JSL S.A. and its subsidiaries

Quarterly information at
September 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, November 9, 2017 – **JSL** (B3: **JSLG3** and Level 1 ADR: **JSLGY**), the company with the broadest portfolio of logistics services in Brazil and the leader in terms of net revenue, announces its **3Q17 results**, which include **JSL Logística**, and, **separately**, the results of **Movida**, **JSL Concessionárias** and **JSL Leasing** which **together** comprise the **result** of **JSL Consolidated**. The Company's interim financial information is prepared in accordance with Brazilian corporate law and presented on a consolidated basis in accordance with CPC-21 (R1) Interim Financial Reporting and IAS 34 - Interim Financial Reporting and the comparisons refer to the **reviewed data of 3Q17, 2Q17 and 3Q16**, except where indicated.

3Q17 PERFORMANCE COMMENTS

Operating and Financial Highlights

- **Consolidated Net Revenue** of **R$ 1.9 billion** in 3Q17 **(+12.7% YoY)**;
- Consolidated Net Revenue from Services of R$ 1.4 billion in 3Q17 (+4.2% YoY);
- Consolidated Net Revenue from **Sale of Assets** of **R$ 505.9 million** in 3Q17 **(+44.9% YoY)**, demonstrating the Company's assets sale capacity;
- **EBITDA** of **R$ 312.4 million (+9.6% YoY)** and EBITDA Margin of 22.6% in 3Q17 (+1.1 p.p. YoY);
- Net Income of R$ 1.1 million in 3Q17;
- Net Investment of R$ 179.5 million in 3Q17;
- **First international issuance of JSL Bonds** in the amount of US$ 325 million and maturity of 7 years, which extends the **average period of the consolidated** debt from 2.5 years to 4.0 years, diversifying the Company investors base, which becomes global;
- Announcement to the market of the intention to IPO the business of rental and commercialization of heavy assets;
- Signing of an option agreement to purchase Borgato.

	JSL - Consolidated						
Financial Statements (R$ million)	**3Q16**	**3Q17**	**Chg. 3Q17x3Q16**	**9M16**	**9M17**	**Chg. 9M17x9M16**	**LTM**
Gross Revenue	**1,901.1**	**2,131.5**	**12.1%**	**5,467.0**	**6,144.0**	**12.4%**	**8,060.8**
Net Revenue	**1,677.7**	**1,890.5**	**12.7%**	**4,828.3**	**5,478.8**	**13.5%**	**7,173.6**
Logistics	1,025.0	1,059.4	3.4%	2,969.5	3,103.8	4.5%	4,158.8
Movida	482.4	675.7	40.1%	1,353.2	1,881.3	39.0%	2,358.7
Dealerships	198.1	219.4	10.8%	628.4	616.8	-1.8%	824.0
Leasing	7.9	6.3	-20.3%	18.9	31.5	66.7%	40.8
Intercompany Elimination	(35.8)	(70.4)	96.6%	(141.7)	(154.7)	9.2%	(208.7)
Net Revenue from Services	**1,328.4**	**1,384.6**	**4.2%**	**3,852.4**	**4,056.8**	**5.3%**	**5,369.4**
Net Revenue of Asset Sales	**349.2**	**505.9**	**44.9%**	**975.9**	**1,421.9**	**45.7%**	**1,804.2**
EBITDA	**285.1**	**312.4**	**9.6%**	**872.4**	**924.3**	**5.9%**	**1,112.7**
*Margin **	21.5%	22.6%	+1.1 p.p.	22.6%	22.8%	+0.2 p.p.	20.7%
EBITDA-A	**617.4**	**796.9**	**29.1%**	**1,799.1**	**2,284.5**	**27.0%**	**2,835.4**
Margin	36.8%	42.2%	+5.4 p.p.	37.3%	41.7%	+4.4 p.p.	39.5%
Net Result	**(27.1)**	**1.1**	**-**	**(32.7)**	**8.1**	**-**	**(142.4)**
Margin	-1.6%	0.1%	+1.7 p.p.	-0.7%	0.1%	+0.8 p.p.	-2.0%

* 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.

JSL S.A.
Investor Relations
Phone: +55 11 3154-4043 / +55 11 3154-4010
E-mail: ri@jsl.com.br
www.jsl.com.br/ri

JSLG3
NOVO MERCADO
BM&FBOVESPA

I. Management Comments – JSL Consolidated

We reiterate our vision that **diversification** of **clients, services and economic sectors** is the foundation of the **resilience** of our revenues and organic growth over the last years. In JSL Logística, we identified signs of economic recovery by the end of 3Q17, on account of higher volumes in many segments, such as **Automotive, Pulp and Paper and Agribusiness**. Movida, in turn, will continue to focus on execution and improvement of operational processes.

In 3Q17, our **Consolidated Net Revenue** totaled **R$1.9 billion, up 12.7% YoY**, which proves the Company's strength, and our ability to execute. Consolidated Net Revenue was comprised by: R$1.4 billion of Revenue from Services, and R$505.9 million of Revenue from Sale of Assets.

EBITDA totaled R$312.4 million, with EBITDA Margin of 22.6% in 3Q17, primarily consisting of:

- **JSL Logística:** EBITDA of **R$225.8 million (+8.8% YoY)**, with **EBITDA Margin** of **23.1% (+1.4 p.p. YoY)**. This improvement in EBITDA is explained by the beginning of the economic activity recovery in some sectors and consequent increase of the volume of our clients and a continuous management of the operational costs and administrative expenses of our business. These early signs of economic recovery may sustain the Company's continued focus on organic growth, operational efficiency and profitability.
- **Movida:** EBITDA of **R$84.2 million (+18.4% YoY)**, with EBITDA Margin of 32.7% (-2.3 p.p. YoY). In the annual comparison, Movida delivered a net revenue of 40.1%, due to an increase of 32.3% in RAC daily rentals and an occupancy rate of 74%. In line with this growth, the Company strengthened its focus on execution and improvement of operational processes. The first results began to show this quarter: increase in the recovery of past due receivables, adjustment of provision levels and stabilization of losses with stolen vehicles.

We also highlight **liability management** and restructuring of the Company's debt profile, mainly to extend its average term and create new sources of capital. JSL finished its first issuance of bonds in the international market, with US$325 million and maturity in 7 years, a significant improvement over the average term to maturity in the domestic market (2.5 years). We point out that JSL's liability management is an ongoing process, which in addition to the Company's financial discipline should enhance the Company's indebtedness profile and capital structure in the coming quarters.

Net Financial Expenses totaled R$169.9 million in 3Q17, versus R$185.1 million in 3Q16 (-8.2%). The decrease in the year-over-year comparison is mostly related to the SELIC rate drop, and consequently to the reduction in the gross debt average cost. On the other hand, net financial expenses grew 11.0% over 2Q17, mainly due to the non-recurring impact of the liability management that raised the cash level and consequently increased the carry cost of during the quarter.

Net Profit was **R$1.1 million** in 3Q17, reflecting the increase in logistics volumes and operational improvements at Movida, as well as **impacted** by the **non-cash effect of R$11.2 million** resulting from the reclassification of the profit on the secondary distribution of Movida's shares, which under the accounting rule must be recorded at net worth, and not income statement.

In addition to the net profit, we highlight that volumes in some sectors of the logistics division are showing signs of recovery, which indicates a higher probability of a more favorable macroeconomic scenario in the coming quarters. In addition, Movida's focus on process improvement is beginning to show its first results. These two factors may translate into higher results and a stronger consolidated cash generation going forward.

II. JSL Logística

Financial performance

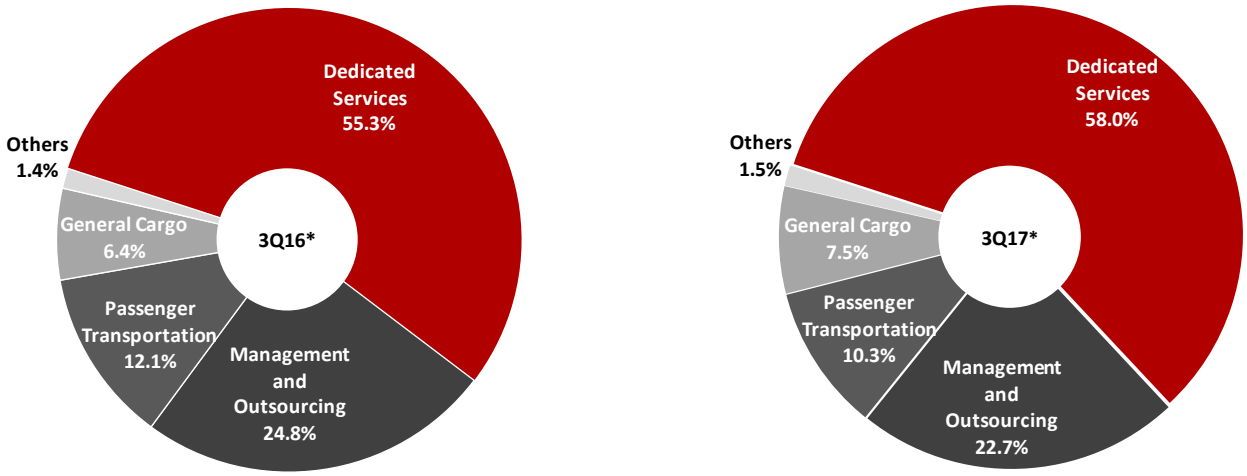
Gross Revenue

In 3Q17, total gross revenue amounted to R$1.3 billion (+3.5% YoY), of which R$1.2 billion (+2.0% YoY) from services, and R$86.7 million (+27.1% YoY) from sale of assets.

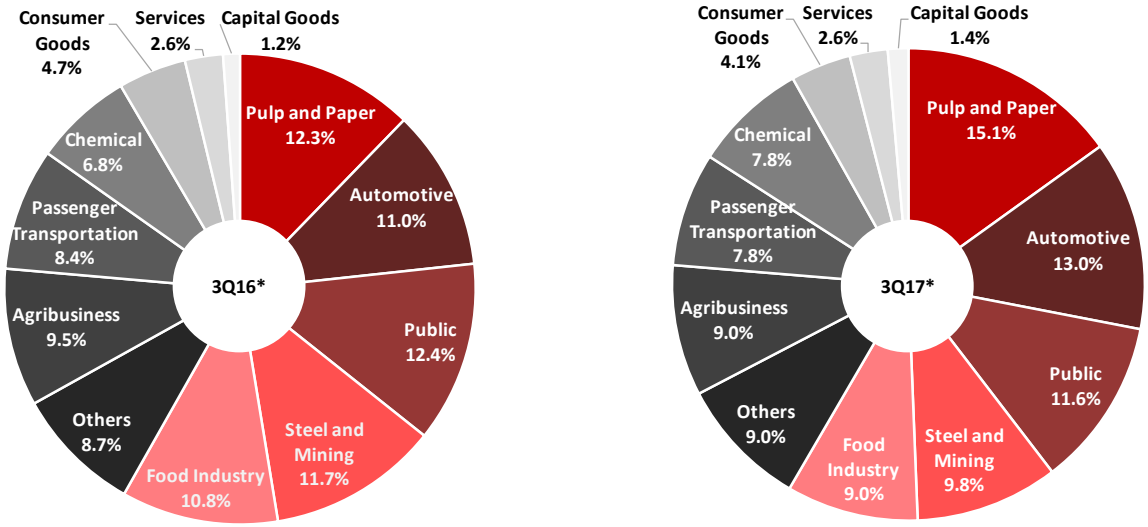
Compared with 2Q17, total gross revenue grew +1.1% QoQ, as a result of gross revenue from services (+2.9% QoQ) and from sale of assets (-18.5% QoQ). We highlight the volume increase in sectors such as Automotive, Pulp and Paper, and Agribusiness in this quarter.

	JSL - Logística								
Gross Revenue (R$ million)	3Q16	2Q17	3Q17	Chg. 3Q17x3Q16	Chg. 3Q17x2Q17	9M16	9M17	Chg. 9M17x9M16	LTM
Gross Revenue	**1,208.4**	**1,236.7**	**1,250.2**	**3.5%**	**1.1%**	**3,486.2**	**3,628.9**	**4.1%**	**4,861.5**
Revenue from Services	1,140.2	1,130.3	1,163.5	2.0%	2.9%	3,298.0	3,333.9	1.1%	4,443.1
Revenue from Sale of Assets	68.2	106.4	86.7	27.1%	-18.5%	188.3	295.0	56.7%	418.4

Breakdown of Gross Revenue from Services by Business Line



Breakdown of Gross Revenue from Services by Economic Sector



(*) Last 12 months

RSC – Revenue from Same Contracts

The Gross Revenue from Same Contracts (RSC) grew 3.9% YoY, while the IPCA increased 2.54% in the same period, which shows a positive trend in relation to some sectors of the economy, as already mentioned. The highlight was the increase of the General Cargo by 20.2% YoY in the 3T17, as well as the increase of 6.6% YoY in Dedicated Services in 9M17.

RSC (R$ million)	3Q16	3Q17	Chg. 3Q16x3Q17	9M16	9M17	Chg. 9M16x9M17
Gross Revenue from Services	**1,060.7**	**1,101.7**	**3.9%**	**2,760.5**	**2,913.5**	**5.5%**
Dedicated Services	635.8	643.1	1.2%	1,576.7	1,680.4	6.6%
Management and Outsourcing (Vehic./Mach./Equip.)*	229.3	245.1	6.9%	601.4	598.1	-0.5%
Passenger Transportation	108.3	111.6	3.1%	324.6	335.0	3.2%
General Cargo transportation	72.2	86.7	20.2%	211.8	250.3	18.2%
Others	15.2	15.2	-0.5%	46.0	49.7	8.0%

* With adition of services / public / heavy

Net Revenue

In 3Q17, JSL Logística recorded a 3.4% YoY increase in total net revenue, due to the upturn in revenue from services (+2.0% YoY) and mainly from the sale of assets (+23.4% YoY).

Compared with 2Q17, net revenue shrank by 0.8%, as a result of the growth of revenue from services (+1.2% QoQ) and from the drop in sale of assets (-19.3% QoQ). The Pulp and Paper, Automotive and Agribusiness segments were also highlights, as their volumes continue to increase, which confirms our vision that the domestic economy is crossing an inflection point.

	JSL - Logística								
Net Revenue (R$ million)	3Q16	2Q17	3Q17	Chg. 3Q17x3Q16	Chg. 3Q17x2Q17	9M16	9M17	Chg. 9M17x9M16	LTM
Net Revenue	**1,025.0**	**1,067.5**	**1,059.4**	**3.4%**	**-0.8%**	**2,969.5**	**3,103.8**	**4.5%**	**4,158.8**
Net Revenue from Services	957.6	964.4	976.3	2.0%	1.2%	2,785.2	2,818.6	1.2%	3,759.0
Net Revenue from Sale of Assets	67.4	103.1	83.2	23.4%	-19.3%	184.4	285.3	54.7%	399.8

Costs

In 3Q17, costs of services totaled R$794.7 million (-0.3% YoY), while net revenue from services grew 2.0% YoY in the same period. The main variation was in Costs with Contractors and Third Parties (+25.3% YoY), as a result of the change in contracts that use drivers and assets to the utilization of subcontractors and third parties (asset light contracts). On the other hand, Personnel Costs totaled R$257.7 million (-1.9% YoY), while Other Costs totaled R$64.7 million (-28.9% YoY).

Compared with 2Q17, the Cost of Services grew +0.9% QoQ, led by the increase in Costs with Contractors and Third Parties (+6.3% QoQ).

	JSL - Logística								
Costs (R$ million)	3Q16	2Q17	3Q17	Chg. 3Q17x3Q16	Chg. 3Q17x2Q17	9M16	9M17	Chg. 9M17x9M16	LTM
Cost of Services	**(796.7)**	**(787.5)**	**(794.7)**	**-0.3%**	**0.9%**	**(2,248.8)**	**(2,308.7)**	**2.7%**	**(3,099.5)**
Personnel	(262.8)	(258.2)	(257.7)	-1.9%	-0.2%	(765.8)	(747.0)	-2.5%	(1,007.7)
Independent contractors / third parties	(186.5)	(219.8)	(233.7)	25.3%	6.3%	(517.2)	(647.9)	25.3%	(852.2)
Fuel and lubricants	(68.9)	(58.2)	(55.7)	-19.2%	-4.3%	(187.4)	(164.3)	-12.3%	(220.8)
Parts / tires / maintenance	(76.8)	(71.3)	(75.1)	-2.2%	5.3%	(210.8)	(221.5)	5.1%	(295.2)
Depreciation	(110.8)	(105.2)	(107.8)	-2.7%	2.5%	(314.0)	(318.0)	1.3%	(432.9)
Others	(91.0)	(74.7)	(64.7)	-28.9%	-13.4%	(253.7)	(209.9)	-17.3%	(290.7)
Costs of Sales of Assets	**(67.6)**	**(102.7)**	**(82.8)**	**22.5%**	**-19.4%**	**(184.9)**	**(283.5)**	**53.3%**	**(392.3)**
Sale of Assets used to provide services	(67.6)	(102.7)	(82.8)	22.5%	-19.4%	(184.9)	(283.5)	53.3%	(392.3)
Sale of Assets with Management	-	-	-	-	-	-	-	-	-
Total	**(864.3)**	**(890.2)**	**(877.5)**	**1.5%**	**-1.4%**	**(2,433.7)**	**(2,592.2)**	**6.5%**	**(3,491.8)**
Total (as % of Total Net Revenue)	**84.3%**	**83.4%**	**82.8%**	**-1.5 p.p.**	**-0.6 p.p.**	**82.0%**	**83.5%**	**1.5 p.p.**	**84.0%**

Gross Profit

In 3Q17, gross profit totaled R$181.9 million (+13.2% YoY), while the gross margin stood at 17.2%, up 1.5 p.p. YoY.

Compared with 2Q17, total gross profit grew 2.6%, while the gross margin increased 0.6 p.p.

	JSL - Logística								
Gross Profit (R$ million)	**3Q16**	**2Q17**	**3Q17**	**Chg. 3Q17x3Q16**	**Chg. 3Q17x2Q17**	**9M16**	**9M17**	**Chg. 9M17x9M16**	**LTM**
Gross Profit from Services	**160.9**	**176.9**	**181.6**	**12.9%**	**2.7%**	**536.3**	**509.9**	**-4.9%**	**659.5**
Gross Margin from Services (% of Net Revenue from Services)	16.8%	18.3%	18.6%	+1.8 p.p.	+0.3 p.p.	19.3%	18.1%	-1.2 p.p.	17.5%
Gross Profit from Sale of Assets	**(0.2)**	**0.4**	**0.3**	**-**	**-25.0%**	**(0.5)**	**1.8**	**-**	**7.5**
Gross Margin from Sale of Assets (% of Net Revenue from Sale of Assets)	-0.3%	0.4%	0.4%	+0.7 p.p.	+0.0 p.p.	-0.3%	0.6%	+0.9 p.p.	1.9%
Total Gross Profit	**160.7**	**177.3**	**181.9**	**13.2%**	**2.6%**	**535.8**	**511.7**	**-4.5%**	**667.0**
Gross Margin (% of Total Net Revenue)	15.7%	16.6%	17.2%	+1.5 p.p.	+0.6 p.p.	18.0%	16.5%	-1.5 p.p.	16.0%

Operating Expenses before the Financial Result

In 3Q17, operating expenses totaled R$68.5 million, representing 7.0% of net revenue from services (-0.3 p.p. YoY). The 10.6% YoY decline in personnel expenses was mainly due to staff downsizing.

Compared with 2Q17, operating expenses grew 15.9%, explained by the non-cash effect of the reclassification of the profit on the secondary distribution of Movida's shares.

	JSL - Logística								
Operating Expenses before Financial Results (R$ million)	**3Q16**	**2Q17**	**3Q17**	**Chg. 3Q17x3Q16**	**Chg. 3Q17x2Q17**	**9M16**	**9M17**	**Chg. 9M17x9M16**	**LTM**
Administrative and Sales Expenses	**(61.0)**	**(58.8)**	**(60.5)**	**-0.8%**	**2.9%**	**(194.4)**	**(179.8)**	**-7.5%**	**(254.0)**
Personnel	(26.3)	(25.9)	(23.5)	-10.6%	-9.3%	(79.4)	(72.3)	-8.9%	(99.5)
Services Renderded	(13.2)	(11.5)	(11.5)	-12.9%	0.0%	(38.1)	(34.6)	-9.2%	(44.8)
Communication, advertising and marketing	(2.7)	(1.3)	(1.1)	-59.3%	-15.4%	(10.0)	(3.4)	-66.0%	(4.3)
Third-party properties rental	(3.8)	(5.2)	(5.0)	31.6%	-3.8%	(11.2)	(15.3)	36.6%	(20.1)
Depreciation	(5.9)	(4.6)	(4.6)	-22.0%	0.0%	(16.0)	(14.5)	-9.4%	(20.0)
Others	(9.1)	(10.3)	(14.8)	62.6%	43.7%	(39.6)	(39.8)	0.5%	(65.4)
Tax Expenses	**(1.3)**	**(1.0)**	**(3.0)**	**130.8%**	**-**	**(3.8)**	**(5.3)**	**39.5%**	**(8.3)**
Other Operating Revenues (Expenses)	**(7.4)**	**0.7**	**(4.9)**	**-33.8%**	**-**	**(10.7)**	**10.9**	**-**	**(50.9)**
Total	**(69.7)**	**(59.1)**	**(68.5)**	**-1.7%**	**15.9%**	**(208.9)**	**(174.3)**	**-16.6%**	**(567.3)**
Total (as % of Total Net Revenue from services)	**7.3%**	**6.1%**	**7.0%**	**-0.3 p.p.**	**+0.9 p.p.**	**7.5%**	**6.2%**	**-1.3 p.p.**	**15.1%**

EBIT, EBITDA and EBITDA-A

In 3Q17, EBITDA totaled R$225.8 million (+8.8% YoY), while the EBITDA margin stood at 23.1%, 1.4 p.p. above the 21.7% of 3Q16 (+1.4 p.p. YoY). This improvement in EBITDA is explained by the beginning of the economic recovery in some sectors and resulting increase of the volume of our clients, as well as a constant management of the operational costs and administrative expenses of our business.

Compared with 2Q17, EBITDA shrank 1.0%, a 0.6% decrease p.p. QoQ in the EBITDA margin.

	JSL - Logística								
EBIT, EBITDA and EBITDA-A (R$ million)	**3Q16**	**2Q17**	**3Q17**	**Chg. 3Q17x3Q16**	**Chg. 3Q17x2Q17**	**9M16**	**9M17**	**Chg. 9M17x9M16**	**LTM**
EBIT	**91.0**	**118.2**	**113.4**	**24.6%**	**-4.1%**	**326.9**	**337.4**	**3.2%**	**353.8**
Margin *	9.5%	12.3%	11.6%	+2.1 p.p.	-0.7 p.p.	11.7%	12.0%	+0.3 p.p.	9.4%
EBITDA	**207.6**	**228.1**	**225.8**	**8.8%**	**-1.0%**	**656.9**	**669.9**	**2.0%**	**806.7**
Margin *	21.7%	23.7%	23.1%	+1.4 p.p.	-0.6 p.p.	23.6%	23.8%	+0.2 p.p.	21.5%
EBITDA-A	**275.2**	**330.8**	**308.6**	**12.1%**	**-6.7%**	**841.8**	**953.4**	**13.3%**	**1,198.9**
Margin	26.8%	31.0%	29.1%	+2.3 p.p.	-1.9 p.p.	28.3%	30.7%	+2.4 p.p.	28.8%

* Calculated on net revenue from services

2 Investments

In 3Q17, the total investments in Logística amounted to R$95.4 million (-39.7% YoY), 69.9% of which allocated to the expansion of new businesses. The investments were allocated to trucks (37.5%), light vehicles (48.6%), machinery and equipment (7.8%), buses (2.8%) and other (3.3%).

Net investments totaled R$8.7 million in 3Q17, versus R$90.0 million in 3Q16 and R$56.6 million in 2Q17. Such reduction in the year-over-year comparison is mainly related to an increase in the sale of assets in the logistics activity.

	JSL - Logística								
Capex (R$ million)	**3Q16**	**2Q17**	**3Q17**	**Chg. 3Q17x3Q16**	**Chg. 3Q17x2Q17**	**9M16**	**9M17**	**Chg. 9M17x9M16**	**LTM**
Gross capex by nature	**158.2**	**163.0**	**95.4**	**-39.7%**	**-41.5%**	**548.5**	**437.5**	**-20.2%**	**591.6**
Expansion	120.9	98.6	66.6	-44.9%	-32.5%	433.9	312.7	-27.9%	400.4
Maintenance	37.3	64.5	28.7	-23.1%	-55.5%	114.6	124.8	8.9%	191.2
Others	-	-	-	-	-	-	-	-	-
Gross capex by type	**158.2**	**163.0**	**95.4**	**-39.7%**	**-41.5%**	**548.5**	**437.5**	**-20.2%**	**591.6**
Trucks	23.4	68.4	35.8	53.0%	-47.7%	183.8	149.9	-18.4%	157.0
Machinery and Equipment	12.7	41.9	7.4	-41.7%	-82.3%	26.7	103.3	-	104.3
Light Vehicles	109.4	48.3	46.4	-57.6%	-3.9%	310.9	161.6	-48.0%	296.6
Bus	6.9	2.1	2.6	-62.3%	23.8%	9.7	14.3	47.4%	22.2
Others	5.8	2.3	3.1	-46.6%	34.8%	17.5	8.4	-52.0%	11.5
Usual sale of assets	**(68.2)**	**(106.4)**	**(86.7)**	**27.1%**	**-18.5%**	**(188.3)**	**(295.0)**	**56.7%**	**(418.4)**
Maintenance #	(56.7)	(100.2)	(60.7)	7.1%	-39.4%	(164.2)	(230.2)	40.2%	(313.6)
End of contract #	(8.9)	(0.8)	(19.1)	114.6%	-	(11.5)	(47.2)	-	(77.2)
Exchange of operational scope #	(0.7)	(2.6)	(7.3)	-	180.8%	(2.7)	(12.8)	-	(15.3)
Total net capex	**90.0**	**56.6**	**8.7**	**-90.3%**	**-84.6%**	**360.2**	**142.5**	**-60.4%**	**173.2**

Does not consider cancellations and sales return

III. Movida Participações S.A.

In 3Q17, Movida's net revenue was R$675.7 million, up 40.1% YoY.

EBIT totaled R$65.4 million (+22.2% YoY), with an EBIT margin of 25.4% (-1.0 p.p. YoY).

At the end of 3Q17, Movida's fleet had 74,060 vehicles, 183 RAC stores, and 60 Used-vehicle stores.

	Movida								
Financial Information (R$ million)	**3Q16**	**2Q17**	**3Q17**	**Chg. 3Q17x3Q16**	**Chg. 3Q17x2Q17**	**9M16**	**9M17**	**Chg. 9M17x9M16**	**LTM**
Gross Revenue	**507.7**	**617.5**	**708.0**	**39.5%**	**14.7%**	**1,427.5**	**1,966.6**	**37.8%**	**2,469.4**
RAC	176.7	211.4	233.0	31.9%	10.2%	497.3	661.3	33.0%	849.4
GTF	51.0	55.9	55.6	9.0%	-0.5%	153.7	165.8	7.9%	218.2
Used Vehicles	280.0	350.2	419.3	49.8%	19.7%	776.5	1,139.4	46.7%	1,401.8
Net Revenue	**482.4**	**590.5**	**675.7**	**40.1%**	**14.4%**	**1,353.2**	**1,881.3**	**39.0%**	**2,358.7**
Net Revenue from Services	202.9	240.8	257.1	26.7%	6.8%	578.8	743.6	28.5%	959.4
Gross Profit	**126.8**	**149.9**	**160.1**	**26.3%**	**6.8%**	**344.5**	**478.5**	**38.9%**	**602.9**
Margin	26.3%	25.4%	23.7%	-2.6 p.p.	-1.7 p.p.	25.5%	25.4%	-0.1 p.p.	25.6%
Net Income	**12.2**	**11.1**	**14.1**	**15.6%**	**27.0%**	**31.0**	**45.9**	**48.1%**	**47.0**
Margin	6.0%	4.6%	5.5%	-0.5 p.p.	+0.9 p.p.	5.4%	6.2%	+0.8 p.p.	4.9%
EBIT	**53.5**	**53.3**	**65.4**	**22.2%**	**22.7%**	**148.2**	**186.3**	**25.7%**	**229.4**
Margin on net revenue from services	26.4%	22.1%	25.4%	-1.0 p.p.	+3.3 p.p.	25.6%	25.1%	-0.5 p.p.	23.9%

In 3Q17, total investments in Movida reached R$589.4 million (+23.5% YoY), 99.4% of which allocated to the purchase of vehicles. The investments in fleet were divided in expansion (21.0%) and renewal (79.0%). Net investments totaled R$170,0 million in 3Q17, versus R$495.8 million in 9M17, driven by anticipated purchases made by Movida for 2018, given opportunities with automakers and the growth of the Fleet Management division.

	Movida								
Capex (R$ million)	**3Q16**	**2Q17**	**3Q17**	**Chg. 3Q17x3Q16**	**Chg. 3Q17x2Q17**	**9M16**	**9M17**	**Chg. 9M17x9M16**	**LTM**
Fleet	**465.1**	**605.4**	**586.0**	**26.0%**	**-3.2%**	**1,142.6**	**1,624.6**	**42.2%**	**2,189.7**
RAC	**382.7**	**561.7**	**442.5**	**15.6%**	**-21.2%**	**923.6**	**1,395.1**	**51.1%**	**1,896.7**
Expansion	185.5	206.7	-	-100.0%	-100.0%	316.1	233.6	-26.1%	536.8
Maintenance	197.2	354.9	442.5	124.4%	24.7%	607.5	1,161.5	91.2%	1,360.0
GTF	**82.4**	**43.7**	**143.5**	**74.2%**	**-**	**219.1**	**229.5**	**4.7%**	**293.0**
Expansion	74.8	36.4	123.8	65.5%	-	155.0	198.4	28.0%	248.2
Maintenance	7.6	7.2	19.7	159.2%	173.6%	64.1	31.1	-51.5%	44.8
Stores	**8.7**	**0.7**	**0.5**	**-94.3%**	**-28.6%**	**19.6**	**2.1**	**-89.3%**	**5.1**
New	4.2	0.0	0.1	-97.6%	-	9.1	0.2	-97.8%	1.0
Former	4.5	0.6	0.5	-88.9%	-16.7%	10.5	2.0	-81.0%	4.0
Others	**3.6**	**4.2**	**2.8**	**-22.2%**	**-33.3%**	**8.3**	**8.5**	**2.4%**	**10.0**
Total Gross Capex	**477.4**	**610.2**	**589.4**	**23.5%**	**-3.4%**	**1,170.5**	**1,635.2**	**39.7%**	**2,204.7**
Sale of Assets	**(280.0)**	**(350.2)**	**(419.3)**	**49.8%**	**19.7%**	**(776.5)**	**(1,139.4)**	**46.7%**	**(1,401.8)**
Total Net Capex	**197.5**	**260.0**	**170.0**	**-13.9%**	**-34.6%**	**394.0**	**495.8**	**25.8%**	**803.0**

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

IV. Dealerships

In 3Q17, JSL Concessionárias recorded total net revenue of R$219.4 million (+10.8% YoY), being impacted by the increase of volume of sales of light vehicles (+12,3%) and heavy vehicles (+43,5%) in the annual comparison, with an EBITDA of R$0.8 million, versus EBITDA of R$3.1 million in 3Q16.

Compared with 2Q17, the net revenue increased 11.1% and EBITDA decreased from R$4.3 million to R$0.8 million in 2Q17. It should be noted that in 2Q17, EBITDA had benefited from past tax credits in the amount of R$3.2 million, while in 3Q17 the adherence to Refis (tax renegotiating program) negatively impacted EBITDA by R$ 1.1 million.

	Dealerships								
Financial Information (R$ million)	**3Q16**	**2Q17**	**3Q17**	**Chg. 3Q17x3Q16**	**Chg. 3Q17x2Q17**	**9M16**	**9M17**	**Chg. 9M17x9M16**	**LTM**
Total Net Revenue	**198.1**	**197.4**	**219.4**	**10.8%**	**11.1%**	**628.5**	**616.8**	**-1.9%**	**824.0**
Light Vehicles	119.9	112.2	134.6	12.3%	20.0%	382.8	369.8	-3.4%	499.5
Heavy Vehicles	27.8	37.8	39.9	43.5%	5.6%	94.0	105.7	12.4%	133.3
Direct Sales	2.8	5.9	4.4	57.1%	-25.4%	9.2	14.6	58.7%	16.9
F&I	4.6	3.9	3.8	-17.4%	-2.6%	12.7	11.7	-7.9%	15.5
After Sales	43.1	37.6	36.7	-14.8%	-2.4%	129.7	115.1	-11.3%	158.9
Total Volume (units)	**6,954**	**13,619**	**7,043**	**1.3%**	**-48.3%**	**22,715**	**30,788**	**35.5%**	**37,777**
Light Vehicles	3,341	3,100	3,410	2.1%	10.0%	10,266	9,955	-3.0%	13,309
Heavy Vehicles	255	236	255	0.0%	8.1%	747	632	-15.4%	825
Direct Sales Light Vehicles	3,109	10,149	3,218	3.5%	-68.3%	11,162	19,800	77.4%	23,161
Direct Sales Heavy Vehicles	249	134	160	-35.7%	19.4%	540	401	-25.7%	482
Gross Profit	**39.1**	**38.2**	**38.3**	**-2.0%**	**0.3%**	**121.4**	**114.5**	**-5.7%**	**148.0**
Margin	19.7%	19.3%	17.5%	-2.2 p.p.	-1.8 p.p.	19.3%	18.6%	-0.7 p.p.	18.0%
EBIT	**0.2**	**2.2**	**(1.2)**	**-**	**-154.5%**	**(5.0)**	**(0.9)**	**-82.0%**	**(30.0)**
Margin	0.1%	1.1%	-0.6%	-0.7 p.p.	-1.7 p.p.	-0.8%	-0.1%	+0.7 p.p.	-3.6%
EBITDA	**3.1**	**4.3**	**0.8**	**-74.2%**	**-81.4%**	**4.4**	**5.2**	**18.2%**	**(8.5)**
Margin	1.6%	2.2%	0.4%	-1.2 p.p.	-1.8 p.p.	0.7%	0.9%	+0.2 p.p.	-1.0%

V. JSL Leasing

As from 3Q17, the Company began to consolidate the financial information of JSL Leasing in accordance with the international accounting rules, which differ from the previously adopted rules of the Brazilian Central Bank. Thus, for better analysis and comparability of the performance of this segment, we highlight the variation of Gross Profit and EBIT.

In 3Q17, Gross Profit of JSL Leasing totaled R$3.9 million, compared to R$1.9 million in 3Q16. EBIT totaled R$1.5 million in 3Q17, compared to R$0.1 million in 3Q16. We also emphasize the increase in the number of operations, which increased from 251 in 3Q16 to 427 in 3Q17.

Compared to 2Q17, Gross Profit grew 14.7%. In turn, EBIT increased from R$0.9 million in 2Q17 to R$1.5 million in 3Q17.

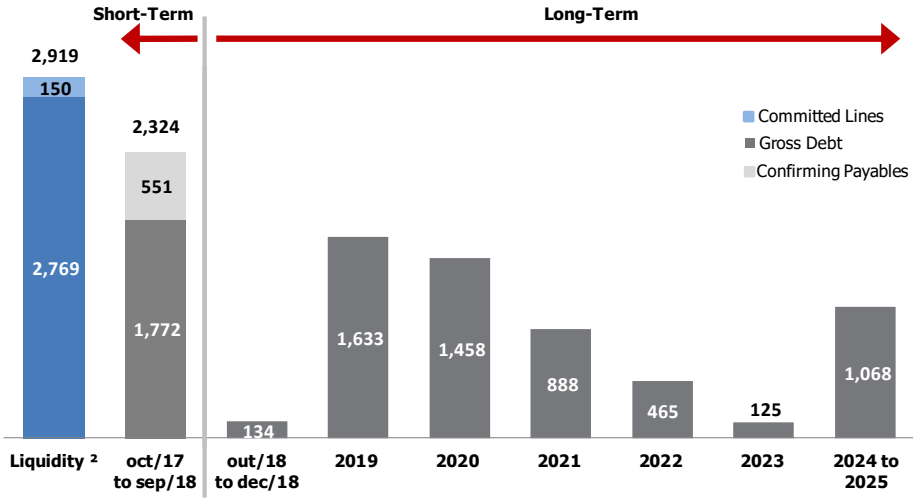
	JSL - Leasing								
Results (R$ million)	**3Q16**	**2Q17**	**3Q17**	**Chg. 3Q17x3Q16**	**Chg. 3Q17x2Q17**	**9M16**	**9M17**	**Chg. 9M17x9M16**	**LTM**
Total Gross Revenue	**8.1**	**14.4**	**6.5**	**-19.8%**	**-54.9%**	**19.1**	**31.6**	**65.4%**	**41.0**
Deductions from Revenue	(0.2)	0.2	(0.2)	0.0%	-	(0.1)	(0.1)	0.0%	(0.2)
Net Revenue	**7.9**	**14.6**	**6.3**	**-20.3%**	**-56.8%**	**18.9**	**31.5**	**66.7%**	**40.8**
Total of Costs	**(6.0)**	**(11.2)**	**(2.5)**	**-58.3%**	**-77.7%**	**(14.1)**	**(21.9)**	**55.3%**	**(29.0)**
Gross Profit	**1.9**	**3.4**	**3.9**	**105.3%**	**14.7%**	**4.8**	**9.6**	**100.0%**	**11.8**
Administrative and Sales Expenses	(2.0)	(2.5)	(2.3)	15.0%	-8.0%	(6.4)	(7.5)	17.2%	(9.6)
Tax Expenses	(0.0)	(0.0)	(0.1)	-	-	(0.0)	(0.1)	-	(0.2)
Other Operating Revenues (Expenses)	(0.0)	0.0	(0.0)	-	-	(0.0)	(0.0)	-	(0.0)
EBIT	**(0.1)**	**0.9**	**1.5**	**-**	**66.7%**	**(1.7)**	**2.0**	**-**	**2.0**
Operations (Qty.)	**251**	**484**	**427**	**70.1%**	**-11.8%**	**485**	**1,235**	**154.6%**	**1,319**

VI. Capital Structure - JSL Consolidated

In 3Q17, JSL concluded its first international issuance of bonds, raising US$325 million at 7.875% p.a., with maturity in 2024. The issuance diversifies the sources of funds, which becomes global, and extends the consolidated average period of the debt from 2.5 years to 4.0 years. The funds obtained will be used as working capital, and will also pay consolidated short-term debts, of which we settled R$930 million in the 3Q17. We point out that the debt in US dollars is protected from changes in the exchange rate, as established by the Board of Directors.

Considering the current cash after the funds raised in 3Q17, we have enough resources to meet the needs related to debt rollover until mid-2019. Part of the proceeds raised abroad were invested in Notes in American dollars, in the equivalent amount of R$508.9 million, which are linked to the Export Credit Notes issued by the Company. This structure does not affect JSL net debt and was eliminated from the debt amortization schedule graphic below to facilitate its analysis.

Gross Debt Amortization Schedule + Confirming Payables (R$ million) [1]

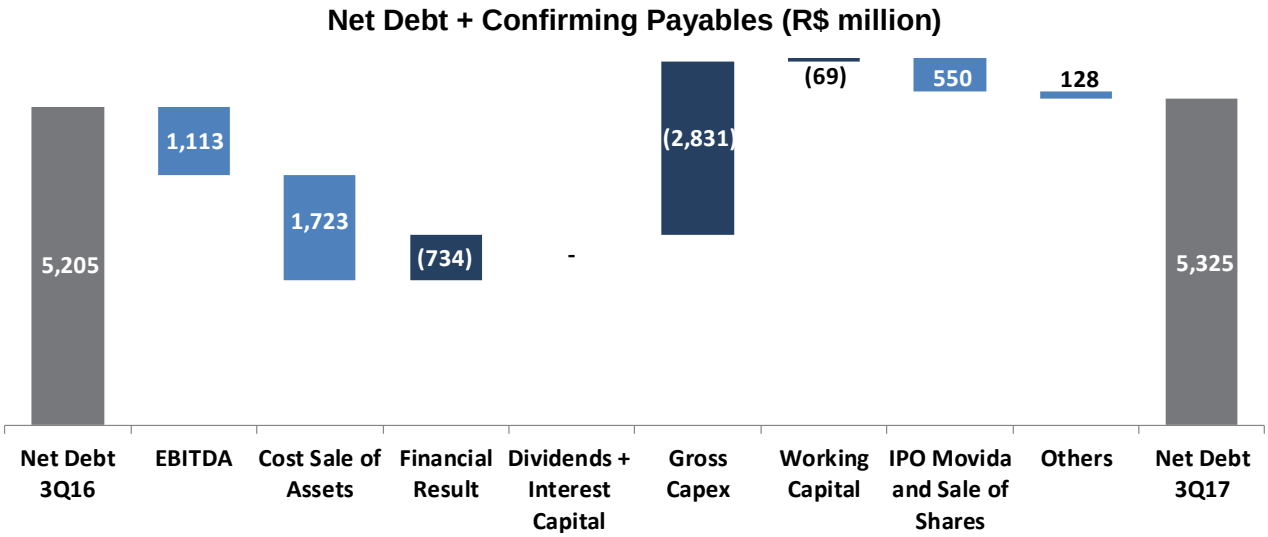


[1] Disregards the amount of R$508.9 million resulting from the structure for transferring the bond resources raised abroad, which equally impacts cash and gross debt.
[2] Considers repo agreements in the amount of R$150 million + cash position of R$2.769 billion.

Net debt totaled R$5.3 billion in September 2017, +3.9% over June 2017, and +2.3% over September 2016. The average cost of net debt totaled 13.1% in 3Q17, versus 12.9% in 2Q17 and 13.3% in 3Q16, mainly given the one-off impact from Company's liability management, which raised the cash level and consequently increased the carry cost during the quarter. On the other hand, the average cost of gross debt fell 210bps on the annual comparison and stood at 11.2% in 3Q17 (13.3% in 3Q16). The breakdown of net debt at the end of 3Q17 was 67.5% pegged to the CDI, 25.2% to fixed rates, 5.7% to the TJLP, 1.3% to the SELIC and 0.3% to the IPCA.

Indebtedness (R$ million)	09/30/2016	06/30/2017	09/30/2017
Cash and Investments [1]	**1,322.4**	**1,907.9**	**2,769.4**
Cash and Investments - Book value	-	-	3,278.2
Credit note	-	-	(508.9)
Gross debt [1]	**6,526.9**	**7,031.0**	**8,094.1**
Gross debt - Book value	-	-	8,603.0
NCE (export credit note)	-	-	(508.9)
Borrowings [1]	3,971.9	4,229.8	5,075.7
Local Bonds	1,577.9	1,962.0	2,293.1
Finance lease payable	364.7	304.1	237.9
Confirming payable	612.4	580.3	551.4
Debt Swap MTM [2]	-	(45.1)	(64.0)
Net Debt	**5,204.5**	**5,123.2**	**5,324.8**
Average Cost of Net Debt (p.a.)	**13.3%**	**12.9%**	**13.1%**
Average Cost of Gross Debt (p.a.)	**13.3%**	**11.6%**	**11.2%**

[1] Disregards the amount of R$508.9 million resulting from the structure for entry of the bonds issuance funds, which equally impacts cash and gross debt
[2] Disclosure as of 2Q17

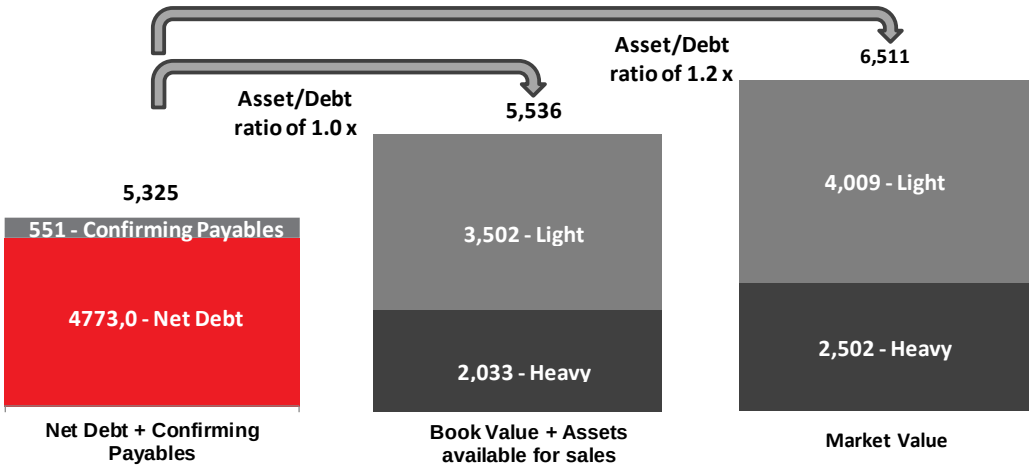


Financial Result

In 3Q17, net financial expenses totaled R$169.9 million (-8.2% YoY). Such decrease is mostly related to the SELIC rate drop, and consequently a reduction in the gross debt average cost. On the other hand, net financial expenses grew 11.0% in comparison to the 2Q17, mainly due to the impact of the liability management during the 3Q17, which increased the cash position during the quarter, and impacted the Company´s carry cost. As the Company settles its debt, the cash position will return to normalized levels thus reducing the carry cost.

	JSL - Consolidated								
Financial Result (R$ million)	**3Q16**	**2Q17**	**3Q17**	**Chg. 3Q17x3Q16**	**Chg. 3Q17x2Q17**	**9M16**	**9M17**	**Chg. 9M17x9M16**	**LTM**
Financial Revenues	55.3	47.2	67.1	21.3%	42.2%	153.1	153.0	-0.1%	205.2
Financial Expenses	(223.6)	(190.8)	(231.3)	3.4%	21.2%	(627.4)	(633.5)	1.0%	(858.1)
Derivatives Result	(8.0)	8.1	(14.1)	76.3%	-	(119.4)	(22.5)	-81.2%	(34.5)
Net Exchange Variation	(8.7)	(17.6)	8.4	-196.6%	-147.7%	75.6	(0.7)	-100.9%	(6.4)
Extraordinary Financial Expenses	-	-	-	-	-	-	-	-	(39.9)
Total	**(185.1)**	**(153.1)**	**(169.9)**	**-8.2%**	**11.0%**	**(518.1)**	**(503.7)**	**-2.8%**	**(733.8)**

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	09/30/2017	Covenants
Net Debt + suppliers confirming / EBITDA-A[1]	2.2x	2.2x	2.2x	1.9x	1.9x	1.9x	Max 3,5x
Net Debt + suppliers confirming / EBITDA[2]	4.31x	4.50x	5.04x	4.52x	4.57x	4.64x	Max 4,75x
EBITDA-A[2] / Net interest expenses*	3.9x	3.8x	3.7x	4.0x	4.2x	4.5x	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 payables and EBITDA came to 4.64x in September 2017, versus 4.50x in September 2016 and 4.57x in June 2017. Meanwhile, the ratio between net debt plus confirming payables and EBITDA-A stood at 1.9x in September 2017, an improvement over the 2.2x of September 2016, and stable if compared to the 1.9x of June 2017.

VII. EBITDA, Cash Flow and ROIC - JSL Consolidated

	JSL - Consolidated								
EBITDA Reconciliation (R$ million)	3Q16	2Q17	3Q17	Chg. 3Q17x3Q16	Chg. 3Q17x2Q17	9M16	9M17	Chg. 9M17x9M16	LTM
Net Result	(27.1)	13.9	1.1	-104.1%	-92.1%	(32.7)	8.1	-124.8%	(142.4)
Financial Result	185.1	153.1	169.9	-8.2%	11.0%	518.1	503.7	-2.8%	733.8
Income tax and Social contribution	(13.5)	7.6	8.0	-159.3%	5.3%	(16.9)	13.1	-177.5%	(36.3)
Depreciation / Amortization	140.5	130.2	133.4	-5.1%	2.5%	403.9	399.4	-1.1%	557.6
EBITDA	**285.1**	**304.8**	**312.4**	**9.6%**	**2.5%**	**872.4**	**924.3**	**5.9%**	**1,112.7**
Costs of Sales of Assets	332.3	437.0	484.5	45.8%	10.9%	926.6	1,360.2	46.8%	1,722.6
EBITDA-A	**617.4**	**741.8**	**796.9**	**29.1%**	**7.4%**	**1,799.1**	**2,284.5**	**27.0%**	**2,835.4**

Cash Flow Summary[1] (R$ million)	3Q16	2Q17	3Q17	Chg. 3Q17x3Q16	Chg. 3Q17x2Q17	9M16	9M17	Chg. 2017x2016	LTM
Income before tax	**(40.6)**	**21.5**	**9.1**	**-122.5%**	**-57.6%**	**(49.6)**	**21.2**	**-142.6%**	**(178.7)**
Depreciation and Amortization	136.2	124.0	133.2	-2.2%	7.4%	394.1	393.1	-0.2%	546.2
Cost of Sale of Assets[2]	340.8	437.0	484.5	42.1%	10.9%	926.6	1,360.2	46.8%	1,722.6
Other Non-cash adjustments	170.7	113.6	217.3	27.3%	91.2%	501.6	594.2	18.4%	840.4
Accounts receivables, Inventory and Suppliers	336.2	(102.9)	(225.8)	-167.2%	-119.5%	119.8	(337.8)	-381.9%	(47.5)
Other Assets and Liabilities	77.3	149.7	60.1	-22.3%	-59.9%	62.2	28.3	-54.5%	58.0
Paid interest	(107.3)	(338.1)	(9.1)	-91.5%	-97.3%	(412.3)	(485.7)	17.8%	(665.1)
Operating Cash Generation	**913.4**	**404.9**	**669.2**	**-26.7%**	**65.3%**	**1,542.4**	**1,573.4**	**2.0%**	**2,276.0**
Increase in Fixed Assets	(684.7)	(542.9)	(860.7)	25.7%	58.5%	(1,380.4)	(1,900.9)	37.7%	(2,314.8)
Schio Acquisition	-	-	-	n.a	n.a	-	-	n.a	(62.2)
Other Investments[4]	(18.1)	42.7	34.0	-288.0%	20.3%	(122.9)	106.5	-186.6%	226.1
Investments Net Cash	**210.7**	**(95.3)**	**(157.5)**	**-174.7%**	**65.2%**	**39.0**	**(221.0)**	**-665.9%**	**125.1**
Increase (Decrease) in Capital	-	-	-	n.a	n.a	-	-	n.a	-
Secondary offer and repurchase of investee shares	-	61.0	-	n.a	-100.0%	-	8.1	n.a	8.1
Capital injection - IPO Movida	-	(58.8)	0.2	n.a	-100.3%	-	500.5	n.a	500.5
Payment of liabilities and financial lease	-	(41.6)	(48.4)	n.a	16.3%	-	(123.7)	n.a	(123.7)
Payment in the acquisition of companies	-	(57.3)	(4.8)	n.a	-91.7%	-	(62.1)	n.a	(62.1)
Income received from derivatives	-	(17.0)	(41.7)	n.a	145.2%	-	(70.4)	n.a	(64.7)
Dividends + Interest on Capital	1.3	-	-	-100.0%	n.a.	(208.7)	-	-100.0%	-
Loan and Financing	(219.8)	674.0	1,622.5	-838.2%	-140.7%	(158.7)	2,200.8	-1487.1%	1,568.5
(Purchasing) / Selling Treasury Shares	(4.8)	(0.0)	(0.0)	-100.0%	-50.0%	(35.9)	3.0	-108.2%	4.3
Increase (Decrease) in Cash and Financial Investments	**(12.6)**	**465.0**	**1,370.4**	**-10985.3%**	**-194.7%**	**(364.2)**	**2,235.0**	**-713.6%**	**1,955.9**

[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 when they are contracted. However, as this financing is amortized, the respective cash disbursements are reflected in the loans and financing line

[4] Intangible assets and merger of subisidiary

In 3Q17, JSL Consolidated's cash generation before the expansion was R$1.2 billion, a result of the higher sales of assets during the period, both for JSL Logística and Movida (for Movida, a result of consolidation of its fleet). Investment in renewal totaled R$1.6 billion, and investment in expansion was R$1.2 billion, mainly due to Movida's fleet growth over the last twelve months. The free cash flow for the Company totaled R$(29) million in the period, affected by working capital and taxes of the quarter.

JSL Logística's cash generation before the expansion was R$751 million in 3Q17; after R$403 million investments in expansion, its Free Cash Flow for the Company was R$348 million, affected by working capital and taxes in the amount of R$270 million. The receivables account consumed working capital due to the increase of service volumes linked to certain sectors such as Automotive, Pulp and Paper and Agribusiness.

	JSL - Consolidated			JSL Logistics (Consolidated ex-Movida)		
	2015	2016	3Q17 12M	2015	2016	3Q17 12M
EBITDA	**1,092**	**1,061**	**1,113**	**848**	**792**	**811**
Non-cash Asset and Investment Impairments	-	105	35	-	105	35
EBITDA adj. by Impairments	**1,092**	**1,166**	**1,148**	**848**	**897**	**846**
Book Value of Assets Sold (Non-cash Cost of Assets Sales)	870	1,289	1,723	307	312	397
Maintenance Capex	(727)	(1,105)	(1,641)	(243)	(199)	(222)
Change in Working Capital and Taxes Paid	205	406	(69)	84	(11)	(270)
Cash Generated before Expansion Capex	**1,441**	**1,756**	**1,160**	**997**	**999**	**751**
Expansion Capex	(1,509)	(1,382)	(1,189)	(591)	(548)	(403)
Free Cash Flow to Firm	**(68)**	**374**	**(29)**	**406**	**451**	**348**

ROIC LTM - 09/30/2017 (R$ million)	JSL Consolidada*	JSL Logística²	Logistics Operations with more than 12 months of revenue
Net revenue	**7,236.7**	**4,169.2**	**3,907.8**
Gross Profit	**1,427.1**	**664.3**	**682.4**
(-) Administrative and Sales Expenses	(753.0)	(262.2)	(179.4)
(+) Extraordinary expenses	79.5	54.1	-
(-) Others Operating Revenues (Expenses)	(119.0)	(48.8)	(35.9)
EBIT ¹	**634.6**	**407.3**	**467.1**
(-) Taxes (Considers effective tax rate of 30%)	(190.4)	(122.2)	(140.1)
(=) NOPLAT (A)	**444.2**	**285.1**	**327.0**
(=) Avarage Invested Capital (B)	**5,169.4**	**3,133.9**	**2,453.7**
ROIC without goodwill effect (A/B)	**8.6%**	**9.1%**	**13.3%**
(=) Avarage Invested Capital with suppliers confirming (C)	**5,751.3**	**3,208.3**	**2,528.1**
ROIC with suppliers confirming without goodwill effect (A/C)	**7.7%**	**8.9%**	**12.9%**

* 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. Stock Market

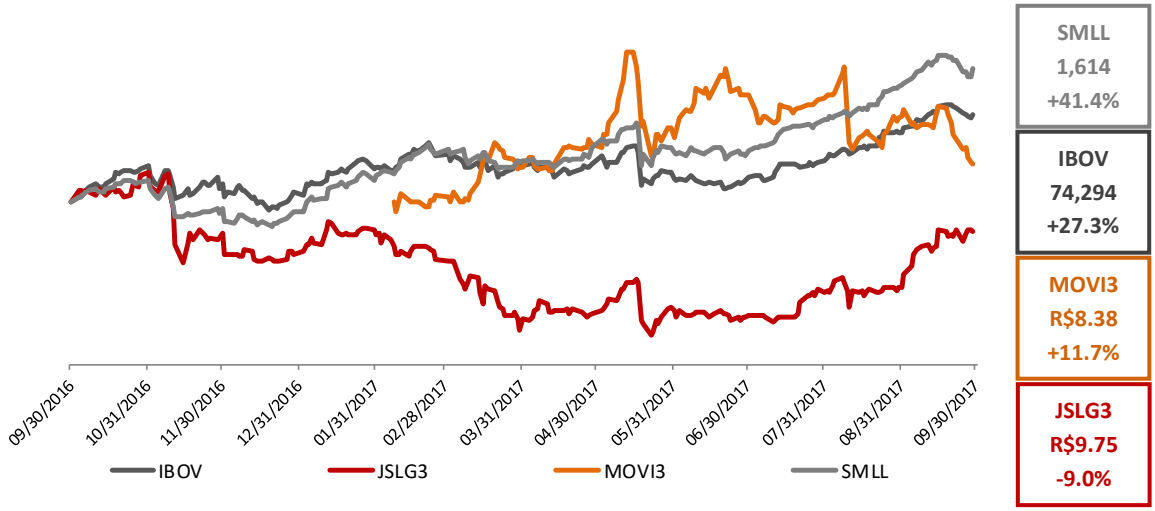
Share Performance

JSL's shares are listed on the B3's Novo Mercado segment and are included in the Special Corporate Governance Stock Index (IGC) and the Special Tag Along Stock Index (ITAG). JSLG3 has been included in B3's Small Cap Index (SMLL) since January 2013.

On September 30, 2017, JSLG3's shares were priced at R$9.75.

In 3Q17, the Company had a total of 202,500,000 shares, of which 202,077,032 were outstanding and 422,968 were held in treasury.

JSLG3 vs. MOVI3 vs. IBOV and SMLL11 Performance (9/30/2016 to 9/30/2017 – Base 100)



KPMG Auditores Independentes
Rua Arquiteto Olavo Redig de Campos, 105, 6º andar - Torre A
04711-904 - São Paulo/SP - Brasil
Caixa Postal 79518 - CEP 04707-970 - São Paulo/SP - Brasil
Telefone +55 (11) 3940-1500, Fax +55 (11) 3940-1501
www.kpmg.com.br

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 September 30, 2017, comprising the balance sheet as at September 30, 2017 and the respective statements of income (loss) and comprehensive income (loss) for the three and nine-months period then ended and changes in equity and cash flows for the nine 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 nine month period ended at September 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 September 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 November 8, 2016. As part of our review of the interim financial information for the quarter ended September 30, 2017, we have reviewed the reclassifications in the corresponding amounts of the interim financial information for the period ended September 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 September 30, 2016 and, therefore, we do not express an opinion, conclusion or any form of assurance on them taken as whole.

São Paulo, November 9, 2017

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

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.

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

		Parent company		Consolidated	
Assets	**Notes**	**9/30/2017**	**12/31/2016**	**9/30/2017**	**12/31/2016**
Current					
Cash and cash equivalents	5	172,112	318,623	795,824	585,920
Marketable securities	6	699,773	198,982	2,481,238	457,300
Derivative financial instruments	4.4	1,768	-	1,768	-
Trade receivables	7	619,149	556,017	1,225,249	1,021,422
Inventories	8	23,784	22,740	187,924	164,626
Taxes recoverable	9	110,523	56,457	191,611	95,600
Prepaid expenses		8,078	3,799	33,816	12,891
Related parties	31	70,132	73,475	-	-
Dividends receivable	12.1	-	85,964	-	-
Assets available-for-sale	10	89,740	87,081	352,546	331,249
Other credits		20,321	19,441	38,449	47,692
Total current assets		**1,815,380**	**1,422,579**	**5,308,425**	**2,716,700**
Non-current					
Long-term					
Marketable securities	6	-	-	1,185	-
Derivative financial instruments	4.4	74,918	36,037	74,918	36,037
Trade receivables	7	29,491	32,507	103,830	108,356
Taxes recoverable	9	20,175	54,160	20,109	62,468
Judicial deposits	23	41,532	101,806	61,270	120,704
Deferred income tax and social contribution	24.1	-	-	37,732	31,438
Related parties	31	33,235	1,849	116	76
Fund for capitalization of Authorized Vehicle Dealerships	11	-	-	39,089	52,642
Other credits		1,903	2,048	5,252	6,035
Total long-term assets		**201,254**	**228,407**	**343,501**	**417,756**
Investments	12	2,308,503	2,112,215	1,044	1,179
Property and equipment	13	1,517,193	1,644,473	5,600,532	5,386,719
Intangible assets	14	254,762	259,838	339,687	346,029
		4,080,458	**4,016,526**	**5,941,263**	**5,733,927**
Total non-current assets		**4,281,712**	**4,244,933**	**6,284,764**	**6,151,683**
Total assets		**6,097,092**	**5,667,512**	**11,593,189**	**8,868,383**

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

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

		Parent company		Consolidated	
Liabilities	**Notes**	**9/30/2017**	**12/31/2016**	**9/30/2017**	**12/31/2016**
Current					
Trade payables	15	52,583	36,714	876,837	992,368
Floor plan vehicles	16	-	-	26,500	28,387
Suppliers financing – car makers	17	7,032	9,265	551,386	551,359
Borrowings and financing	18	654,490	750,899	1,039,471	888,916
Debentures	19	280,285	131,824	585,686	142,242
Finance leases payable	20	51,149	69,058	149,828	165,716
Derivative financial instruments	4.4	10,781	-	10,781	-
Labor liabilities	21	146,392	104,401	245,762	179,418
Income tax and social contribution payable		-	-	4,835	11,528
Tax liabilities	22	24,498	26,286	60,019	51,968
Other accounts payable		27,844	23,402	99,410	151,377
Advances from customers		10,011	7	122,604	29,101
Related parties	31	17,343	34,415	511	1,782
Total current liabilities		**1,282,408**	**1,186,271**	**3,773,630**	**3,194,162**
Non-current					
Borrowings and financing	18	2,588,562	2,297,729	4,545,169	2,957,220
Debentures	19	1,309,735	1,107,512	1,707,435	1,406,375
Finance leases payable	20	53,846	94,605	88,059	189,017
Derivative financial instruments	4.4	1,888	12,223	1,888	12,223
Tax liabilities	22	1,144	1,316	1,817	2,701
Provision for judicial and administrative litigation	23	52,785	61,366	68,996	73,712
Deferred income tax and social contribution	24.1	25,510	90,831	183,322	197,088
Other accounts		94,694	206,670	99,712	226,896
Total non-current liabilities		**4,128,164**	**3,872,252**	**6,696,398**	**5,065,232**
Equity					
Share capital	25.1	660,395	660,395	660,395	660,395
Capital reserves	25.2	19,272	14,060	19,272	14,060
Treasury shares	25.3	(460)	(3,741)	(460)	(3,741)
Equity valuation adjustments	25.5	83,971	4,634	83,971	4,634
Accumulated losses		(76,658)	(66,359)	(76,658)	(66,359)
Equity attributable to the owners of the Company		**686,520**	**608,989**	**686,520**	**608,989**
Non-controlling interests	25.6	-	-	436,641	-
Total equity		**686,520**	**608,989**	**1,123,161**	**608,989**
Total liabilities and equity		**6,097,092**	**5,667,512**	**11,593,189**	**8,868,383**

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

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

		Parent company				Consolidated			
	Notes	7/1 to 9/30/2017	9/30/2017	7/1 to 9/30/2016 (Reclassified Note 2.6)	9/30/2016 (Reclassified Note 2.6)	7/1 to 9/30/2017	9/30/2017	7/1 to 9/30/2016 (Reclassified Note 2.6)	9/30/2016 (Reclassified Note 2.6)
Net revenue from services rendered and sale of assets used in services rendered	28	747,288	2,146,457	739,479	2,128,325	1,890,483	5,478,776	1,734,485	4,828,321
(-) Cost of sales and services rendered	30	(593,641)	(1,703,207)	(617,229)	(1,682,677)	(1,021,831)	(3,004,374)	(1,079,873)	(2,914,218)
(-) Cost of sales of assets used in services rendered	30	(46,415)	(126,272)	(25,282)	(79,352)	(484,452)	(1,360,197)	(332,301)	(926,641)
		(640,056)	**(1,829,479)**	**(642,511)**	**(1,762,029)**	**(1,506,283)**	**(4,364,571)**	**(1,412,174)**	**(3,840,859)**
(=) Gross profit		**107,232**	**316,978**	**96,968**	**366,296**	**384,200**	**1,114,205**	**322,311**	**987,462**
Administrative and selling expenses	30	(43,291)	(121,242)	(44,157)	(142,896)	(174,545)	(532,683)	(155,054)	(467,161)
Tax expenses	-	(2,452)	(3,829)	(614)	(2,250)	(4,568)	(10,536)	(2,157)	(7,607)
Other operating income (expenses), net	30	(29,276)	(53,044)	(4,646)	25,342	(26,090)	(46,175)	(20,570)	(44,198)
Equity in the results of investees	12	48,302	138,826	34,022	74,300	-	-	1	1
Profit before finance income and costs		**80,515**	**277,689**	**81,573**	**320,792**	**178,997**	**524,811**	**144,531**	**468,497**
Finance income	29	37,756	70,571	66,680	89,769	67,381	153,035	99,556	153,092
Finance costs	29	(141,675)	(418,537)	(206,492)	(497,829)	(237,253)	(656,687)	(284,643)	(671,225)
(=) (Loss) profit before income tax and social contribution		**(23,404)**	**(70,277)**	**(58,239)**	**(87,268)**	**9,125**	**21,159**	**(40,556)**	**(49,636)**
Income tax and social contribution - current	24.2	-	-	-	-	(9,127)	(34,006)	(3,414)	(11,042)
Income tax and social contribution - deferred	24.2	19,510	65,778	31,166	54,533	1,139	20,913	16,897	27,943
(=) (Loss) profit for the period		**(3,894)**	**(4,499)**	**(27,073)**	**(32,735)**	**1,137**	**8,066**	**(27,073)**	**(32,735)**
attributed to:									
Owners of the Company		(3,894)	(4,499)	(27,073)	(32,735)	(3,895)	(4,499)	(27,073)	(32,735)
Non-controlling interests		-	-	-	-	5,032	12,565	-	-
(=) Basic loss per share for the period (in Reais)	33						(0.0223)		(0.1611)
(=) Diluted loss for the period (in Reais)	33						(0.0218)		(0.1583)

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

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

	Parent company				Consolidated			
	7/1 to 9/30/2017	9/30/2017	7/1 to 9/30/2016	9/30/2016	7/1 to 9/30/2017	9/30/2017	7/1 to 9/30/2016	7/1 to 9/30/2016
(Loss) profit for the period	**(3,894)**	**(4,499)**	**(27,073)**	**(32,735)**	**1,137**	**8,066**	**(27,073)**	**(32,735)**
Fair value of cash flow hedges	(7,754)	(7,754)	-	-	(7,754)	(7,754)	-	-
Income tax and social contribution - deferred	2,636	2,636			2,636	**2,636**		
Comprehensive (loss) income for the period	**(9,012)**	**(9,617)**	**(27,073)**	**(32,735)**	**(3,981)**	**2,948**	**(27,073)**	**(32,735)**
Owners of the Company	(9,012)	(9,617)	(27,073)	(32,735)	(9,012)	(9,617)	(27,073)	(32,735)
Non-controlling interests	-	-	-	-	5,031	12,565	-	-

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

JSL S.A. and its subsidiaries
Statements of changes in equity
Periods ended September 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 reserve	Treasury shares	Legal reserve	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		-	2,161	-	-	-	-	-	2,161	-	2,161
Repurchase of shares		-	-	-	(35,928)	-	-	-	(35,928)	(21)	(35,949)
Cancelation of shares		-	-	-	84,977	-	(84,977)	-	-	-	-
Loss for the period		-	-	-	-	-	(32,735)	-	(32,735)	-	(32,735)
Additional dividends paid		-	-	-	-	-	(200,000)	-	(200,000)	-	(200,000)
At September 30, 2016		**660,395**	**10,950**	**-**	**(5,084)**	**28,058**	**54,397**	**4,634**	**753,350**	**-**	**753,350**
At December 31, 2016		**660,395**	**11,078**	**2,982**	**(3,741)**	**-**	**(66,359)**	**4,634**	**608,989**	**-**	**608,989**
(Loss) profit for the period		-	-	-	-	-	(4,499)	-	(4,499)	12,565	8,066
Share-based payments	25.2	-	2,686	-	-	-	(2,944)	-	(258)	-	(258)
Own shares acquired	25.3	-	-	-	3,281	-	-	-	3,281	-	3,281
Non-controlling interests	25.6	-	-	-	-	-	-	-	-	424,076	424,076
Gain on IPO of subsidiary	25.5	-	-	-	-	-	(330)	84,455	84,125	-	84,125
Other comprehensive income for the period	25.5	-	-	-	-	-	-	(5,118)	(5,118)	-	(5,118)
Government grant reserve	25.2	-	-	2,526	-	-	(2,526)	-	-	-	-
At September 30, 2017		**660,395**	**13,764**	**5,508**	**(460)**	**-**	**(76,658)**	**83,971**	**686,520**	**436,641**	**1,123,161**

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

JSL S.A. and its subsidiaries

Statements of cash flows – indirect method
Periods ended September 30, 2017 and 2016
In thousands of Brazilian reais

	Parent company		Consolidated	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Cash flows from operating activities				
(Loss) profit before income tax and social contribution	(70,277)	(87,268)	21,159	(49,636)
Adjustment to:				
Depreciation / amortization (Notes 12, 13 and 14)	176,550	221,135	393,129	394,107
Cost of sale of assets used in services rendered	126,272	79,352	1,360,197	926,641
Realization of surplus value of vehicles sold in subsidiaries (Note 12.1)	35,572	-	-	-
Equity in the results of investees	(150,121)	(74,300)	-	-
Provision for investment losses	11,295	-	-	-
Provision for judicial and administrative litigation	9,406	21,760	27,773	18,838
Estimated losses on doubtful accounts (Note 7)	11,357	13,232	48,353	36,776
Write-off of other fixed assets	24	-	1,351	-
Cost of sales of damaged vehicles and write-off of stolen vehicles	242	-	110,839	-
Gain from business combination	-	(75,339)	-	(75,339)
Adjustment to present value on payment of companies	5,390		5,390	
Provision for ICMS losses	-	-	-	27,600
Adjustment to present value of acquisition of Quick	-	8,105	-	8,105
Estimated inventory losses (Note 8)	152	1,120	398	1,212
Extemporaneous tax credits	(12,860)	-	(48,571)	-
Share-based payments	(258)	2,161	(258)	2,161
Loss on fair value of derivative financial instruments	22,519	29,636	22,519	43,588
Interest and monetary variations on borrowings and financing, finance leases, debentures and suppliers financing – car makers	377,385	421,199	585,957	437,031
	612,925	**648,061**	**2,507,077**	**1,820,720**
Trade receivables	(69,229)	(9,350)	(245,410)	(114,782)
Inventories	(1,196)	(5,794)	(23,696)	25,424
Taxes recoverable	(7,221)	1,964	(5,081)	(7,093)
Related parties	(32,663)	(32,944)	(1,311)	166
Judicial deposits	(1,880)	(60,155)	(2,721)	(58,440)
Other credits	(547)	(1,374)	9,991	(11,084)
Prepaid expenses and Fund for capitalization of authorized vehicles dealerships	(4,279)	900	(7,372)	(7,512)
Trade payables	15,869	(22,378)	(115,531)	188,347
Floor Plan	-	-	(1,887)	(17,148)
Labor and tax liabilities	43,113	34,730	76,988	43,034
Other accounts payables and advances from customers	7,790	11,484	30,969	86,636
Related parties	-	(634)	-	(128)
Changes in current and non-current assets and liabilities	**(50,243)**	**(83,551)**	**(285,061)**	**127,420**
Cash provided by operating activities	**492,405**	**477,242**	**2,243,175**	**1,898,504**
(Investments in) redemptions of marketable securities	(500,791)	260,627	(2,025,123)	53,689
Judicial and administrative litigation paid	(17,987)	-	(32,489)	-
Income tax and social contribution paid	-	-	(40,699)	(11,002)
Interest paid on borrowings and financing, finance leases, debentures and suppliers financing – car makers	(378,170)	(391,306)	(485,699)	(412,311)
Acquisition of operational property and equipment	(112,773)	-	(1,883,674)	(1,088,201)
Net cash (used in) provided by operating activities	**(517,316)**	**346,563**	**(2,176,830)**	**440,679**
Cash flows from investing activities				
Secondary offering of shares of subsidiary (Note 12.1)	61,046	-	61,046	-
Capital contribution and repurchase of shares of investees	(76,521)	-	(52,968)	-
Advance for future capital increase	-	(20,989)	-	-
Dividends and interest on capital received	85,964	15,256	-	-
Incorporation of subsidiary's cash	-	-	-	259
Acquisition of investments Quick	-	(25,300)	-	(25,300)
Acquisition of property and equipment	(6,657)	(66,676)	(17,267)	(292,238)
Acquisition of Intangible assets	(440)	(2,846)	(4,329)	(30,661)
Net cash provided by (used in) investing activities	**63,392**	**(100,555)**	**(13,518)**	**(347,940)**
Cash flows from financing activities				
Primary offering of shares of subsidiary	-	-	500,454	-
Repurchase of treasury shares	2,951	(35,928)	2,951	(35,928)
New borrowings and financing, finance leases and debentures	2,525,981	489,535	4,430,230	582,161
Payments of borrowings and financing and debentures	(2,025,994)	(482,493)	(2,229,435)	(740,828)
Payments of finance leases	(62,982)	-	(123,726)	-
Derivative financial instruments settled	(70,447)	-	(70,447)	-
Payments for company acquisition	(62,096)	-	(62,096)	-
Dividends and interest on capital paid	-	(208,701)	-	(208,701)
Net cash provided by (used in) financing activities	**307,413**	**(237,587)**	**2,447,931**	**(403,296)**
Net (decrease) increase in cash and cash equivalents	**(146,511)**	**8,421**	**209,904**	**(310,558)**
Cash and cash equivalents				
At the beginning of the year	318,623	366,836	585,920	951,166
At the end of the period	172,112	375,257	795,824	640,608
Net (decrease) increase in cash and cash equivalents	**(146,511)**	**8,421**	**209,904**	**(310,558)**
Main non-cash transactions				
Raising of finance leases and *Finame* for the acquisition of operational property and equipment	(96,118)	(97,801)	(201,251)	(379,643)
Suppliers financing – car makers	1,893	(3,895)	16,409	20,681
Consortium quotas	(370)	-	(4,001)	
Capital increase in subsidiaries with property and equipment, net of the respective debt	16,641	-	-	-

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

JSL S.A. and its subsidiaries

Statements of value added

Periods ended September 30, 2017 and 2016

In thousands of Brazilian reais

	Parent company		Consolidated	
	9/30/2017	9/30/2016 (Reclassified Note 2.6)	9/30/2017	9/30/2016 (Reclassified Note 2.6)
Sales and services rendered (Note 28)	2,560,027	2,585,899	6,143,976	5,466,993
Estimated losses on doubtful accounts (Note 30)	(11,357)	(13,232)	(48,353)	(36,776)
Other operating income (expenses)	4,816	25,342	21,648	(44,178)
	2,553,486	**2,598,009**	**6,117,271**	**5,386,039**
Inputs acquired from third parties				
Cost of sales and services rendered	(1,107,164)	(936,061)	(1,919,313)	(1,715,802)
Loss in the recovery of assets	(81)	-	(81)	-
Materials, electricity, outsourced services and others	(50,033)	(142,428)	(1,310,570)	(919,245)
	(1,157,278)	**(1,078,489)**	**(3,229,964)**	**(2,635,047)**
Gross value added	**1,396,208**	**1,519,520**	**2,887,307**	**2,750,992**
Retentions				
Depreciation and amortization (Note 30)	(176,550)	(222,665)	(393,129)	(403,926)
Net value added generated by the Company	**1,219,658**	**1,296,855**	**2,494,178**	**2,347,066**
Value added received through transfer				
Equity in the results of investees (Note 12)	138,826	74,300	-	1
Finance income (Note 29)	70,571	89,769	153,035	153,092
	209,397	**164,069**	**153,035**	**153,093**
Total value added to distribute	**1,429,055**	**1,460,924**	**2,647,213**	**2,500,159**
Distribution of value added				
Personnel and payroll charges	592,441	551,557	951,520	932,360
Federal taxes	200,799	192,731	526,040	415,117
State taxes	162,321	158,668	274,973	253,660
Municipal taxes	40,749	41,990	67,372	64,174
Interest	418,761	479,242	640,754	612,930
Rentals	18,483	69,471	178,488	254,653
Retained (losses) profits for the period	(4,499)	(32,735)	8,066	(32,735)
	1,429,055	**1,460,924**	**2,647,213**	**2,500,159**

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 1.071 Renato Paes de Barros street - 9º floor - Itaim Bibi - São Paulo, and has its shares traded on *B3 (“Brasil, Bolsa e Balcão”).* The Company also trades share deposit certificates on the over-the-counter market of the United States of America (USA) in order to facilitate the purchase, maintenance and sale of shares by North American investors.

The Company and its subsidiaries (collectively referred to as “JSL Group”) operate in four main segments: Transportation and logistics, Authorized vehicle dealerships of light and heavy vehicles, Rentals of vehicles (“Movida”) and Financial services. The activities in these segments basically consist of:

i. Transportation and logistics: predominantly, road transportation of cargo, public transport, storage, collection and transportation of household, commercial or industrial waste, leasing of machinery, heavy equipment and vehicles, 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. Rental 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 services: 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 vehicles in 2015 to 63,870 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, which entailed the reversal of this position at Company to a net positive working capital of R$ 1,534,799 as at September 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, mainly related to the fleet of light vehicles at Movida, in the approximate amount of R$ 2,499,098, which can be sold in a quick way.

As detailed in note 35, on October 11, 2017, the Company, through its subsidiary Movida, completed the acquisition of BVHD Locação de Veículos e Serviços Ltda., which operates under the band “Fleet Services” in the segment of corporate rental of premium vehicles, with a fleet of 153 luxury vehicles, of high value added, with a revenue per car five times greater than a popular car.

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, the accounting standard 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.

Except for the adoption of hedge accounting for new derivative financial instruments acquired in the third quarter of 2017 and classified as cash flow hedge (as mentioned in note 4.4), 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 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, issued 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)
New standards not yet effective	Note (2.31)
Prepaid expenses	Note (10)
Dividends receivable	Note (13)
Other credits	Note (12)
Impairment test by company	Note (16.2)
Operating lease	Note (21.2)
Accounts payables	Note (24)
Advances from customers	Note (25)
Debt extension	Note (38.2)

All relevant information in the interim financial information, and just this information is evidence and corresponding to the request of the Company's management.

The Company's management confirms that all relevant information in the interim financial information, and only this information, is being evidenced, and corresponds to that used by management in its activities.

The issuance of the individual and consolidated interim financial information was authorized by the Company's Board of Directors on November 9, 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 statement of income (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 September 30, 2017 and December 31, 2016 includes the operations of the Company and the following subsidiaries, whose interest percentages at the balance sheet date are as follows:

				% Interest	
Company	**Subsidiary**	**Headquarters Country**	**Segment**	**9/30/2017**	**12/31/2016**
JSL Holding Financeira Ltda.	Direct	Brazil	Financial services	99.90	99.90
JSL Leasing S.A.	Indirect	Brazil	Financial services	99.90	99.90
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	Direct	Brazil	Transportation and logistics	99.99	99.99
Yolanda Logística Armazém, Transportes e Serviços Gerais Ltda.	Direct	Brazil	Transportation and logistics	99.99	99.99
Riograndense Navegação Ltda. (i)	Direct	Brazil	Transportation and logistics	99.99	99.99
JSL Empreendimentos Imobiliários Ltda.	Direct	Brazil	Transportation and logistics	99.99	99.99
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	Direct	Brazil	Transportation and logistics	99.99	99.99
Consórcio 123 (ii)	Indirect	Brazil	Transportation and logistics	33.00	33.00
Consórcio Sorocaba (ii)	Indirect	Brazil	Transportation and logistics	50.00	50.00
JSL Locação de Máquinas e Veículos Pesados Ltda.	Direct	Brazil	Transportation and logistics	99.99	99.99
Quick Logística Ltda. (iii)	Direct	Brazil	Transportation and logistics	99.99	99.99
Quick Armazéns Gerais - Eirelli - ME (iii)	Direct	Brazil	Transportation and logistics	99.99	99.99
CS Brasil Frotas Ltda. (v)	Direct	Brazil	Transportation and logistics	99.99	-
Agrolog Transportadora de Cargas em Geral Ltda. (i)	Direct	Brazil	Transportation and logistics	99.80	99.80
Medlog Prestação de Serviços de Logística S.A. (i)	Direct	Brazil	Transportation and logistics	99.90	99.90
JSL Europe (vi)	Direct	Luxembourg	Transportation and logistics	100.00	100.00-
JSL Finance S.a r.l. (vi)	Direct	Luxembourg	Transportation and logistics	100.00	-
JSL Investimentos em Concessionárias e Lojas de Veículos, Máquinas e Equipamentos 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	Rental of vehicles	65.59	99.99
Movida Gestão e Terceirização de Frotas S.A.	Indirect	Brazil	Rental of vehicles	65.59	99.99
Movida Locação de Veículos Ltda.	Indirect	Brazil	Rental of vehicles	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 on March 20, 2017, engaged in the 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.

(vi) The companies JSL Europe and JSL Finance were formed in 2016 and 2017, respectively, located in Luxembourg, and are engaged in operations for raising funds abroad.

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

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

In JSL Group´s individual interim financial information, investments in subsidiaries and joint ventures are accounted for under the equity method of accounting. Investments disclosed in note 12 are represented by the same companies disclosed in the individual and consolidated annual financial statements for the year ended December 31, 2016, issued on May 2, 2017, except for subsidiaries JSL Finance, formed on September 15, 2017, and JSL Europe, which was established on September 5, 2016, whose operations started only in March 2017 and whose investments in the interim financial information for the periods ended June 30, 2017 and March 31, 2017 were presented in the line item of other investments.

All transactions, balances, revenues and expenses between 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) Fair value of financial instruments – Note 4.2;
b) Estimated losses in doubtful accounts – Note 7;
c) Provision for inventory losses – Note 8;
d) Assets available-for-sale (provisions for vehicle thefts and/or damages and definition of residual value) – Note 10;
e) Property and equipment (depreciation of vehicles and definition of residual value) – Note 13;
f) Intangible assets (recovery of goodwill) – Note 14;
g) Provision for judicial and administrative litigation – Note 23;
h) Deferred income tax and social contribution (future recoverability and realization period) – 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 nine-month periods ended September 30, 2016, in the amounts of R$90,416 and R$160,033, were reclassified in the statement of income (loss), parent company and consolidated, respectively, from the line item of sales taxes in the group of net revenue to the line item of costs of sales and services rendered and, in the statement of value added, parent company and consolidated, the same amounts were reclassified from the line item of federal taxes to the line item of costs of sales and services rendered. The corresponding amounts in the statement of income (loss), parent company and consolidated, for the three-month period ended September 30, 2016 were R$ 30,637 and R$ 56,827, respectively.

3. OPERATING SEGMENTS

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

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

The JSL Group's businesses were divided into four operating segments: Transportation and logistics, Authorized vehicle dealerships, Rental of vehicles and Financial services.

The comparative table at September 30, 2017 already shows the amounts with the effects of the discontinued operations related to the authorized vehicle dealerships segment.

No customer represented more than 10% of gross operating revenue during the nine-month periods ended September 30, 2017 and 2016.

The business segment information for the nine-month periods ended September 30, 2017 and 2016 is as follows:

						9/30/2017
	Transportation and logistics	**Authorized vehicle dealerships**	**Rental of vehicles**	**Financial services**	**Eliminations (i)**	**Consolidated**
Net revenue from services rendered and sale of assets used in services rendered	3,103,831	616,846	1,881,318	31,497	(154,716)	5,478,776
(-) Cost of sales and services	(2,308,684)	(490,944)	(322,227)	(21,888)	139,369	(3,004,374)
(-) Cost of sales of assets used in services rendered	(283,478)	(11,441)	(1,080,625)	-	15,347	(1,360,197)
(=) Gross profit	**511,669**	**114,461**	**478,466**	**9,609**	**-**	**1,114,205**
Administrative selling and expenses	(179,825)	(112,159)	(233,234)	(7,465)	-	(532,683)
Tax expenses	(5,304)	(4,397)	(699)	(136)	-	(10,536)
Other operating income (expenses), net	10,878	1,184	(58,210)	(27)	-	(46,175)
Profit before finance income and costs	**337,418**	**(911)**	**186,323**	**1,981**	**-**	**524,811**
Finance result, net						(503,652)
(=) profit before income tax and social contribution						**21,159**
Income tax and social contribution – current and deferred						(13,093)
(=) Profit for the period						**8,066**
Assigned to:						
Owners of the Company						(4,499)
Non-controlling interests						12,565
Total assets per segment	8,120,803	510,008	4,141,715	120,089	(2,789,510)	10,103,105
Total liabilities per segment	7,429,182	206,959	2,872,760	55,942	(1,570,976)	8,993,867

						9/30/2016
	Logistics	Authorized vehicle dealerships	Rental of vehicles	Financial services	Eliminations (i)	Consolidated
						(Reclassified Note 2.6)
Net revenue from services rendered and sale of assets used in services rendered	3,041,380	628,381	1,441,888	18,908	(302,236)	4,828,321
(-) Cost of sales and services	(2,344,553)	(493,903)	(363,918)	(14,080)	302,236	(2,914,218)
(-) Cost of sales of assets used in services rendered	(184,068)	(13,099)	(729,474)	-	-	(926,641)
(=) Gross profit	**512,759**	**121,379**	**348,496**	**4,828**	**-**	**987,462**
Administrative and selling expenses	(191,164)	(122,943)	(146,607)	(6,447)	-	(467,161)
Tax expenses	(3,766)	(3,677)	(116)	(48)	-	(7,607)
Other operating income (expenses), net	(10,751)	238	(33,680)	(4)	-	(44,198)
Equity in the results of investees	-	-	-	-	-	1
Profit before finance income and (costs)	**307,078**	**(5,003)**	**168,093**	**(1,671)**	**-**	**468,497**
Finance result, net						(518,133)
(=) Loss before income tax and social contribution						**(49,636)**
income tax and social contribution expenses – current and deferred						16,901
(=) Loss for the period						**(32,735)**
Assigned to:						
Owners of the Company						(32,735)
Non-controlling interests						-
Total assets per segment	7,027,160	511,049	2,648,382	99,136	(1,267,246)	9,018,481
Total liabilities per segment	6,272,483	188,247	1,887,933	61,429	(144,962)	8,265,131

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, derivative financial instruments, trade receivables, other credits, borrowings and financing, finance lease receivables and payables, debentures, trade payables, floor plan vehicles, suppliers financing - car makers, other accounts payable and other accounts receivables and payables with related parties negotiated under normal market conditions and recognized in the interim financial information. These instruments are managed pursuant to operating strategies aiming at liquidity, profitability and risk minimization.

4.1 Financial instruments by category

Financial Instrument are classified into the following categories:

					Consolidated		
				9/30/2017			12/31/2016
Assets, as per balance sheet	**Assets at fair value through statement of income (loss)**	**Available-for-sale**	**Loans and receivables**	**Total**	**Assets at fair value through statement of income (loss)**	**Loans and receivables**	**Total**
Cash and cash equivalents	-		795,824	795,824	-	585,920	585,920
Marketable securities	1,639,495	842,928	-	2,482,423	457,300	-	457,300
Derivative financial instruments	76,686	-	-	76,686	36,037	-	36,037
Trade receivables	-	-	1,329,079	1,329,079	-	1,129,778	1,129,778
Related parties	-	-	116	116	-	76	76
Other credits	-	-	43,701	43,701		53,727	53,727
	1,716,181	**842,928**	**2,168,720**	**4,727,829**	**493,337**	**1,769,501**	**2,262,838**

Liabilities, as per balance sheet	**Liabilities at fair value through statement of income (loss)**	**Available-for-sale**	**Other financial liabilities**	**Total**	**Liabilities at fair value through statement of income (loss)**	**Other financial liabilities**	**Total**
Trade payables	-	-	876,837	876,837	-	992,368	992,368
Floor plan vehicles	-	-	26,500	26,500	-	28,387	28,387
Suppliers financing – car makers	-	-	551,386	551,386	-	551,359	551,359
Borrowings and financing	-	-	5,584,640	5,584,640	-	3,846,136	3,846,136
Debentures	-	-	2,293,121	2,293,121	-	1,548,617	1,548,617
Finance leases payable	-	-	237,887	237,887	-	354,733	354,733
Derivative financial instruments	12,669	-	-	12,669	12,223	-	12,223
Related parties	-	-	511	511	-	1,782	1,782
Other accounts payable	-	-	199,122	199,122	-	378,273	378,273
	12,669	**-**	**9,770,004**	**9,782,673**	**12,223**	**7,701,655**	**7,713,878**

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	
	Carrying amount		Fair value	
	9/30/2017	**12/31/2016**	**9/30/2017**	**12/31/2016**
Financial assets				
Cash and cash equivalents	795,824	585,920	795,824	585,920
Marketable securities	2,482,423	457,300	2,482,423	457,300
Derivative financial instruments	76,686	36,037	76,686	36,037
Trade receivables	1,329,079	1,129,778	1,329,079	1,129,778
Related parties	116	76	116	76
Other credits	43,701	53,727	43,701	53,727
Total	**4,727,829**	**2,262,838**	**4,727,829**	**2,262,838**
Financial liabilities				
Trade payables	876,837	992,368	876,837	992,368
Floor plan vehicles	26,500	28,387	26,500	28,387
Suppliers financing – car makers	551,386	551,359	551,386	551,359
Borrowings and financing	5,584,640	3,846,136	5,546,248	3,805,657
Debentures	2,293,121	1,548,617	2,278,493	1,548,617
Finance leases payable	237,887	354,733	237,682	354,733
Derivative financial instruments	12,669	12,223	12,669	12,223
Related parties	511	1,782	511	1,782
Other accounts payable	199,122	378,273	199,122	378,273
	9,782,673	**7,713,878**	**9,729,448**	**7,673,399**

The fair values of cash and cash equivalents and marketable securities approximate their amortized cost, used to recognize the financial investments, and were determined based on quoted prices of similar transactions taking place in active markets, classified in level 1 and 2 in the fair value hierarchy. There are no financial instruments measured at fair value classified in level 3.

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 September 30, 2017 was as follows:

Interest curve – Brazil							
Vertex	1M	6M	1Y	2Y	3Y	5Y	10Y
Rate (p.a.) - %	8.02%	7.18%	7.18%	7.95%	8.67%	9.43%	10.16%

Source: B3 (*"Brasil, Bolsa e Balcão"*) 9/30/2017

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 other accounts payable. The primary purpose underlying these financial liabilities is to obtain funds for the operations. The JSL Group has trade receivables, other credits and demand and short-term deposits arising directly from its operations. The JSL Group is exposed to market, credit, and liquidity risk.

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 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 lease payables 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 and financing, debentures, finance leases payable, financial investments and marketable securities, subject to interest rates. The sensitivity analysis is presented in the item 4.5.

- Foreign exchange rate risk

The JSL Group obtained borrowings indexed to exchange rate changes. All these instruments were hedged against exchange rate changes by swap instruments, exchanging indexation to exchange rate for interest indexed to a percentage of the CDI rate and financial investments in foreign currencies at the same amount, as mentioned in Notes 6 and 18. Therefore, the JSL Group is not exposed to foreign exchange losses.

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	Contractual flow	1 year	1-2 years	3-8 years
Financial liabilities					
Trade payables	876,837	876,837	876,837	-	-
Floor plan vehicles	26,500	26,500	26,500	-	-
Suppliers financing – car makers	551,386	551,386	551,386	-	-
Borrowings and financing	5,584,640	7,167,381	1,404,112	1,535,103	4,228,166
Debentures	2,293,121	2,902,246	819,181	534,051	1,549,014
Finance leases payable	237,887	254,333	160,814	53,944	39,575
Derivative financial instruments	12,669	12,669	12,669	-	-
Related parties	511	511	511	-	-
Other accounts payable	199,122	199,122	99,410	99,712	-
Total	**9,782,673**	**11,990,985**	**3,951,420**	**2,222,810**	**5,816,755**

4.4 Derivative financial instruments

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

During the period ended September 30, 2017, the JSL Group acquired new derivative financial instruments (swap agreements) that were classified as cash flow hedge, and applied the hedge accounting pursuant to CPC 38 (R6) – Financial instruments: recognition and measurement. The cash flow hedge consists in providing a hedge against variations in cash flows attributable to a specific risk associated to a recognized asset or liability or a highly probable forecast transaction that may affect the result.

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

The effective portion of the changes in the fair value of derivatives designated and qualifying as cash flow hedge is recognized as a component of "other comprehensive income". As at September 30, 2017, the recorded amount is R$ 5,118. The gain or loss relating to the ineffective portion, when determined, is recognized immediately in statement of income (loss). During the period ended September 30, 2017, no gain or loss on the ineffective portion was recognized.

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

The JSL Group has other derivative financial instruments (swap agreements) that were not classified as hedge transactions for the application of hedge accounting pursuant to CPC 38 (R6) – Financial instruments: recognition and measurement, the resulting gains and losses of which arising from changes in the fair value of these transactions are recognized in the statement of income (loss). During the period ended September 30, 2017, the losses on the swap transactions were R$ 22,519 and R$119,410, respectively. These expenses set over against on the underlying hedged instruments. See the impact on the result in Note nº 29.

The outstanding contracts at September 30, 2017 are the following:

								Consolidated	
								Balance of the hedged debt at 9/30/2017	
Debt	Instrument	Hedge type	Operation	Notional amount	Maturity	Hedge index	Average rate	Amortized cost	Fair value
NCE	Swap agreement	Cash flow hedge	SWAP USD x SPREAD X CDI	USD 160,000	07/2024	FIXED RATE + EXCHANGE RATE	152.78% CDI	508,866	508,866
IPCA Debt	Swap agreement	Fair value hedge	SWAP IPCA x CDI	R$ 213,811	07/2020	IPCA + EXCHANGE RATE	109% CDI	245,650	252,756
IPCA Debt	Swap agreement	Fair value hedge	SWAP IPCA x CDI	R$ 71,751	06/2021	IPCA + EXCHANGE RATE	100% CDI + 2.53%	90,334	94,019
FIXED RATE USD Debt	Swap agreement	Fair value hedge	SWAP USD x SPREAD X CDI	USD 30,000	07/2018	FIXED RATE + EXCHANGE RATE	117.75% CDI	96,595	96,690
FIXED RATE USD Debt	Swap agreement	Fair value hedge	SWAP USD x SPREAD X CDI	USD 30,000	03/2019	FIXED RATE+ EXCHANGE RATE	100% CDI + 1.95%	95,613	95,066
FIXED RATE USD Debt	Swap agreement	Fair value hedge	SWAP USD x SPREAD CDI	USD 20,000	11/2017	FIXED RATE + EXCHANGE RATE	100% CDI + 2.56%	45,288	44,983
							Total	**1,082,346**	**1,092,380**

The outstanding balances are as follows:

		Consolidated	
			9/30/2017
Operation	**Notional amount**	**Asset**	**Liability**
Swap - USD x DI	USD 240,000	4,969	(12,669)
Swap - IPCA x DI	R$285,562	71,717	-
		76,686	**(12,669)**
Current		**1,768**	**(10,781)**
Non-current		**74,918**	**(1,888)**

			12/31/2016
Operation	**Notional amount**	**Asset**	**Liability**
Swap - USD x DI	USD 110,000	5,115	(12,223)
Swap - IPCA x DI	R$293,946	30,922	-
		36,037	**(12,223)**
Current		-	-
Non-current		**36,037**	**(12,223)**

4.5 Sensitivity analysis

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

Operation	Exposure	Risk	Probable rate	Probable Scenario - CDI/TJLP	Scenario I + 25% deterioration - CDI/TJLP	Scenario I + 50% deterioration - CDI/TJLP
Financial investments	111,000	CDI	7.18%	7,970	9,962	11,955
Marketable securities	2,148,555	SELIC	7.18%	154,266	192,833	231,399
	-	**Total Assets**		**162,236**	**202,795**	**243,354**
	-					
	-					
Finance leases payable	(237,887)	CDI	7.18%	(17,080)	(21,350)	(25,620)
Borrowings, financing and debentures	(6,748,967)	CDI	7.18%	(484,576)	(605,720)	(726,864)
	-	**Total CDI**		**(501,656)**	**(627,070)**	**(752,484)**
	-					
Borrowings, financing and debentures	(14,040)	IPCA	2.5%	(351)	(439)	(527)
Borrowings, financing and debentures	(309,356)	TJLP	7.0%	(21,655)	(27,069)	(32,482)
		Total IPCA / TJLP		**(22,006)**	**(27,508)**	**(33,009)**
Total impact on statement of income (loss)				**(361,426)**	**(451,783)**	**(542,139)**

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, borrowings and financing, including debentures and leases payable. The debt was divided into three parts: debt subject to the CDI rate, debt subject to the TJLP and debt subject to the IPCA, which could be subject to different changes in accordance with the inherent rate.

This study estimated a probable scenario of CDI rate of 7.18%, based on the future interest rate curve of B3 ("*Brasil, Bolsa e Balcão*") (the average rate at September 30, 2017 was 10.14%), proportionally impacting on the JSL Group's debt and financial investments. With regard to IPCA, the scenario considered probable by the JSL Group is the maintenance of the rate at September 30, 2017 (2.5%). And with regard to TJLP, the scenario considered probable at September 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	
	9/30/2017	**12/31/2016**	**9/30/2017**	**12/31/2016**
Cash	188	161	4,147	1,389
Banks	4,629	2,988	47,592	52,611
Total cash and banks	**4,817**	**3,149**	**51,739**	**54,000**
Bank deposit certificates ("CDB")	111,994	114,475	325,352	165,589
Repo operations	50,077	200,999	407,278	366,331
Others	5,224	-	11,455	-
Total financial investments	**167,295**	**315,474**	**744,085**	**531,920**
Total cash and cash equivalents	**172,112**	**318,623**	**795,824**	**585,920**

The repo operations and bank deposit certificates ("CDB") have a very short maturity and are invested in exclusive investment funds and used in the daily management of the JSL Group's cash, the fair value and the amortized cost of these transactions are similar for the period ended September 30, 2017 and December 31, 2016.

During the nine-month period ended September 30, 2017, the average income of this investments was 100.4% of the CDI, equivalent to 0.87% p.m., while for 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	**9/30/2017**	**12/31/2016**	**9/30/2017**	**12/31/2016**
Government securities in the country - Exclusive funds				
Financial Treasury Bills ("LFT")	259,257	139,495	574,587	255,291
National Treasury Bills ("LTN")	440,516	59,487	1,064,908	202,009
Foreign securities				-
Sovereign securities (in USD)	-	-	246,780	-
Corporate securities (in USD)	-	-	596,148	-
Total	**699,773**	**198,982**	**2,482,423**	**457,300**
Current assets	699,773	198,982	2,481,238	457,300
Non-current assets	-	-	1,185	-
Total	**699,773**	**198,982**	**2,482,423**	**457,300**

The average income of government securities allocated to exclusive funds is defined at fixed and floating rates, based on the variation of the daily SELIC rate. The average income for the nine-month period ended September 30, 2017 was 0.87% p.m. (December 31, 2016 – 1.12% p.m.). These funds are managed by first tier financial institutions and with low credit risk. The average income disclosed are net of management fee and commission.

Corporate securities are debt securities issued by Brazilian companies such as bonds, notes and others that have weighted risk rating "BB" in global scale. Sovereign securities are debt securities issued by the Brazilian government or by entities controlled by the government. These bonds in foreign currency (USD) are available-for-sale according to Management's need to use the funds. Additionally these securities are naturally hedged by the respective amount of the debt in USD, as disclosed in Note 18. The remuneration from these securities is defined based on the coupon of each issue and on the yield rate at the acquisition date. The weighted average income for the period ended September 30, 2017 was 6.22% p.a.

7. TRADE RECEIVABLES

	Parent Company		Consolidated	
Description	**9/30/2017**	**12/31/2016**	**9/30/2017**	**12/31/2016**
Receivables from credit cards (i)	-	-	31,175	44,986
Accounts receivable (ii)	530,112	476,058	1,210,877	996,304
Unbilled revenue (iii)	190,386	172,967	282,724	235,831
(-) Estimated losses on doubtful accounts (iv)	(71,858)	(60,501)	(195,697)	(147,343)
Total	**648,640**	**588,524**	**1,329,079**	**1,129,778**
Current assets	619,149	556,017	1,225,249	1,021,422
Non-current assets	29,491	32,507	103,830	108,356
Total	**648,640**	**588,524**	**1,329,079**	**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. Part of this balance arises from finance lease transactions carried out by the subsidiary JSL Leasing S.A..

(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 estimated losses on doubtful accounts is recorded based on the Management's best estimate for receivables that might not be received. During the nine-month period ended September 30, 2017, the Group implemented several improvements in the collection processes of its accounts receivable, and as a result, reached higher recovery of overdue receivables that were being recorded as provision for losses. Due to this the Group reviewed the respective provision, considering the new scenario. The movements in this provision is shown below:

	Parent Company	Consolidated
At December 31, 2016	**(60,501)**	**(147,343)**
(-) Additions	(17,225)	(89,179)
(+) Write-offs or reversal	5,868	40,825
At September 30, 2017	**(71,858)**	**(195,697)**

7.1 Aging list

	Parent Company		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Falling due	**572,584**	**527,752**	**1,021,046**	**873,912**
Overdue for up to 30 days	29,704	31,409	77,240	95,950
Overdue from 31 to 91 days	23,685	22,744	66,916	82,509
Overdue from 91 to 180 days	7,801	11,597	50,558	60,668
Overdue from 181 to 365 days	23,905	8,660	97,204	60,755
Overdue for more than 365 days	62,819	46,863	211,812	103,327
Total overdue	**147,914**	**121,273**	**503,730**	**403,209**
(-) Estimated losses on doubtful accounts	(71,858)	(60,501)	(195,697)	(147,343)
Total	**648,640**	**588,524**	**1,329,079**	**1,129,778**

8. INVENTORIES

	Parent Company		Consolidated	
Description	**9/30/2017**	**12/31/2016**	**9/30/2017**	**12/31/2016**
New vehicles	-	-	63,603	60,984
Used vehicles	-	-	67,492	45,976
Parts for resale	-	-	19,619	20,605
Materials for use and consumption	29,738	28,542	39,988	39,785
Others	-	-	6,508	6,164
(-) Estimated losses on impairment of inventories (i)	(5,954)	(5,802)	(9,286)	(8,888)
Total	**23,784**	**22,740**	**187,924**	**164,626**

(i) The provision for impairment of inventories refers to: 1) material for use and consumption of R$ 5,954 in Parent Company (R$ 5,802 at December 31, 2016) and R$ 5,954 in Consolidated (R$ 5,802 at December 31, 2016); and 2) parts for resale of R$ 3,332 in Consolidated (R$ 3,086 at December 31, 2016). The changes in the nine-month period ended September 30, 2017 are shown below:

Changes in estimated losses on impairment of inventories

	Parent Company	Consolidated
At December 31, 2016	**(5,802)**	**(8,888)**
(-) Additions	(5,499)	(8,205)
(+) Write-offs	5,347	7,807
At September 30, 2017	**(5,954)**	**(9,286)**

9. TAXES RECOVERABLE

	Parent Company		Consolidated	
Description	**9/30/2017**	**12/31/2016**	**9/30/2017**	**12/31/2016**
Income tax and social contribution to offset (i)	55,505	57,777	68,259	90,136
ICMS to offset (ii)	13,341	16,330	18,646	20,770
INSS to offset (iii)	59,788	34,623	76,372	42,932
PIS / COFINS to offset (iv)	344	667	31,251	1,686
ISS to offset	-	-	1,925	960
Other taxes	1,720	1,220	15,267	1,584
Total	**130,698**	**110,617**	**211,720**	**158,068**
Current assets	110,523	56,457	191,611	95,600
Non-current assets	20,175	54,160	20,109	62,468
Total	**130,698**	**110,617**	**211,720**	**158,068**

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

(ii) ICMS – Value-added Tax on sales and services 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) INSS – National Institute of Social Security to offset refers to extemporaneous credits of INSS, including R$12,516, in the parent company and R$ 18,826 in the consolidated, recognized in the third quarter of 2017, and amounts withheld on service invoices, which are offset in the monthly payments.

(iv) PIS - Social Integration Program and COFINS – Social Contribution on revenue to offset at September 30, 2017 includes R$ 344 in the parent company and 29,746 in the consolidated of extemporaneous credits on rental of vehicles and equipment recognized in the third quarter of 2017.

10. ASSETS AVAILABLE-FOR-SALE

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$ 89,740 (at December 31, 2016 - R$ 87,081) and in the consolidated totaling R$ 352,546 (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.

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, issued on May 2, 2017.

The movement for the nine-month period ended September 30, 2017 is as follows:

					Parent Company
	At December 31, 2016	**Assets transferred from property and equipment**	**Assets returned for operation**	**Assets written-off due to sale**	**At September 30, 2017**
Cost or valuation:					
Vehicles	**130,772**	271,042	(36,261)	(233,133)	**132,420**
Machinery	**35,504**	11,355	(2,407)	(14,507)	**29,945**
Total	**166,276**	**282,397**	**(38,668)**	**(247,640)**	**162,365**
Accumulated depreciation:					
Vehicles	**(51,689)**	(119,677)	11,288	112,579	(47,499)
Machinery	**(27,506)**	(8,266)	1,857	8,789	(25,126)
Total	**(79,195)**	**(127,943)**	**13,145**	**121,368**	**(72,625)**
Net value:	**87,081**	**154,454**	**(25,523)**	**(126,272)**	**89,740**

						Consolidated
	At December 31, 2016	Assets transferred from property and equipment	Assets not for use (i)	Assets returned for operation	Assets written-off due to sale	At September 30, 2017
Cost or valuation:						
Vehicles	**465,383**	1,682,510	171	(67,551)	(1,658,341)	**422,172**
Machinery	**36,407**	35,167	-	(6,516)	(19,644)	**45,414**
Total	**501,790**	**1,717,677**	**171**	**(74,067)**	**(1,677,985)**	**467,586**
Accumulated depreciation:						
Vehicles	**(142,338)**	(264,719)	-	22,670	304,998	(79,389)
Machinery	**(28,203)**	(24,653)	-	4,415	12,790	(35,651)
Total	**(170,541)**	**(289,372)**	**-**	**27,085**	**317,788**	**(115,040)**
Net value:	**331,249**	**1,428,305**	**171**	**(46,982)**	**(1,360,197)**	**352,546**

(i) refers to vehicles repossessed related to finance leasing operations.

(ii) refers to the amount transferred from property and equipment for sale, in the amounts of R$ 243,729 (cost) and R$ 114,798 (depreciation) and R$ 1,643,609 (cost) and R$ 262,286 (depreciation), parent company and consolidated, respectively, as mentioned in note 13.

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

11. FUND FOR CAPITALIZATION OF AUTHORIZED VEHICLE DEALERSHIPS

The Fund for capitalization of authorized vehicle dealerships corresponding to the payments made by subsidiaries of the JSL Group, that operates 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 balance at September 30, 2017, it presents a value of R$ 39,089, while in December 31, 2016 the balance was R$ 52,642.

12. INVESTMENTS

The table of the JSL Group's interests in companies and the movement of these investments for the year ended December 31, 2016 are presented in the individual and consolidated financial statements for that year, issued 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 nine-month period ended September 30, 2017, as follows:

						Parent Company	Consolidated	
Investments	**Equity at 9/30/2017**	**Interest %**	**Equity in the results of investees**	**Asset balance 9/30/2017**	**Provisions for loss on investment (ii) 9/30/2017**	**12/31/2016**	**Asset balance 9/30/2017**	**12/31/2016**
JSL Financeira	64,147	99.99999	2,822	64,147	-	38,335	-	-
Mogipasses	16,937	99.99980	2,148	16,937	-	14,789	-	-
Yolanda	24,817	99.99998	(540)	24,817	-	25,207	-	-
JSL Imobiliários	6,485	99.99999	(1,075)	6,485	-	7,460	-	-
CS Brasil	728,748	99.99998	51,628	728,748	-	689,572	-	-
JSL Pesados	251,136	99.99999	62,613	251,136	-	171,882	-	-
Medlog	364	99.99999	108	364	-	-	-	-
Quick Logística	35,061	99.99999	(5,037)	35,061	-	40,098	-	-
Quick Armazéns	5,127	99.99999	861	5,127	-	4,266	-	-
JSL Concessionárias	303,049	99.99999	2,437	303,049	-	300,612	-	-
Movida S.A.	1,268,784	65.59046	34,156	832,312	-	721,764	-	-
Gain on the acquisition of Quick Logística	-	-	-	33,774	-	91,553	-	-
Goodwill authorized vehicle dealerships (i)	-	-	-	6,481	-	6,481	-	-
Other investments	-	99.99000	-	65	-	8	59	196
BRT Sorocaba Concessionárias	-	-	-	-		-	985	983
JSL Europe	(11,034)	100.00000	(11,222)		(11,034)	188		
CS Brasil Frotas	(72)	99.80000	(73)		(72)	-	-	-
Total permanent investments			**138,826**	**2,308,503**	**(11,106)**	**2,112,215**	**1,044**	**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) - Investments in associates and joint ventures.

(ii) Balances related to losses on investments in subsidiaries that were reclassified to the group of "Other payables".

12.1 Changes in investments

									Parent Company
Investments	**12/31/2016**	**Capital contribution**	**Equity in the results of investees in 2017**	**Realization of surplus value of assets (iv)**	**Amortization of surplus value of assets**	**Gain on the issue of shares (IPO of subsidiaries)**	**Reduction due to secondary sales of shares**	**Dividends and interest on capital (iii)**	**9/30/2017**
JSL Financeira	38,335	22,990	2,822	-	-	-	-	-	64,147
Mogipasses	14,789	-	2,148	-	-	-	-	-	16,937
Yolanda	25,207	150	(540)	-	-	-	-	-	24,817
JSL Imobiliários	7,460	100	(1,075)	-	-	-	-	-	6,485
CS Brasil	689,572	-	51,628	-	-	-	-	(12,452)	728,748
JSL Pesados (i)	171,882	16,641	62,613	-	-	-	-	-	251,136
Medlog	-	256	108	-	-	-	-	-	364
Quick Logística	40,098	-	(5,037)	-	-	-	-	-	35,061
Quick Armazéns	4,266	-	861	-	-	-	-	-	5,127
JSL Concessionárias	300,612	-	2,437	-	-	-	-	-	303,049
Movida Participações S.A. (ii)	721,764	52,968	34,156	-	-	67,577	(44,152)	-	832,313
Other investments	8	56		-	-	-	-	-	64
Gain on the acquisition of Quick Logística	91,553	-	-	(35,572)	(22,207)	-	-	-	33,774
Goodwill JSL Concessionárias	6,481	-	-	-	-	-	-	-	6,481
Total investments	**2,112,027**	**93,161**	**150,121**	**(35,572)**	**(22,207)**	**67,577**	**(44,152)**	**(12,452)**	**2,308,503**
Provisions for investment losses									
JSL Europe	188	-	(11,222)	-	-	-	-	-	(11,034)
CS Brasil Frotas	-	1	(73)	-	-	-	-	-	(72)
Total Investments	**2,112,215**	**93,162**	**138,826**	**(35,572)**	**(22,207)**	**67,577**	**(44,152)**	**(12,452)**	**2,297,397**

(i) Investment increase made in the first quarter of 2017, through the transfer of assets net of respective financing to JSL Locações.

(ii) As disclosed in note nº 1, the JSL Group trade in into a secondary offering of 8,550,496 shares of this subsidiary, in the amount of R$ 64,196, arising from the Initial Public Offering (IPO) of subsidiary Movida Participações S.A. Of this amount, R$ 3,150 was charged as commissions, and in this way, the JSL Group received R$ 61,046 in its cash, of which R$ 17,001 was recorded as capital gain in equity during the nine-month period ended September 30, 2017 and R$ 44,152 as realization of the shares sold as presented in the statement of cash flows. In addition, in the second quarter of 2017, the Company recognized an equity valuation adjustment arising from the gain on the average value of Movida's share, resulting in an increase in the invested balance by R$ 67,454, less the costs of issuance and repurchase of such shares.

(iii) During the period ended September 30, 2017, dividends that were recorded at December 31, 2017 were received.

(iv) Refers to the realization of the purchase price allocation due to sale of the asset.

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

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

The share of assets, liabilities and statement of income (loss) in subsidiaries for the period ended September 30, 2017, included in the consolidated interim financial information, is presented below:

	Parent Company							
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenue	Costs and expenses	Statement of income (loss) for the period
Yolanda	4,884	26,708	6,291	484	24,817	10,928	(11,468)	(541)
JSL Pesados	105,722	877,916	201,719	530,783	251,136	278,346	(215,733)	62,613
Medlog	825	-	461	-	364	1,657	(1,549)	108
Mogipasses	39,187	291	6,544	15,996	16,937	1,872	276	2,148
CS Brasil	383,842	635,399	187,983	102,510	728,748	604,766	(553,138)	51,628
Quick Logística	39,621	21,036	23,329	2,267	35,061	118,613	(123,650)	(5,036)
Quick Armazéns	3,270	2,166	308	-	5,127	3,271	(2,410)	861
JSL Imobiliários	294	11,197	5,006	-	6,485	(16)	(1,059)	(1,075)
JSL Concessionárias	291	303,794	1,036	-	303,049	299	2,138	2,437
JSL Leasing Consolidated	69,414	110,277	116,375	6,499	64,147	-	2,822	2,822
Movida S.A.	431,169	1,244,462	8,976	397,700	1,268,955	-	46,726	46,726
JSL Europe	684,117	334,339	6,928	1,022,560	(11,034)	-	(11,222)	(11,222)
CS Frotas	79	1,860	1,242	769	(72)	-	(73)	(73)
JSL Finance	334,339	-	-	334,339	-	-	-	-

13. PROPERTY AND EQUIPMENT

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, issued on May 2, 2017.

	Parent Company								
	Vehicles	Machinery and equipment	Construction in progress	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Buildings	Others	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)	192,291	15,077	4,150	-	887	1,620	-	-	214,025
Transfers	710	(709)	(15,383)	5,297	-	(3)	10,086	2	-
Transfers to available-for-sale assets	(234,752)	(8,977)	-	-	-	-	-	-	(243,729)
Assets written-off and others (ii)	(81,071)	(562)	-	-	(221)	(65)	-	66	(81,853)
At September 30, 2017	**1,429,650**	**386,451**	**9,960**	**176,235**	**16,194**	**24,783**	**10,086**	**179,000**	**2,232,359**
Accumulated depreciation:									
At December 31, 2016	**(456,569)**	**(159,951)**	**-**	**(36,055)**	**(9,704)**	**(9,202)**	**-**	**(27,962)**	**(699,443)**
Depreciation expenses in the period	(93,101)	(32,961)	-	(9,230)	(1,966)	(1,772)	(6,094)	(3,703)	(148,827)
Transfers	15	(14)	-	3,561	-	-	(3,561)	(1)	-
Transfers to available-for-sale assets	108,383	6,414	-	-	-	-	-	-	114,798
Assets written-off and others (ii)	17,999	90	-	-	221	66	-	(69)	18,306
At September 30, 2017	**(423,273)**	**(186,422)**	**-**	**(41,724)**	**(11,449)**	**(10,908)**	**(9,655)**	**(31,735)**	**(715,166)**
Net value:									
At December 31, 2016	1,095,903	221,671	21,193	134,883	5,824	14,029	-	150,970	1,644,473
At September 30, 2017	1,006,377	200,029	9,960	134,511	4,745	13,875	431	147,265	1,517,193
Average annual depreciation rates (%):									
Light	10.7%								
Heavy	10.7%	9.5%							
Others			0.0%	8.2%	18.3%	9.9%	9.0%	8.9%	

(i) from the additions for the period, R$ 9,972 refer to acquisitions made by subsidiaries.

(ii) refers mainly to vehicles and machinery written off for capital increase in subsidiaries in the net amount of R$ 63,281.

										Consolidated
	Vehicles	Machinery and equipment	Construction in progress	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Land	Buildings	Others	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**	**200,383**	**6,537,574**
Additions	1,968,428	104,089	8,436	1,298	2,126	2,879	-	162	2,366	2,089,874
Transfers	1,099	(856)	(34,635)	24,549	-	(142)	-	9,985	-	-
Transfers to available-for-sale assets	(1,615,005)	(28,604)	-	-	-	-	-	-	-	(1,643,609)
Assets written-off and others (i)	(115,431)	(1,553)	-	(3,281)	(850)	(67)	-	(17)	(165)	(121,364)
At September 30, 2017	**5,483,705**	**699,912**	**11,841**	**343,106**	**37,835**	**46,808**	**13,800**	**22,794**	**202,584**	**6,862,385**
Accumulated depreciation:										
At December 31, 2016	**(739,241)**	**(258,500)**	**-**	**(75,965)**	**(25,460)**	**(17,381)**	**-**	**(1,603)**	**(32,705)**	**(1,150,855)**
Depreciation expense in the period	(277,687)	(61,032)	-	(24,888)	(3,321)	(3,303)	-	(7,645)	(4,833)	(382,709)
Transfers	14	(206)	-	3,561	-	152	-	(3,521)	-	-
Transfers to available-for-sale assets	242,119	20,167	-	-	-	-	-	-	-	262,286
Assets written-off and others (i)	3,790	1,475	-	3,243	846	68	-	3	-	9,425
At September 30, 2017	**(771,005)**	**(298,096)**	**-**	**(94,049)**	**(27,935)**	**(20,464)**	**-**	**(12,766)**	**(37,538)**	**(1,261,853)**
Net value:										
At December 31, 2016	4,505,373	368,336	38,040	244,575	11,099	26,757	13,800	11,061	167,678	5,386,719
At September 30, 2017	4,712,700	401,816	11,841	249,057	9,900	26,344	13,800	10,028	165,046	5,600,532
Average depreciation rates (%):										
Light	10.7%									
Heavy	10.7%	9.5%								
Others			0.0%	8.2%	18.3%	9.9%	-	9.0%	8.9%	

i) refers mainly to damaged vehicles in the net amount of R$110,839.

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, plant and equipment, according to the following:

	Consolidated	
	9/30/2017	**12/31/2016**
Cost - capitalized finance leases	350,691	522,531
Accumulated depreciation	(48,315)	(100,476)
Net balance	**302,376**	**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, issued on May 2, 2017.

Changes in the Parent company in the nine-month period ended September 30, 2017:

	Parent Company			
	Goodwill	**Software**	**Other**	**Total**
Cost				
At December 31, 2016	**232,609**	**46,804**	**1,157**	**280,570**
Additions	-	440	-	440
Write-offs	-	(112)	-	(112)
At September 30, 2017	**232,609**	**47,132**	**1,157**	**280,898**
Accumulated Amortization:				
At December 31, 2016	**-**	**(20,447)**	**(285)**	**(20,732)**
Amortization expenses in the period	-	(5,499)	(17)	(5,516)
Write-offs	-	112	-	112
At September 30, 2017		**(25,834)**	**(302)**	**(26,136)**
Net intangible assets:				
At December 31, 2016	232,609	26,357	872	259,838
At September 30, 2017	232,609	21,298	855	254,762
Average annual amortization rates (%)		11.4%	10.0%	

Changes in the consolidated in the nine-month period ended September 30, 2017:

	Consolidated					
	Goodwill 14.1	**Non-compete agreement and customer lists (i)**	**Software**	**Point of sales (ii)**	**Other (iii)**	**Total**
Cost:						
At December 31, 2016	**250,764**	**17,420**	**56,491**	**46,178**	**11,233**	**382,086**
Additions	-	-	2,997	-	1,332	4,329
Write-offs	-	-	(112)	-	-	(112)
Transfer from property and equipment and other	-	-	186	-	(2)	184
At September 30, 2017	**250,764**	**17,420**	**59,562**	**46,178**	**12,563**	**386,487**
At December 31, 2016	**-**	**(3,285)**	**(24,870)**	**(3,720)**	**(4,182)**	**(36,057)**
Accumulated amortization:						
Amortization expenses in the period	-	(4,015)	(6,369)	-	(36)	(10,420)
Write-offs	-	-	112	-	-	112
Transfer from property and equipment and other	-	-	(5)	-	(430)	(435)
At September 30, 2017	**-**	**(7,300)**	**(31,132)**	**(3,720)**	**(4,648)**	**(46,800)**
Net value:						
At December 31, 2016	**250,764**	14,135	31,621	42,458	7,051	346,029
At September 30, 2017	**250,764**	10,120	28,430	42,458	7,915	339,687
Average annual amortization rate (%)		13.0%	11.4%		10.0%	

(i) Non-compete agreement and customer lists: this intangible asset refers to non-compete agreement in the segment of logistics and the customer lists, 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 of them have been amortized on a straight-line basis, according to their agreements' effectiveness.

14.1 Goodwill on business combination

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

			9/30/2017	12/31/2016
Goodwill arising from business combinations	**Original cost**	**Impairment**	**Balance**	**Balance**
Transportation and logistics (i)	238,634	(6,023)	232,611	232,611
Authorized vehicle dealerships (ii)	34,578	(24,179)	10,399	10,399
Rental of vehicles (iii)	4,172	(2,777)	1,395	1,395
Financial services (iv)	6,359	-	6,359	6,359
Total consolidated	**283,743**	**(32,979)**	**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., Yolanda Logística, Armazém, Transportes e Serviços Gerais Ltda. and Lubiani Logística and, in the parent company, this amount comprises the cost of investment in the respective subsidiaries.

(ii) 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.

(iii) 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".

(iv) Financial services:

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 September 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 issued on May 2, 2017.

15. TRADE PAYABLES

	Parent Company		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Car makers	18,701	2,356	789,127	850,931
Parts and maintenance	9,298	8,291	17,646	44,272
Suppliers of machinery and vehicles (i)	1,447	-	6,910	49,540
Machinery and equipment	1,125	2,473	1,125	2,474
Inventory	7,034	5,500	11,668	10,712
Contracted services (ii)	2,858	8,763	4,252	10,439
Other (iii)	12,120	9,331	46,109	24,000
Total	**52,583**	**36,714**	**876,837**	**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 of logistics, transport, import, technology and security, among other services.

(ii) In the Parent company, the breakdown of the balance at September 30, 2017 refers to: i) rental payable of R$3,105 (2016 - R$4,847); ii) Suppliers of employee benefits of R$1,993 (2016 - R$2,358); and iii) Suppliers of communication services of R$1,104 (2016 - R$144) and other suppliers of R$5,918 (2016 - R$1,982).

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 inventory of new and used vehicles and automobile parts Floor Plan Vehicles, with revolving credit facilities made available by financial institutions, and with the agreement of 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 September 30, 2017 is R$ 26,500 (R$ 28,387 at December 30, 2016).

17. SUPPLIERS FINANCING – CAR MAKERS

				Parent Company		Consolidated	
Type	Average rate (%)	Base	Maturity	9/30/2017	12/31/2016	9/30/2017	12/31/2016
In local currency							
Suppliers financing - Car makers	4.5	3.9 months	08/2018	7,032	9,265	551,386	551,359
Total				**7,032**	**9,265**	**551,386**	**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	9/30/2017	12/31/2016	9/30/2017	12/31/2016	9/30/2017	12/31/2016
In local currency									
CCB (i)	10.6%	CDI + 2.46% p.a.	03/2023	111,212	217,690	967,045	1,002,749	1,078,257	1,220,439
CRA (ii)	9.0%	CDI + 0.90% p.a.	06/2020	217,476	120,073	364,067	196,796	581,543	316,869
Finame (iii)	4.3%	Fixed rate	01/2025	69,031	45,497	292,084	316,801	361,115	362,298
Finame (iii)	9.4%	TJLP + 2.4% p.a.	07/2022	14,938	102,979	21,145	264,325	36,083	367,304
NCE (iv)	11%	CDI + 2.86% p.a.	05/2019	73,398	7,276	300,000	359,992	373,398	367,268
FINEM (iv)	7.7%	TJLP / IPCA	03/2021	17,090	16,938	25,613	37,191	42,703	54,129
FNO	3.5%	Fixed rate	01/2024	1,872	1,875	9,859	11,246	11,731	13,121
Others	7.3%	Fixed rate	01/2019	3,428	3,650	533	3,299	3,961	6,949
				508,445	**515,978**	**1,980,346**	**2,192,399**	**2,488,791**	**2,708,377**
In foreign currency									
NCE (iv)	12.4%	152.78% of CDI p.a.	07/2024	2,015	-	506,880	-	508,895	-
International credit (4131) - USD	10.0%	CDI + 1.86%	03/2019	141,699	232,682	95,040	97,773	236,739	330,455
International credit (4131) - USD	7.6%	Fixed rate	04/2021	2,331	2,239	6,296	7,557	8,627	9,796
				146,045	**234,921**	**608,216**	**105,330**	**754,261**	**340,251**
				654,490	**750,899**	**2,588,562**	**2,297,729**	**3,243,052**	**3,048,628**

(*) Average rate accumulated with CDI at the end of the period.

				Consolidated					
				Current		Non-current		Total	
Type	**Average annual rage (%)**	**Average rate structure (%)**	**Maturity**	**9/30/2017**	**12/31/2016**	**9/30/2017**	**12/31/2016**	**9/30/2017**	**12/31/2016**
In local currency									
CCB (i)	10.7%	CDI + 2.56% p.a.	08/2025	190,793	227,852	1,251,514	1,191,578	1,442,307	1,419,430
CRA (ii)	9.0%	CDI + 0.90% p.a.	06/2020	217,476	120,073	364,067	196,797	581,543	316,870
Finame (iii)	4.9%	Fixed rate	01/2025	126,116	172,661	535,128	786,909	661,244	959,570
Finame (iii)	10.5%	TJLP + 2.4% p.a.	07/2022	95,299	102,979	254,253	264,325	349,552	367,304
NCE (iv)	11.0%	CDI + 3.0% p.a.	05/2019	73,398	7,276	300,000	359,992	373,398	367,268
FINEM (v)	7.7%	TJLP / IPCA	03/2021	17,090	-	25,613	-	42,703	-
FNO	3.5%	Fixed rate	01/2024	1,872	16,938	9,859	37,191	11,731	54,129
NP (vi)	9.3%	114% of CDI	03/2019	153,219	1,875	150,000	11,246	303,219	13,121
FNE	8.9%	Fixed rate	03/2021	6,080	4,341	15,217	3,852	21,297	8,193
Working capital (CDC) (vii)	11.8%	Fixed rate	05/2022	1,108	-	8,132	-	9,240	-
Others	7.4%	Fixed rate	01/2019	5,623	-	610	-	6,233	-
				888,074	653,995	2,914,393	2,851,890	3,802,467	3,505,885
In foreign currency									
Senior notes “Bond” (viii)	USD 7.75%	USD 325 MM 7.75%	07/2024	5,351	-	1,022,561	-	1,027,912	-
NCE (iv)	12.0%	152.78% of CDI	07/2024	2,015	-	506,880	-	508,895	-
International credit (4131) – USD (ix)	10%	CDI + 1,86% p.a.	03/2019	141,699	232,682	95,040	97,773	236,739	330,455
International credit (4131) - USD (ix)	7.6%	Fixed rate	04/2021	2,332	2,239	6,295	7,557	8,627	9,796
				151,397	234,921	1,630,776	105,330	1,782,173	340,251
				1,039,471	888,916	4,545,169	2,957,220	5,584,640	3,846,136

(*) Average rate accumulated with CDI at the end of the period.

(i) **CCBs** are Bank Credit Bills raised with financial institutions for financing the working capital and the purchase of vehicles, machinery and equipment used in operations**.** These are comprised of several agreements, part of which include an average annual interest rate calculated based on the variation of the Interbank Deposit Certificate - CDI, plus average spread of 2.46% 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. These transactions have covenants for the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to Earnings before interest, taxes, depreciation and amortization and cost of sales of assets used in services rendered (EBITDA-A) and other covenants.

(ii) **CRAs** are Agribusiness Receivables Certificates issued for raising funds to finance the agribusiness sector. These transactions were raised at an average interest rate of 0.9% p.a. plus the variation of the Interbank Deposit Certificate - CDI, with periodic maturities until 2020. These transactions have covenants for the maintenance of certain financial ratios linked to the percentage of debt. These transactions have covenants for the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to Earnings before interest, taxes, depreciation and amortization and cost of sales of assets used in services rendered (EBITDA-A).

(iii)***FINAME*** are financing for investments in vehicles, machinery and equipment used in operations**.** Part of the agreements have long-term floating rates ("TJLP"), plus spread of 2.4 % p.a., on average, and part have average fixed interest rates of 4.9% 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. These financing agreements are collateralized by the financed assets and do not have covenants for the maintenance of financial ratios and other restrictions.

(iv)**NCEs** are Export Credit Notes issued to be fully used in the payment of costs, expenses, investments, refinancing of debt for financing the activities of support and complement to export operations and fundamental export operations, which are related to service agreements with our clients. These notes have average annual interest rate of 3.0%, plus the variation of the Interbank Deposit Certificate - CDI rate and have periodic maturities until May 2019. In September 2017, new NCE transactions were raised amounting to R$ 500,000 and subject to interest linked to the CDI variation and semi-annual payments until 2024, with exchange of rates for swap instruments for an average 152.78% of CDI. These transactions have covenants for the maintenance of certain financial ratios linked to the percentage of debt and finance costs ratios in relation to Earnings before interest, taxes, depreciation and amortization (EBITDA).

(v)**FINEM** are financing for investments in infrastructure raised for the construction, renovation and installation of operating sites. The agreements have long-term floating rates ("TJLP" and "IPCA"), and fixed rates, which total an average rate of 7.7% p.a. and have maturities until March 2021. These transactions do not have covenants for the maintenance of financial ratios and other restrictions.

(vi)**Promissory notes:** refer to written promise to pay signed by the subsidiaries Movida Participações S.A. and Movida GTF to the subscriber. In September 2017, the Company carried out the second issue of promissory notes, with a single maturity in March 2019, in the total amount of R$150,000 and average interest of 114% of the Interbank Deposit Certificate (CDI). These transactions do not have covenants for the maintenance of financial ratios and other restrictions.

(vii) **Working capital (CDC):** refer to short-term transactions used to manage the Group's cash**.** These transactions have covenants for the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to Earnings before interest, taxes, depreciation and amortization (EBITDA).

(viii) **Senior Note "Bond":** refer to debt bonds issued by the subsidiary JSL Europe in the international market, amounting to US$325,000 (R$1,027,912 at September 30, 2017), with maturity on July 26, 2024 and semi-annual payment of interest of 7.75% per year, beginning on January 26, 2018. The funds raised in this transaction will be used for working capital and payment of short-term debts. These transactions have covenants for the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to Earnings before interest, taxes, depreciation and amortization (EBITDA). The balance indexed to the US dollar ("USD" or "dollar") is naturally hedged by financial investments in the same amount also indexed to the dollar.

(ix) **International Credit:** refer to borrowing transactions with foreign institutions. These transactions have covenants for the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to Earnings before interest, taxes, depreciation and amortization (EBITDA).

All the commitments described in the agreements were being met at September 30, 2017.

18.1 Amortization schedule:

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

					9/30/2017
		Parent Company		Consolidated	
	Maturity of installments	Total	%	Total	%
Total current liabilities	until September 2018	654,490	20%	1,039,471	19%
	October to December 2018	68,402	2%	110,901	2%
	2019	875,912	27%	1,236,135	22%
	2020	444,046	14%	776,359	14%
	2021	299,760	9%	389,865	7%
	2022	291,659	9%	339,556	6%
	2023	92,726	3%	125,335	2%
	2024	516,006	16%	1,564,081	28%
	After 2025	51	0%	2,937	0%
Total non-current liabilities		2,588,562	80%	4,545,169	81%
Total		**3,243,052**	**100%**	**5,584,640**	**100%**

18.2 Guarantees and bank guarantees

At September 30, 2017, the Company and its subsidiaries have certain guarantees for the borrowing transactions as follows:

i) *Finame* and finance leases - guaranteed by the respected financed vehicles and equipment;
ii) FINEM – bank guarantees;
iii) CCB - assignment of trade notes of R$31,000; pledge of 10% of the shares of CS Brasil Frotas Ltda..

The other transactions do not have any guarantees.

19. DEBENTURES

			Parent Company					
			Current		Non-current		Total	
Type	Average annual charges (%)	Maturity	9/30/2017	12/31/2016	9/30/2017	12/31/2016	9/30/2017	12/31/2016
In local currency								
6th issue	CDI + 1.80/2.20 / IPCA + 7.5	07/2020	140,086	24,456	274,771	442,694	414,857	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 CDI	06/2021	140,199	6,194	291,075	412,441	431,274	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	-	-	348,688	-	348,688	-
11th issue	125.5 of CDI	03/2021	-	-	395,201	- -	395,201	-
			280,285	**131,824**	**1,309,735**	**1,107,512**	**1,590,020**	**1,239,336**

			Consolidated					
			Current		Non-current		Total	
Type	Average annual charges (%)	Maturity	9/30/2017	12/31/2016	9/30/2017	12/31/2016	9/30/2017	12/31/2016
In local currency								
6th issue	CDI + 1.80/2.20 / IPCA + 7.5	07/2020	140,086	24,456	274,771	442,694	414,857	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 CDI	06/2021	140,199	6,194	291,075	412,441	431,274	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	-	-	348,688	-	348,688	-
11th issue	125.5 of CDI	03/2021	-	-	395,201	-	395,201	-
1st issue - Movida GTF	CDI + 1.93	09/2018	298,947	10,418	-	298,863	298,947	309,281
1st issue - Movida Participações	CDI + 2.70/ 1.55	07/2022	6,454	-	397,700	-	404,154	-
			585,686	**142,242**	**1,707,435**	**1,406,375**	**2,293,121**	**1,548,617**

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

Description	6th issue	8th issue	10th issue	11th issue	1st issue of Movida GTF S.A.	1st issue of Movida Participações
Financial institution	*BTG Pactual*	*Votorantim*	*Banco do Brasil*	*Banco do Brasil*	*CEF*	*Bradesco*
1st series amount	90,749	31,187	352,000	400,000	150,000	150,000
2nd series amount	13,678	63,468	-	-	-	250,000
3rd series amount	72,797	118,201	-	-	-	-
Financial institution	*Caixa Geral*	*Bradesco (formerly HSBC)*	-	-	*Bradesco (formerly HSBC)*	-
1st series amount	1,000	52,394	-	-	150,000	-
2nd series amount	23,870	6,283	-	-	-	-
3rd series amount	40,234	30,873	-	-	-	-
Financial institution	*Santander*	*Santander*	-	-	-	-,
1st series amount	54,480	81,594	-	-	-	-
2nd series amount	19,074	2,000	-	-	-	-
3rd series amount	4,189	14,000	-	-	-	-
Financial institution	*Votorantim*	-	-	-	-	-
1st series amount	6,200	-	-	-	-	-
2nd series amount	5,850	-	-	-	-	-
3rd series amount	67,879	-	-	-	-	-
Total	400,000	400,000	352,000	400,000	300,000	400,000
Total received in checking account	401,910	400,390	352,000	400,000	300,000	400,000
Issue	7/15/2013	6/15/2014	3/20/2017	6/20/2017	9/29/2015	7/4/2017
Funding	7/30 and 7/31/2013 and 8/1/2013	6/18/2014	03/29/2017	06/30/2017	10/29/2015	7/27/2017
Maturity	7/15/2020	6/15/2021	3/20/2021	6/20/2021	9/24/2018	7/15/2020 and 7/15/2022
Type	Unsecured	Unsecured	Unsecured	Floating	Unsecured	Unsecured
Identification of the asset with CETIP	JSML16/26/36	JSML 18/28/38	JSML 10	JSML A1	JSLO 11	MOVI 11/21
b. Transaction costs incurred	**(914)**	**(71)**	**(87)**	**(99)**	**(114)**	**(111)**
Attorney's fees	(631)	(50)	(60)	(70)	(92)	(83)
CETIP / CVM / Anbima registration	(282)	(20)	(24)	(26)	(20)	(26)
Expenses with the agent bank	(1)	(1)	(3)	(3)	(2)	(2)
c. Premiums						
Additional due to settlement	7/30 and 7/31/2013 and 8/1/2013	N.A.	N.A.	N.A.	N.A.	N.A.
Amount of settlement	1,910	390	-	-	-	-
d. Effective interest rate p.a. % %						
1st series	CDI + 1.80%	116% of CDI	127.5% of CDI	127.50% of CDI	CDI + 1.93%	CDI + 1.55%
2nd series	CDI + 2.20%	IPCA + 8.0%	-	-	-	CDI + 2.70%
3rd series	IPCA + 7.5%	118.5% of CDI	-	-	-	-
e. Amount of costs and premiums to be apportioned until maturity	**716**	**419**	**1,225**	**1,607**	**299**	**404**

During the quarter ended September 30, 2017, there were two repurchases of debentures related to the 6th issue in the amount of R$55,987. The Debentures are in the Company's treasury stock issued by the JSL Group, and are all simple Debentures, not convertible into unsecured shares, except for the 11th issuance that was issued as simple, non-convertible debentures of the floating guarantee type. Both have commitments clauses of maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to Earnings before interest, taxes, depreciation, amortization (EBITDA-A).

For the11th issue of debentures of the JSL Group, there is the requirement to maintain a minimum 125% of the outstanding balance in the period equivalent to assets free of burden and debt.

All the commitments described in the agreements were being met at September 30, 2017.

The repayment schedule of debentures is as follows:

					9/30/2017
		Parent Company		Consolidated	
	Maturity of installments	Total	%	Total	%
Total current liabilities	until September/2018	280,825	17.6	585,686	25.5
	2019	289,208	18.2	362,174	15.9
	2020	575,237	36.2	651,499	28.4
	2021	445,290	28.0	568,762	24.8
	2022	-	-	125,000	5.5
	2022 and thereafter	-	-	-	-
Total non-current liabilities		1,309,735	82.4	1,707,435	74.5
Total		**1,590,020**	**100.0**	**2,293,121**	**100.0**

20. FINANCE LEASES PAYABLE

Financial leases contracts under *Finame* leasing and financial lease for the maintenance of the JSL Group's operating activity have annual post and pre-fixed charges, and are distributed as follows:

Type	Maturity	Charges	Parent Company		Consolidated	
			9/30/2017	12/31/2016	9/30/2017	12/31/2016
Finance leases	Until September 2022	11.78%	104,995	163,663	237,887	354,733
Total			**104,995**	**163,663**	**237,887**	**354,733**
Current portion			51,149	69,058	149,828	165,716
Non-current portion			53,846	94,605	88,059	189,017
Total			**104,995**	**163,663**	**237,887**	**354,733**

The finance lease installments have the following maturities:

				9/30/2017	
		Parent Company		Consolidated	
	Maturity of installments	Total	%	Total	%
Total current liabilities	Until September 2018	51,149	48.7	149,828	63.0
	October to December 2018	7,512	7.2	24,011	10.1
	2019	23,929	22.8	32,649	13.7
	2020	21,342	20.3	30,336	12.8
	2021	903	0.0	903	0.4
	2022	160	0.0	160	0.07
Total non-current liabilities		53,846	51.3	88,059	37.0
Total		**104,995**	**100.0**	**237,887**	**100.0**

21. LABOR LIABILITIES

		Parent Company		Consolidated	
Description	**9/30/2017**	**12/31/2016**	**9/30/2017**	**12/31/2016**
Salaries	30,358	25,250	50,697	43,910
INSS	28,002	25,174	43,985	37,977
FGTS	3,408	3,986	5,419	6,160
Provision for vacation, 13th and charges and bonuses	84,379	49,774	143,730	89,815
Other	245	217	1,931	1,556
Total	**146,392**	**104,401**	**245,762**	**179,418**

22. TAX LIABILITIES

	Parent Company		Consolidated	
Description	**9/30/2017**	**12/31/2016**	**9/30/2017**	**12/31/2016**
PIS and COFINS	15,393	13,343	31,529	30,112
ICMS	6,854	9,971	12,442	14,665
ISS	282	384	2,716	2,954
IRRF	2,269	3,353	6,831	6,056
Other tax liabilities	844	551	8,081	617
Federal Revenue Special Installment Program - PAES	-	-	237	265
Total	**25,642**	**27,602**	**61,836**	**54,669**
Current liabilities	24,498	26,286	60,019	51,968
Non-current liabilities	1,144	1,316	1,817	2,701
Total	**25,642**	**27,602**	**61,836**	**54,669**

23. PROVISION FOR JUDICIAL AND ADMINISTRATIVE LITIGATION AND JUDICIAL DEPOSITS

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

	Parent Company				Consolidated			
	Judicial deposits		Provisions		Judicial deposits		Provisions	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Labor	25,228	20,585	(37,356)	(42,951)	39,322	30,724	(48,873)	(62,997)
Civil	8,006	74,379	(14,672)	(11,164)	10,320	82,760	(16,753)	(3,746)
Tax	8,298	6,842	(757)	(7,251)	11,628	7,220	(3,370)	(6,969)
	41,532	**101,806**	**(52,785)**	**(61,366)**	**61,270**	**120,704**	**(68,996)**	**(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, 2014, the purpose of which was a settlement between the parties on the determination of the purchase price of a company. During the year ended December 31, 2016, the 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 provision for judicial and administrative litigation for the nine-month period ended September 30, 2017 are presented below:

	Parent Company			
	Labor	**Civil**	**Tax**	**Total**
At December 31, 2016	**42,951**	**11,163**	**7,250**	**61,366**
Additions	12,632	4,481	456	17.568
Write-offs	(18,228)	(972)	(6,949)	(26.149)
At September 30, 2017	**37,355**	**14,672**	**757**	**52,785**

	Consolidated			
	Labor	**Civil**	**Tax**	**Total**
At December 31, 2016	**62,997**	**3,746**	**6,969**	**73,712**
Additions	20,269	23,455	456	44,179
Write-offs	(34,393)	(10,448)	(4,055)	(48,895)
At September 30, 2017	**48,873**	**16,753**	**3,370**	**68,996**

Labor

Labor lawsuits refer mainly to indemnity claims and other claims against JSL Group companies.

Civil

Refer mainly to civil lawsuits related to indemnity claims for several reasons against JSL Group companies, as well as annulment and contractual actions.

Tax

The lawsuits mentioned refer mainly to challenges of the following taxes:

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

23.3 Possible losses, not provided for in the balance sheet

At September 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	
	9/30/2017	12/31/2016
Labor	122,260	88,766
Civil	84,273	66,998
Tax (i)	231,512	230,369
Total	**438,045**	**386,133**

(i) Refer mainly to lawsuits related to Income Tax, PIS, COFINS and CSLL that are being challenged at judicial and administrative levels.

24. INCOME TAX AND SOCIAL CONTRIBUTION

24.1 Deferred income tax and social contribution

Deferred 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 comprised as follows:

	Parent Company		Consolidated	
Description	**9/30/2017**	**12/31/2016**	**9/30/2017**	**12/31/2016**
Tax loss and social contribution tax loss carryforwards	129,115	74,508	197,375	146,674
Provision for judicial and administrative litigation	25,046	28,294	43,728	46,254
Estimated losses with credits from doubtful accounts	11,701	7,840	45,404	25,171
Fair value of cash flow hedge	2,636	-	2,636	-
Other provision	13,245	15,444	15,417	22,627
Provision for transaction costs related to issuance of shares	-	-	1,240	-
Provision for adjustment to market value and obsolescence	27,850	10,695	29,076	11,754
Total tax credits - gross	**209,593**	**136,781**	**334,876**	**252,480**
Tax debits				
Present value adjustments	(6,223)	(8,589)	(6,215)	(8,584)
Gain on bargain purchase	(10,829)	(10,829)	(10,829)	(10,829)
Deferred net income from sales to public authorities	(1,441)	(1,437)	(29,169)	(22,420)
Surplus value	(9,295)	(6,832)	(9,295)	(6,832)
Accounting vs. tax depreciation	(126,599)	(130,730)	(295,331)	(253,428)
Property and equipment - finance leases	(26,856)	(20,493)	(75,933)	(66,746)
Asset valuation	(3,596)	(3,596)	(2,759)	(3,596)
Income tax and social contribution on tax realization of goodwill	(50,264)	(45,106)	(50,935)	(45,695)
Total tax debts - gross	**(235,103)**	**(227,612)**	**(480,466)**	**(418,130)**
Total tax debts, net	**(25,510)**	**(90,831)**	**(145,590)**	**(165,650)**
Deferred tax assets	-		37,732	31,438
Deferred tax liabilities	(25,510)	(90,831)	(183,322)	(197,088)
Total tax debts, net	**(25,510)**	**(90,831)**	**(145,590)**	**(165,650)**

During the period ended September 30, 2017, there was payment of R$ 4,173 related to the Pert (Special tax regularization program) and write-off of R$ 169 related to other tax assets, with no effect on statement of income (loss) for the period.

Estimated realization schedule

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

Tax losses can be carried forward indefinitely and, at September 30, 2017 and December 31, 2016, deferred income tax and social contribution were recognized for all tax loss carryforwards.

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

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

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

	Parent Company		Consolidated	
Description	**9/30/2017**	**9/30/2016**	**9/30/2017**	**9/30/2016**
(Loss) profit before income tax and social contribution	**(70,277)**	**(87,268)**	**21,158**	**(49,636)**
Statutory rates	34%	34%	34%	34%
IRPJ and CSLL calculated at the standard rates	23,894	29,671	(7,194)	16,876
Permanent (additions) exclusions				
Equity in the results of investees	47,201	25,262	-	-
Tax Incentives - Workers Meal Program ("PAT")	-	-	254	145
Interest on capital remuneration - received	(4,234)	-	-	-
Nondeductible expenses	(1,083)	(400)	(2,653)	(543)
Other (additions) deductions	-	-	(3,500)	423
IRPJ and CSLL calculated	**65,778**	**54,533**	**(13,093)**	**16,901**
Current	-	-	(34,006)	(11,042)
Deferred	65,778	54,533	20,913	27,943
IRPJ and CSLL on results	**65,778**	**54,533**	**(13,093)**	**16,901**
Effective rate	(93.60%)	(62.49%)	(61.88%)	(34.05%)

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 September 30, 2017 is R$ 676,614, divided into 202,500,000 registered common shares, with no par value, less the transaction costs incurred in the process of IPO in the amount of R$ 16,219, totaling R$ 660,395.

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 income or 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 September 30, 2017, the amount of R$ 13,764 was recognized in capital reserves (R$ 11,078 at December 31, 2016).

(ii) Government grants

The JSL Group through its subsidiary Quick Logística is entitled to a tax benefit grant related to the value-added tax on sales and services (ICMS) in the State of Goiás. During the nine-month period ended September 30, 2017, the amount used was R$ 2,526. At September 30, 2017, the accumulated amount is R$ 5,508.

25.3 Treasury shares

At September 30, 2017, the Company has a balance of R$ 460 in treasury shares, represented by 422,968 shares. During the period ended September 30, 2017, there was repurchase of shares amounting to R$ 3,281.

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 deductions:

(i) 5% allocated to the legal reserve; and

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

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

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 their deemed cost. The surplus value of R$ 4,634 was recognized in the equity valuation adjustments 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, the JSL Group recorded an equity adjustment of R$ 67,454, reflecting the equity appreciation of Movida (Note 12.1).

As a result of the partial disposal of the investment, the Group recorded an equity adjustment of R$ 17,001, since it continued holding control the investee.

(iii) Fair value of cash flow hedge

As mentioned in note nº 4.4, during the period ended September 30, 2017, the Company entered into new derivative financial instruments, which were classified as cash flow hedge, and the change in fair value is negative in the amount of R$ 5,118 was recognized in other comprehensive income, net of the related taxes, this amount will be written off to result upon the settlement of the transaction.

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) Cargo transport - vehicles

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

ii) Cargo transport - products

Insurance coverage contracted for possible damage or losses in transit varies according to the value of the cargo transported: Effective between July 2017 and July 2018, this has an indemnity limit per trip of U$ 900 (equivalent to R$3,500), damage coverage and maximum guarantee per trip of U$ 180 (equivalent to R$ 700).

iii) Third-party property liability

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

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

iv) Fleet

The Company and its subsidiaries take out insurance for their fleet as required by contract and for coverage of third-party damage, however for the most part self-insure their fleet in view of the high cost 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	Grant year	Number of options	Tranche	Exercise price	Option's fair value (i)	Vesting period	Exercise period
II	2012	164,868	1	8.41	4.70	8/31/2012 to 3/31/2015	04/2015 to 06/2018
II	2012	164,868	2	8.41	5.37	8/31/2012 to 3/31/2016	04/2015 to 06/2018
II	2012	363,894	3	8.41	5.94	8/31/2012 to 3/31/2017	04/2015 to 06/2018
III	2013	168,558	1	12.89	6.70	5/9/2013 to 4/1/2016	04/2014 to 06/2019
III	2013	168,558	2	12.89	7.66	5/9/2013 to 4/1/2017	04/2014 to 06/2019
III	2013	337,119	3	12.89	8.50	5/9/2013 to 4/1/2018	04/2014 to 06/2019
IV	2014	132,426	1	15.55	7.68	6/23/2014 to 4/1/2017	04/2017 to 06/2018
IV	2014	132,426	2	15.55	8.57	6/23/2014 to 4/1/2018	04/2017 to 06/2018
IV	2014	264,853	3	15.55	9.35	6/23/2014 to 4/1/2019	04/2017 to 06/2018
V	2015	216,915	1	11.93	6.91	4/1/2015 to 4/1/2018	04/2018 to 06/2020
V	2015	216,915	2	11.93	6.91	4/1/2015 to 4/1/2019	04/2018 to 06/2020
V	2015	433,830	3	11.93	6.91	4/1/2015 to 4/1/2020	04/2018 to 06/2020
VI	2016	295,150	1	8.36	4.98	6/27/2016 to 4/1/2019	04/2019 to 06/2020
VI	2016	295,150	2	8.36	5.62	6/27/2016 to 4/1/2020	04/2019 to 06/2020
VI	2016	590,301	3	8.36	6.17	6/27/2016 to 4/1/2021	04/2019 to 06/2020
VII	2017	249,493	1	9.03	2.02	4/1/2017 to 4/1/2020	04/2020 to 06/2022
VII	2017	249,493	2	9.03	2.55	4/1/2017 to 4/1/2021	04/2020 to 06/2022
VII	2017	498,989	3	9.03	3.02	4/1/2017 to 4/1/2022	04/2020 to 06/2022

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

At September 30, 2017, the accumulated balance of the share-based compensation capital reserve account in equity was R$ 13,764 (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 5/9/2013	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
Concessions granted on 4/10/2017	997,975	-	-	997,975	9.03
At September 30, 2017	**5,514,235**	**(496,852)**	**(497,513)**	**4,519,870**	**10.74**

(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	
	9/30/2017	9/30/2016 (Reclassified Note 2.6)	9/30/2017	9/30/2016 (Reclassified Note 2.6)
Sales and services rendered revenue	2,419,953	2,459,866	4,710,563	4,485,141
Revenue from sale of assets used in services rendered	140,074	126,033	1,433,413	981,852
Gross revenues	**2,560,027**	**2,585,899**	**6,143,976**	**5,466,993**
(-) Revenue deductions				
Taxes on sales	(378,827)	(374,909)	(589,844)	(566,813)
Returns	(34,742)	(82,562)	(68,420)	(66,009)
Discounts granted	(1)	(103)	(6,936)	(5,850)
Total net revenue	**2,146,457**	**2,128,325**	**5,478,776**	**4,828,321**

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	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Finance costs				
Debt service costs				
Interest on borrowings and financing	(361,196)	(426,590)	(491,057)	(498,887)
Interest and bank fees on finance leases	(14,500)	(21,786)	(27,571)	(36,228)
Interest on suppliers financing – car maker	(2,023)	(2,558)	(66,622)	(54,279)
Exchange rate variations on borrowings and financing, net	334	55,243	(708)	75,566
Results on swaps operation	(22,519)	(83,800)	(22,519)	(119,410)
Total debt service costs	**(399,904)**	**(479,491)**	**(608,477)**	**(633,238)**
Other interest	30	83	(7,057)	(3,804)
Other finance costs	(18,663)	(18,421)	(41,153)	(34,183)
Total finance costs	**(418,537)**	**(497,829)**	**(656,687)**	**(671,225)**
Finance income				
Financial investments	41,677	76,209	112,188	125,024
Monetary variations, net	16,216	665	21,620	665
Other finance income	12,076	12,701	14,103	25,421
Interest received	602	194	5,124	1,982
Total finance income	**70,571**	**89,769**	**153,035**	**153,092**
Net financial result	**(347,966)**	**(408,060)**	**(503,652)**	**(518,133)**

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	
	9/30/2017	9/30/2016 (Reclassified Note 2.6)	9/30/2017	9/30/2016 (Reclassified Note 2.6)
Cost of sale of assets	(126,272)	(79,352)	(1,360,197)	(926,641)
Personnel (i)	(608,966)	(600,413)	(1,006,050)	(997,573)
Related and third parties	(595,924)	(490,241)	(647,890)	(517,154)
Depreciation and amortization	(176,550)	(222,665)	(393,129)	(394,107)
Parts, tires and maintenance	(159,590)	(138,510)	(380,217)	(346,560)
Fuels and lubricants	(100,260)	(103,829)	(182,382)	(207,093)
Provision for judicial and administrative claims	(9,406)	(38,173)	(27,773)	(50,450)
Court-ordered indemnities	(7,607)	(11,157)	(13,333)	(16,947)
Electricity	(10,843)	(12,727)	(17,203)	(18,978)
Packaging material	(7,060)	(5,695)	(7,252)	(6,262)
Advertising and publicity	(1,064)	(671)	(4,088)	(3,254)
Cost of sales of new vehicles – authorized vehicle dealerships	-	-	(236,919)	(210,758)
Cost of sales of used vehicles – authorized vehicle dealerships	-	-	(188,816)	(206,125)
Fleet costs	(63,488)	(64,106)	(197,760)	(175,165)
Contracted services	(67,363)	(75,328)	(150,139)	(146,045)
Estimated losses on doubtful accounts	(11,357)	(13,232)	(48,353)	(36,096)
Communication	(1,526)	(8,465)	(27,517)	(28,361)
Travel, meals and accommodation	(3,658)	(3,516)	(6,956)	(6,492)
Property leasing	(10,870)	(5,217)	(46,134)	(37,862)
Damaged vehicles revenues	1,379	(2,036)	(26,410)	(11,697)
Recovery of PIS and COFINS (ii)	93,407	90,416	193,283	164,520
Realization of surplus value of Quick Logística	(35,572)	-	-	-
Other costs	(101,175)	(94,666)	(168,194)	(173,118)
	(2,003,765)	**(1,879,583)**	**(4,943,429)**	**(4,352,218)**
Cost of sales and services rendered	(1,703,207)	(1,682,677)	(3,004,374)	(2,914,218)
Costs of sales of assets used in services rendered	(126,272)	(79,352)	(1,360,197)	(926,641)
Administrative and selling expenses	(121,242)	(142,896)	(532,683)	(467,161)
Other operating income (expenses), net	(53,044)	25,342	(46,175)	(44,198)
	(2,003,765)	**(1,879,583)**	**(4,943,429)**	**(4,352,218)**

(i) The extemporaneous credits recognized on INSS in the amount of R$12,517, parent company and R$ 18,826 in the consolidated, are allocated to the account of origin shown in this note.

(ii) The extemporaneous PIS and COFINS credits in the amount of R$ 344 in parent company and R$29,745 in the consolidated, are allocated to the line of PIS and COFINS credits on inputs.

(iii) Refer to cost of damaged and casualty vehicle written off, net of the respective amount recovered from sale, in the amounts of R$ 1,468 and R$ 41,897, parent company and consolidated, respectively, for the period ended September 30, 2017.

31 RELATED PARTIES

31.1 Related-party balances (assets and liabilities)

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

Parent Company

Assets	Other credits		Trade receivables		Related parties			
	9/30/2017	12/31/2016	9/30/2017	12/31/2016	9/30/2017	12/31/2016	Relationship	Specification
Related parties								
Consórcio Unileste	-	-	-	-	49	46	Associate	Loan
Símpar S.A.	-	-	-	-	2	-	Related parties	Loan
Jecap					-	6	Associate	
Personal	-	-	-	-	-	12	Associate	Loan
Centro de Memória e Cultura Júlio Simões	-	-	-	-	1	5	Related parties	CSA / Reimbursement of Expenses
Consórcio 123	-	-		-	-	81	Associate	CSA / Reimbursement of Expenses
Instituto Júlio Simões	-	-	-	-	60	35	Related parties	CSA / Reimbursement of Expenses
Medlog Prestação de Serviços de Logística S.A.	-	-	-	-	9	-	Subsidiary	Reimbursement of Expenses
Yolanda Logística Armazém, Transportes e Serviços Gerais Ltda.	-	-	-	-	3,500	3,072	Subsidiary	Operating lease / CSA / Interest on capital
Movida Locações de Veículos Ltda.	-	-	-	-	4,292	3,133	Subsidiary	Sale of assets / Operating lease / Reimbursement of Expenses / CSA
Movida Gestão e Terceirização de Frotas S.A.	-	-	-	-	699	1,735	Subsidiary	Sale of assets / Operating lease / Reimbursement of Expenses / CSA
Quick Logística Ltda.	-	-	-	-	12,144	-	Subsidiary	Sale of assets / Operating lease / Reimbursement of Expenses / CSA
JSL Investimentos em Concessionárias e Lojas de Veículos, Máquinas, e Equipamentos S.A.	97	-	-	-	29,655	2,273	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / Loan
Ciclus Ambiental do Brasil S.A.	-	-	6,342	9,060	-	-	Subsidiary	Operating lease
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	-	-	-	-	10,687	130	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / CSA
CS Brasil Frotas Ltda.	-	-	-		34	-	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / CSA
Movida Participações S.A.	-	-	-	-	114	106	Subsidiary	
JSL Locações de Máquinas e Veículos Pesados Ltda.	-	-	3,568	3,470	35,078	59,441	Subsidiary	Sale of assets / Operating lease / Reimbursement of Expenses / CSA
JSL Empreendimentos Imobiliários Ltda.	-	-	-	-	5,001	5,005	Subsidiary	Sale of assets (Property) / CSA
JSL Arrendamento Mercantil S.A.	15,711	9,313	-	-	428	164	Subsidiary	Reimbursement of Expenses / JSL Card
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	-	-	-	-	22	80	Subsidiary	Reimbursement of Expenses / CSA
JSL Europe	-	-	-	-	1,575	-	Subsidiary	Reimbursement of Expenses
Quick Armazéns Gerais - Eirelli - ME	-	-	-	-	17	-	Subsidiary	Reimbursement of Expenses / CSA
Total	**15,808**	**9,313**	**9,910**	**12,530**	**103,367**	**75,324**		
Total current	**-**	**-**	**-**	**-**	**70,132**	**73,475**		
Total non-current	**-**	**-**	**-**	**-**	**33,235**	**1,849**		
Total	**15,808**	**9,313**	**9,910**	**12,530**	**103,367**	**75,324**		

Liabilities	Other accounts payables and advances from customers		Related parties			
	9/30/2017	12/31/2016	9/30/2017	12/31/2016	Relationship	Specification
Related parties						
Movida Locações de Veículos Ltda.	-	-	46	76	Subsidiary	Reimbursement of Expenses / Operating lease / CSA
Movida Gestão e Terceirização de Frotas S.A.	417	391	160	-	Subsidiary	Reimbursement of Expenses / Operating lease / CSA
Quick Logística	110	-	5	-	Subsidiary	Reimbursement of Expenses / Operating lease / CSA
JSL Investimentos em Concessionárias e Lojas de Veículos, Maquinas e Equipamentos S.A.	11	276	160	169	Subsidiary	Reimbursement of Expenses / Discounts on purchases of vehicles
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	294	394	8,341	24,396	Subsidiary	Reimbursement of Expenses / Operating lease / CSA
Movida Participações S.A.	-	-	-	1,154	Subsidiary	Interest on capital / Reimbursement of Expenses
JSL Locações de Máquinas e Veículos Pesados Ltda.	56	-	297	3,531	Subsidiary	Reimbursement of Expenses / Operating lease / CSA
JSL Arrendamento Mercantil S.A.	-	-	8,334	5,089	Subsidiary	Reimbursement of Expenses / JSL Card
Total	**888**	**1,061**	**17,343**	**34,415**		

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

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

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

						Consolidated
Assets	**Related parties**					
	9/30/2017	**12/31/2016**	**Relationship**	**Specification**	**Effective period**	**Limit**
Related parties						
Parent Company						
JSL S.A.	112	-				
Associates and subsidiaries						
Consórcio 123	2	-				
Centro de Memória	1	-				
Consórcio Unileste	-	76	Associated company	Loan	12/31/2017	2,000
Ribeira imóveis	-	-	Related parties	Loan	12/31/2017	2,000
Instituto Julio Simões	1	-	Subsidiary	Loan	12/31/2017	2,000
Simpar S.A.	-	-				
Total	116	76				
Liabilities		**Related parties**				
	9/30/2017	**12/31/2016**	**Relationship**	**Specification**	**Effective period**	**Limit**
Related parties						
São José Passes	497	-				
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
Simpar S.A.	14	12	Related parties	Loan	12/31/2017	3,000
Total	511	1,782				

31.2 Related-party transactions with effects in the income (loss) statement

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		Finance income		Finance costs	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016	9/30/2017	9/30/2016	9/30/2017	9/30/2016	9/30/2017	9/30/2016	9/30/2017	9/30/2016	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Parent company																
JSL S.A.	57,179	114,353	(13,589)	(61,609)	12,279	8,263	(11,894)	(17,930)	(385)	(52,898)	1,907	-	166	1,800	-	-
Consolidated																
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	5,527	7,623	(39,143)	(76,110)	2,308	8,629	(2,308)	(34,566)	-	(4)	-	-	-	-	-	-
Movida Gestão e Terceirização de Frotas S.A.	9,410	39,180	(58,205)	(37,505)	12,507	18,483	(12,507)	(1,696)	-	(62)	-	-	-	-	-	-
JSL Locações de Máquinas e Veículos Pesados Ltda.	27,092	29,002	(22,144)	(37,536)	3,691	63	(3,690)	(4,320)	-	-	-	-	-	-	-	-
JSL Investimentos em Concessionárias e Lojas de Veículos, Máquinas e Equipamentos S.A.	12,918	9,114	(127,822)	(6,390)	-	-	-	(40,826)	-	-	-	-	-	-	-	-
Yolanda Logística Armazém, Transportes e Serviços Gerais Ltda.	-	-	(1,907)	(1,800)	-	-	-	-	-	-	-	-	-	-	-	-
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	1,113	1,087	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movida Locações de Veículos Ltda.	149,174	21,127	(1,729)	(2,025)	-	53,057	-	-	-	-	-	-	-	-	-	-
JSL Arrendamento Mercantil S.A.	4,243	-	-	(616)	-	-	-	-	-	-	-	-	-	-	(2,949)	-
JSL Empreendimentos Imobiliários Ltda.	171	305	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quick Logística Ltda.	91	-	(4,286)	-	-	127	-	-	-	-	-	-	-	-	-	-
JSL Holding													2,783			
Total	266,918	221,791	(268,825)	(223,591)	30,785	88,622	(30,399)	(99,338)	(385)	(52,964)	1,907	-	2,949	1,800	(2,949)	-
Ciclus	71,944	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	338,862	221,791	(268,825)	(223,591)	30,785	88,622	(30,399)	(99,338)	(385)	(52,964)	1,907	-	2,949	1,800	(2,949)	-

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 statement of income (loss) in the period ended September 30, 2017 was R$21,846, 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. For the period ended September 30, 2017, the amount related to recovery of expenses reduced the balance in the Parent Company by R$17,805 (R$5,771 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 nine-month period ended September 30, 2017, the compensation of key management personnel was R$19,864 and R$12,867 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, except for the share-based payment plan, as disclosed in note 27, which the grants was not approved by the Company at the moment.

The managers are included in the JSL Group's share-based compensation plan. During the quarter ended September 30, 2017 and 2016, there were 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 September 30, 2017:

Beneficiary	Guarantee	Location	Insured amount in reais)	Effectiveness
Agencies linked to the Government of the State of Rio de Janeiro	Vehicle rental / maintenance management	Rio de Janeiro	R$ 5,720,086.89	06/03/2013 to 7/14/2019
Agencies linked to the Government of the State of São Paulo	Vehicle rental / maintenance management	São Paulo	R$ 1,867,064.16	5/28/2013 to 12/25/2018
Agencies linked to the Government of the State of Rio Grande do Sul	Vehicle rental / maintenance management	Rio Grande do Sul	R$ 1,299,287.07	2/01/2014 to 5/21/2018
Agencies linked to the Government of the State of Goiás	Vehicle rental / maintenance management	Goiás	R$ 2,018,280.82	9/19/2014 to 10/07/2018
Agencies linked to the Government of the State of Bahia	Vehicle rental / maintenance management	Bahia	R$ 1,179,489.25	5/29/2015 to 1/18/2019
Agencies linked to the Government of the State of Minas Gerais	Vehicle rental / maintenance management	Minas Gerais	R$ 3,877,253.96	12/22/2015 to 2/01/2022
Agencies linked to the Government of the State of Piauí	Vehicle rental / maintenance management	Piauí	R$ 834,642.33	5/12/2016 to 9/20/2018
Agencies linked to the Government of the State of Pernambuco	Vehicle rental / maintenance management	Pernambuco	R$ 911,382.64	9/02/2016 to 10/11/2018
Agencies linked to the Government of the State of Santa Catarina	Vehicle rental / maintenance management	Santa Catarina	R$ 140,400.02	11/07/2016 to 9/19/2018
Agencies linked to the Government of the State of Mato Grosso	Vehicle rental / maintenance management	Mato Grosso	R$ 1,939,509.06	11/06/2012 to 11/06/2017
City Hall of Mogi das Cruzes	Urban cleansing services	Mogi das Cruzes - SP	R$ 2,578,369.34	8/03/2017 to 8/04/2018
City Hall of São José dos Campos	Collective Passenger Transportation Service	São José dos Campos - SP	R$ 9,037,081.47	4/18/2017 to 4/18/2018
City Hall of Guararema	Collective Passenger Transportation Service	Guararema - SP	R$ 1,172,317.20	7/23/2017 to 7/23/2018
Companhia Águas e Joinville	Vehicle rental / maintenance management	Joinville	R$ 67,450.00	8/10/2017 to 12/10/2019

33 LOSS PER SHARE

i) Basic

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

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

	9/30/2017	9/30/2016
Numerator:		
Loss for the period attributable to owners of the Company	(4,499)	(32,735)
Denominator:		
Weighted average number of outstanding shares	201,583,834	203,255,385
Basic loss per share - R$	**(0.0223)**	**(0.1611)**

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

	9/30/2017	9/30/2016
Loss for the period attributable to owners of the Company	(4,499)	(32,735)
Loss used to determine diluted loss per share	(4,499)	(32,735)
Weighted average number of outstanding shares	201,583,834	203,255,385
Adjustments for:		
Stock options	4,519,870	3,521,895
Weighted average of number of shares to calculate diluted loss per share	206,103,704	206,777,280
Diluted loss per share - R$	**(0.0218)**	**(0.1583)**

34 SUPPLEMENTAL INFORMATION TO THE STATEMENT OF CASH FLOWS

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

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

	Parent company		Consolidated	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Total additions to property and equipment	214,025	168,372	2,089,784	1,739,401
Addition leasing and *Finame* for the acquisition of property and equipment	(96,118)	(97,801)	(201,251)	(379,643)
Variation in the balance of suppliers financing – car makers	1,893	(3,895)	16,409	20,681
Consortium quotas	(370)	-	(4,001)	-
	119,430	**66,676**	**1,900,941**	**1,380,439**
Cash flow statements				
Operating property and equipment	112,773	-	1,883,674	1,088,201
Property and equipment for investment	6,657	66,676	17,267	292,238
Total additions to property and equipment	**119,430**	**66,676**	**1,900,941**	**1,380,439**

35 SUBSEQUENT EVENTS

35.1 Acquisition of Borgato Companies

After the closing of the period ended September 30, 2017, the Company signed an Agreement for the Option to Purchase Equity Interests ("Agreement") with the holders of the total capital of Borgato Máquinas S.A., Borgato Serviços Agrícolas S.A. and Borgato Caminhões S.A. ("Borgato Companies") Under the Agreement, the shareholders of the Borgato Companies granted to the Company an option to purchase 100% of the capital of Borgato Companies. Once this option is exercised, the purchase price of the Borgato Companies will be paid through the assignment of a 9% interest in JSL Locação de Máquinas e Veículos Pesados Ltda. ("JSL Pesados") and an installment payment of R$100 million. The purchase price will be subject to the usual adjustments in this type of transaction. The acquisition of the Borgato Companies is in line with the JSL's strategy to grow in the segment of rental and sale of heavy vehicles and machinery, which is supplementary to its current portfolio, and should contribute to JSL's deleverage.

In addition, the Company is assessing the possibility of conducting an IPO of its Rental and Sale of Heavy Assets (Trucks and Machinery) business developed by JSL Pesados. The exercise of the purchase option subject of the Agreement may occur during such IPO.

35.2 Business combination - acquisition of subsidiary Fleet Services

On October 11, 2017, the acquisition of BVHD LOCAÇÃO DE VEÍCULOS E SERVIÇOS LTDA., which operates under the brand "Fleet Services" (so referred to hereinafter) was completed, the company operates in the segment of corporate rental of premium vehicles, such as Audi, BMW, Mini, Jaguar, Land Rover and Porsche, with a fleet of 153 luxury vehicles, of high value added, and a revenue per car five times greater than a popular car.

The materialization of the acquisition is subject to the compliance with obligations and conditions precedent usual in this type of transaction, including, but not limited to, the approval of the transaction by the extraordinary general meeting ("AGM") and by the Brazilian Antitrust Agency ("CADE"), On September 20, 2017, CADE approved the acquisition of Fleet Service, according to the significant event notice issued on September 25, 2017

Fleet Services was a subsidiary of BCLV Comércio de Veículos S.A., also the parent company of the Eurobike Authorized Dealerships chain. Movida's purpose in acquiring Fleet Services is directly related to the right to which it was entitled, for the exclusivity for a minimum period of five years to maintain in each of the Eurobike Authorized Dealerships (present and future) a structure that enables it to offer customized rentals to the Authorized Dealerships' customers. With this transaction, we begin to operate in a differentiated market niche, of higher value added, such as the Movida Mensal Flex, a car subscription service launched in April 2017.

The transaction price was R$22,000, deducting R$17,736 related to the financial debts of Fleet Services. The residual balance, less deductions, of R$3,561 was paid to the Sellers at the closing date.

35.3 Repurchase of debentures

On November 1, 2017, the Company acquired 15,000 debentures “JSL011” issued by Movida GTF, in a private negotiation in the amount of R$ 151,750.

35.4 Related-party operation

As informed in a notice on November 7, 2017, the Company decided to terminate agreements in effect and enter into new long-term lease agreements. Moreover, the Company will continue with the option to terminate these agreements contingent to the payment of a fine.

****

Statement of Fiscal Council

STATEMENT OF FISCAL COUNCIL

JSL S.A.
PUBLICLY-HELD COMPANY

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

The Fiscal Council of JSL S.A ("Company"), in the exercise of the competence provided for in article 163 of Law 6.404/76, at a meeting held on this date, after examining the Interim Financial Information for the nine-month period ended 09.30 2017, concludes, based on the examinations made and considering also the Independent Auditors' Report, which does not contain, qualification, unanimously, that these documents adequately reflect the Company's financial condition.

São Paulo, November 8 2017.

_____
Luiz Augusto Marques Paes

_____
Luciano Douglas Colauto

_____
Rafael Ferraz Dias de Moraes

Statement of the Executive Board on the interim financial information

STATEMENT OF EXECUTIVE BOARD ON INTERIM FINANCIAL INFORMATION

In accordance with item VI of article 25 of CVM Instruction 480 of December 7, 2009, the Executive Board declares that it reviewed, discussed and agreed to the interim financial information of the Company for the period ended September 30, 2017, authorizing the conclusion on this date.

São Paulo, November 9, 2017.

Fernando Antonio Simões
Chief Executive Officer

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

Fábio Albuquerque Marques Velloso
Director

Adriano Thiele
Director

Eduardo Pereira
Director

Flávio Sales
Director

Samir Moises Gilio Ferreira
Director

Statement of the Executive Board on the Independent Auditors' Report

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

In accordance with item V of article 25 of CVM Instruction 480 of December 7, 2009, the Executive Board declares that it reviewed, discussed and agreed with the conclusions expressed on the Independent Auditors' Report on review of the interim financial information of the Company, for the period ended September 30, 2017 issued on this date.

São Paulo, November 9, 2017.

Fernando Antonio Simões
Chief Executive Officer

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

Fábio Albuquerque Marques Velloso
Director

Adriano Thiele
Director

Eduardo Pereira
Director

Flávio Sales
Director

Samir Moises Gilio Ferreira
Director