable	215.9	219.2
Taxes payable	52.5	56.1
Accounts payable and advances from customers	198.9	206.5
Related parties	-	0.5
Dividends and interest on capital payable	2.4	2.4
Income tax and Social Contribution payable	5.5	14.5
Total Current liabilities	**2,425.5**	**3,317.1**
Non-current liabilities		
Loans and financing	3,389.3	3,380.8
Debentures	1,506.3	1,780.0
Leasing payable	198.8	146.4
Related parties	0.7	-
Derivatives	30.1	16.2
Taxes payable	3.5	2.5
provision for losses on investments in continuity	-	-
Provision for litigation and administrative demands	53.6	67.5
Deferred Income tax and Social Contribution	262.5	181.1
Accounts payable and advances from customers	147.7	102.2
Total Non-current liabilities	**5,592.2**	**5,676.8**
Equity		
Capital stock	660.4	660.4
Reserves of capital	10.3	13.0
Tresuary Shares	(45.3)	(0.8)
Equity Appraisal	4.6	72.1
Reserves of earnings	154.5	-
	-	(67.0)
Minority interest	0.0	431.6
Total Equity	**784.5**	**1,109.2**
Total Liabilities	**8,802.3**	**10,103.1**

Cash Flow Statement (R$ million)	Consolidated								
	2Q16	1Q17	2Q17	Chg. 2Q17x2Q16	Chg. 2Q17x1Q17	1H16	1H17	Chg. 2017x2016	LTM
From operating activities									
Net Income	(25.9)	(9.5)	21.5	-183.0%	-	(9.1)	12.0	-	(228.4)
								-	
Adjustments for conciliating profit with cash generated by operating activities	**567.5**	**877.1**	**753.7**	**32.8%**	**-14.1%**	**1,157.5**	**1,630.8**	**40.9%**	**3,123.8**
Depreciation/amortization	132.2	135.9	124.0	-6.2%	-8.8%	257.9	259.9	0.8%	549.2
Cost of sale of assets used in service rendering - property, plant and equipment	331.8	438.7	437.0	31.7%	-0.4%	585.8	875.7	49.5%	1,579.0
Gain on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-
Equity income from continued investments	-	-	-	-	-	-	-	-	-
Derivatives	59.1	15.2	(7.7)	-113.0%	-150.7%	69.3	7.5	-89.2%	45.3
(Recording)/reversal of deferred Income Tax and Social Contribution	-	-	-	-	-	-	-	-	-
Provision/reversal for litigation and administrative demands	(34.4)	55.3	(40.3)	17.2%	-172.9%	0.1	15.0	-	78.4
Provision for doubtful accounts	11.8	7.7	34.6	193.2%	-	29.8	42.3	41.9%	80.9
Losses of investment of continued operations	-	-	-	-	-	-	-	-	-
Provision for losses from vehicles available for sale	-	-	-	-	-	-	-	-	-
Provision for inventory	0.6	0.7	(0.0)	-100.0%	-100.0%	0.8	0.7	-12.5%	0.1
Non-controlling interest	-	-	-	-	-	-	-	-	-
APV of recoverable value-added taxes (ICMS)	-	-	-	-	-	-	-	-	-
Property, plant and equipment write-off - claims	-	-	-	-	-	-	-	-	-
Share-based compensation (stock options)	0.7	(1.9)	0.8	14.3%	-142.1%	1.5	(1.1)	-173.3%	4.3
Provisioned interest	104.3	150.5	238.3	128.5%	58.3%	260.0	388.8	49.5%	699.3
Aquisition Adjustment of present value - Quick	(38.6)	3.3	(3.3)	-91.5%	-	(75.3)	-	-100.0%	65.1
Provision for losses - ICMS	(0.1)	-	-	-100.0%	-	27.6	-	-100.0%	-
Gain in Business Combination	-	-	-	-	-	-	-	-	(62.2)
Provision for losses of vehicles	-	27.6	47.8	-	73.2%	-	75.4	-	83.1
Write-off of investment in sale of shares of subsidiaries	-	44.2	(61.0)	-	-	-	(16.9)	-	(16.9)
Adjustment to recoverable value of assets	-	-	-	-	-	-	-	-	34.8
Write-off of other assets	-	-	0.5	-	-	-	0.5	-	0.5
Adjustment to recoverable value of assets	-	-	(17.1)	-	-	-	(17.1)	-	(17.1)
Extemporary tax credits	-	-	-	-	-	-	-	-	-
Changes in Current and Noncurrent Assets and Liabilities	**(749.6)**	**(770.5)**	**(724.7)**	**-3.3%**	**-5.9%**	**(563.5)**	**(1,495.2)**	**165.3%**	**(839.5)**
	-	-	-	-	-	-	-	-	-
Decrease (Increase) in Assets	-	-	-	-	-	-	-	-	-
Securities	(284.9)	(433.1)	(459.8)	61.4%	6.2%	31.2	(892.9)	-	(646.0)
Accounts receivable	(208.8)	(1.2)	(181.1)	-13.3%	-	(87.1)	(182.3)	109.3%	(269.7)
Inventory	13.0	(8.7)	7.9	-39.2%	-190.8%	33.6	(0.8)	-102.4%	0.0
Recoverable taxes	28.4	(11.3)	(0.1)	-100.4%	-99.1%	10.1	(11.4)	-	22.0
Related parties, net	(0.5)	(1.4)	0.0	-100.0%	-100.0%	(0.1)	(1.4)	-	(1.0)
Deposit in court	(14.7)	62.9	(62.7)	-	-199.7%	10.7	0.2	-98.1%	(88.9)
Other credits	3.6	(4.9)	(9.0)	-	83.7%	(12.0)	(14.0)	16.7%	7.8
Forward Expenses	16.0	(53.7)	24.5	53.1%	-145.6%	(34.6)	(29.2)	-15.6%	23.1
	-	-	-	-	-	-	-	-	-
(Decrease) Increase in Liabilities	-	-	-	-	-	-	-	-	-
Suppliers	(143.8)	(2.6)	24.3	-116.9%	-	(169.3)	21.7	-112.8%	678.1
Floor Plan	(10.2)	(5.0)	11.5	-	-	(24.2)	6.5	-126.9%	25.1
Tax and labor liabilities	21.8	21.7	18.1	-17.0%	-16.6%	46.1	39.8	-13.7%	(18.3)
Accounts payable	(28.7)	(128.2)	155.3	-	-	(26.8)	27.2	-	182.9
Related parties	0.2	-	-	-100.0%	-	(0.3)	-	-100.0%	1.1
Judicial and administrative demands Paid (Note 30)	20.0	(59.7)	38.4	92.0%	-164.3%	(10.3)	(21.3)	106.8%	(44.0)
Tax provisions	(16.0)	(6.9)	(14.9)	-6.9%	115.9%	(25.5)	(21.8)	-14.5%	(9.4)
Paid interest	(145.0)	(138.4)	(277.2)	91.2%	100.3%	(305.1)	(415.6)	36.2%	(702.3)
	-	-	-	-	-	-	-	-	-
Net cash generated in operating activities	**(207.9)**	**97.1**	**50.5**	**-124.3%**	**-48.0%**	**584.9**	**147.6**	**-74.8%**	**2,056.0**
	-	-	-	-	-	-	-	-	-
Cash flow from investment activities	-	-	-	-	-	-	-	-	-
Acquisition of subsidiary, net of cash acquired	-	-	61.0	-	-	-	61.0	-	61.0
Acquisition of subsidiary, net of cash acquired	-	-	(53.0)	-	-	-	(53.0)	-	(53.0)
Acquisition of subsidiary, net of cash acquired	0.3	-	-	-100.0%	-	(25.1)	-	-100.0%	(0.9)
Merger of subsidiary	(0.3)	-	-	-100.0%	-	-	-	-	0.3
Fixed asset	(600.1)	(497.3)	(603.9)	0.6%	21.4%	(695.8)	(1,101.2)	58.3%	(2,199.7)
Intangible asset	(2.8)	(1.1)	(1.8)	-35.7%	63.6%	(4.5)	(2.9)	-35.6%	(8.4)
	-	-	-	-	-	-	-	-	-
Net cash generated (used) in investment activities	**(602.9)**	**(498.4)**	**(597.6)**	**-0.9%**	**19.9%**	**(725.3)**	**(1,095.9)**	**51.1%**	**(2,200.6)**
	-	-	-	-	-	-	-	-	-
Cash flow from financing activities	-	-	-	-	-	-	-	-	-
Increase of capital	-	-	-	-	-	-	-	-	-
IPO Movida	-	506.1	(5.9)	-	-101.2%	-	500.3	-	500.3
Tresuary Shares	-	-	3.0	-	-	-	3.0	-	3.0
Tresuary Shares	(13.8)	3.0	(3.0)	-78.3%	-	(31.2)	-	-100.0%	(3.4)
Dividends paid	-	-	-	-	-	(200.0)	-	-100.0%	(8.7)
Payment of liabilities and financial lease	-	(33.7)	(41.6)	-	23.4%	-	(75.3)	-	(75.3)
Income received from derivatives	-	(11.8)	(17.0)	-	44.1%	-	(28.8)	-	(23.1)
Interest on capital - paid	-	-	(57.3)	-	-	-	(57.3)	-	(57.3)
Interest on capital - paid	-	-	-	-	-	(10.0)	-	-100.0%	10.0
Reduction in loans and financing, net	637.5	(95.7)	674.0	5.7%	-	61.1	578.3	-	(273.8)
	-	-	-	-	-	-	-	-	-
Net cash generated (used) in financing activities	**623.7**	**367.9**	**552.2**	**-11.5%**	**50.1%**	**(180.0)**	**920.1**	**-**	**71.6**
	-	-	-	-	-	-	-	-	-
Net increase (reduction) in cash and cash equivalents	**(187.1)**	**(33.4)**	**5.2**	**-102.8%**	**-115.6%**	**(320.4)**	**(28.2)**	**-91.2%**	**(73.1)**
	-	-	-	-	-	-	-	-	-
Cash and cash equivalents (including securities)	-	-	-	-	-	-	-	-	-
Begining of the period	817.9	585.9	552.5	-32.4%	-5.7%	951.2	585.9	-38.4%	630.8
End of the period	630.8	552.5	557.7	-11.6%	0.9%	630.8	557.7	-11.6%	557.7
Net increase (reduction) in cash and cash equivalents	**(187.1)**	**(33.4)**	**5.2**	**-102.8%**	**-115.6%**	**(320.4)**	**(28.2)**	**-91.2%**	**(73.1)**

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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 June 30, 2017, comprising the balance sheet as at June 30, 2017 and the respective statements of income and comprehensive income for the three and six-months period then ended and changes in shareholder´s equity and cash flows for the six 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 six month period ended at June 30, 2017, 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.

Balance sheet of prior year audited and corresponding interim financial information revised by other independent auditors
The audit of the individual and consolidated balance sheet as of December 31, 2016 was conducted under the responsibility of other independent auditors, who issued an unmodified auditor`s report dated May 2, 2017. The review of the individual and consolidated interim financial information for the period ended June 30, 2016, originally prepared before reclassifications described in note 2.6, was conducted under the responsibility of other independent auditors, who issued a review report without modifications as of August 4, 2016. As part of our review of the interim financial information for the quarter ended June 30, 2017, we have reviewed the reclassifications in the corresponding amounts of the interim financial information for the period ended June 30, 2016 and, based on our review, we are not aware of any fact that would lead us to believe that such reclassifications were not made in a correct and appropriate manner, in all material respects. We were not hired to audit, review or apply any other procedures regarding the information relating to the interim financial information for the quarter ended June 30, 2016 and, therefore, we do not express an opinion, conclusion or any form of assurance on them taken as whole.

São Paulo, August 10, 2017

KPMG Auditores Independentes
CRC 2SP014428/O-6

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

JSL S.A. and subsidiaries
Balance sheets
At June 30, 2017 and December 31, 2016
In thousands of Brazilian reais

		Parent company		Consolidated	
Assets	**Notes**	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
Current					
Cash and cash equivalents	5	127,204	318,623	557,683	585,920
Marketable securities	6	773,061	198,982	1,349,053	457,300
Trade receivables	7	570,730	556,017	1,165,645	1,021,422
Inventories	8	22,567	22,740	164,772	164,626
Taxes recoverable	9	99,128	56,457	166,444	95,600
Prepaid expenses		12,922	3,799	56,802	12,891
Related parties	31	59,526	73,475	-	-
Dividends receivable		-	85,964	-	-
Assets available-for-sale (fleet renewal)	10	101,494	87,081	343,267	331,249
Other credits		16,276	19,441	61,738	47,692
Total current		**1,782,908**	**1,422,579**	**3,865,404**	**2,716,700**
Non-current					
Marketable securities	6	-	-	1,159	-
Derivative financial instruments	4.4	61,349	36,037	61,349	36,037
Trade receivables	7	29,456	32,507	104,153	108,356
Taxes recoverable	9	20,085	54,160	20,085	62,468
Judicial deposits	23	38,010	101,806	58,368	120,704
Deferred income tax and social contribution	24.1	-	-	35,073	31,438
Related parties	31	-	1,849	167	76
Fund for capitalization of Authorized Vehicle Dealership	11	-	-	37,913	52,642
Other credits		2,062	2,048	5,969	6,035
Total long-term assets		**150,962**	**228,407**	**324,236**	**417,756**
Investments	12	2,266,325	2,112,215	1,176	1,179
Property and equipment	13	1,679,264	1,644,473	5,566,348	5,386,719
Intangible assets	14	256,325	259,838	345,941	346,029
		4,201,914	**4,016,526**	**5,913,465**	**5,733,927**
Total non-current		**4,352,876**	**4,244,933**	**6,237,701**	**6,151,683**
Total assets		**6,135,784**	**5,667,512**	**10,103,105**	**8,868,383**

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

		Parent company		Consolidated	
Liabilities and equity	**Notes**	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
Current					
Trade payables	15	57,610	36,714	1,014,024	992,368
Floor plan vehicles	16	-	-	34,923	28,387
Suppliers financing - car makers	17	6,046	9,265	580,324	551,359
Borrowings and financing	18	685,181	750,899	848,971	888,916
Debentures	19	173,553	131,824	181,926	142,242
Finance leases payable	20	65,275	69,058	157,693	165,716
Labor liabilities	21	128,641	104,401	219,240	179,418
Income tax and social contribution		-	-	14,493	11,528
Tax liabilities	22	26,174	26,286	56,063	51,968
Other accounts payables		19,602	23,402	174,929	151,377
Advances payable		-	7	31,615	29,101
Dividends payable		2,409	-	2,409	-
Related parties	31	143,764	34,415	498	1,782
Total current		**1,308,255**	**1,186,271**	**3,317,108**	**3,194,162**
Non-current					
Borrowings and financing	18	2,387,016	2,297,729	3,380,806	2,957,220
Debentures	19	1,480,427	1,107,512	1,780,048	1,406,375
Finance leases payable	20	84,317	94,605	146,385	189,017
Derivative financial instruments	4.4	16,244	12,223	16,244	12,223
Tax liabilities	22	1,204	1,316	2,505	2,701
Provisions for judicial and administrative litigation	23	50,403	61,366	67,479	73,712
Deferred income tax and social contribution	24.1	44,564	90,831	181,071	197,088
Other accounts payables		85,669	206,670	102,221	226,896
Total non-current		**4,149,844**	**3,872,252**	**5,676,759**	**5,065,232**
Equity					
Share capital	25.1	660,395	660,395	660,395	660,395
Capital reserves	25.2	12,954	14,060	12,954	14,060
Treasury shares	25.3	(788)	(3,741)	(788)	(3,741)
Equity valuation adjustments	25.5	72,088	4,634	72,088	4,634
Accumulated losses		(66,964)	(66,359)	(66,964)	(66,359)
Equity attributable to the owners of the Company		**677,685**	**608,989**	**677,685**	**608,989**
Non-controlling interests	25.6	-	-	431,553	-
Total equity		**677,685**	**608,989**	**1,109,238**	**608,989**
Total liabilities and equity		**6,135,784**	**5,667,512**	**10,103,105**	**8,868,383**

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

JSL S.A. and subsidiaries
Statements of income (loss)
Periods ended June 30, 2017 and 2016
In thousands of Brazilian reais, except loss per share

		Parent company				Consolidated			
	Notes	4/01 to 6/30/2017	6/30/2017	4/01 to 6/30/2016 (Reclassified Note 2.6)	6/30/2016 (Reclassified Note 2.6)	4/01 to 6/30/2017	6/30/2017	4/01 to 6/30/2016 (Reclassified Note 2.6)	6/30/2016 (Reclassified Note 2.6)
Net revenue from services rendered and sale of assets used in services rendered	28	731,130	1,399,169	717,418	1,419,482	1,830,491	3,588,293	1,655,734	3,150,662
(-) Cost of sales and services rendered	30	(567,992)	(1,109,566)	(579,793)	(1,096,084)	(1,024,681)	(1,982,543)	(987,592)	(1,891,171)
(-) Cost of sales of assets used in services rendered	30	(35,260)	(79,857)	(17,213)	(54,070)	(437,000)	(875,745)	(340,322)	(594,340)
		(603,252)	**(1,189,423)**	**(597,006)**	**(1,150,154)**	**(1,461,681)**	**(2,858,288)**	**(1,327,914)**	**(2,485,511)**
(=) Gross profit		**127,878**	**209,746**	**120,412**	**269,328**	**368,810**	**730,005**	**327,820**	**665,151**
Administrative and selling expenses	30	(34,774)	(77,951)	(50,177)	(98,739)	(182,475)	(358,138)	(159,343)	(312,107)
Tax expenses	-	(869)	(1,378)	(911)	(1,636)	(1,989)	(5,968)	(2,322)	(5,450)
Other operating income (expenses), net	30	(43,085)	(23,767)	8,464	29,988	(9,745)	(20,085)	(6,067)	(23,628)
Equity in the results of investees	12	50,301	90,524	31,409	40,278	-	-	-	-
Profit before finance income and costs		**99,451**	**197,174**	**109,197**	**239,219**	**174,601**	**345,814**	**160,088**	**323,966**
Finance income	29	4,849	33,184	73,801	58,913	38,392	85,778	94,742	102,498
Finance costs	29	(114,683)	(277,231)	(224,650)	(327,161)	(191,473)	(419,559)	(280,693)	(435,544)
(=) (Loss) profit before income tax and social contribution		**(10,383)**	**(46,873)**	**(41,652)**	**(29,029)**	**21,520**	**12,033**	**(25,863)**	**(9,080)**
Income tax and social contribution - current	24.2	-	-	-	-	(17,823)	(24,879)	(6,074)	(7,628)
Income tax and social contribution - deferred	24.2	20,440	46,268	24,787	23,367	10,195	19,774	15,072	11,046
(=) Profit (loss) for the period		**10,057**	**(605)**	**(16,865)**	**(5,662)**	**13,892**	**6,928**	**(16,865)**	**(5,662)**
Profit attributable to:									
Owners of the Company		10,057	(605)	(16,865)	(5,662)	10,057	(605)	(16,865)	(5,662)
Non-controlling interests		-	-	-	-	3,835	7,533	-	-
(=) Basic loss per share for de period	33						(0.00300)		(0.02658)
(=) Diluted loss per share for the period	33						(0.00295)		(0.02613)

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

JSL S.A. and subsidiaries
Statements of comprehensive income (loss)
Periods ended June 30, 2017 and 2016
In thousands of Brazilian reais

	Parent company				Consolidated			
	4/01 to 6/30/2017	6/30/2017	4/01 to 6/30/2016	6/30/2016	4/01 to 6/30/2017	6/30/2017	4/01 to 6/30/2016	4/01 to 6/30/2016
Profit (loss) for the period	**10,057**	**(605)**	**(16,865)**	**(5,662)**	**13,892**	**6,928**	**(16,865)**	**(5,662)**
Comprehensive result attributable to:								
Owners of the Company	10,057	(605)	(16,865)	(5,662)	10,057	(605)	(16,865)	(5,662)
Non-controlling interests	-	-	-	-	3,835	7,533	-	-
Comprehensive income (loss) for the period	**10,057**	**(605)**	**(16,865)**	**(5,662)**	**13,892**	**6,928**	**(16,865)**	**(5,662)**

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

JSL S.A. and subsidiaries
Statements of changes in equity
Periods ended June 30, 2017 and 2016
In thousands of Brazilian reais

		Attributable to owners of the Company										
			Capital reserves			Profit reserves						
	Notes	Share capital	Share-based payments	Government grant reserves	Treasury shares	Legal reserves	Profits retention	Accumulated losses	Equity valuation adjustments	Total equity of owners of the Company	Non-controlling interests	Total equity
At December 31, 2015		**660,395**	**8,789**	**-**	**(54,133)**	**28,058**	**372,109**	**-**	**4,634**	**1,019,852**	**21**	**1,019,873**
Share-based payments		-	1,495	-	-	-	-	-	-	1,495	-	1,495
Repurchase of shares		-	-	-	(31,168)	-	-	-	-	(31,168)	-	(31,168)
Cancelation of shares		-	-	-	40,051	-	(40,051)	-	-	-	-	-
Loss for the period		-	-	-	-	-	-	(5,662)	-	(5,662)	-	(5,662)
Additional dividends paid		-	-	-	-	-	(200,000)	-	-	(200,000)	-	(200,000)
Legal reserves		-	-	-	-	-	-	-	-	-	-	-
At June 30, 2016		**660,395**	**10,284**	**-**	**(45,250)**	**28,058**	**132,058**	**(5,662)**	**4,634**	**784,517**	**21**	**784,538**
At December 31, 2016		**660,395**	**11,078**	**2,982**	**(3,741)**	**-**	**-**	**(66,359)**	**4,634**	**608,989**	**-**	**608,989**
Loss for the period		-	-	-	-	-		(605)	-	(605)	7,533	6,928
Share-based payments	25.2	-	(1,106)	-	-	-	-	-	-	(1,106)	-	(1,106)
Own shares acquired	25.3	-	-	-	2,953	-	-	-	-	2,953	-	2,953
Non-controlling interests	25.5	-	-	-	-	-	-	-	-	-	424,020	424,020
Gain on IPO of subsidiary	12.1 and 25.4	-	-	-	-	-	-	-	67,454	67,454	-	67,454
At June 30, 2016		**660,395**	**9,972**	**2,982**	**(788)**	**-**	**-**	**(66,964)**	**72,088**	**677,685**	**431,553**	**1,109,238**

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

JSL S.A. and subsidiaries
Statements of cash flows – indirect method
Periods ended June 30, 2017 and 2016
In thousands of Brazilian reais

	Parent company		Consolidated	
	6/30/2017	6/30/2016	6/30/2017	6/30/2016
Cash flows from operating activities				
(Loss) profit before taxes	(46.873)	(29.029)	12.033	(9.080)
Adjustment to reconcilie loss to cash provided by operating activities				
Depreciation / amortization (Notes 12, 13 and 14)	119.174	146.977	259.901	257.924
Cost of sale of assets used in services rendered	79.857	52.895	875.745	585.793
Write-off of surplus value of vehicles sold in subsidiaries (Note 12.1)	30.620	-	-	-
Equity in the results of investees	(90.524)	(40.278)	-	-
Provision for judicial and administrative litigation	2.531	18.825	15.045	103
Estimated losses on doubtful accounts (Note 7)	4.666	10.835	42.269	29.763
Write-off of other property and equipment	-	-	547	-
Cost of sale of damaged vehicles and wrhite-off stolen vehicles	160	-	75.352	-
Gains from business combination	-	(75.339)	-	(75.339)
Investment gain on sale of share of subsidiaries (Note 12.1)	(16.894)	-	(16.894)	-
Provision for loss on ICMS	-	-	-	27.600
Estimed (provision) inventories losses (Note 8)	(76)	1.437	694	839
Extemporaneous tax credits (Note 30)	(5.070)	-	(17.089)	-
Share-based payments	(1.106)	1.495	(1.106)	1.495
Loss on fair value of derivative financial instruments	7.503	54.027	7.503	72.935
Interest and monetary variations on borrowings and financing, debentures and suppliers financing - car makers	266.178	198.544	388.822	259.995
Adjustment to reconcilie the result to cash provided	**397.019**	**369.418**	**1.630.791**	**1.161.108**
Decrease (increase) in assets				
(Investments in) redemptions of securities	(574.079)	125.220	(892.912)	31.242
Trade receivables	(16.328)	(33.597)	(182.289)	(87.123)
Inventories	249	(6.252)	(840)	33.597
Taxes recoverable	(3.526)	(7.755)	(11.372)	10.075
Related parties	125.147	(25.250)	(1.375)	(55)
Judicial deposits	1.641	10.960	181	10.724
Other credits	3.320	(2.171)	(13.955)	(11.956)
Prepaid expenses and funds for capitalization of Authorized Vehicle Dealerships	(9.123)	(9.490)	(29.182)	(34.567)
(Decrease) increase in liabilities				
Trade payables	20.896	42.991	21.656	(169.280)
Floor plan vehicles	-	-	6.536	(24.196)
Labor and tax liabilities	24.240	26.804	39.822	46.131
Other accounts payables and advances	(3.142)	157.797	27.174	(26.849)
Related parties	-	26.979	-	(336)
Changes in current and non-current assets and liabilities	**(430.704)**	**306.236**	**(1.036.556)**	**(222.593)**
Cash (used in) provided by operating activities	**(80.558)**	**646.625**	**606.268**	**929.435**
Judicial and administrative litigation paid	(13.494)	(9.773)	(21.278)	(10.325)
deferred income and social contribution taxes paid	-	-	(21.792)	(25.516)
Interest paid on borrowings and financing, debentures and finance leases	(254.640)	(253.242)	(476.555)	(305.054)
Acquisition of operating property and equipment	(211.796)	-	(1.034.007)	(14.721)
Net cash (used in) provided by operating activities	**(560.489)**	**383.610**	**(947.364)**	**573.819**
Cash flows from investing activities				
Secondary offering of shares of investees (Movida) (Note 12.1)	61.046	-	61.046	-
Capital contributoin and repurchase of shares of investees	(70.465)	-	(52.968)	-
Advance for future capital increase	-	(11.200)	-	-
Acquisition of company	-	(25.311)	-	(25.311)
Dividends and interest on capital received	85.964	16.501	-	-
Incorporation of subsidiary's cash	-	-	-	259
Acquisition of property and equipment	(1.401)	(32.136)	(6.192)	(681.062)
Intangible assets	(232)	(2.846)	(2.861)	(4.453)
Net cash provided by (used in) investing activities	**74.912**	**(54.992)**	**(975)**	**(710.567)**
Cash flows from financing activities				
Primary offering of shares of investees (IPO Movida)	-	-	500.289	-
Repurchase of treasury shares (Note 25.2)	-	(31.168)	-	(31.168)
Government grant reserve	2.952		2.952	
New borrowings and financing, finance leases and debentures	2.036.866	500.763	2.196.090	669.358
Payment of borrowings and financing and debentures	(1.626.769)	(580.146)	(1.617.792)	(611.858)
Payment of liabilities and finance leases	(32.777)	-	(75.323)	-
Derivative financial instruments settled	(28.794)	-	(28.794)	-
Payment for company acquisition	(57.320)	-	(57.320)	-
Dividends and interest on capital paid	-	(210.000)	-	(210.000)
Net cash provided by (used in) financing activities	**294.158**	**(320.551)**	**920.102**	**(183.668)**
Net (decrease) increase in cash and cash equivalents	**(191.419)**	**8.067**	**(28.237)**	**(320.416)**
Cash and cash equivalents				
At the beginning of the year	318.623	366.836	585.920	951.166
At the end of the period	127.204	374.903	557.683	630.750
Net decrease (increase) in cash and cash equivalents	**(191.419)**	**8.067**	**(28.237)**	**(320.416)**

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

	Parent Company		Consolidated	
	6/30/2017	6/30/2016 (Reclassified Note 2.6)	6/30/2017	6/30/2016 (Reclassified Note 2.6)
Sales and services rendered (Note 28)	1,664,073	1,715,452	4,012,456	3,565,854
Estimated losses on doubtful accounts (Note 30)	(4,666)	(10,835)	(42,269)	(29,763)
Other operating income	22,248	29,991	25,115	(22,428)
	1,681,655	**1,734,608**	**3,995,302**	**3,513,663**
Inputs acquired from third parties				
Cost of sales and services rendered	(717,840)	(608,104)	(1,279,601)	(1,100,536)
Loss in the recovery of assets	(81)	-	(81)	-
Materials, electricity, outsourced services and others	(32,683)	(37,249)	(816,417)	(537,365)
	(750,604)	**(645,353)**	**(2,096,099)**	**(1,637,901)**
Gross value added	**931,051**	**1,089,255**	**1,899,203**	**1,875,762**
Retentions				
Depreciation and amortization (Note 30)	(119,174)	(146,978)	(259,901)	(263,392)
Net value added generated by the Company	**811,877**	**942,277**	**1,639,302**	**1,612,370**
Value added received in transfer				
Equity in the results of investees (Note 12)	90,524	40,278	-	-
Finance income	33,184	58,913	85,778	102,498
	123,708	**99,191**	**85,778**	**102,498**
Total value added to distribute	**935,585**	**1,041,468**	**1,725,080**	**1,714,868**
Distribution of value added				
Personnel and payroll charges	401,831	406,834	670,159	668,419
Federal taxes	110,541	139,276	312,108	272,702
State taxes	108,176	95,760	171,238	162,041
Municipal taxes	26,291	27,298	43,246	42,033
Interest	277,148	327,120	408,714	413,088
Rentals	12,203	50,842	112,686	162,247
Loss for the period	(605)	(5,662)	6,929	(5,662)
	935,585	**1,041,468**	**1,725,080**	**1,714,868**

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

1. ABOUT THE COMPANY

JSL S.A. ("Company" or "parent company" or “Group”) is a publicly-traded corporation with its headquarters at Rua Dr. Renato Paes de Barros nº. 1.017 – 9º. Andar - 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: logistics, Authorized Vehicle Dealerships of light and heavy vehicles, rentals of vehicles (“Movida”) and financial operations. The activities in these segments basically consist of:

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

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

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

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

In the consolidated balance sheet as at December 31, 2016, the JSL Group recorded net negative working capital of R$ 477,462, which was mainly impacted by the fact that the subsidiary Movida Participações S.A. (“Movida”) as at the same date, recorded net negative working capital of R$ 931,862. Movida’s position is the result of the investment plan approved by Management and the shareholders to open 27 new rent-a-car stores and 36 vehicle resale stores and, therefore, renew and expand the Company’s fleet of 52,686 units’ vehicles in 2015 to 63,870 unit’s vehicles in 2016. With the subsidiary’s going public process occurred on February 6, 2017, Movida completed its Initial Public Offering. As a result of this investment, the capital structure received a contribution of R$ 561,336, net of offering cost, which entailed the reversal of this position at the Company to a net positive working capital of R$ 548,296 as at June 30, 2017.

In addition to the resources obtained by the Initial Public Offering and by the generation of operating cash flow, the JSL Group has assets, related to the rentals of light vehicles and fleet management segments, in the approximate amount of R$ 2,368,960, which can be sold in a quick way in case of capital structure stress.

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

Statement of compliance (with regard to IFRS and CPC standards)

The interim financial information was prepared in accordance with CVM Resolution Nº 673/11, CPC 21 (R1) - Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR), identified as “Parent company” and “Consolidated”, respectively.

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 individual and consolidated interim financial information was prepared based on accounting policies and estimate calculation methods adopted in the preparation of the individual and consolidated annual financial statements for the year ended December 31, 2016.

There were no changes in relation to these policies and estimate calculation methods and, as permitted by CVM Resolution Nº 673/11, which address interim financial reporting, Management elected not to disclose again in detail 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, 2016 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.

In compliance with the Brazilian Securities Commission (CVM) Circular Letter Nº 03, of April 28, 2011, presented below are the notes that were included in the most recent individual and consolidated annual financial statements (year ended December 31, 2016, published on May 2, 2017) and are not being fully included in this individual and consolidated interim financial information due to the lack of significant changes this quarter.

Notes not included in the interim financial information	Location of the full note in the annual financial statements for the year ended December 31, 2016
Business combination	Note (1.1)
Prepaid expenses	Note (10)
Dividends receivable	Note (13)
Other receivables	Note (12)
Impairment testing by company	Note (16.2)
Operating leases	Note (21.2)
Accounts payable	Note (24)
Advances	Note (25)
Debt renegotiation	Note (38.2)

The issuance of the individual and consolidated interim financial information was authorized by the Company's Board of Directors on August 8, 2017.

2.1 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.

2.2 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.

2.3 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).

2.4 Equity interests and basis of consolidation

The consolidated interim financial information at June 30, 2017 and December 31, 2016 includes the operations of the Company and the following subsidiaries, whose interest percentages at the end balance sheet date are as follows:

				% Interest	
Company	**Subsidiary**	**Headquarters Country**	**Segment**	**6/30/2017**	**12/31/2016**
JSL Holding Financeira Ltda.	Direct	Brazil	Leasing	99.90	99.90
JSL Leasing S.A.	Indirect	Brazil	Leasing	99.90	99.90
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	Direct	Brazil	Logistics	99.99	99.99
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda.	Direct	Brazil	Logistics	99.99	99.99
Riograndense Navegação Ltda. (i)	Direct	Brazil	Logistics	99.99	99.99
JSL Empreendimentos Imobiliários Ltda.	Direct	Brazil	Logistics	99.99	99.99
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda. (ii)	Direct	Brazil	Logistics	99.99	99.99
Consórcio 123 (ii)	Indirect	Brazil	Logistics	33.00	33.00
Consórcio Sorocaba (ii)	Indirect	Brazil	Logistics	50.00	50.00
JSL Locação de Máquinas e Veículos Pesados Ltda	Direct	Brazil	Logistics	99.99	99.99
Quick Logística Ltda. (iii)	Direct	Brazil	Logistics	99.99	99.99
Quick Armazens Gerais - Eirelli - ME (iii)	Direct	Brazil	Logistics	99.99	99.99
CS Brasil Frotas Ltda (v)	Direta	Brasil	Logística	99.99	99.99
Agrolog Transportadora de Cargas em Geral Ltda. (i)	Direct	Brazil	Logistics	99.80	99.80
Medlog Prestação de Serviços de Logística S.A.(i)	Direct	Brazil	Logistics	99.90	99.90
JSL Europe	Direct	Brazil	Logistics	100.00	100.00
JSL Invest.Concessionárias e Lojas de Veíc., Máqs. e Equiptos. S.A.	Direct	Brazil	Authorized vehicle dealerships	99.99	99.99
JSL Corretora e Administradora de Seguros Ltda.	Indirect	Brazil	Authorized vehicle dealerships	99.99	99.99
Original Veículos Ltda.	Indirect	Brazil	Authorized vehicle dealerships	99.99	99.99
Ponto Veículos Ltda.	Indirect	Brazil	Authorized vehicle dealerships	99.99	99.99
Avante Veículos Ltda.	Indirect	Brazil	Authorized vehicle dealerships	99.99	99.99
Transrio Caminhões, Ônibus, Máquinas e Motores Ltda.	Indirect	Brazil	Authorized vehicle dealerships	99.99	99.99
Movida Participações S.A. (iv)	Direct	Brazil	Movida	65.59	99.99
Movida Gestão e Terceirização de Frotas S.A.	Indirect	Brazil	Movida	65.59	99.99
Movida Locação de Veículos Ltda.	Indirect	Brazil	Movida	65.59	99.99

i) Company in pre-operational phase;

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

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

iv) The interest in Movida Participações S.A. and its subsidiaries was reduced to 65.59% due to its initial public offering occurred on February 6, 2017 as disclosed in Notes 1 and 12.

v) CS Brasil Frotas Ltda. was formed 3/20/2017 and will have the purposes of rental of vehicles, machinery and equipment of any type, with or without driver, and the provision of fleet management and maintenance services focused on public sector companies.

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, except for subsidiary CS Brasil Frotas Ltda., formed in the current year, the investments disclosed in Note 12 are represented by the same companies disclosed in the individual and consolidated annual financial statements for the year ended December 31, 2016, published on May 2, 2017. All transactions, balances, revenues and expenses between the Group's companies were fully eliminated in the consolidated interim financial information.

2.5 Use of estimates and judgments

The preparation of the individual and consolidated interim financial information 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 individual and consolidated interim financial information, are disclosed in the notes below:

a) Allowance for doubtful accounts – Note 7;
b) Allowance for inventory obsolescence – Note 8;
c) Assets available-for-sale (provision for stolen and / or damaged vehicles and definition of residual value) – Note 10;
d) Property and equipment (depreciation of vehicles and definition of residual value) – Note 13;
e) Intangible assets (goodwill recovery) – Note 14;
f) Provision for judicial and administrative litigation - Note 23; and
g) Deferred income and social contribution taxes – (future recovery and period of realization) **-** Note 24.

2.6 Reclassification of comparative balances

On January 1, 2017, the JSL Group started submitting the PIS and COFINS credits on purchase of inputs and depreciation charges as credits that reduce the costs of sales and services rendered, to better reflect the nature of the respective credits and expenses.

The amounts corresponding to those credits for the six-month periods ended June 30, 2016, in the amounts of R$59,780 and R$103,207, were reclassified in the statement of income (loss), parent company and consolidated, respectively, from the line item of sales taxes in the group of net revenue to the line item of costs of sales and services rendered and, in the statement of value added, parent company and consolidated, the same amounts were reclassified from the line item of federal taxes to the line item of costs of sales and services rendered. The corresponding values in the statement of income (loss), parent company and consolidated, for the three-month period ended June 30, 2016 amounted to R$ 30,330 and R$ 53,025, respectively.

2.7 New standards not yet effective

The following new standards were issued by the IASB, but are not in effect for fiscal year 2017. The early adoption of these standards, although encouraged by the IASB, is not allowed by the Accounting Pronouncements Committee (CPC) in Brazil.

i) IFRS 9 (CPC 48) - "Financial Instruments" addresses the classification, measurement and recognition of financial assets and liabilities. The complete version of IFRS 9 was published in July 2014 and will become effective from January 1, 2018, replacing IAS 39 (CPC 38) Financial instruments: Recognition and Measurement, with regard to the classification and measurement of financial instruments. The main changes introduced by IFRS 9 (CPC 48) include: (i) new classification criteria for financial assets; (ii) a new impairment model for financial assets, combining expected and incurred losses, in replacement of the current model of incurred losses; and (iii) more flexibility in the requirements regarding the adoption of hedge accounting.

ii) IFRS 15 (CPC 47) - "Revenue from Contracts with Customers" – This new standard establishes the principles used by an entity to determine how to measure revenue and when to recognize it. This standard is based on the principle that the revenue is recognized when the control of an asset or service is transferred to a client; accordingly, the principle of control will replace the principle of risks and benefits. It will become effective from January 1, 2018, replacing IAS 11 (CPC 17) - "Construction Contracts", IAS 18 (CPC 30) - "Revenue" and the related interpretations.

iii) IFRS 16 - "Leases" – According to this new standard, lessees will be required to recognize liabilities from future payments and the right to use the leased asset in virtually all lease agreements, including operational agreements, except for certain short-term leases or leases of low-value assets. The recognition and measurement criteria for leases in lessors' financial statements remain essentially the same. IFRS 16 will become effective for the fiscal years beginning on or after January 1, 2019, and will replace IAS 17 (CPC 06) - "Leases" and the related interpretations.

iv) Disclosure Initiative (Amendments to CPC 32 (R2)/ IAS 12) – "Income Taxes" – The amendments require additional disclosures that allow users of financial statements to understand and evaluate changes in liabilities arising from financing activities, both cash flow and other changes. The amendments are effective for annual periods beginning on or after January 1, 2017. In order to meet the new disclosure requirements, the Company intends to present a reconciliation between the opening and closing balances of liabilities with changes resulting from financing activities.

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

vi) Disclosure Initiative (Amendments to CPC 3 (R2)/ IAS 7) – "Statement of Cash Flows" – The amendments require additional disclosures that allow users of financial statements to understand and evaluate changes in liabilities arising from financing activities, both cash flow and other changes. The amendments are effective for annual periods beginning on or after January 1, 2017, with early adoption permitted only for financial instruments in accordance with IFRSs. In order to meet the new disclosure requirements, the Company intends to present a reconciliation between the opening and closing balances of liabilities with changes resulting from financing activities.

vii) Other amendments

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

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

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

3. 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: Logistics operations, Authorized Vehicle Dealerships, Rentals of vehicles ("Movida") and Financial services.

In the comparative table at June 30, 2017 the amounts already include the effects of the discontinued operations related to the segment of authorized vehicle dealerships.

The information by business segment for the six-month period ended June 30, 2017 and 2016 is as follows:

						6/30/2017
	Logistics operations	Authorized Vehicle Dealerships	Movida	Financial services	Eliminations (i)	Consolidated
Net revenue form services rendered and sale of assests used in services rendered	2,044,414	397,413	1,205,615	25,185	(84,334)	3,588,293
(-) Cost of sales and services rendered	(1,513,961)	(313,478)	(205,060)	(19,434)	69,390	(1,982,543)
(-) Cost of sales of assets used in services rendered	(200,667)	(7,814)	(682,208)	-	14,944	(875,745)
Gross profit	**329,786**	**76,121**	**318,347**	**5,751**	**-**	**730,005**
Administrative and selling expenses	(119,295)	(73,949)	(159,715)	(5,179)	-	(358,138)
Tax expenses	(2,272)	(2,955)	(657)	(84)	-	(5,968)
Other operating income expenses, net						
Profit before finance income and costs	15,790	1,115	(37,016)	26	-	(20,085)
Profit before finance income and costs	**224,009**	**332**	**120,959**	**514**	**-**	**345,814**
Finance result, net						(333,781)
Profit before income tax and social contribuition						**12,033**
Income taxes and social contribuition						(5,105)
Profit for the period						**6,928**
Atributable to:						
Owners of the Company						(605)
Non-controlling interests						7,533
Total assets per segment	7,047,851	499,525	3,611,178	179,690	(1,235,139)	10,103,105
Total liabilities per segment	6,370,166	195,984	2,357,010	122,874	(52,167)	8,993,867

						6/30/2016
	Logistics operations	Authorized Vehicle Dealerships	Movida	Financial services	Eliminations (i)	Consolidated
Net revenue form services rendered and sale of assests used in services rendered	1,944,499	430,253	871,334	10,985	(106,409)	3,150,662
(-) Cost of sales and services rendered	(1,452,091)	(337,764)	(199,686)	(8,039)	106,409	(1,891,171)
(-) Cost of sales of assets used in services rendered	(117,288)	(10,225)	(466,827)	-		(594,340)
Gross profit	**375,120**	**82,264**	**204,821**	**2,946**	**-**	**665,151**
Administrative and selling expenses	(133,329)	(83,780)	(90,512)	(4,486)	-	(312,107)
Tax expenses	(2,473)	(2,904)	(51)	(22)	-	(5,450)
Other operating income expenses, net						
Profit before finance income and costs	(3,344)	(772)	(19,519)	7	-	(23,628)
Profit before finance income and costs	**235,974**	**(5,192)**	**94,739**	**(1,555)**	**-**	**323,966**
Finance result, net						(333,046)
Loss before income tax and social contribuition						**(9,080)**
Income taxes and social contribuition						3,418
Loss for the period						**(5,662)**
Total assets per segment	6,975,771	506,761	2,554,089	88,102	(1,256,339)	8,868,383
Total liabilities per segment	6,189,918	185,124	1,777,173	53,008	54,170	8,259,394

i) Eliminations of transactions between the segments.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments used by the Company and its subsidiaries are restricted to cash and cash equivalents, marketable securities, derivatives financial instruments, trade receivables, other credits, borrowings and financing, finance leases payables, trade payables, floor plan vehicles, suppliers financing - car makers and other accounts payables 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 Instrument are classified into the following categories:

	Consolidated					
	6/30/2017			12/31/2016		
Assets, as per balance sheet	**Assets at fair value through profit or loss**	**Loans and receivables**	**Total**	**Assets at fair value through profit or loss**	**Loans and receivables**	**Total**
Cash and cash equivalents	-	557,683	**557,683**	-	585,920	**585,920**
Marketable securities	1,350,212	-	**1,350,212**	457,300	-	**457,300**
Derivative financial instruments	61,349	-	**61,349**	36,037	-	**36,037**
Trade receivables	-	1,269,798	**1,269,798**	-	1,129,778	**1,129,778**
Other credits	-	67,707	**67,707**	-	53,727	**53,727**
	1,411,561	**1,895,188**	**3,306,749**	**493,337**	**1,769,425**	**2,262,762**

Liabilities, as per balance sheet	**Liabilities at fair value through profit or loss**	**Other financial liabilities**	**Total**	**Liabilities at fair value through profit or loss**	**Other financial liabilities**	**Total**
Trade payables	-	1,014,024	**1,014,024**	-	992,368	992,368
Floor plan vehicles	-	34,923	**34,923**	-	28,387	28,387
Suppliers financing - car makers	-	580,324	**580,324**	-	551,359	551,359
Borrowings and financing	-	4,229,777	**4,229,777**	-	3,846,136	3,846,136
Debentures	-	1,961,974	**1,961,974**	-	1,548,617	1,548,617
Finance leases payable	-	304,078	**304,078**	-	354,733	354,733
Derivative financial instruments	-	16,244	**16,244**	-	12,223	12,223
Other accounts payables	-	277,150	**277,150**	-	378,273	378,273
	-	**8,418,494**	**8,418,494**	**-**	**7,712,096**	**7,712,096**

4.2 Fair value of financial assets and liabilities

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

	Consolidated					
	6/30/2017			12/31/2016		
Assets, as per balance sheet	**Assets at fair value through profit or loss**	**Loans and receivables**	**Total**	**Assets at fair value through profit or loss**	**Loans and receivables**	**Total**
Cash and cash equivalents	-	557,683	**557,683**	-	585,920	**585,920**
Marketable securities	1,350,212	-	**1,350,212**	457,300	-	**457,300**
Derivative financial instruments	61,349	-	**61,349**	36,037	-	**36,037**
Trade receivables	-	1,269,798	**1,269,798**	-	1,129,778	**1,129,778**
Other credits	-	67,707	**67,707**	-	53,727	**53,727**
	1,411,561	**1,895,188**	**3,306,749**	**493,337**	**1,769,425**	**2,262,762**

Liabilities, as per balance sheet	**Liabilities at fair value through profit or loss**	**Other financial liabilities**	**Total**	**Liabilities at fair value through profit or loss**	**Other financial liabilities**	**Total**
Trade payables	-	1,014,024	**1,014,024**	-	992,368	992,368
Floor plan vehicles	-	34,923	**34,923**	-	28,387	28,387
Suppliers financing - car makers	-	580,324	**580,324**	-	551,359	551,359
Borrowings and financing	-	4,229,777	**4,229,777**	-	3,846,136	3,846,136
Debentures	-	1,961,974	**1,961,974**	-	1,548,617	1,548,617
Finance leases payable	-	304,078	**304,078**	-	354,733	354,733
Derivative financial instruments	-	16,244	**16,244**	-	12,223	12,223
Other accounts payables	-	277,150	**277,150**	-	378,273	378,273
	-	**8,418,494**	**8,418,494**	**-**	**7,712,096**	**7,712,096**

The fair value used for the purpose of accounting for financial investments was determined based on quotations of similar transactions taking place in active markets, classified at level 1 in the fair value hierarchy. All remaining instruments were classified at level 2.

There are no financial instruments measured at fair value at level 3 of the hierarchy.

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 rates, 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 June 30, 2017 was as follows:

Interest curve - Brazil							
Vertex	1M	6M	1A	2A	3A	5A	10A
Rate (p.a.) - %	10.03%	8.95%	8.77%	9.22%	9.82%	10.44%	10.89%

Source: B3 (Brasil, Bolsa e Balcão) 30/06/2017

4.3 Financial risk management

The JSL Group's main non-derivative financial liabilities relate to borrowings and financing, debentures, finance leases payable, trade payables, floor plan vehicles, suppliers financing – car makers and others accounts payable. The primary purpose underlying these financial liabilities is to obtain funds for the operations. The JSL Group has loans and other credits, trade receivables and other accounts receivable, and demand and short-term deposits arising directly from its operations. The JSL Group is exposed to market, credit, and liquidity risk.

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

It is the responsibility of the Board of Directors to decide on transactions involving any kind of derivative financial instrument, which is defined as any agreement that may generate a financial asset or liability for the parties to such agreement, regardless of the market in which they are traded or listed, or the type of agreement.

The JSL Group has a policy of not engaging in derivatives transactions for speculative purposes.

i) 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 financial investments, marketable securities, borrowings and financing, finance leases payable 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 borrowings, financing, debentures, finance leases payable, financial investments and marketable securities of JSL Group, subject to interest rates.

- Foreign exchange rate risk

  The JSL Group obtained borrowing indexed to exchange rate changes. All these instruments were hedged against exchange rate changes by swap instruments, exchanging indexation by exchange rate for interest indexed to a percentage of the *CDI* rate. Therefore, the JSL Group is not exposed to losses on exchange rate changes.

ii) 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 deposits at banks and other financial institutions, and other financial instruments.

- Trade receivables

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

- Financial instruments and cash deposits

  Credit risk associated with funds held in banks and other financial institutions is managed by the JSL Group's treasury area in accordance with the policy 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 and therefore mitigate potential financial losses in the event of any such institution going bankrupt.

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 achieve a balance between funding continuity and flexibility through the use of bank loans, debentures, as well as finance and operating lease transactions. 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 and excluding the impact of the negotiation of currencies by net position.

	Consolidated				
	Carrying amount	Fair value	1 year	1- 2 years	3-8 years
Financial liabilities					
Trade payables	1,014,024	1,014,024	1,014,024	-	-
Floor plan vehicles	34,923	34,923	34,923	-	-
Suppliers financing - car makers	580,324	580,324	580,324	-	-
Borrowings and financing	4,229,777	5,146,231	1,203,098	1,681,088	2,262,046
Debentures	1,961,974	2,510,728	339,685	800,880	1,370,163
Finance leases payable	304,078	346,902	184,551	110,676	51,675
Derivative financial instruments	16,244	16,244	16,244	-	-
Other accounts payables	277,150	277,150	174,929	102,221	-
Total	**8,418,494**	**9,926,526**	**3,547,778**	**2,694,865**	**3,683,883**

4.4 Derivatives

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.

As a way to protect the variations of the IPCA and of the exchange rate, the JSL Group contracted certain swap instruments for borrowings and financing. The outstanding contracts at June 30, 2017 are the following:

					Balance of the hedged debt at 6/30/2017	
Instrument	Notional amount	Maturity	Hedged items	Average rate	Amortized cost at 6/30/2017	Fair value
Swap agreement	USD 30,000	08/2017	Exchange rate	103.8% of CDI	100,171	100,608
Swap agreement	USD 20,000	11/2017	Exchange rate	103.9% of CDI	46,365	46,656
Swap agreement	USD 30,000	07/2018	Exchange rate	104.4% of CDI	99,871	101,254
Swap agreement	USD 30,000	03/2019	Exchange rate	103.6% of CDI	98,856	99,331
Swap agreement	R$98,723	07/2020	IPCA	107.5% of CDI	118,744	118,400
Swap agreement	R$115,089	07/2020	IPCA	107.5% of CDI	139,804	139,185
Swap agreement	R$71,751	06/2021	IPCA	108% of CDI	88,298	88,793
Total					**692,109**	**694,227**

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

The losses for the six-month periods ended June 30, 2017 and 2016, recognized in the JSL Group's financial results, were R$ 7,503 and R$ 100,836, respectively. These losses reduce the gains on interest expenses and

exchange rate changes of the underlying hedged instruments. See the impact on the statement of income (loss) in Note 29.

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

The outstanding balances are as follows:

Hedge purpose	Transaction	Principal	Transaction details	Fair value 6/30/2017	Fair value 12/31/2016
Interest rate	SWAP - Long Position - IPCA fluctuation x Short Position - Average CDI rate %	R$285,562	Asset position	356,411	340,197
			Liability position	(306,761)	(298,318)
			Amount receivable	**49,650**	**41,879**
Exchange variations (USD)	SWAP - Long Position - USD fluctuation x Short Position - Average CDI rate %	USD 110,000	Asset position	350,574	332,924
			Liability position	(355,118)	(350,989)
			Amount receivable	**(4,545)**	**(18,065)**
			Non-current assets	**61,349**	**36,037**
			Non-current liabilities	**(16,244)**	**(12,223)**
			Total amount receivable, net	**45,105**	**23,814**

4.5 Sensitivity analysis

The JSL Group carried out two simulations with increases in the interest rates, considering deterioration of 25% and 50% in relation to the probable scenario. The probable scenario considers JSL Group projections for the interest rates on the balance sheet date.

Interest rate sensitivity

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.

Transaction	Exposure	Risk	Potential gain / (loss)	Probable rate	Probable Scenario - CDI/TJLP	Scenario I + 25% deterioration - CDI/TJLP	Scenario I + 50% deterioration - CDI/TJLP
Financial investments	533,280	CDI	Gain	8.77%	46,769	58,461	70,153
Marketable securities	1,350,212	SELIC	Gain	9.0%	121,519	151,899	182,279
		Total Assets			**168,288**	**210,360**	**252,432**
Borrowings and financing and debentures	(903,696)	FIXED RATE	Loss	11.2%	(101,214)	(101,214)	(101,214)
Suppliers financing - car makers	(580,324)	FIXED RATE	Loss	6.2%	(35,980)	(44,975)	(53,970)
Finance leases payable	(353)	FIXED RATE	Loss	11.2%	(40)	(49)	(59)
		Total Fixed Rate			**(137,233)**	**(146,238)**	**(155,243)**
Finance leases payable	(303,725)	CDI	Loss	8.77%	(26,637)	(33,296)	(39,955)
Borrowings and financing and debentures	(4,770,765)	CDI	Loss	8.77%	(418,396)	(522,995)	(627,594)
Borrowings and financing and debentures	(471,677)	CDI	Loss	8.77%	(41,366)	(51,708)	(62,049)
		Total CDI			**(445,033)**	**(556,291)**	**(667,549)**
Borrowings and financing and debentures	(13,775)	IPCA	Loss	4.3%	(585)	(732)	(878)
Borrowings and financing and debentures	(31,840)	TJLP	Loss	7.0%	(2,229)	(2,786)	(3,343)
		Total IPCA / TJLP			**(2,814)**	**(3,518)**	**(4,221)**
Total impact on statement of income (loss)					**(416,793)**	**(495,687)**	**(574,582)**

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.

The JSL Group's management conducted a study of the potential impact of variations in interest rates on the amounts of financial investments and borrowings, including debentures and lease payables. The debt was divided

into three parts: debt subject to the *CDI* rate, debt subject to the *TJLP* and debt subject to the IPCA, which could be subject to different changes in accordance with the inherent rate.

This study estimated a probable scenario of *CDI* rate of 8.77%, based on the future interest rate curve of "B3" (Brasil, Bolsa e Balcão) (the average rate at June 30, 2017 was 10.14%), proportionally impacting on the JSL Group's debt and financial investments. With regard to the IPCA, the scenario considered probable by the JSL Group is the maintenance of the rate at June 30, 2017 (3.0%). And with regard to *TJLP*, the scenario considered probable at June 30, 2017 is 7% p.a.

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

5. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	6/30/2017	**12/31/2016**	**6/30/2017**	**12/31/2016**
Cash	285	161	1,114	1,389
Banks	4,939	2,988	23,289	52,611
Total cash and banks	**5,224**	**3,149**	**24,403**	**54,000**
Repo operations	93,073	200,999	488,601	366,331
Bank deposit certificates ("CDB")	28,907	114,475	44,679	165,589
Total financial investments	**121,980**	**315,474**	**533,280**	**531,920**
Total cash and cash equivalents	**127,204**	**318,623**	**557,683**	**585,920**

At June 30, 2017, the average income of investments in repurchase operations and Bank Deposit Certificates (CDB) was 100.4% of the *CDI*, equivalent to 0.93% p.m., while in the year ended December 31, 2016 the average income was 100.2% of the *CDI*, equivalent to 1.12% p.m.

6. MARKETABLE SECURITIES

	Parent company		Consolidated	
Transactions	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
Exclusive funds				
Financial Treasury Bills ("LFT")	276,424	139,495	596,701	255,291
National Treasury Bills ("LTN")	496,637	59,487	753,511	202,009
Total	**773,061**	**198,982**	**1,350,212**	**457,300**
Current assets	773,061	198,982	1,349,053	457,300
Non-current assets	-	-	1,159	-
Total	**773,061**	**198,982**	**1,350,212**	**457,300**

The average income of investments in marketable securities is defined at fixed and floating rates, based on the variation of the daily SELIC rate. The average income for the six-month period ended June 30, 2017 was 0.93% p.m. (December 31, 2016 – 1.12% p.m.). These investments are made in funds managed by first tier financial institutions and with low credit risk. The average income disclosed are net of management fee and commission.

7. TRADE RECEIVABLES

	Parent company		Consolidated	
Description	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
Receivables from credit cards (i)	-	-	68,201	44,986
Accounts receivable (ii)	467,618	476,058	1,115,825	996,304
Unbilled revenue (iii)	197,735	172,967	275,384	235,831
(-) Allowance for doubtful accounts (iv)	(65,167)	(60,501)	(189,612)	(147,343)
Total	**600,186**	**588,524**	**1,269,798**	**1,129,778**
Current assets	570,730	556,017	1,165,645	1,021,422
Non-current assets	29,456	32,507	104,153	108,356
Total	**600,186**	**588,524**	**1,269,798**	**1,129,778**

i) Accounts receivable from credit cards refer to sales made by Movida S.A. and JSL Concessionárias and paid by the client by credit or debit card.

ii) Accounts receivable with average maturities of over 360 days are recorded at present value upon the initial recording of the transaction, pursuant to the average rate used by the JSL Group to calculate the prices of the related agreements. Financial charges are recognized as a finance result on an accrual basis.

iii) Unbilled service and rental revenue (Parent company) comprises any shipping orders used, issued and recognized as revenue in the period not yet invoiced to the client, and logistics and fleet management services in progress, recognized based on the measurements and 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.

iv) The changes in the provision for impairment of trade receivables for the six-month period ended June 30, 2017 were as follows:

	Parent company	Consolidated
At December 31, 2016	**(60,501)**	**(147,343)**
(-) Additions	(7,762)	(56,103)
(+) Write-offs or reversal	3,096	13,834
At June 30, 2017	**(65,167)**	**(189,612)**

7.1 Aging list

	Parent company		Consolidated	
Description	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
Receivables from credit cards (i)	-	-	68,201	44,986
Accounts receivable (ii)	467,618	476,058	1,115,825	996,304
Unbilled revenue (iii)	197,735	172,967	275,384	235,831
(-) Allowance for doubtful accounts (iv)	(65,167)	(60,501)	(189,612)	(147,343)
Total	**600,186**	**588,524**	**1,269,798**	**1,129,778**
Current assets	570,730	556,017	1,165,645	1,021,422
Non-current assets	29,456	32,507	104,153	108,356
Total	**600,186**	**588,524**	**1,269,798**	**1,129,778**

8. INVENTORIES

	Parent company		Consolidated	
Description	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
New vehicles	-	-	78,378	60,984
Used vehicles	-	-	34,592	45,976
Parts for resale	-	-	20,064	20,605
Materials for use and consumption	28,293	28,542	39,452	39,785
Others	-	-	1,868	6,164
(-) Estimated losses on impairment of inventories (i)	(5,726)	(5,802)	(9,582)	(8,888)
Total	**22,567**	**22,740**	**164,772**	**164,626**

(i)The estimated losses on impairment of inventories refers to: 1) material for use and consumption in the amount of R$ 5,726 in the parent company (R$ 5,802 on December 31, 2016) and R$ 5,726 in the consolidated (R$ 5,802 on December 31, 2016); and 2) parts for resale in the amount of R$ 3,856 in the consolidated (R$ 3,086 on December 31, 2016). The changes for the six-month period ended June 30, 2017 are as follows:

Changes in estimated losses on impairment of inventories

	Parent Company	Consolidated
At December 31, 2016	**(5,802)**	**(8,888)**
(-) Additions	(4,570)	(5,586)
(+) Write-offs	4,646	4,892
Balance at June 30, 2017	**(5,726)**	**(9,582)**

9. TAXES RECOVERABLE

	Parent company		Consolidated	
Description	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
Income tax and social contribution to offset (i)	61,698	57,777	90,066	90,136
Value-added Tax on Sales and Services - ICMS to offset (ii)	13,044	16,330	18,400	20,770
National Institute of Social Security - INSS to offset (iii)	42,805	34,623	61,086	42,932
Social Integration Program ("PIS")/ Contribution for Social Security Funding to offset ("COFINS") (iv)	-	667	12,894	1,686
INSS a recuperar	-	-	-	-
Contribuição Social Retida na Fonte (CSRF)	-	-	-	-
Imposto de Renda e Contribuição Social antecipado	-	-	-	-
Services Tax ("ISS ") to offset	-	-	1,921	960
Other taxes	1,666	1,220	2,162	1,584
Total	**119,213**	**110,617**	**186,529**	**158,068**
Current assets	99,128	56,457	166,444	95,600
Non-current assets	20,085	54,160	20,085	62,468
Total	**119,213**	**110,617**	**186,529**	**158,068**

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

ii) ICMS to offset mainly represents credits from acquisitions of property and equipment, offset against tax payable at a monthly rate of 1/48, pursuant to the prevailing tax legislation, ICMS credits recoverable on services rendered and ICMS credits recoverable on simple remittance invoices issued for return of vehicles, parts and accessories sent to other units or for display.

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

iv) PIS – Social Integration Program and COFINS – Contribution for Social Security Funding to offset at June 30, 20167 includes R$ 7,369 of extemporaneous credits recognized in the second half of 2017; is and COFINS to offset at June 30, 2017 includes R$ 7,369 of extemporaneous credits recognized in the second half of 2017.

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

As a result of the fleet renewal process, certain assets (vehicles, machinery and equipment) of the Company and its subsidiaries were made available-for-sale, in the parent company totaling R$ 101,494 (at December 31, 2016 - R$ 87,081) and in the consolidated totaling R$ 343,267 (at December 31, 2016 - R$ 331,249). This account includes assets that were recorded as property and equipment and that, as a result of their replacement, are available for immediate use.

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.

Changes in assets available-for-sale for the six-month period ended June 30, 2017

	Parent company					
	At December 31, 2016	Assets transferred from P&E	Assets returned for operation	Assets written off due to sale	Transfers	At June 30, 2017
Cost or valuation:						
Vehicles	**130,772**	186,513	(14,919)	(151,124)	-	**151,242**
Machinery	**35,504**	9,001	(1,664)	(10,356)	-	**32,485**
Total	**166,276**	**195,514**	**(16,583)**	**(161,480)**	**-**	**183,727**
Accumulated depreciation:						
Vehicles	**(51,689)**	(84,466)	5,075	75,302	-	**(55,778)**
Machinery	**(27,506)**	(6,760)	1,490	6,321	-	**(26,455)**
Total	**(79,195)**	**(91,226)**	**6,565**	**81,623**	**-**	**(82,233)**
Net value:	**87,081**	**104,288**	**(10,018)**	**(79,857)**	**-**	**101,494**

	Consolidated					
	At December 31, 2016	Assets transferred from P&E	Assets returned for operation	Assets written off due to sale	Transfers	At June 30, 2017
Cost or valuation:						
Vehicles	**465,383**	1,142,973	(105,366)	(1,086,537)	**-**	**416,453**
Machinery	**36,408**	24,175	(4,744)	(8,107)	-	**47,732**
Total	**501,791**	**1,167,148**	**(110,110)**	**(1,094,644)**	**-**	**464,185**
Accumulated depreciation:						
Vehicles	**(142,338)**	(177,234)	21,634	213,429	(145)	(84,654)
Machinery	**(28,204)**	(17,133)	3,458	5,470	145	(36,264)
Total	**(170,542)**	**(194,367)**	**25,092**	**218,899**	**(0)**	**(120,918)**
Net value:	**331,249**	**972,781**	**(85,018)**	**(875,745)**	**(0)**	**343,267**

The changes in assets available-for-sale in the year ended December 31, 2016 are presented in the individual and consolidated annual financial statements for that year, published on May 2, 2017.

11. FUND FOR CAPITALIZATION OF AUTHORIZED VEHICLE DEALERSHIPS

The Fund for Capitalization of Authorized Vehicle Dealerships refers to contributions made by the subsidiaries of the JSL Group 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 manufacturers, deposited in funds managed by financial institutions linked to them, on behalf of subsidiaries. These funds are used as guarantees of vehicle credit lines and the contribution amounts exceeding the contribution targets established on an annual basis can be withdrawn. In the consolidated, the balance at June 30, 2017 is R$ 37,913, while the balance at December 31, 2016 was R$ 52,642.

12. INVESTMENTS

The table of the JSL Group's interests in investees and the changes in investments for the year ended December 31, 2016 are presented in the individual and consolidated annual financial statements for that year, published on May 2, 2017.

These investments are accounted for under the equity method of accounting, based on the financial information of the investees for the six-month period ended June 30, 2017, as follows:

				Parent company		Consolidated	
Investments	Equity at 6/30/2017	Interest %	Equity in the results of investees	6/30/2017	12/31/2016	6/30/2017	12/31/2016
JSL Financeira	56,817	99.99999	1,492	56,817	38,335	-	-
Mogipasses	16,256	99.99980	1,467	16,256	14,789	-	-
Yolanda	24,916	99.99998	(441)	24,916	25,207	-	-
JSL Imobiliários	6,848	99.99999	(712)	6,848	7,460	-	-
CS Brasil	707,130	99.99998	17,558	707,130	689,572	-	-
JSL Pesados	229,582	99.99999	41,949	229,582	171,882	-	-
Medlog	309	99.99999	52	309	-	-	-
Quick Logística	41,229	99.99999	1,131	41,229	40,098	-	-
Quick Armazens	4,789	99.99999	523	4,789	4,266	-	-
JSL Concessionárias	303,541	99.99999	2,929	303,541	300,612	-	-
Movida S.A.	1,254,168	65.59046	24,576	822,612	721,764	-	-
Gain on the aquisition of Quick Logística	-	-	-	45,619	91,553	-	-
Goodwill on Authorized Vehicle Dealerships	-	-	-	6,481	6,481	-	-
Others investiments	-	99.99	-	196	196	196	196
BRT Sorocaba Concessionárias	-	-	-		-	980	983
Total permanent investments			**90,524**	**2,266,325**	**2,112,215**	**1,176**	**1,179**

i) Goodwill arising on the acquisition of companies and businesses, classified as investment in the parent company, in accordance with CPC 18 (R2).

12.1 Changes in investments

								Parent company
Investments	12/31/2016	Capital contribution	Equity in the results of investees in 2017	Realization of added value of assets, goodwill	Amortization of added value of assets, goodwill	Gain on the issue of shares (IPO of subsidiaries)	Reduction due to secondary sales of shares	6/30/2017
JSL Financeira	38,335	16,990 (i)	1,492	-	-	-	-	56,817
Mogipasses	14,789	-	1,467	-	-	-	-	16,256
Yolanda	25,207	150	(441)	-	-	-	-	24,916
JSL Imobiliários	7,460	100	(712)	-	-	-	-	6,848
CS Brasil	689,572	-	17,558	-	-	-	-	707,130
JSL Pesados	171,882	15,751 (ii)	41,949	-	-	-	-	229,582
Medlog	-	257	52	-	-	-	-	309
Quick Logística	40,098	-	1,131	-	-	-	-	41,229
Quick Armazens	4,266	-	523	-	-	-	-	4,789
JSL Concessionárias	300,612	-	2,929	-	-	-	-	303,541
Movida S.A. (iii)	721,764	52,968	24,576	-	-	67,454	(44,152)	822,612
Other investments (iv)	196	-	-	-	-	-	-	196
Gain on the aquisition of Quick Logística	91,553	-	-	(30,620)	(15,314)	-	-	45,619
Goodwill JSL Concessionárias	6,481	-	-	-	-	-	-	6,481
Total	**2,112,215**	**86,216**	**90,524**	**(30,620)**	**(15,314)**	**67,454**	**(44,152)**	**2,266,325**

i) Capital increase of R$ 16,900 for composition of the reserves needed to allow the increase in the portfolio of lease agreements.

ii) Investment increase made in the first quarter of 2017, through the transfer of assets net of respective financing to JSL Locações, amounting R$ 15,571.

iii) As disclosed in note 1, the JSL Group traded, in a secondary offering in the Initial Public Offering ("IPO") process of subsidiary Movida Participações S.A., 8,550,496 shares of this subsidiary, in the amount of R$ 64,196. Of this amount, R$ 3,150 was deducted for commissions, and the JSL Group received in its cash R$ 61,046, of which R$ 16,894 was recorded as capital gain in the result for the six-month period ended June 30, 2017 and R$ 44,152 as realization of the shares sold as presented in the statement of cash flows. Moreover, in the second quarter of 2017, the Company recognized equity valuation adjustment arising from the gain on the fair value of Movida shares, resulting in an increase in the invested balance by R$ 67,454, already deducting the costs of issuance and repurchase of such shares.

iv) The amount refers substantially to investments on subsidiaries JSL Europe and CS Frotas.

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

The participation of assets, liabilities, income and expenses in subsidiaries for the period ended June 30, 2017, included in the consolidated interim financial information, are presented below:

	6/30/2017							
	Parent company							
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenue	Expenses	Profit (loss) for the period
Yolanda	4,299	26,974	5,886	472	24,916	7,409	(7,851)	(442)
JSL Pesados	102,785	888,242	207,880	571,538	211,608	177,838	(135,889)	41,949
Medlog	663	11	365	-	309	964	(911)	53
Mogipasses	36,794	306	5,601	15,243	16,256	1,232	235	1,467
CS Brasil	334,678	636,143	173,978	101,620	695,224	408,749	(391,191)	17,559
Quick Logística	40,820	20,669	18,170	2,090	41,229	85,665	(84,534)	1,131
Quick Armazéns	3,928	1,210	349	-	4,789	2,131	(1,608)	523
JSL Imobiliários	306	11,550	5,008	-	6,848	162	(874)	(711)
JSL Concessionária	302,840	196,685	165,277	30,707	303,541	406,930	(404,001)	2,929
JSL Leasing Consolidado	69,414	110,277	116,375	6,499	56,817	25,185	(23,693)	1,492
Movida S.A.	976,423	2,456,891	1,742,291	648,749	1,042,274	1,246,697	(1,214,587)	32,110
JSL Europe	199	-	-	-	199	-	-	-
CS Frotas	1	-	-	-	1	-	-	-

13. PROPERTY AND EQUIPMENT

The table of the JSL Group's subsidiaries and the changes in property and equipment for the year ended December 31, 2016 are presented in the individual and consolidated annual financial statements for that year, published on May 2, 2017.

							Parent company	
	Vehicles	Machinery and equipment	Construction in progress	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Other	Total
Cost or valuation:								
At December 31, 2016	**1,552,472**	**381,622**	**21,193**	**170,938**	**15,528**	**23,231**	**178,932**	**2,343,916**
Additions (i)	278,843	7,798	2,843	-	437	839	-	290,761
Transfers	497	(495)	(12,671)	12,671	-	(3)	-	-
Transfers to assets available-for-sale	(171,594)	(7,337)	-	-	-	-	-	(178,931)
Assets written off due to contribution of subsidiaries	(77,497)	(563)	-	-	-	-	-	(78,059)
Write-off of assets and others	(602)	76	-	-	(357)	(105)	94	(893)
At June 30, 2017	**1,582,118**	**381,101**	**11,365**	**183,609**	**15,608**	**23,962**	**179,026**	**2,376,792**
Accumulated depreciation:								
At December 31, 2016	**(456,569)**	**(159,951)**	**-**	**(36,055)**	**(9,704)**	**(9,202)**	**(27,962)**	**(699,444)**
Depreciation expenses in the period	(62,348)	(22,030)	-	(6,604)	(1,446)	(1,210)	(6,391)	(100,028)
Transfers	(9)	9	-	-	217	-	(217)	-
Transfers to assets available-for-sale	79,391	5,270	-	-	-	-	-	84,660
Assets written off due to contribution of subsidiaries	16,722	90	-	-	-	-	-	16,812
Write-off of assets and others	233	(76)	-	-	306	105	(94)	473
At June 30, 2017	**(422,580)**	**(176,688)**	**-**	**(42,659)**	**(10,627)**	**(10,307)**	**(34,664)**	**(697,526)**
Net value								
At December 31, 2016	1,095,904	221,671	21,193	134,883	5,824	14,029	151,115	1,644,473
At June 30, 2017	1,159,538	204,413	11,365	140,950	4,981	13,665	144,362	1,679,264
Average depreciation rates (%) - in the period								
Light	10.7%							
Heavy	10.7%	9.5%						
Others				8.2%	18.3%	9.9%	8.9%	

(i) From the additions for the period, R$ 138.2 refer to acquisitions of subsidiaries, eliminated in the interim financial information.

	Consolidated									
	Vehicles	Machinery and equipment	Construction in progress (i)	Leasehold improvements (ii)	Computers and peripherals	Furniture and fixtures	Land	Buildings	Other	Total
Cost or valuation:										
At December 31, 2016	**5,244,614**	**626,836**	**38,040**	**320,540**	**36,559**	**44,138**	**13,800**	**12,664**	**200,385**	**6,537,576**
Additions	1,290,174	96,180	5,448	1,039	1,206	1,671	-	-	2,003	1,397,721
Transfers	886	(881)	(30,803)	30,803	-	98	-	(101)	(2)	-
Transfers to assets available-for-sale	(1,037,607)	(19,431)	-	-	-	-	-	-	-	(1,057,038)
Write-off of assets and others	(80,259)	(49)	-	(3,117)	(262)	(205)	-	(1)	(247)	(84,142)
At June 30, 2017	**5,417,808**	**702,655**	**12,684**	**349,265**	**37,503**	**45,701**	**13,800**	**12,562**	**202,139**	**6,794,118**
Accumulated depreciation:										
At December 31, 2016	**(739,241)**	**(258,500)**	**-**	**(75,965)**	**(25,460)**	**(17,381)**	**-**	**(1,603)**	**(32,704)**	**(1,150,857)**
Depreciation expenses in the period	(184,447)	(38,938)	-	(16,345)	(2,335)	(2,214)	-	(968)	(7,259)	(252,506)
Transfers	(10)	9	-	-	2	(40)	-	40	(1)	-
Transfers to assets available-for-sale	155,600	13,675	-	-	-	-	-	-	-	169,275
Write-off of assets and others	2,587	101	-	3,120	355	195	-	-	(43)	6,315
At June 30, 2017	**(765,511)**	**(283,653)**	**-**	**(89,190)**	**(27,438)**	**(19,440)**	**-**	**(2,531)**	**(40,007)**	**(1,227,770)**
Net value										
Balance at December 31, 2016	4,505,373	368,336	38,040	244,575	11,099	26,757	13,800	11,061	167,681	5,386,719
Balance at June 30, 2017	4,652,297	419,002	12,684	260,075	10,065	26,261	13,800	10,031	162,132	5,566,348
Average depreciation rates (%) - in the period										
Light	5.7%									
Heavy	8.7%	11.1%								
Others				9.4%	12.5%	9.0%		15.4%	7.2%	

The JSL Group reviews periodically the estimated market values at the end of the economic useful lives of its property and equipment items and reviews periodically the estimated economic useful lives used to calculate the respective depreciation and amortization rates.

13.1 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:

	Consolidated	
	06/30/2017	**12/31/2016**
Cost - capitalized finance leases	369,765	522,531
Accumulated depreciation	(56,633)	(100,476)
Net balance	**313,132**	**422,055**

14. INTANGIBLE ASSETS

The changes in intangible assets for the year ended December 31, 2016 are presented in the individual and consolidated annual financial statements for that year, published on May 2, 2017.

Movimentation in parent company for the six-month period ended June 30, 2017 — **Parent company**

	Goodwill	**Software**	**Other**	**Total**
Cost				
At December 31, 2016	**232,609**	**46,804**	**1,157**	**280,570**
Additions	-	231	-	231
Write-offs	-	(112)	-	(112)
At June 30, 2017	**232,609**	**46,923**	**1,157**	**280,689**
Accumulated amortization:				
At December 31, 2016	**-**	**(20,447)**	**(285)**	**(20,732)**
Amortization expenses in the period	-	(3,821)	(12)	(3,833)
Write-offs	-	201	-	201
At June 30, 2017		**(24,067)**	**(297)**	**(24,364)**
Intangible assets, net:				
At December 31, 2016	232,609	26,357	872	259,838
At June 30, 2017	232,609	22,856	860	256,325
Average annual amortization rates (%)		11.4%	10.0%	

Movimentation in parent company for the six-month period ended June 30, 2017						Consolidated
	Goodwill arising from business combination (14.1)	Non-compete agreement and customer portfolio (i)	Software	Point of sale (ii)	Other (iii)	Total
At December 31, 2016	**250,764**	**17,420**	**56,491**	**46,178**	**11,233**	**382,086**
Additions		-	1,529	-	1,332	2,861
Write-offs		-	(112)	-	-	(112)
Transfers		0	-	-	-	0
Transfer of property and equipment and other		4,479	168	-	(2)	4,645
At June 30, 2016	**250,764**	**21,899**	**58,076**	**46,178**	**12,563**	**389,480**
Accumulated amortization:						
At December 31, 2016	**-**	**(3,285)**	**(24,870)**	**(3,720)**	**(4,182)**	**(36,057)**
Amortization expenses in the period		(2,920)	(4,454)	-	(21)	(7,395)
Write-offs		-	201	-	-	201
Write-off of assets		-	-	-	(288)	(288)
At June 30, 2017	**-**	**(6,205)**	**(29,123)**	**(3,720)**	**(4,491)**	**(43,539)**
Intangible assets, net:						
At December 31, 2016	**250,764**	14,135	31,621			346,029
At June 30, 2017	**250,764**	15,694	28,953			345,941
Average annual amortization rates (%)		13.0%	11.4%		10.0%	

i) Non-compete agreement and portfolio of customers: this intangible asset refers to non-compete agreement in the segment of logistics and the portfolio of customers, signed between JSL and the former partner of Quick Logística after its acquisition by JSL.

ii) Point of sale refers to amounts paid on the acquisition of points of sale used for Movida stores and vehicle dealerships without definite useful lives.

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

14.1 Goodwill on business combination

Goodwill on business acquisitions was allocated to the following cash-generating units:

			6/30/2017	12/31/2016
Goodwill arising from business combinations	**Original cost**	**Impairment**	**Balance**	**Balance**
Transportation and logistics (i)	238,634	(6,025)	232,611	232,611
Authorized Vehicle dealerships (ii)	34,578	(24,179)	10,399	10,399
Movida (iii)	4,172	(2,777)	1,395	1,395
Financial operations (iv)	6,359	-	6,359	6,359
Total consolidated	**283,743**	**(32,981)**	**250,764**	**250,764**

i) Transportation and logistics:

This cash-generating unit is comprised of the cargo transportation business, exclusive transportation and storage, storage and fleet management. This goodwill arose from the acquisition of companies Rodoviário Schio Ltda., Transportadora Grande ABC Ltda. and Lubiani Logística and, in the parent company, this amount comprises the cost of investment in the respective subsidiaries.

Authorized Vehicle Dealerships:

This cash-generating unit is comprised of the authorized light and heavy vehicle dealerships that sell new and semi-new vehicles, parts and accessories, and provide after-sale services. This goodwill arose from the acquisition of Transrio Veículos.

ii) Rental of vehicles ("Movida"):

This cash-generating unit is comprised of Movida rent-a-car, fleet management and outsourcing. This goodwill arose from the acquisition of Movida Locações de Veículos and Apta Veículos e Representações Ltda., on November 30, 2013. In the parent company, this goodwill was recorded in "Investments".

iii) Financial operations:

This cash-generating unit is comprised of the businesses related to Leasing Services and the goodwill generated on the acquisition of BGN Leasing S.A., subsequently renamed to JSL Leasing S.A.

14.2 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 June 30, 2017, 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, 2016 as presented in the individual and consolidated annual financial statements published on May 2, 2017.

15. TRADE PAYABLES

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Car makers	16,236	2,356	928,921	850,931
Parts and maintenance	10,311	8,291	16,447	44,272
Suppliers of machinery and vehicles (i)	11,843	-	15,912	49,540
Machinery and equipment	836	2,473	923	2,474
Inventory	2,355	5,500	5,149	10,712
Contracted services (ii)	10,392	16,112	14,830	17,788
Other	5,637	1,982	31,842	16,651
Total	**57,610**	**36,714**	**1,014,024**	**992,368**

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

ii) The balance presented in Contracted Services refers mainly to several services contracted by the JSL Group, such as logistics, transport, import, technology and security, among other services.

16. 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 inventories of new and used vehicles and automobile parts "*Floor Plan*", with revolving credit facilities made available by financial institutions, and with the agreement of manufacturers. These programs generally have an initial period during which they are interest-free until the invoice issuance and with 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. The balance presented at June 30, 2017 is R$ 34,923 (R$ 28,387 at December 30, 2016).

17. SUPPLIERS FINANCING – CAR MAKERS

				Parent company		Consolidated	
Type	**Average rate (%)**	**ICMS**	**Maturity**	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
In local currency (CVM Instruction 01/2016)							
Suppliers financing - car makers	6.5	5 Months	04/2018	6,046	9,265	580,324	551,359
Overall Total				**6,046**	**9,265**	**580,324**	**551,359**

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.

18. BORROWINGS AND FINANCING

								Parent company	
				Current		Non-current		Total	
Type	**Annual average rate (%)**	**Average rate structure (%)**	**Maturity**	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
In local currency									
CCB (v)	12.5	CDI + 2.20% p.a.	08/2023	112,340	217,690	993,477	1,002,749	1,105,817	1,220,439
CRA (iii)	11.0	CDI + 0.95% p.a.	06/2020	202,821	120,073	362,838	196,796	565,659	316,869
Finame (i)	5.4	Fixed rate	01/2025	93,656	45,497	381,033	316,801	474,689	362,298
Finame (i)	8.2	TJLP / Selic	09/2022	36,946	102,979	104,074	264,325	141,020	367,304
Export credit note (iv)	13.1	CDI + 3.20 p.a. / 116%	05/2019	65,771	7,276	300,000	359,992	365,771	367,268
FINEM (ii)	7.7	TJLP / IPCA	06/2021	16,798	16,938	28,817	37,191	45,615	54,129
FNO	3.5	Fixed rate	01/2024	1,872	1,875	10,322	11,246	12,194	13,121
Other	15.7	Fixed rate	05/2022	3,355	3,650	1,388	3,299	4,743	6,949
				533,559	**515,978**	**2,181,949**	**2,192,399**	**2,715,508**	**2,708,377**
In foreign currency									
International credit - USD	12.1	CDI + 1.95% p.a.	03/2019	149,358	232,682	198,492	97,773	347,850	330,455
International credit (4131) - USD	7.6	Fixed rate	04/2021	2,264	2,239	6,575	7,557	8,839	9,796
				151,622	**234,921**	**205,067**	**105,330**	**356,689**	**340,251**
				685,181	**750,899**	**2,387,016**	**2,297,729**	**3,072,197**	**3,048,628**

								Consolidated	
				Current		Non-current		Total	
Type	**Annual average rate (%)**	**Average rate structure (%)**	**Maturity**	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
In local currency									
CCB (v)	12.6	CDI + 2.20% p.a / 120.5% CDI	08/2023	125,270	227,852	1,279,505	1,191,578	1,404,775	1,419,430
CRA (iv)	11.0	CDI + 0.95% p.a.	06/2020	202,821	120,073	362,838	196,797	565,659	316,870
Finame (i)	5.5	Fixed rate	01/2025	152,341	172,661	674,378	786,909	826,720	959,570
Finame (i)	8.7	TJLP / Selic	09/2022	115,544	102,979	324,816	264,325	440,359	367,304
Export credit note (iii)	13.1	CDI + 3.20 p.a. / 116%	05/2019	65,771	7,276	300,000	359,992	365,771	367,268
Promissory note (vi)	11.6	114% of CDI	05/2019	-	-	150,000	-	150,000	-
FINEM (ii)	7.7	TJLP / IPCA	06/2021	16,798	16,938	28,817	37,191	45,615	54,129
FNE	9.0	Fixed rate	08/2021	6,097	-	(123)	-	5,974	-
FNO	3.5	Fixed rate	01/2024	1,872	1,875	27,163	11,246	29,035	13,121
Other	15.7	Fixed rate	05/2022	10,835	4,341	28,345	3,852	39,180	8,193
				697,349	**653,995**	**3,175,739**	**2,851,890**	**3,873,088**	**3,505,885**
In foreign currency									
International credit (4131) - USD	12.0	CDI + 1.95% /1.96% /2.56% // 117.75% of CDI	03/2019	149,358	232,682	198,492	97,773	347,850	330,455
International credit (4131) - USD	7.6	Fixed rate	04/2021	2,264	2,239	6,575	7,557	8,839	9,796
				151,622	**234,921**	**205,067**	**105,330**	**356,689**	**340,251**
				848,971	**888,916**	**3,380,806**	**2,957,220**	**4,229,777**	**3,846,136**

i) ***Finame*** are financing for investments in vehicles, machinery and equipment used in operations. Part of the agreements have long-term floating rates (*"TJLP"*), plus spread of 2.7% p.a., on average, and part have average fixed interest rates of 7% p.a. 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. Such financing agreements are collateralized by the financed assets.

ii) **Finem** are financing for investments in infrastructure raised for the construction and installation of operating sites. The agreements have long-term floating rates (*"TJLP"*), plus spread of 2.7% p.a., on average, and have maturities until June 2021.

iii) **CRA** are Agribusiness Receivables Certificates issued for raising funds to finance the agribusiness sector. Until the end of 2016, the Company raised R$350,000 at an average interest rate of 1.2% p.a. plus the variation of the Interbank Deposit Certificate - *CDI*, with quarterly and annual maturities until 2019. In June 2017, the Company concluded a new issuance of certificates, raising R$270,000 at an average interest rate of 0.7% p.a. plus the variation of the Interbank Deposit Certificate - *CDI*, with annual installments in June 2019 and June 2020. This new funding helped to extend the JSL Group's debt profile.

iv) **NCE** are Export Credit Notes issued by the JSL Group for financing the purchase of vehicles and equipment, and working capital for the operations related to transportation, logistics and equipment rental in exporting customers. These notes include an annual interest rate averaging 3.0%, plus the variation of the Interbank Deposit Certificate - *CDI* rate and have periodic maturities until May 2019.

v) **CCB** 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 2.20% p.a., and part is subject to average 120% of the *CDI* variation. These agreements have varying maturities, either quarterly or semi-annually until August 2025. On March 9, 2017, as part of the financial liabilities management, the JSL Group concluded the two new borrowings and financing totaling R$900,000, clearing two other existing ones. The new agreements include maturities from 2019 and ending in 2023, thus contributing to the lengthening of the debt repayment profile.

vi) **Promissory Notes:** refer to commercial notes of promise to pay signed by the subsidiary Movida Participações S.A. to the subscriber. In June 2017, the Company carried out the first issuance of 30 commercial notes, with a single maturity in May 2019, in the amount of R$5,000 each, totaling R$150,000. These notes were traded on the open market, fully subscribed by a single investor. The promissory notes include interest of 114% of the *CDI*.

Some of the CCB agreements are subject to compliance with certain financial indicators that, if not complied with, may result in accelerated debt maturities. These requirements are based on the consolidated performance of the JSL Group. All the requirements described in the agreements were being met at June 30, 2017.

The committed limits are the following:

Restriction	Limits	6 months ended 6/30/2017	12 months ended 12/31/2016
Net debt / EBITDA adjusted	less than 3.5	1.94	2.26
EBITDA adjusted / Net financial expenses	More than 2	4.19	3.71

Net financial debt: means the total balance of short- and long-term loans 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; (b) borrowings and financing arranged under the program for financing stocks of new and used vehicles, locally made or imported, and automotive parts, under revolving credit facilities from financial institutions linked to the manufacturers.
Adjusted EBITDA: means income before financial income, tax, depreciation, amortization, impairment of assets and equity accounting, plus selling costs of assets used in the provision of services, calculated over the last 12 months, including the added EBITDA for the last 12 months of companies taken over or purchased by JSL S.A.
Net financial expenses: means borrowing costs plus monetary adjustments, less income from financial investments, all relating to the items described in the above definition of "Net financial debt", calculated on an accrual basis over the last 12 months.

All the requirements described in the agreements were being met at June 30, 2017.

18.1 Amortization schedule:

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

		6/30/2017			
		Parent company		Consolidated	
	Maturity of installments	Total	%	Total	%
Total current liabilities	Up to June 2018	685,181	22.3	848,971	20.1
	July to December 2018	239,561	7.8	473,195	11.2
	2019	923,731	30.1	1,144,038	27.0
	2020	486,895	15.8	830,100	19.6
	2021	330,741	10.8	424,673	10.0
	2022	300,757	9.8	351,771	8.3
	2023	95,775	3.1	131,159	3.1
	2024	9,501	0.3	22,785	0.5
	After 2025	55	0.0	3,085	0.1
Total non-current liabilities		2,387,016	77.7	3,380,806	79.9
Total		**3,072,197**	**100.0**	**4,229,777**	**100.0**

Guarantees and letters of guarantee

The Company and its subsidiaries have *Finame* transactions and finance leases that are collateralized by the financed vehicles and equipment. They also have borrowings and financing in US dollars, which are designated as a financial liability at fair value through profit or loss at its initial recognition, and are hedged by currency hedge where applicable. The grace period for payment of principal of such agreements varies from 2 to 3 years. With respect to these contracts, the JSL Group is subject to certain restrictive covenants that may result in accelerated debt maturities in certain situations.

At June 30, 2017, the JSL Group had a total of R$ 154,768 in letters of guarantee and R$ 200,000 at December 31, 2016, which were mainly offered as guarantees of financing obtained from banks as the BNDES – Banco Nacional de Desenvolvimento Econômico e Social for construction costs, financing from Banco da Amazônia related to the Constitutional Financing Fund of the North (FNO) and transactions with government agencies.

The JSL Group has receivables as collateral for loan agreements acquired through Bank Credit Bills (CCBs), Agribusiness Receivables Certificates (CRA) and Export Credit Notes (NCE) on guarantees on accounts receivable.

19. DEBENTURES

								Parent company
			Current		Non-Current		Total	
Type	**Average annual charges (%)**	**Maturity**	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
In local currency								
6th issue	CDI + 1.80%/2.20% / IPCA + 7.5%	07/2020	36,496	24,456	447,259	442,694	483,755	467,150
7th issue	117.5% of CDI	10/2019	-	36,647	-	67,513	-	104,160
8th issue	116% of CDI / IPCA + 8% / 118.5% of	06/2021	126,356	6,194	290,832	412,441	417,188	418,635
9th issue	116% of CDI / 118,5% of CDI	12/2021	-	64,527	-	184,864	-	249,391
10th issue	127,5% of CDI	03/2021	10,701	-	348,630	-	359,331	-
11th issue	125,5% of CDI	03/2021	-	-	393,706	-	393,706	-
			173,553	**131,824**	**1,480,427**	**1,107,512**	**1,653,980**	**1,239,336**

								Consolidated
			Current		Non-Current		Total	
Type	**Average annual charges(%)**	**Maturity**	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
In local currency								
6h issue	CDI + 1.80%/2.20% / IPCA + 7.5%	07/2020	36,496	24,456	447,259	442,694	483,755	467,150
7th issue	117.5% of CDI	10/2019	-	36,647	-	67,513	-	104,160
8th issue	116% of CDI / IPCA + 8% / 118.5% of	06/2021	126,356	6,194	290,832	412,441	417,188	418,635
9th issue	116% of CDI / 118.5% of CDI	12/2021	-	64,527	-	184,864	-	249,391
10th issue	127.5% of CDI	03/2021	10,701	-	348,630	-	359,331	-
11th issue	125.5% of CDI	03/2021	-	-	393,706	-	393,706	-
1st issue - Movida GTF (i)	CDI + 1.93%	09/2018	8,373	10,418	299,621	298,863	307,994	309,281
			181,926	**142,242**	**1,780,048**	**1,406,375**	**1,961,974**	**1,548,617**

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

	Information / amount						
Description	**5th issue**	**6th issue**	**7th issue**	**8th issue**	**10th issue**	**11th issue**	**1st Issue of Movida GTF S.A.**
a. Identification of process by nature							
Financial institution	*Itaú*	*BTG Pactual*	*BB-BI*	*Votorantim*	*Bradesco S.A.*	*BB-Banco de Investimentos*	*CEF*
1st series amount	100,000	90,749	170,000	31,187	352,000	400,000	150,000
2nd series amount	-	13,678	-	63,468	-	-	-
3rd series amount	-	72,797	-	118,201	-	-	-
Financial institution	*Santander*	*Caixa Geral*	-	*HSBC*	-	-	*HSBC*
1st series amount	100,000	1,000	-	52,394	-	-	150,000
2nd series amount	-	23,870	-	6,283	-	-	-
3rd series amount	-	40,234	-	30,873	-	-	-
Financial institution	-	*Santander*	-	*Santander*	-	-	-
1st series amount	-	54,480	-	81,594	-	-	-
2nd series amount	-	19,074	-	2,000	-	-	-
3rd series amount	-	4,189	-	14,000	-	-	-
Financial institution	-	*Votorantim*	-	-	-	-	-
1st series amount	-	6,200	-	-	-	-	-
2nd series amount	-	5,850	-	-	-	-	-
3rd series amount	-	67,879	-	-	-	-	-
Total	200,000	400,000	170,000	400,000	352,000	400,000	300,000
Total received in current account	201,270	401,910	170,000	400,390	352,000	400,000	300,000
Issue	5/24/2012	5/15/2013	10/24/2013	6/15/2014	3/20/2017	6/20/2017	9/29/2015
Settlement	6/18/2012	7/30 and 7/31/2013 and 01/08/2013	10/29/2013	6/18/2014	3/20/2020 and 3/20/2021	6/20/2020 and 6/20/2021	10/29/2015
Maturity	5/24/2016	7/15/2020	10/24/2019	6/15/2021	3/20/2021	6/20/2021	9/24/2018
Type	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Floating	Unsecured
Identification of the asset with CETIP	JSML15	JSML16/26/36	JSML 17	JSML 18/28/38	JSML 10	JSML A1	JSLO 11
b. Transaction costs incurred	**(141)**	**(914)**	**(62)**	**(71)**	**(87)**	**(99)**	**(114)**
c. Premiums							
Additional due to settlement	6/18/2012	7/30 and 7/31/2013 and 01/08/2013	N.A.	N.A.	N.A.	N.A.	N.A.
Amount of settlement	1,270	1,910	-	390	-	-	-
d. Effective interest rate p.a. %							
1st series	CDI + 1,85%	CDI + 1.80%	117.55% CDI	116% CDI	127.5% CDI	127.5% CDI	CDI + 1.93%
2nd series	-	CDI + 2.20%	-	IPCA + 8.0%	-	-	-
3rd series	-	IPCA + 7.5%	-	118.5% CDI	-	-	-
e. Amount of costs and premiums to be appropriated until maturity	**-**	**2,208,242**	**-**	**1,331,695**	**4,595,608**	**6,293,519**	**1,896,000**

The debentures issued by the JSL Group are subject to clauses of compliance with certain indebtedness levels. In case of non-compliance, the respective agreements may have their maturity accelerated.

The limits are the following:

Restriction	**Limits**	**6 months ended 6/30/2017**	**12 months ended 12/31/2016**
Net debt / EBITDA adjusted	less than 3.5	1.94	2.26
EBITDA adjusted / Net financial expenses	More than 2	4.19	3.71

Net financial debt: means the total balance of short- and long-term loans 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; (b) borrowings and financing arranged under the program for financing stocks of new and used vehicles, locally made or imported, and automotive parts, under revolving credit facilities from financial institutions linked to the manufacturers.
Adjusted EBITDA: means income before financial income, tax, depreciation, amortization, impairment of assets and equity accounting, plus selling costs of assets used in the provision of services, calculated over the last 12 months, including the added EBITDA for the last 12 months of companies taken over or purchased by JSL S.A.
Net financial expenses: means borrowing costs plus monetary adjustments, less income from financial investments, all relating to the items described in the above definition of “Net financial debt”, calculated on an accrual basis over the last 12 months.

All the requirements described in the agreements were being met at June 30, 2017.

The repayment schedule of debentures is as follows:

					6/30/2017
		Parent company		Consolidated	
	Maturity of installments	Total	%	Total	%
Total current liabilities	Until June 2018	173,553	10.5	181,926	9.3
	July to December 2018	171,061	10.3	470,682	24.0
	2019	290,273	17.5	290,273	14.8
	2020	576,984	34.9	576,984	29.4
	2021	442,109	26.7	442,109	22.5
Total non-current liabilities		1,480,427	89.5	1,780,048	90.7
Total		**1,653,980**	**100.0**	**1,961,974**	**100.0**

20. FINANCE LEASE PAYABLES

Lease agreements (*Finame* leasing and finance leases) entered into in connection with the JSL Group's operating activities, at annual charges (floating and fixed) as follows:

Type	Maturity	Charges	Parent company		Consolidated	
			6/30/2017	12/31/2016	6/30/2017	12/31/2016
Leasing	Until September 2022	13.6%	149,592	354,733	304,078	354,733
Total			**149,592**	**354,733**	**304,078**	**354,733**
Current portion			65,275	69,058	157,693	165,716
Non-current portion			84,317	94,605	146,385	189,017
Total			**149,592**	**163,663**	**304,078**	**354,733**

The finance lease installments have the following maturities:

					6/30/2017
		Parent company		Consolidated	
	Maturity of installments	Total	%	Total	%
Total current liabilities	Until June 2018	65,275	43.6	157,693	51.9
	July to December 2018	23,712	15.9	69,742	22.9
	2019	38,070	25.4	46,094	15.2
	2020	21,496	14.4	29,510	9.7
	2021	883	0.6	883	0.3
	2022	156	0.1	156	0.05
Total non-current liabilities		84,317	56.4	146,385	48.1
Total		**149,592**	**100.0**	**304,078**	**100.0**

21. LABOR LIABILITIES

	Parent company		Consolidated	
Description	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
Salaries	28,557	25,250	47,253	43,910
INSS	23,199	25,174	39,004	37,977
FGTS	3,281	3,986	5,395	6,160
Provision for vacation, 13h salary and bonus	73,370	49,774	125,985	89,815
Other	234	217	1,603	1,556
Total	**128,641**	**104,401**	**219,240**	**179,418**

22. TAX LIABILITIES

	Parent Company		Consolidated	
Description	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
PIS, COFINS	14,932	13,343	31,143	30,112
ICMS	9,100	9,971	13,924	14,665
ISS	282	384	2,716	2,954
IRRF	2,386	3,353	4,750	6,056
Other tax liabilities	678	551	5,787	617
Federal Revenue Special Installment Program - PAES	-	-	248	265
Total	**27,378**	**27,602**	**58,568**	**66,197**
Current liabilities	26,174	26,286	56,063	63,496
Non-current liabilities	1,204	1,316	2,505	2,701
Total	**27,378**	**27,602**	**58,568**	**66,197**

23. PROVISION FOR JUDICIAL AND ADMINISTRATIVE LITIGATION AND JUDICIAL DEPOSITS

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

	Parent Company				Consolidated			
	6/30/2017		12/31/2016		6/30/2017		12/31/2016	
	Deposits	**Provisions**	**Deposits**	**Provisions**	**Deposits**	**Provisions**	**Deposits**	**Provisions**
Labor	21,969 (i)	34,521	20,585	50,554	38,148 (i)	48,221	30,724	62,997
Civil	8,060 (ii)	15,125	74,379	4,068	10,656 (ii)	18,461	82,760	3,746
Tax	7,981 (ii)	757	6,842	6,744	9,564 (ii)	797	7,220	6,969
	38,010	**50,403**	**101,806**	**61,366**	**58,368**	**67,479**	**120,704**	**73,712**

23.1 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 by the court, or amounts deposited in court account to replace tax payments or payables that are being challenged in the court. Additionally, the JSL Group is a plaintiff in an action for annulment related to a decision rendered on November 4, 2016, the purpose of which was a settlement between the parties on the determination of the purchase price of a company. During

the year ended December 31, 2016, the JSL Group deposited the amount of R$60,603 referring to such discussion. On March 15, 2017, according to an agreement between the parties, the deposit was released to the counterparty, and therefore written off.

23.2 Provision for judicial and administrative litigation

The changes in the provision for judicial and administrative litigation for the six-month period ended June 30, 2017 are presented below:

	Parent Company	Consolidated
At December 31, 2016	**61,366**	**73,712**
Additions	4,853	23,420
Write-offs	(15,816)	(29,653)
At June 30, 2017	**50,403**	**67,479**

Labor

Labor lawsuits refer mainly to indemnity and other claims amounting to R$ 6,950 against JSL Group companies. These lawsuits have been ruled against the JSL Group. However, some lawsuits have appeals which are pending judgment, and others are under filing or execution phase.

Civil and tax

The main civil lawsuits are mostly related to indemnity claims for several reasons amounting to R$ 8,031 against JSL Group companies, as well as annulment and contractual actions totaling R$ 2,660. These lawsuits were upheld or partially upheld, however, for some of these lawsuits appeals were filed and are pending judgment.

23.3 Possible losses, not provided for in the balance sheet

At June 30, 2017, 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:

	Consolidated	
	6/30/2017	**12/31/2016**
Labor	84,272	88,766
Cível	119,332	66,998
Tax	230,624	230,369
Total	**434,228**	**386,133**

Among the main lawsuits in which losses are possible, as determined by the law firms, we highlight the following civil and labor lawsuits:

Labor

Assessments by the Ministry of Labor, amounting to R$ 47,787, alleging differences in the FGTS tax base and challenges on employment relationship and payment of the respective payroll taxes of drivers who provide services to the JSL Group.

Civil and tax

Tax assessments of R$ 71,197 in which the JSL Group is challenging in court the nature related to the alleged capital gain earned in 2008 due to the split-off carried out by the JSL Group, with the respective income tax and social contribution payable.

24. DEFERRED INCOME AND SOCIAL CONTRIBUITION TAXES

24.1 Income tax and social contribution on income

Deferred income tax 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 origin are presented as follows

	Parent company		Consolidated	
Description	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
Tax loss and social contribution tax loss carryforwards	108,396	74,508	176,815	146,674
Provision for judicial and administrative litigation	24,728	28,294	43,302	46,254
Allowance for doubtful accounts	9,312	7,840	43,412	25,171
Other provision	15,557	15,444	18,009	22,627
Provision for transaction costs on issuance of shares	-	-	230	-
Provision for adjustment to market value and obsolescence	25,641	10,695	27,058	11,754
Total tax credits - gross	**183,634**	**136,781**	**308,826**	**252,480**
Tax debts				
Present value adjustments	(7,287)	(8,589)	(7,280)	(8,584)
Gain on bargain purchase	(10,829)	(10,829)	(10,829)	(10,829)
Deferred net income from sales to public authorities	(1,429)	(1,437)	(21,500)	(22,420)
Surplus value	(9,395)	(6,832)	(9,395)	(6,832)
Accounting vs. tax depreciation	(126,286)	(130,730)	(286,009)	(253,428)
Property and equipment - finance leases	(20,832)	(20,493)	(66,941)	(66,746)
Asset valuation	(3,596)	(3,596)	(3,737)	(3,596)
Income tax and social contribution on tax realization of goodwill	(48,544)	(45,106)	(49,133)	(45,695)
Total tax debts - gross	**(228,198)**	**(227,612)**	**(454,824)**	**(418,130)**
Total tax debts, net	**(44,564)**	**(90,831)**	**(145,998)**	**(165,650)**
Deferred tax assets	-	-	35,073	31,438
Deferred tax liabilities	(44,564)	(90,831)	(181,071)	(197,088)
Total tax debts, net	**(44,564)**	**(90,831)**	**(145,998)**	**(165,650)**

Estimated realization schedule

Deferred income 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 June 30, 2017 and December 31, 2016, deferred income and social contribution taxes were set up on 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.

24.2 Reconciliation of the provision for income tax and social contribution

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

	Parent company		Consolidated	
Description	**6/30/2017**	**6/30/2016**	**6/30/2017**	**6/30/2016**
Profit (loss) income tax and social contribution	**(46,873)**	**(29,029)**	**12,033**	**(9,080)**
Statutory rates	34%	34%	34%	34%
IRPJ and CSLL calculated at the standard rates	15,937	9,870	(4,091)	3,087
Permanent (additions) exclusions				
Equity in the results of investees	30,778	13,695	-	-
Tax incentives - Workers Meal Program ("PAT")	-	-	260	108
Non-deductible expenses	(447)	(195)	(4,582)	(310)
Other permanent (additions) exclusions	-	(3)	3,308	533
IRPJ and CSLL calculated	**46,268**	**23,367**	**(5,105)**	**3,418**
Current	-	-	(24,879)	(7,628)
Deferred	46,268	23,367	19,774	11,046
IRPJ and CSLL on results	**46,268**	**23,367**	**(5,105)**	**3,418**
Effective rate	-98.71%	-80.50%	-42.42%	-37.64%

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.

25. EQUITY

25.1 Share capital

The Company's fully subscribed and paid-in capital at June 30, 2017 and December 31, 2016 was R$ 676,614, divided into 202,500,000 registered common shares, with no par value, less the transaction costs incurred in Initial Public Offering (IPO) totaling R$ 16,219 and tax effects, totaling R$ 660,395.

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

25.2 Capital reserves

i) Share-based payment transactions

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 the statement of income (loss) for the year against capital reserves. Any cancelations of grants are reversed against the same reserves in accordance with CPC 10 (R1) - Share-based payment.

Until June 30, 2017 was appropriated and accumulated in capital reserves the amount of R$ 9,972 (R$ 11,078 (on December 31, 2016).

ii) Government grants

The JSL Group through its subsidiary Quick Logística is entitled to the tax benefit grant related to the value-added tax on sales and services (ICMS) in the State of Goiás.

Until June 30, 2017 and December 31, 2016, the benefit amount is R$ 2,982.

25.3 Treasury shares

At the Board of Directors' Meeting held on August 9, 2016, the Company approved the repurchase of 1,500,000 (one million and five hundred thousand) common shares of the JSL Group ("Repurchase of Shares"). For the six-month period ended June 30, 2017, the JSL Group repurchased 295,417 common shares amounting to R$ 2,953, accumulating a balance in treasury of 422,968 shares, with a remaining balance of 1,032,189 shares to be purchased.

25.4 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 exclusions:

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 interim dividends, which can be included in the mandatory dividends.

25.5 Equity valuation adjustments

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 its deemed cost. The surplus value of R$ 4,634 was recognized in the equity valuation adjustment account.

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

As mentioned in note 1, on February 6, 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 at the time of the offer, the JSL Group recorded an equity adjustment of R$ 67,454, reflecting the equity appreciation of Movida.

25.6 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.

26. INSURANCE COVERAGE

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

i) Passenger transportation (a significant share of third-party civil liability)
Effective from December 2016 to December 2017, this covers property damage (R$100) per vehicle, bodily injury (R$700) per insured party, pain and suffering (R$100) and personal accidents for all operations carried out by the Company and its subsidiaries.

ii) Cargo transport - vehicles

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

iii) Cargo transport - products

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

iv) Third-party property liability

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

		Consolidated
Insured services	**Effective period**	**Coverage**
Fire, lightning and explosion	12/2016 to 12/2017	74,000
Electrical damage	12/2016 to 12/2017	1,000
Windstorm, hurricane, cyclone, tornado, hailstorm and vehicle impacts	12/2016 to 12/2017	3,000
Broken glass	12/2016 to 12/2017	10
Landslides	12/2016 to 12/2017	60
Aggravated theft	12/2016 to 12/2017	500
Stationary equipment	12/2016 to 12/2017	500
Mobile equipment	12/2016 to 12/2017	570
Civil liability - operations	12/2016 to 12/2017	1,520
Loss of profits	12/2016 to 12/2017	600
Theft of assets inside an establishment	12/2016 to 12/2017	30
Theft of assets in transit	12/2016 to 12/2017	10
Lease payment or loss	12/2016 to 12/2017	900
Cargo transportation	12/2016 to 12/2017	350
Third-party merchandise	12/2016 to 12/2017	175,285
Total coverage		**258,335**

v) Fleet

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

27 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, and (ii) the number of shares to be acquired by each in the exercise of their options.

Plans are calculated based on the share average quote at “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 each option is estimated on the grant date, based on the binomial model for option pricing, which considers the terms and conditions of the grant.

The options granted under the current plans may be exercised subject to the following conditions:

Plan	Tranche	Exercise price	Option's fair value	Vesting period	Exercise period
II	1	8.41	6.91	8/31/2012 to 3/31/2015	04/2015 to 06/2018
II	2	8.41	6.91	8/31/2012 to 3/31/2016	04/2015 to 06/2018
II	3	8.41	6.91	8/31/2012 to 3/31/2017	04/2015 to 06/2018
III	1	12.89	6.91	5/09/2013 to 4/01/2016	04/2014 to 06/2019
III	2	12.89	6.91	5/09/2013 to 4/01/2017	04/2014 to 06/2019
III	3	12.89	6.91	5/09/2013 to 4/01/2018	04/2014 to 06/2019
IV	1	15.55	6.91	6/23/2014 to 4/01/2017	04/2017 to 06/2018
IV	2	15.55	6.91	6/23/2014 to 4/01/2018	04/2017 to 06/2018
IV	3	15.55	6.91	6/23/2014 to 4/01/2019	04/2017 to 06/2018
V	1	11.93	6.91	4/01/2015 to 4/01/2018	04/2018 to 06/2020
V	2	11.93	6.91	4/01/2015 to 4/01/2019	04/2018 to 06/2020
V	3	11.93	6.91	4/01/2015 to 4/01/2020	04/2018 to 06/2020
VI	1	8.36	6.91	6/27/2016 to 4/01/2019	04/2019 to 06/2020
VI	2	8.36	6.91	6/27/2016 to 4/01/2020	04/2019 to 06/2020
VI	3	8.36	6.91	6/27/2016 to 4/01/2021	04/2019 to 06/2020
VII	1	9.03	6.91	4/01/2017 to 4/01/2020	04/2020 to 06/2022
VII	2	9.03	6.91	4/01/2017 to 4/01/2021	04/2020 to 06/2022
VII	3	9.03	6.91	4/01/2017 to 4/01/2022	04/2020 to 06/2022

At June 30, 2017, the accumulated balance of the share-based compensation capital reserve account in equity was R$ 9,972 (R$ 11,078 at December 31, 2016).

Movement during the period

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

	Number of shares				
	Granted	Canceled (i)	Exercised	Stock options outstanding	Average exercise price (R$)
Concessions granted on 11/30/2011	570,429	(107,074)	(463,355)	-	8.00
Concessions granted on 8/31/2012 (Tranche - I)	659,472	(125,921)	-	533,551	8.41
Concessions granted on 8/31/2012 (Tranche - II)	34,158	-	(34,158)	-	11.71
Concessions granted on 5/09/2013	674,235	(96,586)	-	577,649	12.89
Concessions granted on 6/26/2014	529,705	(101,451)	-	428,254	15.55
Concessions granted on 9/16/2015	867,660	(35,676)	-	831,984	11.93
Concessions granted on 6/27/2016	1,180,601	(30,144)	-	1,150,457	8.36
At June 30, 2017	**4,516,260**	**(496,852)**	**(497,513)**	**3,521,895**	

(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.

28 NET REVENUE FROM SERVICES RENDERED AND SALE OF ASSETS USED IN SERVICES RENDERED

	Parent company		Consolidated	
	6/30/2017	6/30/2016 (Reclassified Note 2.6)	6/30/2017	6/30/2016 (Reclassified Note 2.6)
Sales and services rendered	1,570,692	1,628,093	3,089,241	2,936,117
Revenue from sales of assets used in services rendered	93,381	87,359	923,215	629,737
Gross revenues	**1,664,073**	**1,715,452**	**4,012,456**	**3,565,854**
(-) Revenue deductions				
Taxes on sales	(246,558)	(245,337)	(379,467)	(371,693)
Returns	(18,337)	(50,629)	(41,792)	(38,868)
Discounts granted	(9)	(4)	(2,904)	(4,631)
Total net revenue	**1,399,169**	**1,419,482**	**3,588,293**	**3,150,662**

No customer represented more than 10% of gross operating revenue for the six-month periods ended June 30, 2017 and 2016.

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

29 FINANCIAL RESULTS

	Parent Company		Consolidated	
	6/30/2017	6/30/2016	6/30/2017	6/30/2016
Finance costs				
Debt service costs				
Interest on borrowings and financing	(237,983)	(279,020)	(306,496)	(321,803)
Interest on lease operation	(10,771)	(14,137)	(20,400)	(23,686)
Interest on suppliers financing - car makers	(1,009)	(1,924)	(45,290)	(34,449)
Exchange rate variation on borrowings and financing	(8,913)	62,551	(9,133)	79,828
Loss on swap transactions	(7,503)	(76,489)	(7,503)	(100,836)
Total debt service costs	**(266,179)**	**(309,019)**	**(388,822)**	**(400,946)**
Other interest	31	66	(3,764)	(7,291)
Other finance costs	(11,083)	(18,208)	(26,973)	(27,307)
Total finance costs	**(277,231)**	**(327,161)**	**(419,559)**	**(435,544)**
Finance income				
Financial investments	23,034	47,042	62,749	80,319
Monetary variation income	8,727	-	12,679	-
Other finance income	859	2,848	5,546	9,376
Interest received	564	9,023	4,804	12,803
Total finance income	**33,184**	**58,913**	**85,778**	**102,498**
Net financial result	**(244,047)**	**(268,248)**	**(333,781)**	**(333,046)**

30 EXPENSES BY NATURE

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

	Parent company		Consolidated	
	6/30/2017	6/30/2016 (Reclassified Note 2.6)	6/30/2017	6/30/2016 (Reclassified Note 2.6)
Costs from sales of assets	(79,857)	(54,070)	(875,745)	(594,340)
Personal (i)	(396,993)	(406,833)	(661,705)	(667,923)
Related and third parties	(381,336)	(317,326)	(414,143)	(330,701)
Depreciation and amortization	(119,174)	(146,978)	(259,901)	(263,392)
Parts, tires and maintenance	(105,107)	(86,184)	(247,945)	(179,257)
Fuels and lubricants	(65,397)	(63,454)	(119,400)	(128,700)
Provision for judicial and administrative litigation	(2,531)	(31,802)	(15,045)	(35,004)
Court-ordered indemnities	(4,839)	(508)	(8,454)	(6,762)
Electric energy	(7,667)	(7,803)	(11,923)	(10,666)
Packaging material	(4,757)	(3,445)	(4,921)	(3,451)
Advertising and publicity	(784)	(545)	(2,756)	(2,289)
Cost of sales of new vehicle – Authorized Vehicle Dealerships	-	-	(145,578)	(143,570)
Cost of sales of used vehicle – Authorized Vehicle Dealerships	-	-	(124,104)	(143,168)
Fleet costs	(43,748)	(15,308)	(139,632)	(47,036)
Contracted services	(45,771)	(79,779)	(97,053)	(125,032)
Estimated losses with doubtful accounts	(4,666)	(10,835)	(42,269)	(29,763)
Communication	(951)	(8,941)	(17,009)	(11,652)
Travel, meals and accommodation	(2,168)	(1,935)	(4,013)	(3,522)
Property leasing	(7,236)	(25,135)	(31,087)	(57,877)
Damaged vehicles revenues	380	-	27,127	2,996
Damaged vehicles costs	(26)	-	(76,421)	(49,297)
Recovery of PIS and COFINS (ii)	60,151	59,780	116,645	103,207
Write-off of surplus value of asset of subsidiary Quick	(30,620)	-	-	-
Other costs	(48,043)	(17,804)	(81,179)	(94,047)
	(1,291,141)	**(1,218,905)**	**(3,236,511)**	**(2,821,246)**
Cost of sales and services rendered	(1,109,566)	(1,096,084)	(1,982,543)	(1,891,171)
Cost of sales of used vehicle – Authorized Vehicle Dealerships	(79,857)	(54,070)	(875,745)	(594,340)
Administrative and selling expenses	(77,951)	(98,739)	(358,138)	(312,107)
Other operating income (expenses), net	(23,767)	29,988	(20,085)	(23,628)
	(1,291,141)	**(1,218,905)**	**(3,236,511)**	**(2,821,246)**

i) The extemporaneous credits recognized on INSS in the amount of R$ 5,070 and R$ 9,720, parent company and consolidated, respectively, are allocated in the account of origin shown in this note.

ii) The extemporaneous PIS and COFINS credits in the amount of R$7,369, consolidated, are allocated in the line of PIS and COFINS credits on inputs.

31 RELATED PARTIES

31.1 Related-party balances (assets and liabilities)

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

							Parent company
Assets	**Trade receivables**		**Related parties**				
	30/06/2017	**31/12/2016**	**30/06/2017**	**31/12/2016**	**Relationship**		**Specification**
Related parties							
Consórcio Unileste	-	-	49	46	Associate		Loan
Jecap	-	-	-	6	Related parties		Loan
Personal	-	-	-	12	Related parties		Loan
Centro de Memória	-	-	4	5	Related parties		CSA / Reimbursement of expenses
Consórcio 123		-	-	81	Associate		CSA / Reimbursement of expenses
Instituto Júlio Simões	-	-	89	35	Related parties		CSA / Reimbursement of expenses
Medlog	-	-	11	-	Subsidiary		Reimbursement of expenses
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda.	-	-	3,362	3,072	Subsidiary		Operating lease / CSA / Interest on capital
Movida Locações de Veículos Ltda.	-	-	2,137	3,133	Subsidiary		Reimbursement of expenses /Operating lease
Movida Gestão e Terceirização de Frotas S.A.	-	-	733	1,735	Subsidiary		Reimbursement of expenses /Operating lease / CSA
Quick Logística	-	-	4,317	-	Subsidiary		Reimbursement of expenses
JSL Investimentos em Concessionárias e Lojas de Veículos,	38	-	3,737	2,273	Subsidiary		Operating lease / Sale of assets / Reimbursement of expenses
Serb Saneamento	8,331	9,060	-	-	Subsidiary		Operating lease
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	-	-	77	81	Subsidiary		Reimbursement of expenses
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	-	-	328	130	Subsidiary		Sale of assets
Movida Participações S.A.	-	-	109	106	Subsidiary		Interest on capital / Dividends / Reimbursement of expenses
Jsl Locações de Máquinas e Veículos Pesados Ltda.	3,508	3,470	39,351	59,440	Subsidiary		Sale of assets / Operating lease / Reimbursement of expenses
Jsl Empreendimentos Imobiliariários Ltda.	-	-	5,002	5,005	Subsidiary		Sale of assets (Property) / CSA
Jsl Arrendamento Mercantil S.A.	9,065	-	220	164	Subsidiary		Reimbursement of expenses
Total	**20,942**	**12,530**	**59,526**	**75,324**			
Current	20,942	12,530	59,526	73,475			
Non-current	-	-	-	1,849			
Total	**20,942**	**12,530**	**59,526**	**75,324**			

Liabilities	**Accounts payable and advances**		**Related parties**				
	6/30/2017	**12/31/2016**	**6/30/2017**	**12/31/2016**	**Relationship**		**Specification**
Related parties							
Movida Locações de Veículos Ltda.	-	-	138	76	Subsidiary		Reimbursement of expenses /Operating lease
Movida Gestão e Terceirização de Frotas S.A.	-	-	810	-	Subsidiary		Reimbursement of expenses /Operating lease
Quick Logística	195		4		Subsidiary		
JSL Investimentos em Concessionárias e Lojas de Veículos,	250	276	243	169	Subsidiary		Reimbursement of expenses / Discounts ont purchase of vehicles
Movida GTF	431	-	-	-	Subsidiary		Reimbursement of expenses /Operating lease
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	294	394	138,685	24,397	Subsidiary		Reimbursement of expenses /Operating lease / CSA
Movida Participações S.A.		391	-	1,154	Subsidiary		Interest on capital
Jsl Locações de Máquinas e Veículos Pesados Ltda.	56	-	297	3,530	Subsidiary		Reimbursement of expenses /Operating lease
Jsl Arrendamento Mercantil S.A.	-	-	3,587	5,089	Subsidiary		Reimbursement of expenses
Total	**1,226**	**1,061**	**143,764**	**34,415**			

Amounts corresponding to loan agreements with related parties are subject to contractual charges of 104% of the *CDI* rate, which is recognized in the finance results of the respective entities.

The administrative services center is used by Management to share the corporate expenses between members of the JSL Group by reimbursement of costs.

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

						Consolidated
Assets	**Related parties**					
	6/30/2017	**12/31/2016**	**Relationship**	**Specification**	**Effective period**	**Limit**
Related parties						
Consórcio 123	51					
Centro de Memória	6					
Consórcio Unileste	-	76	Associated company	Loan	12/31/2017	2,000
Ribeira imóveis	-	-	Related parties	Loan	12/31/2017	2,000
Instituto Julio simões	97	-	Subsidiary	Loan	12/31/2017	2,000
Simpar S/A	13					
Total	**167**	**76**				

Liabilities	**Related parties**					
	6/30/2017	**12/31/2016**	**Relationship**	**Specification**	**Effective period**	**Limit**
Related parties						
São José Passes	498					
Consórcio Unileste	-	29	Associated company	Loan	12/31/2017	2,000
Consórcio 123	-	498	Associated company	Loan	12/31/2017	3,000
Ribeira imóveis	-	1,243	Related parties	Loan	12/31/2017	3,000
JSL Invesstimentos em concessionárias	-	12	Subsidiary	Loan	12/31/2017	3,000
Total	**498**	**1,782**				

31.2 Related-party transactions with effects on statement of income (loss)

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

Results	**Revenue from services rendered**		**Cost of services rendered**		**Fleet renewal revenue**		**Fleet Renewal costs**		**Deduction from the sale of assets**		**Other operating income/expenses**	
	6/30/2017	**6/30/2016**	**6/30/2017**	**6/30/2016**	**6/30/2017**	**6/30/2016**	**6/30/2017**	**6/30/2016**	**6/30/2017**	**6/30/2016**	**6/30/2017**	**6/30/2016**
Parent company												
JSL S.A.	38,371	74,666	9,594	45,573	10,621	5,756	-	-	-	32,630	-	1,200
Consolidated												
JSL S.A.	38,371	74,666	9,594	45,573	10,621	5,756	-	-	-	32,630	-	1,200
CS Brasil	3,982	7,039	26,313	55,337	1,576	354	-	30,829	-	4	-	-
Movida GTF	7,090	-	35,608	-	12,344	-	-	-	-	-	-	-
JSL Locações	-	28,124	-	22,082	-	12,732	-	4	-	-	-	-
JSL Concessionárias	10,019	6,235	61,684	4,438	-	-	-	66,290	-	-	-	-
Yolanda	-	-	1,268	1,200	-	-	-	-	-	-	-	-
Mogi Passes	732	720	-	-	-	-	-	-	-	-	-	-
Movida Locação	70,399	11,226	-	1,378	-	47,815	-	-	-	-	-	-
JSL Locações Pesados	17,694	15,054	-	14,102	2,630	-	-	1,801	-	-	-	-
JSL Arrendamento Mercantil	2,735	-	-	358	-	-	-	-	-	-	-	-
JSL Empreendimentos	114	204	-	-	-	-	-	414	-	-	-	-
Quick Logistica	91	-	-	-	-	48	-	-	-	-	-	-
Total	151,227	143,268	134,467	144,468	27,171	66,705	-	99,338	-	32,634	-	1,200
Serb Saneamento	46,950	-	-	-	-	-	-	-	-	-	-	-
Total	198,177	143,268	134,467	144,468	27,171	66,705	-	99,338	-	32,634	-	1,200

31.3 Transactions or relationships with shareholders related to property leasing

The JLS Group has operating and administrative lease agreements for properties, The rent amount recognized in the statement of income (loss) in the period ended June 30, 2017 was R$ 17,091, while in the period ended December 31, 2016 the amount recognized was R$ 17,763. The agreements have conditions in line with market values and terminate up to 2023.

31.4 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. In the period ended June 30, 2017, the amount related to recovery of expenses reduced the balance in the parent company by R$ 9,934 (R$ 2,822 in 2016). The Administrative services center does not charge management fees nor applies profitability margin on services rendered. Only the costs are shared.

31.5 Management compensation

For the six-month period ended June 30, 2017, the compensation of key management personnel was R$ 14,315 and R$ 8,875 for the same period in 2016, in parent company and consolidated. This amount was

recognized in line item "General and administrative expenses". 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. For the six-month periods ended June 30, 2017 and 2016, there are no grant and exercise of stock options by the managers.

The limit approved by the Shareholders' Meeting for compensation in 2017 was R$ 19,000, plus payroll charges.

32 COMMITMENTS

Below is a list of the JSL Group's main commitments guaranteed by insurance companies through its subsidiary CS Brasil at June 30, 2017:

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

33 EARNINGS (LOSS) PER SHARE

i) Basic

Basic earnings (losses) per share are calculated by dividing the profit (loss) attributable to owners of the Company 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 and diluted earnings (loss) per share is presented below:

	6/30/2017	**6/30/2016**
Numerator:		
Loss for the period attributable to owners of the Company	(605)	(5,662)
Denominator:		
Weighted average number of outstanding shares	201,583,834	213,029,106
Basic loss per share - R$	**(0.00300)**	**(0.02658)**

ii) Diluted

Diluted earnings (losses) per share are calculated by adjusting the weighted average number of outstanding common shares for potential dilution. 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 result of this calculation is compared with the number of shares in circulation, assuming that all the options are exercised.

(a) Diluted

	6/30/2017	6/30/2016
Loss for the period attributable to owners of the Company	(605)	(5,662)
Loss used to determine dilluted loss per share	(605)	(5,662)
Weighted average number of outstanding shares	201,583,834	213,029,106
Adjustments for:		
Stock options	3,521,895	3,678,565
Weighted average number of shares to calculate diluted loss per s	205,105,729	216,707,671
Diluted loss per share - R$	**(0.00295)**	**(0.02613)**

34 SUPPLEMENTAL INFORMATION TO 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.

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

	Parent company		Consolidated	
	6/30/2017	6/30/2016	6/30/2017	6/30/2016
New finance leases and Finame for acquisition of operating property and equipment	213,197	124,955	1,400,265	1,282,782
Additions per borrowing / lease	76,275	(106,666)	(224,268)	(790,026)
Changes in trade accounts payable (Automakers)	1,288	13,847	(72,291)	216,089
Consortium quotas	-	-	(2,545)	-
	290,760	**32,136**	**1,101,161**	**708,845**
Cashflow demonstrations				
Operating property and equipment	289,359	-	1,094,969	681,062
Property and equipment for investment	1,401	32,136	6,192	27,783
Total additions to property and equipment	**290,760**	**32,136**	**1,101,161**	**708,845**

35 SUBSEQUENT EVENTS

On June 30, 2017, although without the effect of cash inflows, the Movida Board of Directors approved the raising of funds from the Constitutional Financing Fund of the Northeast (FNE), from Banco do Nordeste do Brasil (BNB), in the total amount of R$256,327, to be repaid monthly beginning in October 2017 and maturing on June 30, 2021, subject to effective interest rate of 10.14% per year, calculated monthly and payable quarterly beginning in October 2017, the charges can be reduced by 15% due to the bonus for prompt payment granted by the lender. This credit line will release the amounts to Movida to the extent that the supporting documentation of the purchases of property and equipment is provided, according to the rules of the fund's program.

On July 5, 2017, Movida's Board of Directors approved the 1st issue of simple, non-convertible, unsecured debentures. The issue was made in two series, the first series debentures in the amount of R$150,000 will include interest equivalent to 100% of the DI rate, plus 1.55% per year, maturing on July 15, 2020. The second series debentures in the amount of R$250,000 will include interest equivalent to 100% of the DI rate, plus 2.7% per year, maturing on July 15, 2022. The interest will be paid semiannually. The amount was subscribed on July 27, 2017.

On July 26, 2017, the Company, through its offshore subsidiary offshore JSL Europe, in Luxembourg, concluded the issue of the Senior Notes ("Bonds") in the international market, raising a total amount of US$ 325,000 thousand with maturity of the principal in a single installment in 2024. These notes will include interest of 7.75% per year, paid semi-annually, beginning on January 26, 2018. The Senior Notes were

issued in an amount equivalent to 99.337% of their nominal value, resulting in a yield of 7.875%. The proceeds from the offering will be used for working capital and payment of consolidated short-term debts on their maturity,

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