(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Quarterly information (ITR)
at March 31, 2018



MAHLE REPORTS EBITDA OF R$ 118.8 MILLION IN THE 1Q18; MARGIN OF 19.2%

Mogi Guaçu (SP), May 14, 2018 - MAHLE Metal Leve S.A. (B3: LEVE3), a Brazilian autoparts company that manufactures and sells components for internal combustion engines and automotive filters, announces today its results for the first quarter of 2018. The Company's operating and financial information, unless otherwise indicated, is presented on a consolidated basis in BRL according to Brazilian Corporation Law.

Conference call and Webcast of Results:

Date: May 15, 2018

12:00 (Brasília time), 11:00 (Eastern time)

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1Q18 HIGHLIGHTS

- **Net Sales Revenue** of R$ 618.7 million in the 1Q18, meaning a growth of 14.5% in relation to the 1Q17;
- Growth of 17.6% in **domestic sales of original equipment manufacturer (OEM)** in the 1Q18 compared to the same period of 2017;
- The Annual General Meeting held on April 27, 2018 approved distribution of **complementary dividends** of R$ 143.6 million referring to 2017. In aggregate, the Company distributed R$ 231.6 million of dividends and interest on capital to shareholders, representing **100.0% of the net income for the year (net of legal deductions)**;
- Management **did not consider the information on subsidiary MAHLE Metal Leve Miba Sinterizados Ltda. as material** for purposes of inclusion in the quarterly financial statements as of March 31, 2018. For this reason, the Company **did not adjust the values of discontinued operations** in the income statement as of March 31, 2017.

Main Indicators			
(R$ million)	1Q18 (a)	1Q17 (b)	(a/b)
Net revenues[1]	618.7	540.5	14.5%
EBITDA	118.8	80.7	47.2%
EBITDA margin	19.2%	14.9%	4,3 p.p.
Net income	71.4	38.4	85.9%
Net margin	11.5%	7.1%	4,4 p.p.

[1] On May 9, 2017, the Company's Board of Directors authorized the sale of 60% of shares held by MAHLE Metal Leve S.A. in subsidiary MAHLE Metal Leve Miba Sinterizados Ltda. to Miba Sinter Holding GmbH & Co KG. The sale was closed on June 30, 2017.

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MANAGEMENT 15

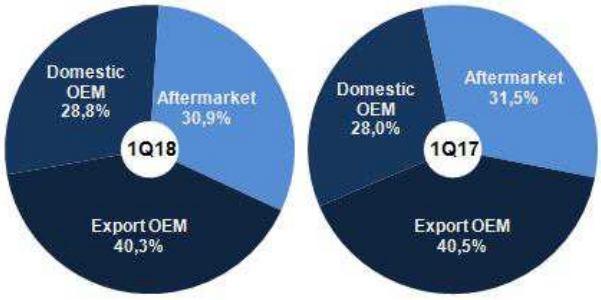
1 Management's Comments

Year 2018 began with an expectation of a new political and macroeconomic cycle for Brazil. This is reflected in lower inflation and interest rates in the country. The prospect is that the automotive industry will return to growth and keep growing in the years to come. This means, in general, that the market has a more positive bias towards the business environment.

In this scenario, MAHLE Metal Leve reported in the 1Q18 net sales revenue of R$ 618.7 million, representing a raise of 14.5% compared to the 1Q17. This figure is a result of a positive performance of the domestic OEM market (17.6%), OEM exports (13.9%), and of aftermarket sales (12.3%).

The increase in net sales revenue is due, among other factors, to the positive impact of the exchange variation between the periods (1Q18 *versus* 1Q17), but mainly to the 10.7% increase in volume/price, particularly in the domestic OEM sales where the volume/price increase was equivalent to 18.0%, *i.e.* higher than the raise of 14.3% in the Brazilian vehicle production for the same period.

The graph below shows revenue distribution in the 1Q18 and 1Q17 in the markets where the Company operates:



In addition to the growth in the volume of sales to all markets the Company operates, the greater presence of products with more technology, therefore, with higher value added, enabled the Company to obtain an operating result measured by EBITDA of R$ 118.8 million, meaning an EBITDA margin of 19.2%.

We are always on alert as to opportunities of productivity gain and synergy in our operations. Our know how on production and process is developed and documented in specific management systems at all of our business units, either in the direct and indirect areas of the Company. The wish for continuous improvement, avoiding wastes and increasing added value, has always been present in our operations and must become much more important in our day to day. Our management culture encourages and supports our professionals to constantly recognize and eliminate errors and losses.

With respect to "research and development", MAHLE Metal Leve has always participated in discussions on initiatives that contribute to the Brazilian automotive industry development. Through "Rota 2030" (a new automotive regime that will replace the Inovar-Auto Program (terminated on December 31, 2017)), entities, including SINDIPEÇAS and the federal government, will be called for discussions and the Company, as a player in this market, is encouraged to participate in the discussion groups.

The benefit of such participation is that we can quickly identify opportunities of projects and programs to be offered to our customers. It also allows us to have a critical view of our current technological and strategic planning routes. Another important benefit for the Company, and obviously for the Brazilian automotive industry, is the predictability, which is the core feature of the "regime" and creates conditions for a more structured industry. Technological energetic efficiency evolution targets have been discussed for a future of 10, 20 years ahead. This allows better planning of resources and technological routes.

MAHLE Metal Leve has actively participated in forums to discuss sustainable energetic efficiency policies. It is engaged in technical committees, presentations at events, and involvement in thematic groups of several ministries of the federal government and representative entities. To keep in line with this matter, MAHLE is a member of energetic efficiency associations, such as the Brazilian Association of Automotive Engineering (AEA), and the National Union of Manufacturers of Automotive Vehicle Components (SINDIPEÇAS).

There are still important challenges to be overcome. However, with the endless engagement of our professionals and Management, always focused on innovation, automation and cost management and constantly committed to developing products and solutions to maintain a long-term relationship with our stakeholders, we will overcome such challenges and reap good fruits.

2 About MAHLE Metal Leve

We are a Brazilian autoparts company that manufactures and sells components for internal combustion engines and automotive filters. We manufacture products with state-of-the-art technology and the highest quality, and we continuously invest in the research and development of new products and production processes.

We have developed activities in Brazil since the 50's and have a broad portfolio of products and integrated solutions that in most cases have been customized jointly with our major customers. We operate in the OEM (original equipment manufacturers) and aftermarket segments, serving automakers and large autoparts distributors and engine overhaul enterprises.

Our products are manufactured and sold in Brazil and Argentina, and also exported to over 60 countries, among USA, Germany, Mexico, Portugal and Spain, for a diversified portfolio of customers including General Motors, Volkswagen, Fiat, Ford, Daimler MBB, Opel, International, Cummins, Volvo, PSA Peugeot, John Deere, Renault, Scania, Caterpillar, Honda, Hyundai and others.

We own five industrial plants, four of which are located in Brazil, in the cities of Mogi Guaçu (two units) and São Bernardo do Campo, all of which are located in the State of São Paulo, and in Itajubá, State of Minas Gerais. Our fifth plant is located in the city of Rafaela, Argentina. We have two distribution centers: one in the city of Limeira, State of São Paulo, and one in Buenos Aires, Argentina. We have a technology center located in the city of Jundiaí, State of São Paulo, which we believe is one of the largest and most well-equipped technology centers in Latin America for development of components and solution packages for internal combustion engines. This center allows us to add value to and meet the requirements of our customers in a customized and efficient manner, and develop innovative new product technologies and processes.

We belong to the German autoparts group MAHLE, or MAHLE Group, which was established in 1920 and is one of the most traditional groups in the autoparts industry in the world. MAHLE Group, including the Company, currently has more than 170 industrial plants in 35 countries on five continents, 16 research and development centers and approximately 77 thousand employees.

As part of the MAHLE Group, a group with global operations, we are able to exchange knowledge, have constant access to the latest technology and develop new products together with our customers, which we believe are key factors to the high level of market penetration and customer loyalty that we have achieved.

3 Performance of the Automotive Industry

3.1 Performance of the Brazilian automotive industry

Brazilian automotive industry

Segments	Jan-Mar 2018					Jan-Mar 2017					Sales Variation (A/C)	Production Variation (B/D)
	Sales (Local + Imp) (A)	Export	Import	Inventory (*)	Total Production (B)	Sales (Local + Imp) (C)	Export	Import	Inventory (*)	Total Production (D)		
Passenger Cars	451,504	144,400	-42,932	17,955	570,927	391,794	142,482	-36,732	22,217	519,761	15.2%	9.8%
Light Commercials	76,741	26,003	-20,577	15,250	97,417	68,788	24,484	-14,952	-7,239	71,081	11.6%	37.1%
Total of Light vehicles	**528,245**	**170,403**	**-63,509**	**33,205**	**668,344**	**460,582**	**166,966**	**-51,684**	**14,978**	**590,842**	**14.7%**	**13.1%**
Trucks	14,533	7,324	-305	2,875	24,427	9,664	5,844	-392	632	15,748	50.4%	55.1%
Buses	2,758	2,473	-	1,655	6,886	1,789	1,636	-	688	4,113	54.2%	67.4%
Total Trucks and Buses	**17,291**	**9,797**	**-305**	**4,530**	**31,313**	**11,453**	**7,480**	**-392**	**1,320**	**19,861**	**51.0%**	**57.7%**
Agricultural	7,523	2,898	-	1,568	11,989	9,298	2,201	-	385	11,884	-19.1%	0.9%
Total of medium and heavy vehicle	**24,814**	**12,695**	**-305**	**6,098**	**43,302**	**20,751**	**9,681**	**-392**	**1,705**	**31,745**	**19.6%**	**36.4%**
Total vehicle sales	**553,059**	**183,098**	**-63,814**	**39,303**	**711,646**	**481,333**	**176,647**	**-52,076**	**16,683**	**622,587**	**14.9%**	**14.3%**
Variation (un) - 1Q18 x 1Q17	**71,726**	**6,451**	**-11,738**	**22,620**	**89,059**							
Variation (%) - 1Q18 x 1Q17	**14.9%**	**3.7%**	**22.5%**	**135.6%**	**14.3%**							

Source: Anfavea
(*) Vehicle inventory variation = production - (sales + exports - imports)

Brazilian vehicle production in the 1Q18 grew 14.3% and **sales of the Brazilian automotive industry** increased 14.9% compared to the same period of 2017.

According to the Brazilian Association of Motor Vehicle Manufacturers (ANFAVEA) **vehicle inventory** recorded at the end of the 1Q18 totaled 218.6 thousand units, corresponding to 34 days of sales. In the same period of the previous year, vehicle inventory was equivalent to 35 days of sales, and the amount of units was the same.

The graph below shows the changes in the production, sales and total inventory of national vehicles in the first three months of 2018 compared to the 1Q17:



3.2 Performance of the Argentinean automotive industry

Comparing the 1Q18 with the 1Q17, the Argentinean automotive industry reported a growth of 16.3% in sales and 19.5% in production of vehicles, respectively.

Argentinian automotive industry			
Vehicle Sales (Locally-manufactured and imported)	**Jan-Mar 2018 (A)**	**Jan-Mar 2017 (B)**	**A/B**
Passenger Cars	175,180	143,168	22.4%
Light Commercials	42,567	43,894	-3.0%
Total of Light vehicle	**217,747**	**187,062**	**16.4%**
Total of medium and heavy vehicle (**)	**11,125**	**10,145**	**9.7%**
Total vehicle sales	**228,872**	**197,207**	**16.1%**
Exports	57,348	40,193	42.7%
Imports	157,846	133,308	18.4%
Automotive trade balance	**(100,498)**	**(93,115)**	**7.9%**
Vehicle inventory variation in the period (*)	(2,854)	1,993	-243.2%
Total vehicle production	**114,395**	**95,940**	**19.2%**
Production of Light vehicle	**110,598**	**92,154**	**20.0%**
Production trucks (***)	1,022	1,211	-15.6%
Production buses (***)	520	494	5.3%
Production trucks and buses	**1,542**	**1,705**	**-9.6%**
Production Agricultural	2,255	2,081	8.4%
Medium and heavy vehicle production	**3,797**	**3,786**	**0.3%**

(*) Vehicle inventory variation = production - (sales + exports - imports).
(**) Source: Arcaras Arg.
(***) Source: IHS
Source: Adefa

3.3 Production and sale of vehicles in Brazil and Argentina

The table below shows consolidated figures for vehicle production and sales in Brazil and Argentina. This refers to the domestic market in which the Company operates.

Production and sales: Brazil & Argentina	Vehicle production			Vehicle sales		
	Jan-Mar 2018	Jan-Mar 2017	variation	Jan-Mar 2018	Jan-Mar 2017	variation
Light vehicle	**778,942**	**682,996**	**14.0%**	**745,992**	**647,644**	**15.2%**
Production Trucks and Buses	**32,855**	**21,566**	**52.3%**	**24,416**	**17,789**	**37.3%**
Agricultural	14,244	13,965	2.0%	11,523	13,107	-12.1%
Medium and heavy vehicle	**47,099**	**35,531**	**32.6%**	**35,939**	**30,896**	**16.3%**
Total	**826,041**	**718,527**	**15.0%**	**781,931**	**678,540**	**15.2%**

Source: Anfavea and Adefa

3.4 Vehicle production in the main export markets

The table below shows the figures for vehicle production in the 1Q18 in Europe and NAFTA (Company's main export markets) compared to the 1Q17.

Vehicle Production in the main exports market			
Segment	**Jan-Mar 2018 (A)**	**Jan-Mar 2017 (B)**	**A/B**
Production of Light vehicle	4,409,008	4,527,561	-2.6%
Production of medium and heavy vehicle	143,521	119,375	20.2%
North America	**4,552,529**	**4,646,936**	**-2.0%**
Production of Light vehicle	5,913,281	5,860,711	0.9%
Production of medium and heavy vehicle	154,339	147,886	4.4%
Europe	**6,067,620**	**6,008,597**	**1.0%**
Total Vehicle Production	**10,620,149**	**10,655,533**	**-0.3%**

Source: IHS

4 Economic and financial performance

Summary P&L (R$ million)	1Q18	1Q17	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)
Net sales revenue	**618.7**	**540.5**	**100.0%**	**100.0%**	**14.5%**
Cost of sales	(445.2)	(404.0)	-72.0%	-74.7%	10.2%
Gross income	**173.5**	**136.5**	**28.0%**	**25.3%**	**27.1%**
Selling expenses	(37.8)	(33.8)	-6.1%	-6.3%	11.8%
General and administrative expenses	(20.4)	(23.9)	-3.3%	-4.4%	-14.6%
Technology and product development expenses	(16.9)	(21.3)	-2.7%	-3.9%	-20.7%
Other operating income (expenses)	(2.3)	(2.3)	-0.4%	-0.4%	0.0%
Equity in the results of investees	(0.0)	(0.1)	0.0%	0.0%	0.0%
Operating income	**96.1**	**55.1**	**15.5%**	**10.2%**	**74.4%**
Financial income (expenses), net	(1.8)	(13.0)	-0.3%	-2.4%	-86.2%
Income tax and social contribution	(23.8)	(6.5)	-3.8%	-1.2%	266.2%
Net income attributable to owners of the parent	**71.4**	**38.4**	**11.5%**	**7.1%**	**85.9%**
Net income of non-controlling interest	(0.9)	(2.8)	-0.1%	-0.5%	-67.9%
EBITDA	**118.8**	**80.7**	**19.2%**	**14.9%**	**47.2%**
Margins:					
Gross margin	28.0%	25.3%			2,7 p.p.
Operating margin	15.5%	10.2%			5,3 p.p.
Net margin attributable to owners of the parent	11.5%	7.1%			4,4 p.p.
EBITDA margin	19.2%	14.9%			4,3 p.p.
SG&A expenses to net sales revenue	**9.4%**	**10.7%**			**-1,3 p.p.**

4.1 Net sales revenue and market share by segment, excluding revenue on MAHLE Metal Leve Miba Sinterizados Ltda.

The financial statements for the quarter ended March 31, 2018 contain consolidated results of MAHLE Metal Leve Miba Sinterizados Ltda., which was sold on June 30, 2017. For additional information, see note 34 to the Financial Statements as of March 31, 2018.

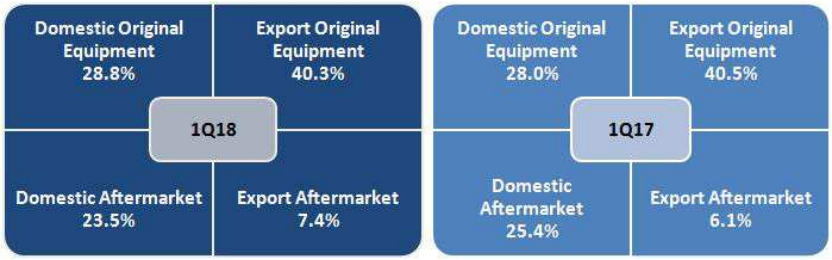
If the amounts referring to that subsidiary had not been consolidated into the results of 1Q17 (used as comparison basis for the 1Q18), the Company would have reported a growth of 20.1% in its consolidated net sales revenue, comparing the 1Q18 with the 1Q17.

Accordingly, the increase in volume/price would have been 16.3%, where domestic OEM sales, whose performance would have been 35.7% above that reported in the 1Q17, coupled with an increase of 35.5% in aftermarket exports, and an increase of 10.6% in domestic aftermarket sales, and an increase of 5.1% in OEM exports. The table below shows the dynamics of the Company's revenue by segment and respective impacts in terms of volume/price and exchange variation between the years had that subsidiary not been consolidated:

	Net revenues by market (R$ Million)	1Q18 (a)	Volume/Price (b)	FX-Variation (c)	1Q17 (d)	% volume/price impact (b/d)	% FX-impacts (c/d)	H.A. (%) (a/d)
Original equipment	Domestic[1]	178.1	47.0	(0.5)	131.6	35.7%	-0.4%	35.3%
	Export	249.4	10.8	25.2	213.4	5.1%	11.8%	16.9%
	Subtotal[2]	**427.5**	**57.8**	**24.7**	**345.0**	**16.8%**	**7.1%**	**23.9%**
Aftermarket	Domestic[1]	145.7	14.6	(6.3)	137.4	10.6%	-4.6%	6.0%
	Export	45.5	11.6	1.2	32.7	35.5%	3.6%	39.1%
	Subtotal[2]	**191.2**	**26.2**	**(5.1)**	**170.1**	**15.4%**	**-3.0%**	**12.4%**
	Total[2]	**618.7**	**84.0**	**19.6**	**515.1**	**16.3%**	**3.8%**	**20.1%**
	MAHLE Metal Leve Miba Sinterizados Ltda.	-	(25.9)	0.5	25.4	-102.1%	2.1%	-100.0%
	Grand total	**618.7**	**58.1**	**20.1**	**540.5**	**10.8%**	**3.7%**	**14.5%**

[1] Domestic market includes Brazil and Argentina.
[2] Excluded MAHLE Metal Leve Miba Sinterizados Ltda.

Below is the market share in relation to consolidated net sales revenue without including that subsidiary:



With the above scenario, it is important to stress that the organic growth in domestic OEM sales was higher than the vehicle production growth reported in Brazil by the Brazilian Association of Motor Vehicle Manufacturers (ANFAVEA) and in Argentina by the *Asociación de Fábricas de Automotores* (Adefa), as shown below:

MAHLE	% FX-impacts	-0.4%
	% volume/price impact	35.7%
	Domestic original equipment	35.3%
Source: Anfavea	Vehicle production - Brazil	14.3%
Source: Adefa	Vehicle production - Argentina	19.2%
Source: Anfavea & Adefa	Vehicle production - Brazil & Argentina	15.0%

4.2 OEM (original equipment manufacturer) sales

Domestic sales:

In the 1Q18, domestic OEM sales increased 35.3%, with an increase of 35.7% in volume/price, which was partially offset by the exchange variation (-0.4%) resulting from OEM sales in Argentina (consolidated into domestic OEM sales).

The growth in net sales revenue in this market was due mainly to vehicle exports from Brazil, coupled with an increase in vehicle production to serve the local market.

OEM exports:

In the 1Q18, OEM exports increased 16.9% mainly due to the positive impact of 11.8% of exchange variation, coupled with a 5.1% increase in volumes.

Such performance results mainly from an increase in sales of light vehicles to Europe and heavy vehicles to North America.

Below is the Company's performance in OEM exports in strong currencies:

Export Sales by currency (R$ Million)	Jan-Mar 2018 (a)	Jan-Mar 2017 (b)	H.A. (%) (a/b)
Original equipment			
EUR	25.9	23.8	8.8%
USD	43.9	41.3	6.3%
Equivalent in USD	**74.9**	**66.4**	**12.8%**

4.3 Aftermarket sales

Domestic aftermarket sales:

In the 1Q18, domestic aftermarket sales grew 6.0%, with an increase of 10.6% in volume/price, partially offset by the exchange variation (-4.6%) resulting from aftermarket sales in Argentina (consolidated into domestic OEM sales).

According to a study disclosed by SINDIPEÇAS, such growth is mainly due to the good performance of the used car market, coupled with an increase in heavy sales volume resulting from the resumption, although slow, of the economic activity in the country, lower inflation rates, better credit conditions arising from reduced interest rates, and longer repayment maturities.

According to another study held by SINDIPEÇAS, although the Brazilian vehicle fleet has increased, the average vehicle age is still high as the vehicles in use have not been replaced in Brazil. Between 2012 and 2017, cars became one year older in average. This scenario of "older" fleet tends to benefit our domestic aftermarket sales as car owners will need to make, in a given time, maintenance of their vehicles and consequently may consume the Company's products.

Aftermarket exports:

In the 1Q18, aftermarket exports grew 39.1% compared to the 1Q17, meaning a volume/price increase of 35.5%, added to the positive impact of the exchange variation of 3.6%.

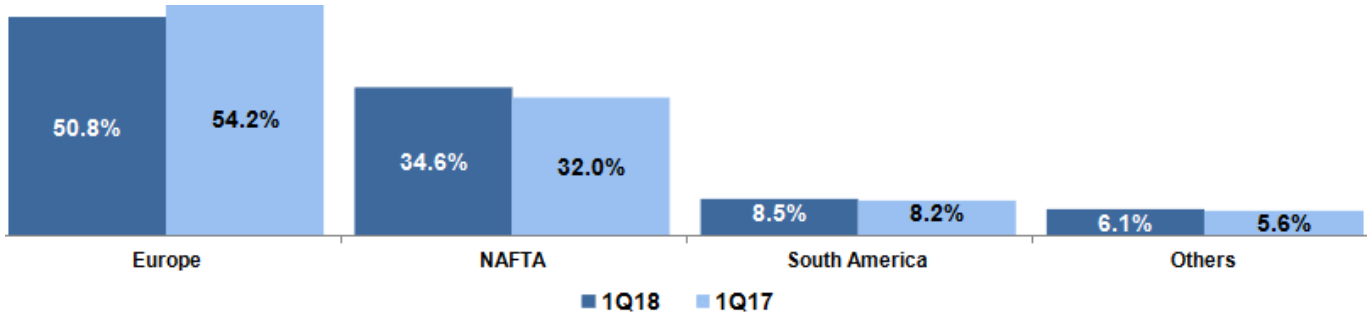
This performance is due to an increase in the volume of sales to South America countries. According to the Ministry of Industry, Foreign Trade and Services (MDIC), the Pacific Alliance countries imported more Brazilian products in 2017 because of an evolution in trade agreements entered into with those countries. The products imported from Brazil include passenger and cargo vehicles, engines and their components. The main countries to which the Company exports include, among others, Chile, Paraguay, Peru, Bolivia and Uruguay.

Below is the Company's performance in aftermarket exports in strong currencies:

Export Sales by currency (R$ Million)	Jan-Mar 2018 (a)	Jan-Mar 2017 (b)	H.A. (%) (a/b)
Aftermarket			
EUR	0.7	0.9	-22.2%
USD	13.2	9.4	40.4%
Equivalent in USD	**14.0**	**10.4**	**34.6%**

4.4 *Consolidated exports by region*

The graph below shows the distribution of the Company's sales by geographic region in the 1Q18 and 1Q17, respectively:

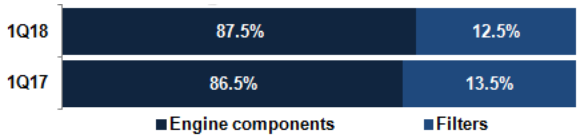


4.5 Net sales revenue by segment

In the 1Q18, sales of engine components and filter systems increased 15.8% and 6.2%, respectively, compared to the same period of the previous year. The table and graph below show the dynamics and market share of both segments in the 1Q18 and 1Q17:

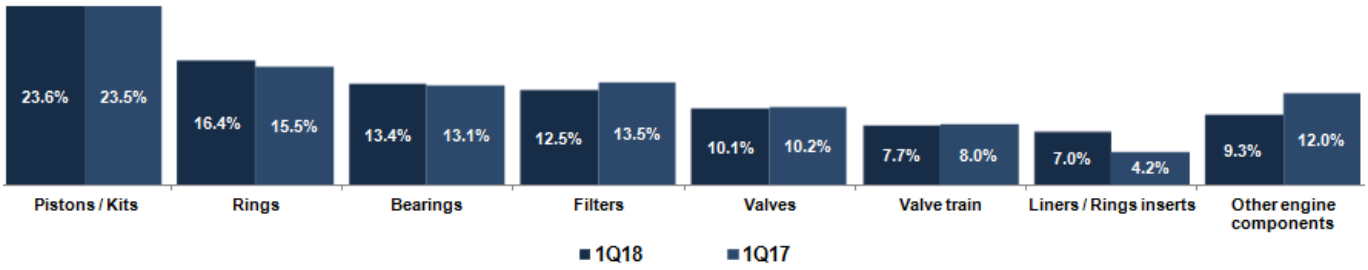
Performance of the net sales revenue by segment (R$ million)	1Q18 (a)	1Q17 (b)	H.A. (%) (a/b)
Engine components	541.3	467.6	15.8%
Filters	77.4	72.9	6.2%
Total	**618.7**	**540.5**	**14.5%**

It should be noted that the Company does not export filters; therefore, this segment was not subject to impacts of exchange variation between the quarters, as happened in the engine components segment.



4.6 Net sales revenue by product

The graph below shows total sales share by product in the 1Q18 and 1Q17:



4.7 Gross margin

As shown in the table below, the Company closed the 1Q18 with gross margin of 28.0% (25.3% in the 1Q17):

Summary P&L (R$ million)	1Q18 (a)	1Q17 (b)	V.A. (%) (a)	V.A. (%) (b)	H.A. (%) (a/b)
Net sales revenue	**618.7**	**540.5**	**100.0%**	**100.0%**	**14.5%**
Cost of sales	(445.2)	(404.0)	-72.0%	-74.7%	10.2%
Gross income	**173.5**	**136.5**	**28.0%**	**25.3%**	**27.1%**
Gross margin	28.0%	25.3%			2,7 p.p.

As a consequence of the volume growth between the periods, the Company increased the use of its production capacity in both quarters mainly due to the better performance of the OEM domestic sales, which, coupled with efforts to intensify the initiatives of productivity gains in the Company's direct and indirect areas, led to a better margin, as mentioned above.

4.8 Selling, general and administrative expenses

Increased selling expenses resulted from the performance of the Company's revenue, which was kept in its historical level. General and administrative expenses were also kept at their usual level.

Summary P&L (R$ million)	1Q18	1Q17	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)
Net sales revenue	**618.7**	**540.5**	**100.0%**	**100.0%**	**14.5%**
Selling expenses	(37.8)	(33.8)	-6.1%	-6.3%	11.8%
General and administrative expenses	(20.4)	(23.9)	-3.3%	-4.4%	-14.6%
SG&A expenses	**(58.2)**	**(57.7)**	**9.4%**	**10.7%**	**0.9%**
SG&A expenses to net sales revenue	**9.4%**	**10.7%**			**-1,3 p.p.**

4.9 Technology and product development expenses

R&D expenses were channeled into technological innovations involving developments in partnership with customers, such as patent registrations and release of new products to the market. In the 1Q18, such expenses accounted for 2.7% of net sales revenue (3.9% in the 1Q17).

Summary P&L (R$ million)	1Q18	1Q17	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)
Net sales revenue	**618.7**	**540.5**	**100.0%**	**100.0%**	**14.5%**
Technology and product development expenses	(16.9)	(21.3)	-2.7%	-3.9%	-20.7%

4.10 Other operating income (expenses), net

In the 1Q18, a net expense of R$ 2.3 million was recorded in other operating income (expenses), net, keeping the same level of the figures in the 1Q17. The table below shows few changes between the periods:

Other income and expenses, net	1Q18 (a)	1Q17 (b)	Var. (a-b)
Gains/losses on disposal of assets/others	0.0	(1.4)	1.4
Recovered taxes (Reintegra)	4.0	3.7	0.3
Electric power	0.4	0.1	0.3
Provision for restructuring	0.2	-	0.2
Provision/Reversal for obsolescence	0.1	1.1	(1.0)
Provision/Reversal for labor, civil and tax contingencies	(6.1)	(5.5)	(0.6)
Other income/expenses	(0.9)	(0.3)	(0.6)
Total of others incomes and expenses, net	**(2.3)**	**(2.3)**	-

4.11 Operating income measured by EBITDA

In the 1Q18, EBITDA was R$ 118.8 million (R$ 80.7 million in the 1Q17), representing an EBITDA margin of 19.2% (14.9% in the 1Q17). The table below shows the changes between the quarters in the accounts that make up operating income:

EBITDA 1Q17	Gross income	Technology and product development expenses	General and administrative expenses	Equity in the results of investees	Depreciation	Selling expenses	EBITDA 1Q18
80.7	37.0	4.4	3.5	0.1	(2.9)	(4.0)	118.8
EBITDA margin 14.9%							EBITDA margin 19.2%

4.12 Net financial income (expenses)

In the 1Q18, the Company recorded a net financial expense of R$ 1.8 million, while in the 1Q17, net financial expenses amounted to R$ 13.0 million, meaning a reduction of R$ 11.2 million between the periods.

Net financial result (R$ million)	1Q18 (a)	1Q17 (b)	Var. (a - b)
Interests (income on investments)	1.4	5.7	(4.3)
Interests (expenses on financing)	(2.1)	(12.8)	10.7
Interests (Others)	0.4	0.2	0.2
Interests, net (i)	**(0.3)**	**(6.9)**	**6.6**
Exchange variation, net	7.5	(6.3)	13.8
Result with derivatives	(0.1)	10.5	(10.6)
Exchange variation and Result with derivatives (ii)	**7.4**	**4.2**	**3.2**
Monetary variation, net	(7.6)	(8.8)	1.2
Others	(1.3)	(1.5)	0.2
Monetary variation, net + Others (iii)	**(8.9)**	**(10.3)**	**1.4**
Financial income (expenses), net (i + ii + iii)	**(1.8)**	**(13.0)**	**11.2**

The reduction of R$ 6.6 million in “Interests, net” (item “i” of the table above) between the 1Q18 and 1Q17 results from the variation of net interests because of the fall in interest rates and reduction of indebtedness.

The negative variation of R$ 4.3 million in “Interests (income on investments)” between the years results from a reduction in the average investment levels in the period (R$ 113.0 million and R$ 221.3 million, respectively, averages for the 1Q18 and 1Q17), coupled with a reduction in the remuneration percentages (6.6% p.a. and 11.7% p.a., respectively, averages for the 1Q18 and the 1Q17), which followed the reduction in the Basic Interest Rate (SELIC) in Brazil.

Interest rates and volumes (average)	1Q18 (a)	1Q17 (b)	Var. (a - b)
Remunetarion of investments[1]	6.6%	11.7%	-5,1 p.p.
Cost of debt	5.8%	9.3%	-3,5 p.p.
Investments - average	113.0	221.3	-48.9%
Average debt	(174.9)	(516.9)	-66.2%

([1]Bank deposit certificates (CDBs) and repurchase agreements with average remuneration of 98.8% of the Interbank deposit rate CDI), invested exclusively with fist rate banks in Brazil.

There was a reduction in the average volume of gross debt of 66.2% (from R$ 516.9 million in the 1Q17 to R$ 174.9 million in the 1Q18), as the Company settled loans and financing, mainly those taken from the National Bank for Economic and Social Development (BNDES) and from commercial banks (export credit notes - NCE).

4.13 Income and social contribution taxes

As March 31, 2018, the Company recorded a provision for income and social contribution tax expense of R$ 23.8 million, consolidated (expense of R$ 6.5 million as of March 31, 2017), as detailed below:

- ✓ Current tax: an expense of R$ 39.9 million, generated mainly by the parent and its subsidiary MAHLE Argentina S/A.;
- ✓ Deferred tax: income of R$ 16.1 million, with no impact on cash, comprising mainly changes in the provisions and realization of differences measured according to Law 12.973/14.

Additional information is available in note 11 to the Quarterly Financial Statements as of March 31, 2018.

4.14 Net income

In the 1Q18, the Company had net income of R$ 71.4 million (R$ 38.4 million in the 1Q17), representing an increase of 85.9% between the periods, and net margin in the 1Q18 was 11.5% and 7.1% in the 1Q17.

Summary P&L (R$ million)	1Q18	1Q17	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)
Net sales revenue	**618.7**	**540.5**	**100.0%**	**100.0%**	**14.5%**
Net income attributable to owners of the parent	**71.4**	**38.4**	**11.5%**	**7.1%**	**85.9%**
Net margin attributable to owners of the parent	11.5%	7.1%			4,4 p.p.

4.15 Capital expenditures

The table below shows capital expenditures (capex) as well as total accumulated depreciation in the 1Q18 and 1Q17, respectively:

CAPEX & Depreciation (R$ million)	1Q18	1Q17
Capex	14.6	13.3
Total depreciation	22.9	25.8

Capex	1Q18	1Q17
% of Net sales revenue	2.4%	2.5%
% of Depreciation	63.8%	51.6%

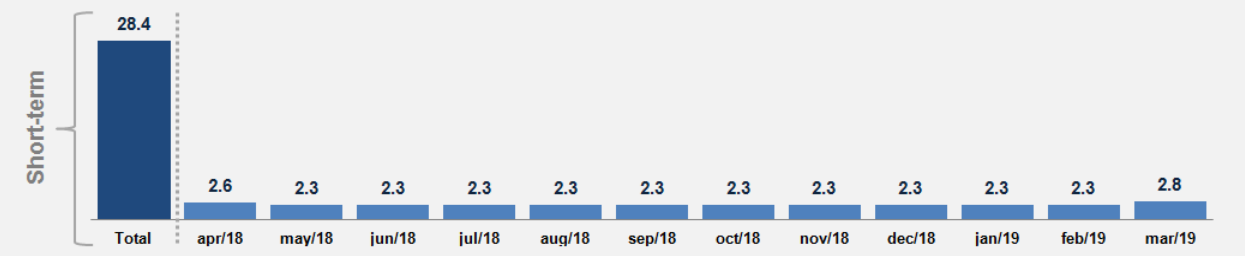
In the 1Q18, capital expenditures were channeled into R&D equipment, replacement of machinery and equipment to increase productivity and quality, new products, new buildings, IT, among others.

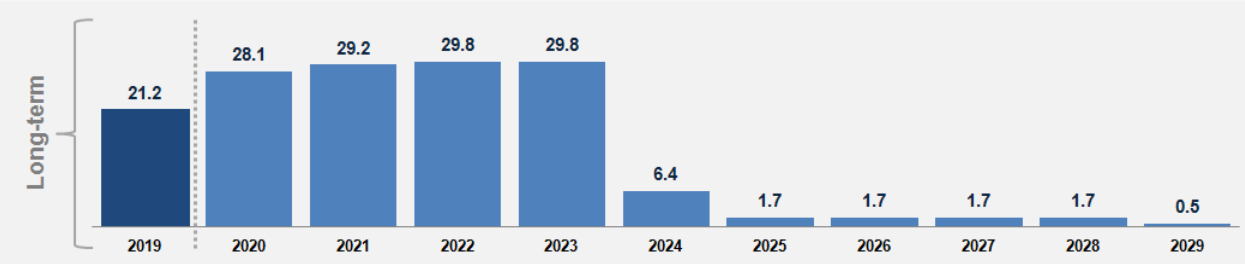
4.16 Net position of financial assets and liabilities

At the end of the 1Q18, the Company reported a positive position of financial assets and liabilities of R$ 14.5 million, and of R$ 14.0 million at the end of the 1Q17.

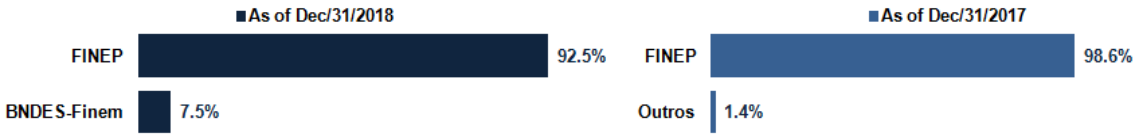
Net indebtedness (R$ million)	As of Mar/31/2018 (a)	As of Dec/31/2017 (b)	Variation (a-b)	% Debt (a)	% Debt (b)
Liabilities (i)	**180,2**	**176,0**	**4,2**	**100%**	**100%**
Short term	28,4	31,0	(2,6)	16%	18%
Long term	151,8	145,0	6,8	84%	82%
Cash / banks / cash investments/ Loans - related parties (ii):	**(194,7)**	**(190,0)**	**(4,7)**		
Net position (i + ii)	**(14,5)**	**(14,0)**	**(0,5)**		

The graphs below show the maturities of short-term and long-term transactions at the end of the 1Q18, representing 16% and 84%, respectively, of the financing described in the above table:





Below is a breakdown of the Company's financing transactions per type for each of the periods indicated in the table above:



4.17 Dividends and interest on capital to shareholders

The Annual General Meeting held on April 27, 2018 approved distribution of complementary dividends of R$ 143.6 million, which is a remaining balance of 2017. In aggregate, the Company distributed R$ 231.6 million of dividends and interest on capital to shareholders, as follows:

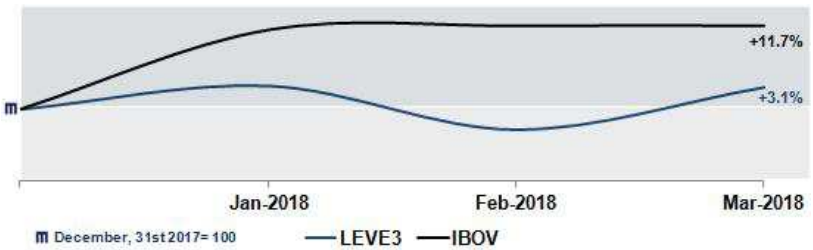
Date	Payment Date	Type of pay-out	Period	Reference Year	Total Gross Amount (in R$ million)	Gross Amount per Share (in R$)	Net Amount per Share (in R$)
April 27th, 2018	May 24th, 2018	Dividends	Complementary Dividends	2017	143.6	1.1194433801	1.1194433801
December 27th, 2017	May 24th, 2018	Interest on capital	November, 2017 - December, 2017	2017	14.9	0.1159202112	0.0985321795
November 14th, 2017	December 21st, 2017	Interest on capital	August, 2017 - October, 2017	2017	22.1	0.1723699626	0.1465144682
August 08th, 2017	September 15th, 2017	Interest on capital	January, 2017 - July, 2017	2017	51.0	0.3972551775	0.3376669009
			Dividends		**143.6**	**1.1194433801**	**1.1194433801**
			Interest on capital		**88.0**	**0.6855453513**	**0.5827135486**
			Total 2017		**231.6**	**1.8049887315**	**1.7021569288**

5 Investor Relations and Capital Market

In the 1Q18, the Company's Investor Relations team maintained the actions to improve its internal processes and information flow, thus enhancing interaction with the most varied capital market players and stakeholders, seeking to show to the market how the Company operates. Further, the Company continues participating in several meetings, conferences, site visits, teleconferences, and other events focused on the capital market, including contacts by phone and emails.

5.1 Performance of the Company shares and free-float shares

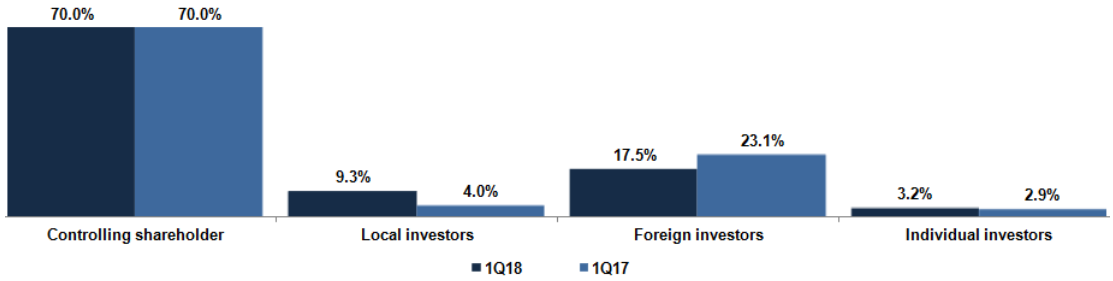
The graphs below show the evolution of LEVE3 shares, the Average Daily Trading Volume (ADTV) and the ADTV turnover in relation to the free-float market capitalization:



Average Daily Trading Volume (ADTV) and ADTV turnover to Free-Float Mkt Cap				
Period	**2Q17**	**3Q17**	**4Q17**	**1Q18**
Trading Volume (R$ million)	3.7	5.0	6.4	5.6
Turnover (%)	0.47%	0.70%	0.75%	0.61%

5.2 Shareholders' profile

In the 1Q18 and 1Q17, respectively, shareholders' profile in relation to the quantity of the Company shareholders, including free-float shares, was represented as follows:



The graph below contains the main countries in which the Company's free-float shares were held in the 1Q18 and 1Q17:



6 Independent Auditors

In accordance with CVM Instruction 381/03, the Company and its subsidiaries adopt the policy of ensuring that provision of other services by the auditors does not create conflict of interest nor affects the independence and objectivity required by independent auditing services.

During the 1Q18, the Company did not engage KPMG Auditores Independentes to perform other services, therefore not generating any situation that could create conflict of interests pursuant to that legislation.

7 Representation by the Executive Board

In compliance with the provisions of CVM Instruction 480, management declares that it discussed, reviewed and agreed with the financial statements for the quarter ended March 31, 2018 and the opinions expressed in the independent auditor's report.

8 Acknowledgements

Company's management thanks its shareholders, employees, customers and suppliers for the support and trust during the first quarter of 2018.

Management

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Independent Auditors' Report on Review of Interim Financial Information

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil, rules of the CVM, and of the International Financial Reporting Standards - IFRS)

To the Management and Shareholders of the

MAHLE Metal Leve S.A.

Mogi Guaçu - SP

Introduction

We have reviewed the individual and consolidated interim financial information of MAHLE Metal Leve S.A. ("the Company"), included in the Quarterly Information Form (ITR), for the quarter ended March 31, 2018, which comprises the statement of financial position as of March 31, 2018 and the respective statements of profit or loss and other comprehensive income for the three month period then ended, and the changes in equity and cash flows for the three-month period then ended, and notes, comprising the explanatory information.

Management is responsible for the preparation of the interim financial information in accordance with CPC 21(R1) Technical Pronouncement - Interim Financial Information and International Standard IAS 34 - Interim Financial Reporting, issued by International Accounting Standards Board - IASB, and for presentation of this interim financial information in accordance with the rules issued by Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of these quarterly information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and international standard on interim review (NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade 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. The scope of a review is substantially less than an audit conducted in accordance with auditing standards and, consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

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

Other matters

Statements of value added

The individual and consolidated interim financial information, related to statements of value added (DVA) for the three month period ended March 31, 2018, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34, were submitted to the same review procedures followed together with the review of the Company's interim financial information. In order to form our conclusion, we evaluated whether these statements are reconciled to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of value added are not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

Corresponding figures

The interim individual and consolidated balance sheet as at and for the year ended December 31, 2017, presented as corresponding figures in the interim financial statements for the current period, were audited by another auditor who expressed an unmodified opinion on those statements on March 15, 2018 and the statements of profit or loss and other comprehensive income for the quarter and three-month periods ended and changes in equity and cash flows for the three-month periods ended March 31, 2017, presented as corresponding figures in the interim financial statements for the current period, were reviewed by another auditor who expressed an unmodified report on those statements on May 9, 2017. The interim individual and consolidated statements of value added (DVA) for the three-month period ended March 31, 2017 have been subject to review procedures by those auditors and, based on their review, those auditors issued a report reporting that nothing has come to their attention that causes them to believe that the statements of value added were not prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement, and are consistent with the overall individual and consolidated financial statements.

Campinas, May 8, 2018

KPMG Auditores Independentes
CRC 2SP014428/O-6

Original report signed by

Carlos Humberto Rodrigues da Silva
Contador CRC 1SP217733/O-4

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Quarterly information (ITR)
at March 31, 2018

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Quarterly information (ITR) at March 31, 2018

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MAHLE Metal Leve S.A.

Statement of financial position
at March 31, 2018 and December 31, 2017

All amounts in thousands of reais *(A free translation of the original in Portuguese)*

		Parent company		Consolidated	
Assets	**Note**	**03.31.2018**	**12.31.2017**	**03.31.2018**	**12.31.2017**
Cash and cash equivalents	6	128,922	129,352	161,659	169,070
Trade and related-party receivables	7	363,874	322,978	454,241	388,185
Inventories	8	281,487	255,873	371,309	352,121
Taxes recoverable	9	52,597	50,139	71,218	68,724
Income tax and social contribution recoverable	9	238	12,202	20,379	28,499
Dividends and interest on capital receivable	10	51,456	38,748	-	-
Unrealized gains on derivative financial instruments	31	9,411	15,107	10,396	15,886
Other assets		26,197	25,814	36,893	38,769
Total current assets		**914,182**	**850,213**	**1,126,095**	**1,061,254**
Taxes recoverable	9	9,786	10,240	13,915	14,443
Loans to related parties	10	14,973	14,470	33,026	20,945
Deferred income tax and social contribution	11.b	9,475	-	14,311	4,966
Other assets		13,835	15,844	15,490	17,476
Investments in subsidiaries	12	215,898	206,011	610	625
Property, plant and equipment	13	591,154	602,158	628,089	640,251
Assets held for sales	13	-	-	7,171	7,171
Intangible assets	14	433,959	432,195	460,910	459,013
Total non-current assets		**1,289,080**	**1,280,918**	**1,173,522**	**1,164,890**
Total assets		**2,203,262**	**2,131,131**	**2,299,617**	**2,226,144**

The accompanying notes are an integral part of these interim financial statements.

MAHLE Metal Leve S.A.

Statement of financial position
at March 31, 2018 and December 31, 2017

All amounts in thousands of reais *(A free translation of the original in Portuguese)*

		Parent company		Consolidated	
Liabilities		**03.31.2018**	**12.31.2017**	**03.31.2018**	**12.31.2017**
Dividends and interest on capital payable	10	13.405	13.525	13.467	13.588
Trade and related-party payables	15	124.877	126.546	167.926	171.874
Taxes and contributions payable	16	24.109	24.023	26.372	25.415
Income tax and social contribution payable	16	3.425	820	23.823	18.604
Borrowings	17	28.405	30.987	28.405	30.987
Salaries, vacation pay and social charges	18	88.931	72.464	99.510	82.945
Sundry provision	19	31.138	26.407	35.740	30.650
Provisions for warranties	20	12.273	11.453	14.788	13.940
Unrealized losses on derivative financial instruments	31	6.379	7.054	8.093	7.463
Other liabilities		30.741	27.891	33.479	30.298
Total current liabilities		**363.683**	**341.170**	**451.603**	**425.764**
Deferred income tax and social contribution	11.b	-	8.168	358	8.526
Provision for subsidiary's net capital deficiency	12	8.407	7.841	-	-
Income tax and social contribution payable	16	335	335	335	335
Borrowings	17	151.804	144.995	151.804	144.995
Provisions for contingencies and judicial deposits linked to judicial proceedings	21	251.981	262.276	274.158	285.006
Other liabilities		11.144	11.298	11.144	11.298
Total non-current liabilities		**423.671**	**434.913**	**437.799**	**450.160**
Total liabilities		**787.354**	**776.083**	**889.402**	**875.924**
Equity	22				
Share capital		966.255	966.255	966.255	966.255
Revenue reserves		280.488	280.488	280.488	280.488
Other comprehensive income		(46.378)	(35.330)	(46.378)	(35.330)
Retained earnings		71.908	-	71.908	-
Proposed additional dividends		143.635	143.635	143.635	143.635
Equity attributable to the owners of the parent		**1.415.908**	**1.355.048**	**1.415.908**	**1.355.048**
Non-controlling interests		-	-	(5.693)	(4.828)
Total equity		**1.415.908**	**1.355.048**	**1.410.215**	**1.350.220**
Total liabilities and equity		**2.203.262**	**2.131.131**	**2.299.617**	**2.226.144**

The accompanying notes are an integral part of these interim financial statements.

MAHLE Metal Leve S.A.

Statement of profit or loss
Periods ended March 31, 2018 and 2017

All amounts in thousands of reais *(A free translation of the original in Portuguese)*

		Parent company		Consolidated	
	Note	**03.31.2018**	**03.31.2017**	**03.31.2018**	**03.31.2017**
Net revenue	24	513,696	422,916	618,682	540,505
Cost of sales	25	(383,763)	(331,167)	(445,154)	(403,963)
Gross profit		**129,933**	**91,749**	**173,528**	**136,542**
Selling expenses	26	(28,789)	(24,931)	(37,811)	(33,827)
General and administrative expenses	27	(17,392)	(20,452)	(20,353)	(23,916)
Technology and product development costs	28	(14,845)	(18,838)	(16,912)	(21,314)
Other income (expenses)	30	(1,900)	(20)	(2,276)	(2,331)
Profit before finance income (costs) and taxation		**67,007**	**27,508**	**96,176**	**55,154**
Finance income	29	13,032	25,859	24,580	28,362
Finance costs	29	(16,842)	(32,679)	(26,387)	(41,381)
Finance income (costs), net		**(3,810)**	**(6,820)**	**(1,807)**	**(13,019)**
Equity in the results of investees	**12**	**28,151**	**24,546**	**(15)**	**(78)**
Profit before taxation		**91,348**	**45,234**	**94,354**	**42,057**
Current income tax and social contribution	11.a	(35,984)	(16,249)	(39,912)	(18,190)
Deferred income tax and social contribution	11.a	16,015	9,394	16,072	11,712
Income tax and social contribution		**(19,969)**	**(6,855)**	**(23,840)**	**(6,478)**
Profit for the period		**71,379**	**38,379**	**70,514**	**35,579**
Profit attributable to:	23				
Owners of the parent				71,379	38,379
Non-controlling interests				(865)	(2,800)
Profit for the period				**70,514**	**35,579**
Basic and diluted earnings per share (in reais)		**0.55631**	**0.29912**	**0.55631**	**0.29912**

The accompanying notes are an integral part of these interim financial statements

MAHLE Metal Leve S.A.

Statement of comprehensive income
Periods ended March 31, 2018 and 2017

All amounts in thousands of reais *(A free translation of the original in Portuguese)*

	Parent company		Consolidated	
	03.31.2018	**03.31.2017**	**03.31.2018**	**03.31.2017**
Profit for the period	**71,379**	**38,379**	**70,514**	**35,579**
Comprehensive income				
Items that will be reclassified to profit or loss				
Change in cash flow hedge, net	(4,787)	6,928	(4,787)	6,928
Change in subsidiaries' cash flow hedge, net	(1,123)	(24)	(1,123)	(39)
Income tax and social contribution on cash flow hedge	1,628	(2,355)	1,628	(2,355)
Income tax and social contribution on subsidiaries' cash flow hedge	-	8	-	13
Cumulative translation adjustments	(6,353)	(442)	(6,540)	(465)
Translation adjustments of deferred income tax (subsidiaries located abroad)	-	-	187	23
Subtotal comprehensive income	**(10,635)**	**4,115**	**(10,635)**	**4,105**
Total comprehensive income for the period, net of income tax and social contribution	**60,744**	**42,494**	**59,879**	**39,684**
Comprehensive income attributable to:				
Owners of the parent			60,744	42,494
Non-controlling interests			(865)	(2,810)
Total comprehensive income			**59,879**	**39,684**

The accompanying notes are an integral part of these interim financial statements.

MAHLE Metal Leve S.A.

Statement of changes in equity
Periods ended March 31, 2018

All amounts in thousands of reais *(A free translation of the original in Portuguese)*

		Attributable to owners of the parent											
			Revenue reserves				Other comprehensive income						
	Note	Share capital	Legal reserve	Reserve for expansion and modernization	Proposed additional dividends	Total	Carrying value adjustments	Cumulative translation adjustments	Total	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
At December 31, 2017		**966,255**	**122,727**	**157,761**	**143,635**	**424,123**	**42,162**	**(77,492)**	**(35,330)**	**-**	**1,355,048**	**(4,828)**	**1,350,220**
Equity transactions with shareholders													
Prescribed dividends and interest on capital		-	-	-	-	-	-	-	-	116	116	-	116
Profit for the period		-	-	-	-	-	-	-	-	71,379	71,379	(865)	70,514
Other comprehensive income													
Cumulative translation adjustments		-	-	-	-	-	-	(6,353)	(6,353)	-	(6,353)	-	(6,353)
Financial instrument adjustments	22	-	-	-	-	-	(5,910)	-	(5,910)	-	(5,910)	-	(5,910)
Taxes on financial instrument adjustments	22	-	-	-	-	-	1,628	-	1,628	-	1,628	-	1,628
Realization of deemed cost, net	22	-	-	-	-	-	(413)	-	(413)	413	-	-	-
At March 31, 2018		**966,255**	**122,727**	**157,761**	**143,635**	**424,123**	**37,467**	**(83,845)**	**(46,378)**	**71,908**	**1,415,908**	**(5,693)**	**1,410,215**

The accompanying notes are an integral part of these interim financial statements.

MAHLE Metal Leve S.A.

Statement of changes in equity
Periods ended March 31, 2017

All amounts in thousands of reais *(A free translation of the original in Portuguese)*

		Attributable to owners of the parent											
			Revenue reserves				Other comprehensive income						
	Note	Share capital	Legal reserve	Reserve for expansion and modernization	Proposed additional dividends	Total	Carrying value adjustments	Cumulative translation adjustments	Total	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
At January 1st, 2017		**966,255**	**110,863**	**157,761**	**-**	**268,624**	**60,696**	**(64,740)**	**(4,044)**	**-**	**1,230,835**	**(15,117)**	**1,215,718**
Equity transactions with shareholders													
Prescribed dividends and interest on capital		-	-	-	-	-	-	-	-	76	76	-	76
Profit for the period		-	-	-	-	-	-	-	-	**38,379**	**38,379**	**(2,800)**	**35,579**
Other comprehensive income													
Cumulative translation adjustments		-	-	-	-	-	-	(442)	(442)	-	(442)	-	(442)
Financial instrument adjustments	22	-	-	-	-	-	6,904	-	6,904	-	6,904	(15)	6,889
Taxes on financial instrument adjustments	22	-	-	-	-	-	(2,346)	-	(2,346)	-	(2,346)	6	(2,340)
Realization of deemed cost, net	22	-	-	-	-	-	(1,082)	-	(1,082)	1,082	-	-	-
Internal changes in equity													
Appropriation to legal reserve	-	-	1,918	-	-	1,918	-	-	-	(1,918)	-	-	-
At March 31, 2017		**966,255**	**112,781**	**157,761**	**-**	**270,542**	**64,172**	**(65,182)**	**(1,010)**	**37,619**	**1,273,406**	**(17,926)**	**1,255,480**

The accompanying notes are an integral part of these interim financial statements.

MAHLE Metal Leve S.A.

Statement of cash flows
Periods ended March 31, 2018 and 2017

All amounts in thousands of reais *(A free translation of the original in Portuguese)*

		Parent company		Consolidated	
		03.31.2018	**03.31.2017**	**03.31.2018**	**03.31.2017**
Cash flows from operating activities	**Note**				
Profit before taxation		91,348	45,234	94,353	42,057
Adjustments for:					
Depreciation and amortization		21,547	22,690	22,738	25,605
Equity in the results of investees		(28,718)	(28,122)	15	78
Recognition (reversal) of provision for impairment of investments		566	3,575	-	-
Interest and foreign exchange and monetary variations, net		7,426	16,009	6,842	18,661
Unrealized (losses) gains on derivative financial instruments		234	(1,386)	172	(1,192)
Results on disposal of property, plant and equipment		(1)	1,215	4	1,427
Recognition (reversal) of provision for impairment of trade receivables		212	(1,098)	723	(1,259)
Recognition (reversal) of provision for tax and other contingencies		3,896	2,498	2,524	3,584
Recognition (reversal) of provisions for warranties		1,849	369	1,824	336
Recognition (reversal) of sundry provision		4,731	8,301	5,090	8,723
Recognition (reversal) of provision for impairment of property, plant and		(100)	(189)	(126)	(219)
Recognition (reversal) of provision for inventory loss		(267)	291	(2,711)	51
(Increase) decrease in assets					
Trade and related-party receivables		(41,107)	(24,631)	(66,778)	(37,182)
Inventories		(25,133)	(16,065)	(16,273)	(11,509)
Taxes recoverable		(11,398)	(14,221)	(12,255)	(16,532)
Other assets		(921)	(6,666)	1,315	(7,911)
Increase (decrease) in liabilities					
Trade and related-party payables		(1,669)	9,589	(3,949)	(1,075)
Salaries, vacation pay and social charges		16,467	16,329	16,565	17,075
Taxes and contributions payable		86	7,286	374	9,385
Other liabilities		(19,745)	(11,527)	(19,305)	(13,043)
Cash from operations		**19,303**	**29,481**	**31,142**	**37,060**
Income tax and social contribution paid		(12,021)	(2,940)	(15,701)	(4,777)
Net cash provided by operating activities		**7,282**	**26,541**	**15,441**	**32,283**
Cash flows from investing activities					
Loans granted to subsidiaries		(290)	(13,635)	(120,654)	-
Loan repayments received from subsidiaries		-	10,639	108,574	-
Additions to property, plant and equipment		(10,346)	(9,024)	(12,385)	(11,822)
Additions to intangible assets		(2,222)	(1,418)	(2,222)	(1,447)
Proceeds from sale of property, plant and equipment		148	-	148	74
Net cash used in investing activities		**(12,710)**	**(13,438)**	**(26,539)**	**(13,195)**
Cash flows from financing activities					
Proceeds from borrowings		13,500	33,856	13,500	52,014
Repayment of principal of borrowings		(7,022)	(22,891)	(7,022)	(29,371)
Repayment of interest on borrowings		(2,089)	(9,501)	(2,089)	(10,609)
Dividends and interest on capital paid		(4)	-	(5)	-
Net cash provided by (used in) financing activities		**4,385**	**1,464**	**4,384**	**12,034**
Effect of foreign exchange variation on cash and cash equivalents		**613**	**(291)**	**(697)**	**-**
Increase (reduction) in cash and cash equivalents, net		**(430)**	**14,276**	**(7,411)**	**31,122**
Represented by:					
Cash and cash equivalents at the beginning of the period		129,352	241,504	169,070	256,431
Cash and cash equivalents at the end of the period	6	128,922	255,780	161,659	287,553
Increase (reduction) in cash and cash equivalents, net		**(430)**	**14,276**	**(7,411)**	**31,122**

The accompanying notes are an integral part of these interim financial statements.

MAHLE Metal Leve S.A.

Statement of value added
Periods ended March 31, 2018 and 2017

All amounts in thousands of reais *(A free translation of the original in Portuguese)*

	Parent company		Consolidated	
	03.31.2018	**03.31.2017**	**03.31.2018**	**03.31.2017**
Gross revenue	**633,657**	**535,407**	**739,418**	**661,104**
Sales of goods, products and services	651,156	539,347	754,447	663,483
Other revenue	(17,311)	(4,930)	(14,696)	(3,410)
Provision for impairment of trade receivables	(188)	990	(333)	1,031
Inputs acquired from third parties	**(360,235)**	**(312,719)**	**(415,903)**	**(380,723)**
(Includes amounts of taxes: ICMS, IPI, PIS and COFINS)				
Cost of sales and services	(189,441)	(149,138)	(225,962)	(190,249)
Materials, energy, outsourced services and other	(186,963)	(168,012)	(207,667)	(193,190)
Impairment/recovery of assets	16,169	4,431	17,726	2,716
Gross value added	**273,422**	**222,688**	**323,515**	**280,381**
Depreciation and amortization	**(21,547)**	**(22,690)**	**(22,738)**	**(25,605)**
Net value added generated by the company	**251,875**	**199,998**	**300,777**	**254,776**
Value added received through transfer	**41,183**	**50,405**	**24,565**	**28,284**
Equity in the results of investees	28,151	24,546	(15)	(78)
Finance income	13,032	25,859	24,580	28,362
Total value added to distribute	**293,058**	**250,403**	**325,342**	**283,060**
Distribution of value added	**293,058**	**250,403**	**325,342**	**283,060**
Personnel	**96,590**	**96,358**	**115,153**	**116,820**
Taxes and contributions	**108,540**	**83,033**	**112,623**	**88,791**
Capital providers	**16,549**	**32,633**	**27,052**	**41,870**
Interest	2,098	11,878	2,304	15,113
Rentals	-	-	517	371
Foreign exchange, monetary and other variations	14,451	20,755	24,231	26,386
Shareholders	**71,379**	**38,379**	**70,514**	**35,579**
Retained earnings	71,379	38,379	71,379	38,379
Share of non-controlling interests of retained earnings	-	-	(865)	(2,800)

The accompanying notes are an integral part of these interim financial statements.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

1 Operations

MAHLE Metal Leve S.A. (the Company) is an entity domiciled in Brazil. The registered address of the Company's head office is in Mogi Guaçu, São Paulo. The Company's consolidated (consolidated) and separate (parent company) financial statements for the periods ended March 31, 2018 includes the Company and its subsidiaries (referred to collectively as the Group or individually as entities of the Group).

The Company's main activities are the research, development, manufacturing and marketing, in Brazil and abroad, of parts and accessories for internal combustion engines, the sale of which is made to entities in various industries and lines of activity, such as manufacturers of automobiles, trucks and tractors, etc., the spare parts market and the aviation, stationary and other engines industry.

At June 30, 2017, the Company completed the sale of its 60% stake in MAHLE Metal Leve Miba Sinterizados Ltda. to Miba Sinter Holding GmbH & Co KG, according to the announcement made to the market on May 9, 2017.

The Company shares are listed on the Novo Mercado listing segment of B3 – Brasil, Bolsa, Balcão, which requires issuers to meet the highest standards of corporate governance.

2 Entities of the Group (subsidiaries)

		Ownership percentage (%)			
		03.31.2018		12.31.2017	
	Country	Direct	Indirect	Direct	Indirect
Subsidiaries					
MAHLE Argentina S.A.	Argentina	99.2	0.8	99.2	0.8
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	Brazil	60	-	60	-
MAHLE Metal Leve GmbH	Austria	100	-	100	-
MAHLE Industry do Brasil Ltda.	Brazil	99.9	-	99.9	-
MAHLE Hirschvogel Forjas S.A.	Brazil	51	-	51	-
Related companies					
Innoferm Tecnologia Ltda.	Brazil	33.33	-	33.33	-

3 Basis of preparation

a. Statement of compliance

The parent company and consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as well as according to accounting practices adopted in Brazil, and disclose all (and only) the applicable significant information related to the interim financial statements, which is consistent with the information utilized by management in the performance of its duties. The parent company interim financial statements are disclosed together with the consolidated interim financial statements.

The accounting practices adopted in Brazil include the pronouncements, interpretations and guidance issued by the Brazilian Accounting Pronouncements Committee (CPC), which were approved by the Brazilian Securities Commission ("CVM") and the Federal Accounting Council ("CFC").

In addition, the quarterly information includes the minimum requirements for disclosure established by NBC TG 21 (R2) – (CPC 21 - R1), "Interim Financial Reporting". This information does not include all annual financial statement requirements and, therefore, it should be read together with the parent company and consolidated financial statements of MAHLE Metal Leve S.A. at December 31, 2017. This quarterly financial information for the period ended March 31, 2018 was not subject to full disclosure as the relevant information had already been presented in the annual financial statements, as provided in Circular Letter/CVM/SNC/SEP 003/2011.

The preparation of quarterly information requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of MAHLE Metal Leve S.A.. There have been no changes in assumptions and judgments made by management relating to the use of estimates to prepare this quarterly information in relation to those applied in the financial statements at December 31, 2017 as disclosed on March 19, 2018.

The issuance of the parent company and consolidated financial statements was authorized by the Company's Board of Directors on May 08, 2018. Only the shareholders have the power to amend the financial statements after issuance. The financial statements disclose all (and only) the applicable significant information related to the financial statements, which is consistent with the information utilized by management in the performance of its duties.

As from January 1, 2018 the Company adopted NBC TG 47 (CPC 47)/IFRS 15 – Revenue from Contracts with Customers and NBC TG 48 (CPC 48)/IFRS 9 – Financial Instruments in these interim financial statements and did not identify significant adjustments as disclosed in the financial statements for the year ended December 31, 2017. The only change was the classification of financial instruments, as shown in the table below.

- *Comparison between IFRS 9 – Financial Instruments and previous classification*

Assets	IFRS-9 as from 01.01.2018	Previous classification
Cash, demand deposits and cash in transit	Fair value through profit or loss	Loans and receivables
Financial investments	Fair value through profit or loss	Loans and receivables
Trade receivables	Amortized cost	Loans and receivables
Receivables from and loans to related parties	Amortized cost	Loans and receivables
Unrealized gains on derivatives	Derivatives designated as cash flow hedges	Derivatives used for hedging

4 Significant accounting policies

These parent company and consolidated interim financial statements have been prepared under the same accounting practices as described and disclosed in Note 4 to the financial statements for the year ended December 31, 2017.

5 Segment reporting

1*) Operating segments*

The Group determines the operating segments based on the reports used to take strategic operating decisions of the Management. The presentation of the reported information is consistent with the statement of profit or loss.

There was no change in the segment structure presented in the financial statements at December 31, 2017.

	Consolidated					
	03.31.2018			03.31.2017		
Statement of income	**Engine components**	**Filters**	**Consolidated**	**Engine components**	**Filters**	**Consolidated**
Gross operating revenue	**671,841**	**111,316**	**783,157**	**586,301**	**104,878**	**691,179**
Deductions from sales	(130,505)	(33,970)	(164,475)	(118,727)	(31,947)	(150,674)
Net operating revenue	**541,336**	**77,346**	**618,682**	**467,574**	**72,931**	**540,505**
Cost of sales	(385,367)	(59,787)	(445,154)	(347,377)	(56,586)	(403,963)
Gross profit	**155,969**	**17,559**	**173,528**	**120,197**	**16,345**	**136,542**
Selling expenses	(32,454)	(5,357)	(37,811)	(28,926)	(4,901)	(33,827)
Administrative expenses	(16,016)	(4,337)	(20,353)	(19,797)	(4,119)	(23,916)
Technology research costs	(14,113)	(2,799)	(16,912)	(17,443)	(3,871)	(21,314)
Other operating income (expenses)	(2,500)	224	(2,276)	(2,009)	(322)	(2,331)
Equity in the results of investees	(15)	-	(15)	(78)	-	(78)
Finance income	23,401	1,179	24,580	25,476	2,886	28,362
Finance costs	(24,796)	(1,591)	(26,387)	(37,263)	(4,118)	(41,381)
Profit before income tax and social contribution	**89,476**	**4,878**	**94,354**	**40,157**	**1,900**	**42,057**
Income tax and social contribution	(22,177)	(1,663)	(23,840)	(8,839)	2,361	(6,478)
Profit for the period	**67,299**	**3,215**	**70,514**	**31,318**	**4,261**	**35,579**
Non-controlling interests	689	176	865	2,634	166	2,800
Profit for the period	**67,988**	**3,391**	**71,379**	**33,952**	**4,427**	**38,379**

Net operating revenue comprises revenue from the sale of products and services, where most of service revenue refers to the engine component segment.

	Consolidated					
	03.31.2018			12.31.2017		
Balance sheet accounts	Engine components	Filters	Consolidated	Engine components	Filters	Consolidated
Total assets	**2,191,711**	**107,906**	**2,299,617**	**2,085,814**	**140,330**	**2,226,144**
Inventories	325,002	46,307	371,309	308,483	43,638	352,121
Property, plant and equipment	2,214,081	131,487	2,345,568	2,202,980	134,025	2,337,005
Depreciation and amortization	(1,633,521)	(83,958)	(1,717,479)	(1,612,416)	(84,338)	(1,696,754)
Intangible assets	54,014	140	54,154	52,572	159	52,731
Goodwill	406,756	-	406,756	406,282	-	406,282
Investment - Innoferm Tecnologia Ltda.	610	-	610	625	-	625
Other	824,769	13,930	838,699	727,288	46,846	774,134

2) Distribution by geographic area

No customer accounts for more than 10% of total consolidated.

Net operating revenue is distributed as follows:

Sales per country	Consolidated			
	1Q2018	**%**	**1Q 2017**	**%**
Domestic market (Brazil and Argentina)	**323,831**	**52.3%**	**288,862**	**53.4%**
Europe	149,860	24.2%	136,434	25.2%
Central and North America	102,029	16.5%	80,521	14.9%
South America	25,076	4.1%	20,532	3.8%
Africa, Asia, Oceania and Middle East	17,886	2.9%	14,156	2.6%
Foreign countries	**294,851**	**47.7%**	**251,643**	**46.6%**
Total	**618,682**	**100.0%**	**540,505**	**100.0%**

6 Cash and cash equivalents

	Parent company		Consolidated	
	03.31.2018	**12.31.2017**	**03.31.2018**	**12.31.2017**
BRL	1,177	489	2,684	1,557
ARS (expressed in BRL)	-	-	3,325	6,489
USD (expressed in BRL)	19,288	10,593	19,288	10,593
EUR (expressed in BRL)	7,970	7,356	9,255	8,114
Cash and demand deposits	**28,435**	**18,438**	**34,552**	**26,753**
BRL	91,696	104,739	106,299	120,113
ARS (expressed in BRL)	-	-	1,992	1,989
USD (expressed in BRL)	4,986	5,954	4,986	5,954
Financial investments	**96,682**	**110,693**	**113,277**	**128,056**
BRL	3,805	221	13,830	14,261
Cash in transit	**3,805**	**221**	**13,830**	**14,261**
	128,922	**129,352**	**161,659**	**169,070**

The Group holds checking accounts at major banks in Brazil and abroad.

Financial investments have made as follows:

- Bank Deposit Certificates (CDBs) and repurchase agreements (94.8 %), which yield an average interest rate of 98.8 % of the Interbank Deposit Certificate (CDI) rate, held exclusively at first-tier banks in Brazil;

- Certificate deposits and time deposits which are short-term, highly liquid investments with original maturities of three months or less and subject to an insignificant risk of change in value.

- Financial investments are recorded at updated value up to the end of the period. Their values reflect the redemption amount that would be realized if the investments were redeemed on that date. Yields on these transactions are recognized as finance income.

Cash in transit is deposits in foreign currency relating to funds received from customers abroad, available for redemption from the banks with which the Group operates, as well as payments received from local customers available on the next day (D+1).

7 Trade accounts receivables and other accounts receivables

	Parent company		Consolidated	
	03.31.2018	**12.31.2017**	**03.31.2018**	**12.31.2017**
Market				
Domestic	215.954	194.969	217.985	196.542
Foreign	66.313	55.776	156.333	128.439
	282.267	**250.745**	**374.318**	**324.981**
Other accounts receivable	3.386	2.471	3.408	2.501
Provision for impairment of trade receivables	(4.018)	(3.806)	(5.414)	(4.691)
	281.635	**249.410**	**372.312**	**322.791**
Related parties (Note 10)	82.239	73.568	81.929	65.394
	363.874	**322.978**	**454.241**	**388.185**

The Group's exposure to credit and currency risks relating to trade receivables is disclosed in Note 31.

Other receivables derive from the sale of property, plant and equipment, tooling, scraps and other.

The amounts and aging analysis of trade receivables are as follows:

	Parent company		Consolidated	
	03.31.2018	**12.31.2017**	**03.31.2018**	**12.31.2017**
Not yet due	262,101	237,360	345,731	301,199
Past due:				
Up to 7 days	7,947	4,304	11,320	8,255
From 8 to 30 days	5,086	4,923	7,738	8,058
From 31 to 60 days	3,636	2,119	4,282	3,158
From 61 to 90 days	2,484	772	2,907	1,560
From 91 to 120 days	831	377	939	1,165
From 121 to 180 days	597	577	1,182	938
From 181 to 360 days	1,213	858	1,640	1,150
Over 360 days	1,758	1,926	1,987	1,999
(-) Provision for impairment of trade receivables	(4,018)	(3,806)	(5,414)	(4,691)
Total past due	19,534	12,050	26,581	21,592
	281,635	**249,410**	**372,312**	**322,791**

At March 31, 2018, trade receivables of the parent company in the amount of R$ 19,534 (December 31, 2017 - R$ 12,050) and consolidated trade receivables at March 31, 2018 of R$ 26,581 (December 31, 2016 - R$ 21,592) were past due but not impaired. These relate to a number of original equipment and aftermarket customers for whom there is no recent history of default.

At March 31, 2018, other past-due accounts do not pose a risk for the Company because they were settled after the date of these interim financial statements.

In the table above, where provision for the impairment of trade receivables (over 120 days past due) is presented, the amounts of goods returned and advances from customers are excluded.

No provision for impairment of accounts receivable has been recognized for related parties, but there are no significant accounts.

Changes in the provision for impairment of trade receivables are as follows:

	Parent company	Consolidated
At December 31, 2017	**(3,806)**	**(4,691)**
Receivables provided for in the period	(1,224)	(1,781)
Receivables reversed in the period	1,020	1,097
Receivables written off definitively	31	42
Foreign exchange variation	(39)	(81)
At March 31, 2018	**(4,018)**	**(5,414)**

8 Inventories

	Parent company		Consolidated	
	03.31.2018	**12.31.2017**	**03.31.2018**	**12.31.2017**
Finished products	114,658	106,348	179,886	182,184
Work in progress	100,621	89,959	107,893	95,673
Raw materials	45,840	39,988	54,922	48,442
Auxiliary materials	8,148	7,768	11,809	11,235
Imports in transit	12,220	11,810	16,799	14,587
	281,487	**255,873**	**371,309**	**352,121**

In March 31, 2018, inventory was stated net of provision for losses. These losses relate to products with a negative margin, tooling, quality issues, out-of-specification materials, obsolescence and slow-moving items in the amount of R$ 28,207 (R$ 28,474 in December 31, 2017) in the parent company and R$ 40,174 (R$ 42,885 in December 31, 2017) in the consolidated accounts.

Changes in the provision for inventory loss are as follows:

	Parent company	Consolidated
At December 31, 2017	**(28,474)**	**(42,885)**
Reversal of provision	3,361	7,199
Recognition of provision	(3,260)	(5,038)
Inventory written off definitively as loss	166	166
Foreign exchange variation	-	384
At March 31, 2018	**(28,207)**	**(40,174)**

9 Taxes recoverable

	Parent company		Consolidated	
	03.31.2018	**12.31.2017**	**03.31.2018**	**12.31.2017**
ICMS and Excise Tax (IPI)	36.555	32.014	47.716	42.494
Value-added Tax on Sales and Services (ICMS) on purchases of fixed assets	19.090	19.657	19.118	19.686
Import Tax	4.070	5.742	4.976	6.131
Social Contribution on Revenues (COFINS)	2.185	2.427	4.674	4.612
Social Integration Program (PIS)	472	528	1.012	1.002
Income tax and social contribution	238	12.202	20.379	28.499
Export incentive - Argentina (*)	-	-	4.108	4.182
Other	11	11	3.529	5.060
	62.621	**72.581**	**105.512**	**111.666**
Current	52.835	62.341	91.597	97.223
Non-current	9.786	10.240	13.915	14.443
	62.621	**72.581**	**105.512**	**111.666**

Notes to the interim financial statements

(in thousand of reais)

10 Related parties

The aggregate amount of transactions and outstanding balances with related parties is presented below:

	Parent company										
	Balances at 03.31.2018							Transactions from 01.01.2018 to 03.31.2018			
	Current assets		Payment term in days (**)	Non-current assets	Current liabilities		Payment term in days (**)	Sales/revenue		Purchases	
	Receivables (Note 7)	Dividends and interest on capital payable		Loan	Suppliers (Note 15)	Dividends and interest on capital payable		Products	Other	Products	Other *
Companies											
Subsidiaries											
Direct subsidiaries											
MAHLE Metal Leve GmbH	52,734	51,456	60	-	-	-	-	98,235	28	-	-
MAHLE Argentina S.A.	5,259	-	60	-	109	-	60	13,142	462	619	-
MAHLE Hirschvogel Forjas S.A.	1,179	-	60	-	-	-	-	-	30	-	-
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	69	-	60	14,973	-	-	-	-	41	-	-
MAHLE Industry do Brasil Ltda.	8	-	60	-	-	-	-	-	8	-	-
Sub-total Controladas Diretas	**59,249**	**51,456**		**14,973**	**109**	**-**	**-**	**111,377**	**569**	**619**	**-**
Related companies											
MAHLE Behr Gerenciamento Térmico Brasil Ltda.	4,022	-	60	-	-	-	-	167	4,193	-	-
MAHLE Engine Componentes USA, Inc.	3,533	-	60	-	117	-	60	4,956	197	69	115
MAHLE Pistoni Italia SPA	2,538	-	60	-	837	-	60	3,713	-	-	834
MAHLE Compressores do Brasil Ltda.	1,846	-	60	-	2,577	-	60	327	1,669	-	38
MAHLE Engine Components (Yingkou) Co., Ltd.	1,657	-	60	-	-	-	-	1,474	139	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	1,436	-	60	-	-	-	-	1,918	-	-	-
MAHLE Motor Parcalari San. Izmir A.S	1,214	-	60	-	9	-	60	1,797	-	74	9
MAHLE Aftermarket S.de R.L.de C.V.	1,179	-	60	-	-	-	-	1,203	-	-	-
MAHLE Aftermarket GmbH	985	-	60	-	1,008	-	60	948	136	591	92
MAHLE Vöcklabruck GmbH	975	-	60	-	-	-	-	5,074	-	-	-
MAHLE India Pistons Ltd.	952	-	60	-	-	-	-	1,300	-	-	-
MAHLE Filter Systems North America Inc	523	-	60	-	-	-	-	-	492	-	-
MAHLE International GmbH	385	-	60	-	3,634	-	60	-	462	-	1,796
MAHLE Technologies Rus O.O.O.	315	-	60	-	-	-	-	310	-	-	-
MAHLE France SAS	308	-	60	-	-	-	-	459	-	-	-
MAHLE Clevite Inc.	192	-	60	-	30	-	60	209	91	-	14
MAHLE GmbH	187	-	60	-	10,830	-	60	186	-	831	2,738
MAHLE Engine Comp. (Chongqing) Co. Ltd.	176	-	60	-	-	-	-	130	-	-	-
MAHLE Componentes de Motores S.A.	159	-	60	-	176	-	60	240	9	457	-
MAHLE Engine Systems UK Ltd.	127	-	60	-	1,586	-	60	-	275	435	-
MAHLE Engine Comp. Slovakia	84	-	60	-	-	-	-	76	-	-	-
MAHLE Technologies Holding (China) Co., Ltd.	71	-	60	-	-	-	-	-	-	-	-
MAHLE Trading Japan Co. Ltd.	39	-	60	-	-	-	-	41	-	82	-
MAHLE Industries Inc	31	-	60	-	132	-	60	-	44	-	131
MAHLE Engine Comp. Japan Corporation	16	-	60	-	20	-	60	15	-	-	-
MAHLE Kleinmot. Gmbh	11	-	60	-	-	-	-	11	-	-	-
MAHLE Japan Ltd.	9	-	60	-	-	-	-	-	13	-	-
MAHLE Compon. de Mot. de México, S. de R.L. d	9	-	60	-	313	-	60	9	-	290	-
MAHLE Filter Systems India Pvt ,Ltd.	5	-	60	-	-	-	-	-	-	-	-
MAHLE Polska Spolka Z.0.0	4	-	60	-	-	-	-	3	-	-	-
MAHLE Componentes de Motor Espana S.L.	2	-	60	-	15	-	60	2	-	17	-
Innoferm Tecnologia Ltda.	-	-	-	-	2,500	-	60	-	-	-	-
MAHLE Aftermarket Pte. Ltd	-	-	-	-	1,587	-	60	-	-	1,567	-
MAHLE Indústria e Comércio Ltda.	-	-	-	-	1,124	7,586	60	-	-	-	1,686
MAHLE Filter Systems Japan Corporation	-	-	-	-	639	-	60	-	-	209	-
MAHLE Filtersysteme Austria GmbH	-	-	-	-	404	-	60	-	-	1,138	-
MAHLE Letrika d.o.o	-	-	-	-	183	-	60	(1)	-	339	3
MAHLE Filtersysteme GmbH	-	-	-	-	179	-	60	-	-	-	8
MAHLE Filter Systems Philippines Corporation	-	-	-	-	82	-	60	-	-	127	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	-	66	-	60	-	-	18	-
MAHLE Aftermarket Ltd	-	-	-	-	2	-	60	-	-	-	2
MAHLE Composants Moteur France	-	-	-	-	2	-	60	-	-	-	-
MAHLE Industriemotoren-Komponenten GmbH	-	-	-	-	-	-	-	8	-	-	-
MAHLE Componente de Motor SRL	-	-	-	-	-	-	-	-	-	66	-
MAHLE Letrika (Suzhou) Automotive	-	-	-	-	179	-	60	-	-	560	-
MAHLE Industriebeteiligungen GmbH	-	-	-	-	-	1,264	60	-	-	-	-
Other	-	-	-	-	(2)	-	60	-	(3)	69	-
Total related companies	**22,990**	**-**		**-**	**28,229**	**8,850**		**24,575**	**7,717**	**6,939**	**7,466**
Total related parties	**82,239**	**51,456**		**14,973**	**28,338**	**8,850**		**135,952**	**8,286**	**7,558**	**7,466**

*** This includes property, plant and equipment of R$ 157 and brand license of R$ 2,521**

**** Realization of term days refers to current assets and current liabilities**

Notes to the interim financial statements

(in thousand of reais)

	Parent company										
	Balances at 12.31.2017							Transactions from 01.01.2017 to 03.31.2017			
	Current assets		Payment term in days (**)	Non-current assets	Current liabilities		Payment term in days (**)	Sales/revenue		Purchases	
	Receivables (Note 7)	Dividends and interest on capital payable		Loan	Suppliers (Note 15)	Dividends and interest on capital payable		Products	Other	Products	Other *
Companies											
Subsidiaries											
Direct subsidiaries											
MAHLE Metal Leve GmbH	45,292	38,748	60	-	-	-	-	82,196	2	-	-
MAHLE Argentina S.A.	4,578	-	60	-	989	-	60	11,997	382	1,590	-
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	56	-	60	14,470	-	-	-	-	38	-	-
MAHLE Hirschvogel Forjas S.A.	22	-	60	-	-	-	-	-	30	-	-
MAHLE Metal Leve Miba Sinterizados Ltda.	-	-	-	-	-	-	-	-	834	2,214	-
MAHLE Industry do Brasil Ltda.	-	-	-	-	-	-	-	-	34	-	-
Total direct subsidiaries	**49,948**	**38,748**		**14,470**	**989**	**-**		**94,193**	**1,320**	**3,804**	**-**
											-
Related companies											-
MAHLE Vöcklabruck GmbH	5,473	-	60	-	-	-	-	7,123	-	-	-
MAHLE Engine Componentes USA, Inc.	3,215	-	60	-	152	-	60	1,319	9	3	10
MAHLE Behr Gerenciamento Térmico Brasil Ltda.	2,655	-	60	-	-	-	-	21	3,039	-	-
MAHLE Aftermarket S.de R.L.de C.V.	2,200	-	60	-	-	-	-	3,117	-	-	-
MAHLE Compressores do Brasil Ltda.	1,307	-	60	-	61	-	60	198	1,742	-	-
MAHLE Engine Components (Yingkou) Co., Ltd.	1,295	-	60	-	-	-	-	1,305	63	-	-
MAHLE Motor Parcalari San. Izmir A.S	1,141	-	60	-	16	-	60	155	-	151	4
MAHLE Aftermarket GmbH	1,038	-	60	-	1,386	-	60	1,102	132	1,271	1,649
MAHLE Pistoni Italia SPA	786	-	60	-	70	-	60	310	-	-	-
MAHLE France SAS	638	-	60	-	-	-	-	1,640	-	-	-
MAHLE Engine Comp. Slovakia	586	-	60	-	-	-	-	4	-	-	-
MAHLE India Pistons Ltd.	440	-	60	-	-	-	-	736	19	-	-
MAHLE Clevite Inc.	424	-	60	-	29	-	60	1,543	124	-	50
MAHLE Engine Comp. Japan Corporation	415	-	60	-	19	-	60	15	-	-	7
MAHLE International GmbH	360	-	60	-	3,076	-	60	-	476	54	1,294
MAHLE Filter Systems North America Inc	273	-	60	-	-	-	-	-	-	-	-
MAHLE Ventiltrieb GmbH	238	-	60	-	-	-	-	108	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	181	-	60	-	13	-	60	1,192	-	-	-
MAHLE Filtersysteme GmbH	156	-	60	-	1,192	-	60	2	-	-	563
MAHLE GmbH	129	-	60	-	11,032	-	60	26	-	766	3,525
MAHLE Engine Systems UK Ltd.	115	-	60	-	1,681	-	60	-	97	214	605
MAHLE Engine Comp. (Chongqing) Co. Ltd.	110	-	60	-	-	-	-	172	-	-	-
MAHLE Industries Inc	97	-	60	-	1	-	60	16	34	-	3
MAHLE Componentes de Motores S.A.	93	-	60	-	21	-	60	199	63	13	-
MAHLE Industriemotoren-Komponenten GmbH	77	-	60	-	-	-	-	45	-	-	-
MAHLE Technologies Holding (China) Co., Ltd.	56	-	60	-	-	-	-	-	-	-	556
MAHLE Trading Japan Co. Ltd.	38	-	60	-	165	-	60	-	-	3	-
MAHLE Compon. de Mot. de México, S. de R.L. d	19	-	60	-	211	-	60	9	39	2,088	-
MAHLE Filter Systems India Pvt ,Ltd.	18	-	60	-	-	-	-	-	-	-	-
MAHLE Letrika d.o.o	16	-	60	-	162	-	60	-	23	385	5
MAHLE Migna Private Ltd.	10	-	60	-	-	-	-	49	-	-	-
MAHLE Japan Ltd.	8	-	60	-	-	-	-	-	15	-	-
MAHLE Kleinmot. Gmbh	5	-	60	-	-	-	-	-	-	-	-
MAHLE Letrika (Suzhou) Automotive	3	-	60	-	205	-	60	-	30	345	-
MAHLE Aftermarket Pte. Ltd	2	-	60	-	507	-	60	-	-	-	-
MAHLE Powertrain Ltd.	2	-	60	-	-	-	-	-	-	-	-
MAHLE Motorsports Inc	1	-	60	-	-	-	-	5	-	-	-
Innoferm Tecnologia Ltda.	-	-	-	-	2,500	-	60	-	361	-	-
MAHLE Indústria e Comércio Ltda.	-	-	-	-	1,130	7,586	60	-	-	-	1,695
MAHLE Filtersysteme Austria GmbH	-	-	-	-	733	-	60	-	-	1,044	-
MAHLE Filter Systems Japan Corporation	-	-	-	-	692	-	60	-	-	170	-
MAHLE Trading (Shangai) Co. Ltd.	-	-	-	-	669	-	60	-	-	35	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	-	189	-	60	-	-	6	-
MAHLE Componente de Motor SRL	-	-	-	-	70	-	60	-	823	57	-
MAHLE Filter Systems Philippines Corporation	-	-	-	-	47	-	60	-	-	78	-
MAHLE Componentes de Motor Espana S.L.	-	-	-	-	21	-	60	3	-	-	-
MAHLE Filtersysteme France SAS	-	-	-	-	14	-	60	-	-	-	-
MAHLE Industriebeteiligungen GmbH	-	-	-	-	-	1,264	60	-	-	-	-
MAHLE Brockhaus GmbH	-	-	-	-	-	-	60	-	-	2,153	-
Other	-	-	-	-	1	-	60	18	-	58	313
Total related companies	**23,620**	**-**		**-**	**26,065**	**8,850**		**20,432**	**7,098**	**8,894**	**10,279**
Total related parties	**73,568**	**38,748**		**14,470**	**27,054**	**8,850**		**114,625**	**8,418**	**12,698**	**10,279**

*** This includes property, plant and equipment of R$ 191 and brand license of R$ 2,019**

**** Realization of term days refers to current assets and current liabilities**

Notes to the interim financial statements

(in thousand of reais)

	Consolidated									
	Balances at 03.31.2018						Transactions from 01.01.2018 to 03.31.2018			
	Current assets	Payment term in days (**)	Non-current assets	Current liabilities	Dividends and interest on capital payable	Payment term in days (**)	Sales/revenue		Purchases	
	Receivables (Note 7)		Loan	Suppliers (Note 15)			Products	Other	Products	Other *
Related companies										
MAHLE Aftermarket GmbH	16,772	60	-	3,892	-	60	18,228	136	3,817	92
MAHLE Compon. de Mot. de México, S. de R.L. de C.V.	11,180	60	-	313	-	60	17,080	-	290	-
MAHLE France SAS	8,990	60	-	47	-	60	13,727	-	225	-
MAHLE Componentes de Motores S.A.	7,674	60	-	176	-	60	12,558	9	457	-
MAHLE Componenti Motori Italia S.p.A.	5,006	60	-	837	-	60	7,528	-	-	834
MAHLE Vöcklabruck GmbH	4,141	60	-	-	-	-	7,692	-	-	-
MAHLE Engine Componentes USA, Inc.	4,094	60	-	764	-	60	5,785	197	69	312
MAHLE Behr Gerenciamento Térmico Brasil Ltda.	4,022	60	-	13,642	-	60	167	4,193	-	647
MAHLE Motor Parcalari San. Izmir A.S	3,580	60	-	9	-	60	4,106	-	74	9
MAHLE Aftermarket S.de R.L.de C.V.	2,443	60	-	-	-	-	2,888	-	-	-
MAHLE Compressores do Brasil Ltda.	1,846	60	-	2,577	-	60	327	1,669	-	38
MAHLE Engine Components (Yingkou) Co., Ltd.	1,723	60	-	-	-	-	1,574	139	-	-
MAHLE Componentes de Motor Espana S.L.	1,530	60	-	15	-	60	3,333	-	17	-
MAHLE Engine Components (Nanjing) Co., Ltd.	1,436	60	-	-	-	-	1,918	-	-	-
MAHLE S.A.	1,171	60	-	-	-	-	1,859	-	-	-
MAHLE India Pistons Ltd.	952	60	-	-	-	-	1,300	-	-	-
MAHLE Engine Components (Thailand) Co., Ltd.	907	60	-	-	-	-	1,532	-	-	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	717	60	-	29	-	60	1,201	-	-	26
MAHLE Filter Systems North America Inc	523	60	-	-	-	-	-	492	-	-
MAHLE GmbH	510	60	-	11,527	-	60	3,127	-	831	3,141
MAHLE Clevite Inc.	387	60	-	74	-	60	299	91	-	14
MAHLE International GmbH	385	60	-	3,796	-	60	-	462	-	1,924
MAHLE Migna Private Ltd.	383	60	-	-	-	-	395	-	-	-
MAHLE Industriemotoren-Komponenten GmbH	377	60	-	-	-	-	659	-	-	-
MAHLE Technologies Rus O.O.O.	315	60	-	-	-	-	310	-	-	-
MAHLE Engine Components Slovakia s.r.o	285	60	-	-	-	-	375	-	-	-
MAHLE Engine Components (Chongqing) Co.,Ltd.	176	60	-	-	-	-	130	-	-	-
MAHLE Engine Systems UK Ltd.	127	60	-	1,587	-	60	-	275	435	-
MAHLE Technologies Holding (China) Co., Ltd.	71	60	-	-	-	-	-	-	-	-
MAHLE Behr Rio Bravo S. de R.L. de C.V.	64	60	-	-	-	-	-	-	-	-
MAHLE Polska Spolka Z.0.0	41	60	-	-	-	-	64	-	-	-
MAHLE Trading Japan Co. Ltd.	39	60	-	-	-	-	41	-	82	-
MAHLE Industries, Inc.	31	60	-	831	-	60	-	44	-	813
MAHLE Engine Componets Japan Corporation	16	60	-	20	-	60	15	-	-	-
MAHLE Japan Ltd.	9	60	-	-	-	-	-	13	-	-
MAHLE Filter Systems India Pvt ,Ltd.	5	60	-	-	-	-	-	-	-	-
MAHLE Ventiltrieb GmbH	1	60	-	-	-	-	-	-	-	-
Innoferm Tecnologia Ltda.	-	-	-	2,500	-	60	-	-	-	-
MAHLE Aftermarket Pte Ltd.	-	-	-	1,587	-	60	-	-	1,567	-
MAHLE Indústria e Comércio Ltda.	-	-	-	1,124	7,586	60	-	-	-	1,686
MAHLE Filter Systems Japan Corporation	-	-	-	639	-	60	-	-	209	-
MAHLE Filtersysteme Austria GmbH	-	-	-	489	-	60	-	-	1,138	69
MAHLE Letrika d.o.o	-	-	-	183	-	60	(1)	-	339	3
MAHLE Filtersysteme GmbH	-	-	-	179	-	60	-	-	-	8
MAHLE Letrika (Suzhou) Automotive	-	-	-	179	-	60	-	-	560	-
MAHLE Filter Systems Philippines Corporation	-	-	-	82	-	60	-	-	127	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	66	-	60	-	-	18	-
MAHLE Industrial Thermal Systems GmbH & Co. KG	-	-	-	28	-	60	-	-	28	-
MAHLE Holding Austria GmbH	-	-	33,026	25	-	60	-	-	-	-
MAHLE Industriebeteiligungen GmbH	-	-	-	-	1,264	60	-	-	-	-
Other	-	-	-	8	-	60	-	(3)	135	13
Total related companies	**81,929**		**33,026**	**47,225**	**8,850**		**108,217**	**7,717**	**10,418**	**9,629**
Total related parties	**81,929**		**33,026**	**47,225**	**8,850**		**108,217**	**7,717**	**10,418**	**9,629**

*** This includes brand license of R$ 2,776**

**** Realization of term days refers to current assets and current liabilities**

Notes to the interim financial statements

(in thousand of reais)

	Consolidated									
	Balances at 12.31.2017						Transactions from 01.01.2017 to 03.31.2017			
	Current assets		Non-current assets	Current liabilities			Sales/revenue		Purchases	
	Receivables (Note 7)	Payment term in days (**)	Loan	Suppliers (Note 15)	Dividends and interest on capital payable	Payment term in days (**)	Products	Other	Products	Other *
Related companies										
MAHLE Compon. de Mot. de México, S. de R.L. de C.V.	8,474	60	-	211	-	60	15,744	39	2,088	-
MAHLE France SAS	8,440	60	-	-	-	-	11,678	-	-	-
MAHLE Componentes de Motores S.A.	6,992	60	-	21	-	60	12,211	63	13	-
MAHLE Aftermarket GmbH	6,810	60	-	2,735	-	60	12,343	132	2,952	1,650
MAHLE Vöcklabruck GmbH	5,473	60	-	-	-	-	7,123	-	-	-
MAHLE GmbH	4,205	60	-	12,794	-	60	819	-	795	3,897
MAHLE Engine Componentes USA, Inc.	3,980	60	-	896	-	60	2,316	9	3	123
MAHLE Componenti Motori Italia S.p.A.	3,325	60	-	150	-	60	3,370	-	53	-
MAHLE Behr Gerenciamento Térmico Brasil Ltda.	2,774	60	-	11,570	-	60	21	3,039	8	887
MAHLE Aftermarket S.de R.L.de C.V.	2,200	60	-	-	-	-	3,117	-	-	-
MAHLE Componentes de Motor Espana S.L.	2,073	60	-	21	-	60	2,984	-	-	-
MAHLE Engine Components (Yingkou) Co., Ltd.	1,350	60	-	-	-	-	1,305	63	-	-
MAHLE Compressores do Brasil Ltda.	1,307	60	-	61	-	60	198	1,742	-	-
MAHLE Engine Components (Thailand) Co., Ltd.	1,162	60	-	-	-	-	1,590	-	-	-
MAHLE Motor Parcalari San. Izmir A.S	1,141	60	-	16	-	60	155	-	151	4
MAHLE Engine Components Slovakia s.r.o	923	60	-	-	-	-	107	-	-	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	806	60	-	28	-	60	980	-	-	13
MAHLE S.A.	641	60	-	-	-	-	1,925	-	-	-
MAHLE India Pistons Ltd.	440	60	-	-	-	-	736	19	-	-
MAHLE Clevite Inc.	424	60	-	72	-	60	1,543	124	-	50
MAHLE Engine Componets Japan Corporation	415	60	-	19	-	60	15	-	-	7
MAHLE International GmbH	360	60	-	3,173	-	60	-	476	54	1,448
MAHLE Industriemotoren-Komponenten GmbH	307	60	-	40	-	60	444	-	-	-
MAHLE Filter Systems North America Inc	273	60	-	-	-	-	-	-	-	-
MAHLE Ventiltrieb GmbH	238	60	-	-	-	-	108	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	181	60	-	13	-	60	1,192	-	-	-
MAHLE Filtersysteme GmbH	156	60	-	1,192	-	60	2	-	-	563
MAHLE Engine Systems UK Ltd.	115	60	-	1,682	-	60	-	97	214	605
MAHLE Engine Components (Chongqing) Co.,Ltd.	110	60	-	-	-	-	172	-	-	-
MAHLE Industries, Inc.	97	60	-	489	-	60	16	34	-	394
MAHLE Technologies Holding (China) Co., Ltd.	56	60	-	-	-	-	-	-	-	556
MAHLE Polska Spolka Z.0.0	48	60	-	-	-	-	41	9	-	-
MAHLE Trading Japan Co. Ltd.	38	60	-	165	-	60	-	-	3	-
MAHLE Filter Systems India Pvt ,Ltd.	18	60	-	-	-	-	-	-	-	-
MAHLE Letrika d.o.o	16	60	-	228	-	60	-	23	385	5
MAHLE Migna Private Ltd.	10	60	-	109	-	60	49	-	-	-
MAHLE Japan Ltd.	8	60	-	-	-	-	-	15	-	-
MAHLE Letrika (Suzhou) Automotive	3	60	-	205	-	60	-	30	345	-
MAHLE Aftermarket Pte Ltd.	2	60	-	507	-	60	-	-	-	-
MAHLE Powertrain Ltd.	2	60	-	-	-	-	-	-	-	-
MAHLE Motorsports Inc	1	60	-	-	-	-	5	-	-	-
MAHLE Industrial Thermal Systems Reichenbach Gmbh	-	-	-	-	-	-	-	-	-	87
Mahle Motorkomponenten GMBH	-	-	-	-	-	-	-	-	-	-
Innoferm Tecnologia Ltda.	-	-	-	2,500	-	60	-	361	-	-
MAHLE Indústria e Comércio Ltda.	-	-	-	1,130	7,586	60	-	-	-	1,695
MAHLE Filtersysteme Austria GmbH	-	-	-	773	-	60	-	-	1,044	59
MAHLE Filter Systems Japan Corporation	-	-	-	692	-	60	-	-	170	-
MAHLE Trading (Shangai) Co.Ltd.	-	-	-	669	-	60	-	-	35	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	189	-	60	-	-	6	-
MAHLE Componente de Motor SRL	-	-	-	70	-	60	-	823	57	-
MAHLE Filter Systems Philippines Corporation	-	-	-	47	-	60	-	-	78	-
MAHLE Engine Comp. Inc	,	-	-	41	-	60	-	-	-	337
MAHLE Industrial Thermal Systems GmbH & Co. KG	-	-	-	27	-	60	-	-	-	-
MAHLE Filtersysteme France SAS	-	-	-	14	-	60	-	-	-	-
MAHLE Holding Austria GmbH	-	-	20,945	-	-	60	-	-	-	-
MAHLE Industriebeteiligungen GmbH	-	-	-	-	1,264	60	-	-	-	-
MAHLE Brockhaus GmbH	-	-	-	-	-	-	-	-	2,153	-
MIBA Sinter Áustria Gmbh	-	-	-	-	-	-	-	-	987	10
Other	-	-	-	5	-	60	18	-	58	16
Total related companies	**65,394**		**20,945**	**42,554**	**8,850**		**82,327**	**7,098**	**11,652**	**12,406**
Total related parties	**65,394**		**20,945**	**42,554**	**8,850**		**82,327**	**7,098**	**11,652**	**12,406**

*** This includes brand license of R$ 2,238**

**** Realization of term days refers to current assets and current liabilities**

The business transactions with related parties relate mainly to the purchase and sale of products and services directly related to the Group's operating activities.

At March 31, 2018, the subsidiary MAHLE Filtroil Indústria e Comércio de Filtros Ltda. had a loan agreement with the Company in the amount of R$ 14,973 (R$ 14,470 at December 31, 2017), subject to an interest rate of 115% of the CDI . Management does not intend to collect this loan within the next 12 months and the loan has no definite maturity date.

The subsidiary MAHLE Metal Leve GmbH has a daily cash management contract with MAHLE Holding Austria GmbH, subject to interest based on Eonia (Euro OverNight Index Average) + 1.15% p.a., with no definite maturity date. At March 31, 2018, the subsidiary has R$ 33,026 (R$ 20,945 at December 31, 2017) receivable from these transactions.

Since February 15, 2012, the Company has had a brand licensing agreement with its parent company MAHLE GmbH, which is registered with the National Institute of Industrial Property, in which the licensor establishes the payment of royalties of up to 1% of net sales revenue and the Company is authorized to manufacture and distribute products using the brand "MAHLE". At March 31, 2018, the royalty expenses were recorded within "selling expenses - brand license", in the parent company in the amount of R$ 2,521 (March 31, 2017 - R$ 2,019) and in the consolidated accounts in the amount of R$ 2,776 (March 31, 2017 - R$ 2,238).

Parent company and ultimate parent company

The Company's direct parent company is established as a limited liability company and its corporate name is MAHLE Indústria e Comércio Ltda.

MAHLE Industriebeteiligungen GmbH is the Group's ultimate parent company, established as a limited liability company with its head office in the city of Stuttgart, in the Federal Republic of Germany.

Dividends and interest on capital receivable

The breakdown of dividends and interest on capital receivable from subsidiaries is presented below:

	Parent company	
	03.31.2018	**12.31.2017**
MAHLE Metal Leve GmbH	51,456	38,748
	51,456	**38,748**

Dividends and interest on capital payable

The breakdown of dividends and interest on capital payable is presented below:

	Parent company		Consolidated	
	03.31.2018	**12.31.2017**	**03.31.2018**	**12.31.2017**
MAHLE Indústria e Comércio Ltda.	7,586	7,586	7,586	7,586
MAHLE Industriebeteiligungen GmbH.	1,264	1,264	1,264	1,264
Minorities	4,555	4,675	4,617	4,738
	13,405	**13,525**	**13,467**	**13,588**

Management compensation

The compensation of the key management personnel, which comprises the executive officers and the Board of Directors, includes salaries, fees, variable benefits and and termination pay.

	Parent company		Consolidated	
	03.31.2018	**03.31.2017**	**03.31.2018**	**03.31.2017**
Statutory officers	1,333	3,462	1,333	3,462
Non-statutory officers	4,114	3,711	4,114	3,912
	5,447	**7,173**	**5,447**	**7,374**

The officers receive no share-based compensation.

11 Income tax and social contribution

Income tax and social contribution are calculated at the statutory rates.

a. Reconciliation of income tax and social contribution expense

The reconciliation of the amount that results from applying the combined statutory tax rates with the income tax and social contribution expense recorded in the statement of profit or loss is as follows:

	Parent company		Consolidated	
	03.31.2018	**03.31.2017**	**03.31.2018**	**03.31.2017**
Profit before income tax and social contribution	**91,348**	**45,234**	**94,354**	**42,057**
Income tax and social contribution at the statutory rate in Brazil (34%)	(31,058)	(15,380)	(32,080)	(14,299)
Effects of permanent differences:				
Equity in the results of investees	9,571	8,346	(5)	(26)
Loss for the year for which no deferred tax asset was recognized	-	-	(554)	(1,727)
Gain for the period arising from the utilization of deferred tax assets to pay tax debts under the Tax Regularization Program (PRT) established by Provisional Measure 766 of 2017	-	-	-	3,032
Others, net	1,518	179	8,799	6,542
Total income tax and social contribution	**(19,969)**	**(6,855)**	**(23,840)**	**(6,478)**
Current income tax and social contribution	(35,984)	(16,249)	(39,912)	(18,190)
Deferred income tax and social contribution	16,015	9,394	16,072	11,712
	(19,969)	**(6,855)**	**(23,840)**	**(6,478)**
Effective rate	**21.9%**	**15.2%**	**25.3%**	**15.4%**

b. Recognized deferred tax assets and liabilities

Deferred income tax and social contribution were calculated on temporarily non-deductible provision and tax losses.

i. Breakdown of deferred tax assets and liabilities:

	Parent company			
	Assets		Liabilities	
	Balance in 03.31.2018	Balance in 12.31.2017	Balance in 03.31.2018	Balance in 12.31.2017
Property, plant and equipment	-	-	40,579	42,703
Intangible assets	-	-	129,428	129,428
Derivatives	-	-	1,031	2,739
Inventory	(9,591)	(9,682)	-	-
Provisions	(170,922)	(157,020)	-	-
Tax (assets) liabilities	(180,513)	(166,702)	171,038	174,870
Amount eligible for offsetting	171,038	166,702	(171,038)	(166,702)
Net tax (assets) liabilities	**(9,475)**	**-**	**-**	**8,168**

	Consolidated			
	Assets		Liabilities	
	Balance in 03.31.2018	Balance in 12.31.2017	Balance in 03.31.2018	Balance in 12.31.2017
Property, plant and equipment	-	-	40,937	43,062
Intangible assets	-	-	129,428	129,428
Derivatives	-	-	1,031	2,738
Inventory	(10,677)	(10,919)	-	-
Provisions	(174,672)	(160,749)	-	-
Tax (assets) liabilities	(185,349)	(171,668)	171,396	175,228
Amount eligible for offsetting	171,038	166,702	(171,038)	(166,702)
Net tax (assets) liabilities	**(14,311)**	**(4,966)**	**358**	**8,526**

Deferred income tax and social contribution assets are recognized to the extent that it is probable future taxable profit will be available to utilize temporary differences, considering projections of future results based on internal assumptions.

In the parent company and consolidated financial statements, the deferred tax asset was offset against the deferred tax liability when they related to the same tax authority and the same taxable entity.

ii. Changes in temporary differences and tax loss carry-forwards:

	Parent Company			
	Balance in 12.31.2017	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**Balance in 03.31.2018**
Property, plant and equipment	42,703	(2,124)	-	40,579
Intangible assets	129,428	-	-	129,428
Derivatives	2,739	(80)	(1,628)	1,031
Inventory	(9,682)	91	-	(9,591)
Provisions	(157,020)	(13,902)	-	(170,922)
	8,168	**(16,015)**	**(1,628)**	**(9,475)**

	Consolidated			
	Balance in 12.31.2017	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**Balance in 03.31.2018**
Property, plant and equipment	43,062	(2,125)	-	40,937
Intangible assets	129,428	-	-	129,428
Derivatives	2,738	(79)	(1,628)	1,031
Inventory	(10,919)	242	-	(10,677)
Provisions	(160,749)	(14,110)	187	(174,672)
	3,560	**(16,072)**	**(1,441)**	**(13,953)**

12 Investments in subsidiaries

					03.31.2018
	Investments accounted for using the equity method	Goodwill based on expected future profitability	Impairment	Elimination of profit on inventory (Balance at 03/31/2018)	Total
MAHLE Argentina S.A.	134,857	59,549	(38,408)	(1,732)	154,266
MAHLE Metal Leve GmbH	51,432	-	-	(827)	50,605
Innoferm Tecnologia Ltda.	4,103	-	-	(3,493)	610
MAHLE Hirschvogel Forjas S.A.	-	35,755	(35,755)	-	-
MAHLE Industry do Brasil Ltda.	10,417	-	-	-	10,417
Total	**200,809**	**95,304**	**(74,163)**	**(6,052)**	**215,898**

					12.31.2017
	Investments accounted for using the equity method	Goodwill based on expected future profitability	Impairment	Elimination of profit on inventory (Balance at 12/31/2017)	Total
MAHLE Argentina S.A.	133,123	59,549	(38,408)	(1,987)	152,277
MAHLE Metal Leve GmbH	44,825	-	-	(2,454)	42,371
Innoferm Tecnologia Ltda.	4,118	-	-	(3,493)	625
MAHLE Hirschvogel Forjas S.A.	416	35,755	(35,755)	-	416
MAHLE Industry do Brasil Ltda.	10,322	-	-	-	10,322
Total	**192,804**	**95,304**	**(74,163)**	**(7,934)**	**206,011**

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

							Interest in equity				
	Interest (%)	Total assets	Total liabilities	Equity	Net revenue	Profit (loss) for the period	Investments	Equity in the results of subsidiaries	Provision for loss (effect on profit or loss)	Elimination of profit on inventory /other assets (equity)	Provision for impairment of investments
March 31, 2018						**(3M 2018)**					
Subsidiaries											
MAHLE Argentina S.A.	99.20	204,813	68,868	135,945	81,737	10,661	134,857	10,576	-	256	-
MAHLE Metal Leve GmbH	100.00	164,532	113,100	51,432	129,032	16,596	51,432	16,596	-	1,627	-
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	60.00	2,326	15,835	(13,509)	489	(441)	-	-	(266)	-	(8,106)
MAHLE Industry do Brasil Ltda.	99.99	24,290	13,873	10,417	6,293	95	10,417	95	-	-	-
MAHLE Hirschvogel Forjas S.A.	51.00	23,975	24,566	(591)	-	(1,407)	-	-	(718)	-	(301)
Subtotal subsidiaries		**419,936**	**236,242**	**183,694**	**217,551**	**25,504**	**196,706**	**27,267**	**(984)**	**1,883**	**(8,407)**
Related companies											
Innoferm Tecnologia Ltda.	33.33	12,575	266	12,309	-	(45)	4,103	-	(15)	-	-
Subtotal related companies		**12,575**	**266**	**12,309**	**-**	**(45)**	**4,103**	**-**	**(15)**	**-**	**-**
Total		**432,511**	**236,508**	**196,003**	**217,551**	**25,459**	**200,809**	**27,267**	**(999)**	**1,883**	**(8,407)**
December 31, 2017						**(FY 2017)**					
Subsidiaries											
MAHLE Metal Leve Miba Sinterizados Ltda.	60.00	-	-	-	-	-	-	-	(4,362)	-	-
MAHLE Argentina S.A.	99.20	197,994	63,797	134,197	323,146	33,674	133,123	33,405	-	-	-
MAHLE Metal Leve GmbH	100.00	141,452	96,628	44,824	438,207	50,763	44,825	50,763	-	2,112	-
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	60.00	2,220	15,288	(13,068)	2,925	(1,634)	-	-	(981)	(1,355)	(7,841)
MAHLE Industry do Brasil Ltda.	99.99	22,301	11,979	10,322	30,128	4,287	10,322	4,287	-	-	-
MAHLE Hirschvogel Forjas S.A.	51.00	24,961	24,145	816	88	(18,488)	416	-	(9,429)	-	-
Subtotal subsidiaries		**388,928**	**211,837**	**177,091**	**794,494**	**68,602**	**188,686**	**88,455**	**(14,772)**	**757**	**(7,841)**
Related companies											
Innoferm Tecnologia Ltda.	33.33	12,620	266	12,354	-	(1,026)	4,118	-	(342)	-	-
Subtotal related companies		**12,620**	**266**	**12,354**	**-**	**(1,026)**	**4,118**	**-**	**(342)**	**-**	**-**
Total		**401,548**	**212,103**	**189,445**	**794,494**	**67,576**	**192,804**	**88,455**	**(15,114)**	**757**	**(7,841)**
March 31, 2017						**(3M 2017)**					
Subsidiaries											
MAHLE Metal Leve Miba Sinterizados Ltda.	60.00	98,151	123,266	(25,115)	25,419	(3,193)	-	-	(1,917)	-	(15,068)
MAHLE Argentina S.A.	99.20	190,406	62,329	128,077	74,074	6,000	127,053	5,952	-	1,254	-
MAHLE Metal Leve GmbH	100.00	175,512	108,834	66,678	110,779	17,023	66,678	17,023	-	602	-
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	60.00	1,588	13,436	(11,848)	691	(414)	-	-	(249)	-	(7,109)
MAHLE Industry do Brasil Ltda.	99.99	16,178	6,773	9,405	5,953	3,370	9,404	3,370	-	-	-
MAHLE Hirschvogel Forjas S.A.	51.00	15,837	22,249	(6,412)	(10)	(2,766)	-	-	(1,411)	-	(3,271)
Subtotal subsidiaries		**497,672**	**336,887**	**160,785**	**216,906**	**20,020**	**203,135**	**26,345**	**(3,577)**	**1,856**	**(25,448)**
Related companies											
Innoferm Tecnologia Ltda.	33.33	13,571	426	13,145	-	(235)	4,382	-	(78)	-	-
Subtotal related companies		**13,571**	**426**	**13,145**	**-**	**(235)**	**4,382**	**-**	**(78)**	**-**	**-**
Total		**511,243**	**337,313**	**173,930**	**216,906**	**19,785**	**207,517**	**26,345**	**(3,655)**	**1,856**	**(25,448)**

The subsidiaries belong to the engine component segment, except the subsidiary MAHLE Filtroil Indústria e Comércio de Filtros Ltda.

MAHLE Argentina S.A.

As mentioned in Note 16, the Company has made provision for the impairment of the goodwill on the acquisition of this subsidiary in the amount of R$ 38,408.

MAHLE Filtroil Indústria e Comércio de Filtros Ltda.

At March 31, 2018, the interest in the net capital deficiency of the subsidiary MAHLE Filtroil Indústria e Comércio de Filtros Ltda. was R$ 8,106 (R$ 7,841 at December 31, 2017) and this was recorded in non-current liabilities within "provision for subsidiary's net capital deficiency".

At March 31, 2018 and December 31, 2017, the subsidiary has a loan agreement with the Company as stated in Note 10 – Related parties.

The subsidiary has suffered recurring operating losses and experienced a working capital deficiency and a consequent increase in indebtedness. Since June 2009, several lawsuits have been filed involving the subsidiary's quotaholders with respect to its commercial, financial and administrative management, in addition to an action for dissolution of the subsidiary that was initiated because of a capital increase proposed by the Company but not accepted by the non-controlling quotaholder to resolve the working capital deficit of the subsidiary.

Although the action for dissolution of the subsidiary has been judged in favor of the Company by the lower court, management has concluded, based on its judgment about the possibility of the non-controlling quotaholder filing an appeal to the Superior Court, that the subsidiary has the ability to continue in operational existence for the foreseeable period of more than 12 months from the date of the approval of these financial statements, and, therefore, it is not anticipated that any material losses will arise, other than those already recognized in the financial statements of the parent company. For this reason, the going-concern basis was adopted in preparing the financial statements.

MAHLE Hirschvogel Forjas S.A.

At March 31, 2018, the interest in the net capital deficiency of the subsidiary MAHLE Hirschvogel Forjas S.A. is R$ 301, which is recorded in non-current liabilities within “Provision for net capital deficiency of subsidiary”. At December 31, 2017, the share of equity in subsidiary MAHLE Hirschvogel Forjas S.A. is R$ 416, which is recorded in current assets as “Investments in subsidiaries”.

At the Extraordinary General Meetings held on April 28, 2017, May 2, 2017 and November 30, 2017, share capital increases of R$ 1,600, R$ 1,550 and R$ 19,800, were approved for this subsidiary, of which R$ 11,705 was contributed by MAHLE Metal Leve S.A. and R$ 11,245 by the non-controlling shareholder. The purpose of this capital contribution was to complete the process of cessation of the subsidiary’s operations.

The financial statements of the subsidiary MAHLE Hirschvogel Forjas S.A. have been prepared assuming that the subsidiary will not continue as a going concern and its assets and liabilities are stated at liquidation value. Because the balances of this subsidiary are immaterial for the Group, NBC TG 31 (CPC 31) – Discontinued Operations / IFRS 5 – Presentation and disclosure of discontinued operations does not apply.

MAHLE Industry do Brasil Ltda

At March 31, 2018, the share of equity in subsidiary MAHLE Industry do Brasil Ltda. is R$ 10,417 (R$ 10,322 at December, 31 2017), which is recorded in current assets as "Investments in subsidiaries".

MAHLE Metal Leve Miba Sinterizados Ltda.

According to the announcement made to the market on May 9, 2017, at June 30, 2017, the Company completed the sale of its 60% stake in MAHLE Metal Leve Miba Sinterizados Ltda. to Miba Sinter Holding GmbH & Co KG.

Innoferm Tecnologia Ltda.

On August 25, 2015, the company Innoferm Tecnologia Ltda. was founded, in the share capital of which MAHLE Metal Leve S.A. has a stake of 33.3%, totaling 1,000,000 (one million) shares with a face value of R$ 0.01 (one cent real), totaling R$ 10.

With the approval of ¾ of the share capital, the company may open branches, agencies and offices anywhere in the country, fulfilling the applicable legislation, with unlimited duration. It is based in the city of Mogi Guaçu, State of São Paulo.

Innoferm is engaged in the development and commercialization of technologies related to the production of ethanol and the assignment of exploration rights in general and related applications in the ethanol production cycle via biomass and other underlying technologies.

This investment is recorded and evaluated by the equity method and recognized in the income statement.

13 Property, plant and equipment

	Parent company								
	Land	Buildings and construction	Machinery, equipment and facilities	Furniture and fittings	Vehicles	Construction in progress	Advances to suppliers	(Recognition) / Reversal of provision for impairment	Total
At December 31, 2017	**52,454**	**104,499**	**421,700**	**4,050**	**5,130**	**5,401**	**11,831**	**(2,907)**	**602,158**
Total cost	52,454	230,434	1,925,351	24,652	24,200	5,401	11,831	(2,907)	2,271,416
Accumulated depreciation	-	(125,935)	(1,503,651)	(20,602)	(19,070)	-	-	-	(1,669,258)
Net book value	**52,454**	**104,499**	**421,700**	**4,050**	**5,130**	**5,401**	**11,831**	**(2,907)**	**602,158**
Additions	-	-	4,704	34	755	60	4,793	-	10,346
Write-offs	-	-	(1)	-	(146)	-	-	100	(47)
Transfer	-	-	6,299	(5)	2	(4,399)	(1,896)	(1)	-
Depreciation	-	(1,248)	(18,268)	(200)	(477)	-	-	-	(20,193)
Depreciation/write-off (deemed cost)	-	(642)	(462)	(3)	(3)	-	-	-	(1,110)
At March 31, 2018	**52,454**	**102,609**	**413,972**	**3,876**	**5,261**	**1,062**	**14,728**	**(2,808)**	**591,154**
Total cost	52,454	230,434	1,936,260	24,676	24,696	1,062	14,728	(2,808)	2,281,502
Accumulated depreciation	-	(127,825)	(1,522,288)	(20,800)	(19,435)	-	-	-	(1,690,348)
Net book value	**52,454**	**102,609**	**413,972**	**3,876**	**5,261**	**1,062**	**14,728**	**(2,808)**	**591,154**

(in thousand of reais)

	Consolidated								
	Land	Buildings and construction	Machinery, equipment and facilities	Furniture and fittings	Vehicles	Construction in progress	Advances to suppliers	(Recognition) / Reversal of provision for impairment	Total
At December 31, 2017	**52.636**	**107.787**	**452.888**	**4.644**	**5.370**	**5.401**	**15.499**	**(3.974)**	**640.251**
Total cost	52.636	234.264	1.982.736	25.669	24.774	5.401	15.499	(3.974)	2.337.005
Accumulated depreciation	-	(126.477)	(1.529.848)	(21.025)	(19.404)	-	-	-	(1.696.754)
Net book value	**52.636**	**107.787**	**452.888**	**4.644**	**5.370**	**5.401**	**15.499**	**(3.974)**	**640.251**
Additions	-	-	5.309	107	789	60	6.120	-	12.385
Write-offs	-	-	(5)	-	(147)	-	-	126	(26)
Transfer	-	-	8.704	(5)	2	(4.399)	(4.301)	(1)	-
Depreciation	-	(1.266)	(19.381)	(213)	(499)	-	-	-	(21.359)
Depreciation/write-off (deemed cost)	-	(642)	(462)	(3)	(3)	-	-	-	(1.110)
Foreign exchange variation	(11)	(191)	(1.609)	(27)	(14)	-	(223)	23	(2.052)
At March 31, 2018	**52.625**	**105.688**	**445.444**	**4.503**	**5.498**	**1.062**	**17.095**	**(3.826)**	**628.089**
Total cost	52.625	234.041	1.993.603	25.705	25.263	1.062	17.095	(3.826)	2.345.568
Accumulated depreciation	-	(128.353)	(1.548.159)	(21.202)	(19.765)	-	-	-	(1.717.479)
Net book value	**52.625**	**105.688**	**445.444**	**4.503**	**5.498**	**1.062**	**17.095**	**(3.826)**	**628.089**

(in thousand of reais)

Deemed cost

Changes in deemed cost

	Parent Company and Consolidated		
	12.31.2017	Depreciation/ write-off (deemed cost)	03.31.2018
Land	46,905	-	46,905
Buildings and construction	43,056	(642)	42,414
Machinery, equipment and facilities	2,990	(462)	2,528
Furniture and fittings	30	(3)	27
Vehicles	(142)	(3)	(145)
	92,839	**(1,110)**	**91,729**

The annual depreciation rates of the property, plant and equipment items at March 31, 2018 are equal to the rates presented at December 31, 2017.

Guarantees

The Group offered items of its property, plant and equipment as collateral for borrowings and tax and labor lawsuits, in the amount of R$ 6,680 in the consolidated accounts at March 31, 2018 and December 31, 2017. These items comprise machinery and equipment.

Provision for impairment

The Group has recorded provision at an amount sufficient to cover any impairment losses on property, plant and equipment, which relates substantially to the group of machinery and equipment and is recorded in the parent company and consolidated accounts of property, plant and equipment in accordance with the requirements set out in NBC TG 01 (CPC 01) - (R1)/IAS 36 “Impairment of assets”. The provisions recorded in the Group’s financial statements refer to impairment, obsolescence and scrap. The provisions recognized in the interim financial statements of the Group are for impairment, obsolescence and scraps. The parent company and consolidated balance of the provision for losses at March 31, 2018 is R$ 2,808 (R$ 2,907 at December 31, 2017) and R$ 3,826 (R$ 3,974 at December 31, 2017), respectively.

Non-current assets held for sale

At March 31, 2018 and December 31, 2017, the Company has a balance of assets held for sale of R$ 7,171. These assets remain available for immediate sale and are in process of negotiation.

14 Intangible assets

	Annual amortization rates (%)	Parent company		Consolidated	
		03.31.2018	12.31.2017	03.31.2018	12.31.2017
Goodwill on merger with subsidiary:					
MAHLE Participações Ltda. (a)	-	568,612	568,612	568,612	568,612
Goodwill on acquisition of subsidiaries:					
MAHLE Argentina S.A. (a)	-	-	-	65,206	65,046
MAHLE Hirschvogel Forjas S.A. (a)	-	-	-	35,755	35,755
Cost of acquisition and installation of software (b)	20	46,154	45,828	46,782	46,490
Other (a and b)	-	334	334	2,413	3,355
Usage right and concessions (a) (*)	-	17,665	17,665	17,665	17,665
Usage right and concessions (b) (**)	20	39,599	37,703	39,599	37,703
Provision for impairment of intangible assets *(Oring businnes)*	-	(188,654)	(188,654)	(188,654)	(188,654)
Provision for impairment of intangible assets *(MAHLE Argentina S.A.)*	-	-	-	(38,408)	(38,408)
Provision for impairment of intangible assets (*MAHLE Hirschvogel Forjas S.A.*)	-	-	-	(35,755)	(35,755)
Provision for impairment of intangible assets (other)	-	(334)	(334)	(343)	(343)
		483,376	481,154	512,872	511,466
Accumulated amortization		(49,417)	(48,959)	(51,962)	(52,453)
		433,959	**432,195**	**460,910**	**459,013**

(a) Indefinite useful life

(b) finite useful life

(*) Out of the amount relating to usage right and concessions (indefinitive useful life), R$ 12,000 refers to the exclusivity rights to the development of the ethanol-production technology (MBE2) and R$ 5,665 refers to costs of improvement of access through Anhanguera Highway and right-of-way easement to the Group's Technology Center in the city of Jundiaí, State of São Paulo.

(**) Out of the amount relating to usage right and concessions (finite useful life), R$ 33,379 refers to costs associated with the continuity of development of MBE2 technology.

Statement of changes in intangible assets

	Parent company				
	Goodwill on acquisition of subsidiaries (merged or not)	Cost of acquisition and installation of software	Usage right and concessions	Other	Total
At December 31, 2017	**379,958**	**2,891**	**49,346**	**-**	**432,195**
Additions	-	326	1,896	-	2,222
Amortization	-	(452)	(6)	-	(458)
Other	-	-	-	-	-
At March 31, 2018	**379,958**	**2,765**	**51,236**	**-**	**433,959**

	Consolidated				
	Goodwill on acquisition of subsidiaries (merged or not)	Cost of acquisition and installation of software	Usage right and concessions	Other	Total
At December 31, 2017	**406,595**	**2,999**	**49,346**	**73**	**459,013**
Additions	-	326	1,896	-	2,222
Amortization	-	(468)	(6)	-	(474)
Foreign exchange variation	160	(11)	-	-	149
At March 31, 2018	**406,755**	**2,846**	**51,236**	**73**	**460,910**

Provision for impairment of intangible assets

The Company's management continuously monitors the activities and did not detect substantial changes in their operational performance at first quarter of 2018 of the subsidiaries which could justify a change in the previously recorded impairment amounts.

15 Trade and related-party payables

	Parent company		Consolidated	
	03.31.2018	**12.31.2017**	**03.31.2018**	**12.31.2017**
Suppliers - Third Party				
Raw material	78,757	77,990	102,784	107,700
Services	17,782	21,502	17,917	21,620
	96,539	**99,492**	**120,701**	**129,320**
Related parties (Note 10)	28,338	27,054	47,225	42,554
	124,877	**126,546**	**167,926**	**171,874**

The Group's exposure to currency and liquidity risks in connection with accounts payable to suppliers is disclosed in Note 31.

16 Taxes and contributions payable

	Parent company		Consolidated	
	03.31.2018	**12.31.2017**	**03.31.2018**	**12.31.2017**
State taxes	**10,686**	**9,597**	**10,996**	**9,899**
ICMS payable	10,686	9,597	10,704	9,611
Other	-	-	292	288
Federal taxes	**13,423**	**14,426**	**15,269**	**15,430**
COFINS payable	4,188	3,406	4,197	3,412
IPI payable	3,800	3,243	4,148	3,243
IRRF	2,091	4,584	2,120	4,611
PIS payable	886	717	888	718
Other	2,458	2,476	3,916	3,446
Income tax and social contribution	**3,425**	**820**	**23,824**	**18,604**
Municipal taxes	**-**	**-**	**106**	**86**
Current liabilities	**27,534**	**24,843**	**50,195**	**44,019**
Federal taxes				
Social contribution payable	335	335	335	335
Non-current liabilities	**335**	**335**	**335**	**335**

17 Borrowings

Description	Average cost	Parent company and Consolidated 03.31.2018	12.31.2017
Borrowings in local currency (BRL)			
FINEP (Long-Term Interest Rate (TJLP) + 5.00% p.a. - 6.00% p.a.)	5,75%	166.697	173.435
BNDES (interest of 1.5% p.a.)	8,25%	13.512	-
Other	0,00%	-	2.547
	5,94%	**180.209**	**175.982**
Current - borrowings in local currency		**28.405**	**30.987**
Current - borrowings in foreign currency		-	-
Total current		**28.405**	**30.987**
Non-current - borrowings in local currency		**151.804**	**144.995**
Non-current - borrowings in foreign currency		-	-
Total non-current		**151.804**	**144.995**

In 2018, the parent company took bank loans of R$ 13.5 million with BNDES, subject to Long-term Interest Rate (TJLP) + spread of 1.50% p.a., less equalization equivalent to 5.75% p.a. in March 2018.

Changes in borrowings in first quarter of 2018 were as follows:

Parent Company and Consolidated							
12.31.2017	Addition	Monetary Variation	Principal Amortization	Amortization Interest	Appropriation of interest	Others	03.31.2018
175,982	13,500	300	(7,022)	(2,089)	2,085	(2,547)	180,209

At March 31, 2018, long-term borrowings mature as follows:

	Parent Company and Consolidated
	03.31.2018
From april 2019	21,166
2020	28,113
2021	29,237
2022	29,801
2023	29,801
2024	6,373
2025	1,688
2026	1,688
2027	1,688
2028	1,688
2029	563
	151,804

Restrictive covenants

FINEP: This financing was obtained from the Financing Agency for Studies and Projects (FINEP) to partially fund (at an average of 64%) the expenses incurred in several projects of the program "Innovation in MAHLE Components and Systems", and is collateralized by a bank guarantee with maturity on August 30, 2021. This financing is based on the TJLP interest rate (5.75 % p.a. as at March 31, 2018) plus a bank spread of 5% p.a. less an equalization rate of 6% p.a. There are various accelerated maturity clauses (respecting ample defense for the Company) with loss of the equalization value: use of funds for a purpose other than that established in the contract; change in effective control of the Company; existence of FINEP amounts in arrears; inaccurate information provided to FINEP by the Company; and suspension of the project.

At March 31, 2018, there was no delinquency in principal or interest payments and no breach of the terms of the contracts with FINEP and BNDES.

18 Salaries, vacation pay and social charges

	Parent company		Consolidated	
	03.31.2018	12.31.2017	03.31.2018	12.31.2017
Employee profit sharing	34,489	28,695	36,383	30,257
Accrued vacation pay / 13th month salary	43,928	31,675	49,382	36,899
INSS /FGTS	10,233	11,715	10,256	11,743
Other social security obligations	281	379	3,489	4,046
	88,931	**72,464**	**99,510**	**82,945**

19 Sundry provision

	Parent company					
	Losses on contracts	Commercial bonuses	Electric power	Employee benefits	Other	Total
At December 31, 2017	**6,705**	**7,901**	**5,767**	**3,516**	**2,518**	**26,407**
Reversal	-	-	(5,767)	-	-	(5,767)
Payment	-	(2,795)	-	-	(3)	(2,798)
Complement	-	3,955	7,978	568	795	13,296
At March 31, 2018	**6,705**	**9,061**	**7,978**	**4,084**	**3,310**	**31,138**

	Consolidated						
	Losses on contracts	Commercial bonuses	Restructuring	Electric power	Employee benefits	Other	Total
At December 31, 2017	**8,256**	**7,902**	**1,828**	**6,229**	**3,516**	**2,919**	**30,650**
Reversal	-	-	-	(6,229)	-	-	(6,229)
Payment	-	(2,795)	(170)	-	-	(177)	(3,142)
Complement	-	3,956	-	8,507	569	1,542	14,574
Foreign exchange variation	(90)	-	-	-	-	(23)	(113)
At March 31, 2018	**8,166**	**9,063**	**1,658**	**8,507**	**4,085**	**4,261**	**35,740**

20 Provision for warranties

The Group guarantees the quality of its products, assuming responsibility for providing replacements and repairs for customers for defective products.

	Parent company	Consolidated
At December 31, 2017	**11,453**	**13,940**
Reversal	(17)	(115)
Payment	(1,029)	(1,029)
Complement	1,866	1,939
Foreign exchange variation	-	53
At March 31, 2018	**12,273**	**14,788**

21 Provision for contingencies and judicial deposits linked to judicial proceedings

The Group is a party to civil, labor and tax proceedings in progress both at the administrative and judicial level, which, when applicable, are supported by judicial deposits. The respective provision for contingencies was recorded considering the estimates made by the legal advisors for proceedings in which the likelihood of loss on the respective outcomes was assessed as probable and other unrelated legal obligations.

According to management's assessment, contingencies are as follows:

	Parent company				
	Civil and labor	Tax	Environmental liability	Judicial deposits	Total
At December 31, 2017	**269,625**	**52,095**	**4,206**	**(63,650)**	**262,276**
Additions	12,215	-	-	(2,526)	9,689
Monetary restatements	6,880	747	-	(408)	7,219
Write-off for use	(21,770)	-	(158)	419	(21,509)
Write-off for reversal	(6,868)	(78)	-	1,154	(5,792)
Transfer	-	-	-	98	98
At March 31, 2018	**260,082**	**52,764**	**4,048**	**(64,913)**	**251,981**

(in thousand of reais)

	Consolidated				
	Civil and labor	Tax	Environmental liability	Judicial deposits	Total
At December 31, 2017	**304,254**	**52,095**	**4,206**	**(75,549)**	**285,006**
Additions	13,923	-	-	(3,164)	10,759
Monetary restatements	7,770	747	-	(515)	8,002
Write-off for use	(23,512)	-	(158)	2,248	(21,422)
Write-off for reversal	(9,385)	(78)	-	1,229	(8,234)
Transfer	-	-	-	120	120
Foreign exchange variation	(73)	-	-	-	(73)
At March 31, 2018	**292,977**	**52,764**	**4,048**	**(75,631)**	**274,158**

The civil provision is related to consumer relations, compensation claims for commercial representation and distribution, service providers, work accidents and professional fees.

The labor provision relates mainly of claims filed by former employees for sums of money resulting from employment relationships and various suits for damages. The reversals are due to settlement agreements made with claimants.

Transfers relate to judicial deposits not related to the balance of provision for contingencies, and therefore, they are reclassified to other asset accounts.

The tax provision with respect to PIS, COFINS, ICMS, IPI, social security, royalties and drawbacks relates mainly to state and federal procedural assessments that are already being heard in court or not. They refer mainly to litigation with respect to the appropriate interpretation of the tax legislation.

The environmental provision relates mainly to the projection of expenditure required to preserve environmental areas used by the Group.

The main indexes for monetarily restating the contingencies are the basic interest rate (SELIC) and the monetary restatement indexes provided by the Superior Labor Court and law courts, when applicable.

Proceedings involving the risk of possible loss

At March 31, 2018, the Group had labor, civil and tax proceedings brought before the proper authorities in the amount of R$ 50,421 (December 31, 2017 - R$ 50,290), which were assessed by the Group's management as having a risk of possible loss, and, therefore, were not provided for in the financial statements.

Administrative Council for Economic Defense ("CADE")

According to the announcement made to the market on October 10, 2016, the Company received a notice from CADE stating that an administrative proceeding was initiated, involving 28 companies and other individuals for possible anti-competitive behavior in the independent automotive aftermarket.

According to the announcement made to the market on June 28, 2017, August 17, 2017 and December 4, 2017, the Company has had knowledge, through website www.cade.gov.br, that the Administrative Council for Economic Defense ("CADE") started an investigation into suspected anticompetitive practices in the market for auto parts, engine valves, components for filters, pistons and related products. The Company is one of the companies being investigated and will cooperate with CADE to clarify the facts under investigation.

According to the Significant Event Notice disclosed to the market on October 31, 2017, the Company signed on the same date a cease-and-desist commitment "TCC" with CADE. This commitment was homologated by the Administrative Court of CADE also on the same date, suspending administrative proceeding No. 08700.006386/2016-53 (announced to the market on October 10, 2016) in which the Company and its employees or former employees were under investigation. The case will be shelved without an adjudication on the merits of the Company and its employees or former employees if all conditions set out in the commitment have been fully met.

Management continues monitoring this matter and will make required adjustments and disclosures whenever applicable. On February 2, 2018, the Company made a payment in the total of R$ 17,518 million, for which a provision had already been recorded in the financial statements.

22 Equity

a. Share capital

At March 31, 2018 and December, 31 2017, subscribed and paid-up capital was represented by the following number of shares with no par value:

	Number of shares	
Mahle Indústria e Comércio Ltda.	76,985,132	60.0%
Mahle Industriebeteiligungen GmbH	12,830,850	10.0%
Non-controlling shareholders	38,492,518	30.0%
	128,308,500	**100.0%**

The Company is authorized to increase its capital up to the limit of R$ 50,000,000 (fifty million) common shares, regardless of statutory reform, by resolution of the Board of Directors, which will determine the number of shares issued, the period of issuance and payment conditions.

On March 31, 2018, the market value of the Company's common shares corresponded the price of R$ 24.60 per share (R$ 23.80 on December 31, 2017).

There were no changes in the policies regarding dividends, interest on capital and revenue reserves in relation to those applied in the financial statements for the year ended December 31, 2017.

b. Other comprehensive income

Cumulative translation adjustments

- The effects of carrying value adjustments relating to the effective portion of gains or losses on cash flow hedges, which are recognized in March 31, 2018, net of taxes, at (-) R$ 3,159 (At March 31, 2017 (+) R$ 4,573) in the parent and at (-) R$ 4,282 (At March 31, 2017 (+) R$ 4,547) in the consolidated accounts.

- The adjustments for the adoption of the deemed cost of property, plant and equipment, net at R$ 413 at March 31, 2018 (At March 31, 2017 - R$ 1,082). The deemed cost is accrued to property, plant and equipment recorded in carrying value adjustments, according to the depreciation, disposal or write-off of the respective item of property, plant and equipment, against retained earnings.

23 Earnings per share

In compliance with CVM Resolution 636/2010 which approved Technical Pronouncement NBC TG 41 (CPC 41)-/-"IAS 33 - Earnings per share", the Company presents the following information on earnings per share:

	03.31.2018	03.31.2017
Profit attributable to owners of the parent	**71,379**	**38,379**
Shares outstanding	128,308,500	128,308,500
Basic earnings per share (R$ per share)	**0.5563**	**0.2991**

There are no diluted earnings per share for the Company.

24 Net operating revenue

	Parent company		Consolidated	
	03.31.2018	03.31.2017	03.31.2018	03.31.2017
Gross revenue				
Products	643,000	530,284	771,490	681,975
Services	12,236	10,524	11,667	9,204
Total revenue with products + services	**655,236**	**540,808**	**783,157**	**691,179**
Deductions from sales:				
Taxes on sales	(133,800)	(113,641)	(134,639)	(122,007)
Discounts , returns and sales incentives	(7,740)	(4,251)	(29,836)	(28,667)
Net operating revenue	**513,696**	**422,916**	**618,682**	**540,505**

25 Cost of sales

The cost of sales comprises raw materials and other materials required for the production of the Group's products. In the engine components segment, the main raw materials are metal commodities, such as aluminum, nickel iron, cast iron, steel, copper, nickel, tin, silicon, magnesium, bronze and iron alloy, amongst others. In the filters segment, the main raw materials are resins, filter papers and activated carbon, amongst others. Other inputs for the production of both engine components and filters include electric power, fuels, natural gas, liquefied petroleum gas and plastic, wood, paper and cardboard packaging.

This account also includes direct labor (e.g. factory work) and indirect labor (e.g. maintenance, engineering and tooling) and the depreciation of machinery and equipment used in the production process.

26 Selling expenses

Selling expenses by nature are as follows:

	Parent company		Consolidated	
	03.31.2018	**03.31.2017**	**03.31.2018**	**03.31.2017**
Personnel and benefits	(9,769)	(9,622)	(11,545)	(12,162)
Freight	(8,867)	(8,857)	(11,256)	(10,672)
Brand license	(2,521)	(2,019)	(2,776)	(2,238)
Professional services/service orders	(2,152)	(1,130)	(2,443)	(1,590)
Advertising	(1,855)	(1,020)	(691)	(737)
Variable selling expenses	(1,750)	(1,151)	(3,671)	(3,190)
Travel and entertainment allowance	(535)	(432)	(604)	(630)
General expenses	(518)	(406)	(1,726)	(1,545)
(Reversal of) provision for impairment of trade receivables	(220)	829	(711)	1,079
Depreciation	(189)	(189)	(218)	(229)
Other expenses	(413)	(934)	(2,170)	(1,913)
	(28,789)	**(24,931)**	**(37,811)**	**(33,827)**

27 General and administrative expenses

General and administrative expenses by nature are as follows:

	Parent company		Consolidated	
	03.31.2018	**03.31.2017**	**03.31.2018**	**03.31.2017**
Personnel and benefits	(5,754)	(6,802)	(7,460)	(8,212)
Management	(5,447)	(7,173)	(5,447)	(7,374)
Professional services/service orders	(1,847)	(1,659)	(2,601)	(2,713)
Materials and utilities	(893)	(900)	(1,017)	(986)
Maintenance	(791)	(803)	(821)	(905)
Depreciation	(680)	(837)	(737)	(897)
PIS/COFINS	(364)	(593)	(380)	(606)
Travel and entertainment allowance	(254)	(254)	(287)	(320)
Other expenses	(1,362)	(1,431)	(1,603)	(1,903)
	(17,392)	**(20,452)**	**(20,353)**	**(23,916)**

28 Technology and product development costs

The costs of technology and product development by nature are as follows:

	Parent company		Consolidated	
	03.31.2018	**03.31.2017**	**03.31.2018**	**03.31.2017**
Personnel and benefits	(9,403)	(12,285)	(9,695)	(12,811)
Materials/utilities	(1,458)	(1,593)	(1,469)	(1,619)
Depreciation	(1,330)	(1,691)	(1,368)	(1,868)
General expenses	(997)	(1,210)	(1,959)	(2,055)
Professional services/service orders	(644)	(937)	(1,302)	(1,781)
Maintenance	(480)	(771)	(483)	(771)
Other expenses	(533)	(351)	(636)	(409)
	(14,845)	**(18,838)**	**(16,912)**	**(21,314)**

29 Finance income and costs, net

	Parent company		Consolidated	
	03.31.2018	**03.31.2017**	**03.31.2018**	**03.31.2017**
Finance income				
Interest	1,551	8,046	1,959	8,284
Exchange variation (a)	7,257	5,927	17,802	7,812
Monetary variation gains	1,131	1,177	1,239	1,334
Derivative financial instruments (c)	2,842	10,661	3,309	10,661
Other	251	48	271	271
	13,032	**25,859**	**24,580**	**28,362**
Finance costs				
Interest	(2,095)	(11,948)	(2,302)	(15,184)
Exchange variations (b)	(3,590)	(10,184)	(10,276)	(14,158)
Monetary variation losses	(7,939)	(9,032)	(8,829)	(10,125)
Derivative financial instruments (d)	(2,480)	(796)	(3,428)	(116)
Other	(738)	(719)	(1,552)	(1,798)
	(16,842)	**(32,679)**	**(26,387)**	**(41,381)**
Finance income (costs), net	**(3,810)**	**(6,820)**	**(1,807)**	**(13,019)**
Summary of foreign exchange variations (a+b)	**3,667**	**(4,257)**	**7,526**	**(6,346)**
Trade receivables	2,686	(2,768)	5,241	(5,049)
Cash and cash equivalents	251	(683)	578	(263)
Interest on capital receivable	1,354	(447)	1,354	(1,127)
Trade payables	(616)	(355)	362	97
Other	(8)	(4)	(9)	(4)
Summary of derivative instruments (c+d)	**362**	**9,865**	**(119)**	**10,545**
Income	2,842	10,661	3,309	10,661
Expenses	(2,480)	(796)	(3,428)	(116)
Net result of foreign exchange variations and derivative financial instruments	**4,029**	**5,608**	**7,407**	**4,199**

30 Other operating income and expenses, net

	Parent company		Consolidated	
	03.31.2018	**03.31.2017**	**03.31.2018**	**03.31.2017**
Other income				
Provision/reversal for labor, civil and tax contingencies	(6,810)	(3,553)	(6,107)	(5,491)
Gains (losses) on disposal of assets /other	(2)	(315)	26	(1,446)
Provisio/reversal of provision for restructuring	-	-	170	-
Provision/reversal of provision for obsolescence	100	189	120	1,081
Electric power	328	20	367	114
Taxes recovered (Reintegra)	4,048	3,582	4,048	3,692
Other income	436	57	(900)	(281)
	(1,900)	**(20)**	**(2,276)**	**(2,331)**

31 Financial instruments

I. Financial instruments and risk management

Financial instruments are used to assure the Group's continuity, liquidity and profitability, and there is no speculative purpose. The financial instruments are recorded in the financial statements and classified in conformity with CPC 40/48 (IFRS 7/9), allowing the reader to assess the Group's financial position. The table below shows the classification of the financial instruments.

		Parent Company							
		03.31.2018				12.31.2017			
Assets	**Note**	**Amortized Cost**	**Fair Value by Result**	**Designated Derivatives for Cash Flow Hedge**	**Total**	**Amortized Cost**	**Fair Value by Result**	**Designated Derivatives for Cash Flow Hedge**	**Total**
Cash, demand deposits and cash in transit	6	-	32,240	-	32,240	-	18,659	-	18,659
Financial investments	6	-	96,682	-	96,682	-	110,693	-	110,693
Trade receivables	7	281,635	-	-	281,635	249,410	-	-	249,410
Receivables from and loans to related parties	7 and 10	97,212	-	-	97,212	88,038	-	-	88,038
Unrealized gains on derivatives	31	-	-	9,411	9,411	-	-	15,107	15,107
Total		**378,847**	**128,922**	**9,411**	**517,180**	**337,448**	**129,352**	**15,107**	**481,907**

Liabilities	**Note**	**Amortized Cost**	**Fair Value by Result**	**Designated Derivatives for Cash Flow Hedge**	**Total**	**Amortized Cost**	**Fair Value by Result**	**Designated Derivatives for Cash Flow Hedge**	**Total**
Payables to related parties	10 and 15	(28,338)	-	-	(28,338)	(27,054)	-	-	(27,054)
Trade payables	15	(96,539)	-	-	(96,539)	(99,492)	-	-	(99,492)
Borrowings	17	(180,209)	-	-	(180,209)	(175,982)	-	-	(175,982)
Unrealized losses on derivatives	31	-	-	(6,379)	(6,379)	-	-	(7,054)	(7,054)
Total		**(305,086)**	**-**	**(6,379)**	**(311,465)**	**(302,528)**	**-**	**(7,054)**	**(309,582)**

		Consolidated							
		03.31.2018				12.31.2017			
Assets	**Note**	**Amortized Cost**	**Fair Value by Result**	**Designated Derivatives for Cash Flow Hedge**	**Total**	**Amortized Cost**	**Fair Value by Result**	**Designated Derivatives for Cash Flow Hedge**	**Total**
Cash, demand deposits and cash in transit	6	-	48,382	-	48,382	-	41,014	-	41,014
Financial investments	6	-	113,277	-	113,277	-	128,056	-	128,056
Trade receivables	7	372,312	-	-	372,312	322,791	-	-	322,791
Receivables from and loans to related parties	7 and 10	114,955	-	-	114,955	86,339	-	-	86,339
Unrealized gains on derivatives	31	-	-	10,396	10,396	-	-	15,886	15,886
Total		**487,267**	**161,659**	**10,396**	**659,322**	**409,130**	**169,070**	**15,886**	**594,086**

Liabilities	**Note**	**Amortized Cost**	**Fair Value by Result**	**Designated Derivatives for Cash Flow Hedge**	**Total**	**Amortized Cost**	**Fair Value by Result**	**Designated Derivatives for Cash Flow Hedge**	**Total**
Payables to related parties	10 and 15	(47,225)	-	-	(47,225)	(42,554)	-	-	(42,554)
Trade payables	15	(120,701)	-	-	(120,701)	(129,320)	-	-	(129,320)
Borrowings	17	(180,209)	-	-	(180,209)	(175,982)	-	-	(175,982)
Unrealized losses on derivatives	31	-	-	(8,093)	(8,093)	-	-	(7,463)	(7,463)
Total		**(348,135)**	**-**	**(8,093)**	**(356,228)**	**(347,856)**	**-**	**(7,463)**	**(355,319)**

- Evaluation of the business model to determine the classification of financial instruments

- Cash and cash equivalents and financial investments: the Company manages these transactions based on fair value through profit or loss so that they are measured and recorded at fair value through profit or loss.

- Trade receivables and loans to related parties: for these assets the Company has as business model the maintenance of receivables according to the contractual cash flows, and it is not Company's practice to have these cash flows advanced through discounting or assignment of receivables. Additionally, the payment feature of these receivables was also evaluated and the conclusion was that they meet the payment criteria of "principal and interest" only, with no leverage feature, and are therefore classified as amortized cost.

- Unrealized gains on derivatives: the Company uses derivatives for hedging purposes only and adopts the hedge accounting procedure for these transactions. Accordingly, they are classified as derivatives designated for cash flow hedge and recorded at fair value.

- Fair value hierarchy and measurement

The financial instruments that are measured at fair value after initial recognition must be grouped in Levels 1 to 3 based on the observable level of the fair value.

The Company presents financial instruments only within Level 2, whose valuation is based on inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

- Fair value calculation

Derivative financial instruments are carried at fair value in accordance with the valuation method. For the period ended March 31, 2018 and the year ended December 31, 2017, all derivative financial instruments were classified within Level 2.

The Level 2 classification considers inputs other than quoted prices that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

The fair values of derivative financial instruments are determined using the discounted cash flow method. This method consists of determining the future cash flow by applying contractual rates up to maturity and discounted to present value at the date of the financial statements at the market rates.

- Fair value versus carrying amount

As for trade receivables, receivables from related parties, trade payables and payables to related parties, the Group believes that the variation between their original maturities and the date of the financial statements is immaterial.

The table below presents an analysis of financial instruments that are measured at fair value compared to the carrying amount after initial recognition and their respective fair value hierarchies.

		Consolidated				
		03.31.2018		12.31.2017		Level
Assets	**Note**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**	
Cash, demand deposits and cash in transit	6	48,382	48,382	41,014	41,014	2
Financial investments	6	113,277	113,277	128,056	128,056	2
Trade receivables	7	372,312	372,312	322,791	322,791	2
Receivables from and loans to related parties	7 and 10	114,955	114,955	86,339	86,339	2
Unrealized gains on derivatives	31	10,396	10,396	15,886	15,886	2
Total		**659,322**	**659,322**	**594,086**	**594,086**	
Liabilities						
Payables to related parties	10 and 15	(47,225)	(47,225)	(42,554)	(42,554)	2
Trade payables	15	(120,701)	(120,701)	(129,320)	(129,320)	2
Borrowings	17	(180,209)	(180,209)	(175,982)	(175,982)	2
Unrealized losses on derivatives	31	(8,093)	(8,093)	(7,463)	(7,463)	2
Total		**(356,228)**	**(356,228)**	**(355,319)**	**(355,319)**	

- Hedge accounting

The Group adopts hedge accounting to minimize its exposure to volatility in currency and commodity price. The hedge accounting policy is properly formalized and sets out the hedged items; the authorized hedging instruments; and the method of assessing the effectiveness of the hedging relationship.

Hedging objective and strategy:

Currency hedge

The purpose of the currency hedge program is to minimize foreign exchange risks that may arise in adverse times in the market and that may adversely affect the Group's profitability.

The foreign exchange hedging policy is to hedge the entire position of budgeted cash flow (budget) as well as the actual cash flow (balance sheet) denominated and/or indexed in a foreign currency using derivative financial instruments (NDF - Non-deliverable Forwards).

The Group also hedges borrowings in foreign currency using swaps.

For the budgeted cash flow, this policy covers different levels and time horizons, so as to reach the following levels of hedge at the end of the current month (base date):

i) 75% of the net foreign exchange risk exposure – 1st to 6th month following the base date;
ii) 50% of the net foreign exchange risk exposure – 7th to 9th month following the base date; and
iii) 25% of the net foreign exchange risk exposure – 10th to 24th month following the base date.

The net foreign exchange risk exposure for the months fo llowing the time horizon of the budget will be based on the budget itself or its latest version (reviewed by the business areas on a quarterly basis).

For the actual cash flow, the policy is to hedge 100% of the net foreign exchange risk exposure (denominated and/or indexed in a foreign currency).

Commodity hedging (metal raw materials)

The purpose of the commodity hedging program is to minimize the risks of fluctuations in metal raw material prices (aluminum, nickel and copper) quoted on the London Metal Exchange (LME), which may arise during adverse times in the market and which would adversely affect the Group's profitability.

The commodity hedging policy is to hedge the planned volumes of budgeted cash flows (budget) using swaps.

The execution of this policy covers different levels and time horizons so as to reach the following levels of hedge at the end of each quarter of the calendar year (base date):

Year 1:
i) 75% of the net exposure – 1st and 2nd quarter subsequent to the base date;
ii) 50% of the net exposure – 3rd quarter subsequent to the base date; and
iii) 25% of the net exposure – 4th quarter subsequent to the base date.

Year 2/Year 3:
i) up to 25% of the net exposure

The percentage of the commodity hedging operations for the Year 2 and Year 3 subsequent to the base date shall be defined by the Global Committee together with the Regional Procurement Department. This decision shall be based on a study of historical average prices of metals for the last 5 and 10 years versus the prices quoted on the LME at the time of the hedging operations.

The net exposure for the quarters following the time horizon of the budget will be based on the budget itself or its latest version (reviewed by the business areas on a quarterly basis).

II. Risk management

Overview

The Company's risk management objectives are to preserve the value of the financial assets; preserve the liquidity of the financial assets; ensure that the Company has financial resources to conduct its business, including expansion.

Basically, risks are classified into two categories - strategic/operational and economic/financial:

a) Strategic/operational risks (including, but not limited to, demand behavior, competition and significant changes in industry structure) are addressed by the Company's management model. These are classified as operational risk and business risk. These risk factors were presented in detail in the financial statements for the year ended December 31, 2017.

b) Economic/financial risks mainly reflect the behavior of macroeconomic variables, such as the prices of metals used by the Company (aluminum, copper and nickel), exchange and interest rates, which have direct impacts on operations, as well as the characteristics of the financial instruments used by the Company. These risks are monitored by senior management, which is actively involved in the Company's operational management, by reference to the Group's global policies.

The main economic/financial risks considered by the Company include:

- Liquidity risk;
- Credit risk;
- Risk of fluctuation in interest rates;
- Risk of fluctuation in exchange rates;
- Market risk - fluctuations in the prices of inputs (commodities).

b.1) Liquidity risk

The table below shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of currency negotiation agreements at the net position.

Consolidated		03.31.2018					
	Note	Carrying amount	Cash Flow	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years
Liabilities							
Payables to related parties	10 and 15	(47,225)	(47,225)	(47,225)	-	-	-
Trade payables	15	(120,701)	(120,701)	(120,701)	-	-	-
Borrowings	17	(180,209)	(241,173)	(38,027)	(38,297)	(118,009)	(46,840)
Unrealized losses on derivatives	31	(8,093)	(8,093)	(8,093)	-	-	-
Total		**(356,228)**	**(417,192)**	**(214,046)**	**(38,297)**	**(118,009)**	**(46,840)**

Consolidated		12.31.2017					
	Note	Carrying amount	Cash Flow	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years
Liabilities							
Payables to related parties	10 and 15	(42,554)	(42,554)	(42,554)	-	-	-
Trade payables	15	(129,320)	(129,320)	(129,320)	-	-	-
Borrowings	17	(175,982)	(229,676)	(37,194)	(37,244)	(111,757)	(43,481)
Unrealized losses on derivatives	31	(7,463)	(7,463)	(7,463)	-	-	-
Total		**(355,319)**	**(409,013)**	**(216,531)**	**(37,244)**	**(111,757)**	**(43,481)**

b.2) Credit risk

The carrying amount of financial assets that represent the maximum exposure to credit risk on the date of these financial statements was as follows:

		Parent company		Consolidated	
Assets	**Note**	**03.31.2018**	**12.31.2017**	**03.31.2018**	**12.31.2017**
Cash, demand deposits and cash in transit	6	32,240	18,659	48,382	41,014
Financial investments	6	96,682	110,693	113,277	128,056
Trade receivables	7	281,635	249,410	372,312	322,791
Receivables from and loans to related	7 and 10	97,212	88,038	114,955	86,339
Unrealized gains on derivatives	31	9,411	15,107	10,396	15,886
Total		**517,180**	**481,907**	**659,322**	**594,086**

The Group also has policies for granting credit to its customers, where credit limits and monitoring criteria are pre-established and consist of systematic checking and pre-billing to

verify items such as late payments and the available balance of the invoicing limit. Market information on customers is also important in the context of the granting and management of credit.

The Group considers that there is no significant risk of concentration of credit in relation to customers:

Trade receivables
Counterparties with external credit rating (Standard & Poor's)

	Parent Company		Consolidated	
Counterparties unrated external de crédit	**03.31.2018**	**12.31.2017**	**03.31.2018**	**12.31.2017**
Top 20	144,533	117,218	202,368	159,307
Third Parties	141,120	135,998	175,358	168,175
Intercompanies	82,239	73,568	81,929	65,394
Trade accounts receivables and other accounts receivables	**367,892**	**326,784**	**459,655**	**392,876**

With respect to financial institutions, the Group operates only with banks with a minimum risk rating of AA (Fitch National Long-Term or equivalent from Moody's or Standard & Poor's).

		Parent Company		Consolidated	
Cash, demand deposits, cash in transit and financial investments	**Note**	**03.31.2018**	**12.31.2017**	**03.31.2018**	**12.31.2017**
AAA		67,148	80,721	67,624	81,023
AA		53,678	31,838	69,310	47,977
Others		8,096	16,793	24,725	40,070
	6	**128,922**	**129,352**	**161,659**	**169,070**

** Fitch National Long Term*

The table above presents the risk rating of financial investments, cash and cash in transit.

b.3) Risk of fluctuation in interest rates

The carrying value of financial instruments that represent the maximum exposure to the interest rate risk on the financial position date was:

		Parent company		Consolidated	
Assets	**Note**	**03.31.2018**	**12.31.2017**	**03.31.2018**	**12.31.2017**
Cash, demand deposits and cash in transit	6	32,240	18,659	48,382	41,014
Financial investments	6	96,682	110,693	113,277	128,056
Borrowings	17	(180,209)	(175,982)	(180,209)	(175,982)
Total		**(51,287)**	**(46,630)**	**(18,550)**	**(6,912)**

At March 31, 2018, the parent company and consolidated balance of borrowings of R$ 180,209 is 92.51% relating to FINEP, subject to Long-term interest rate (TJLP) 1% p.a., and 7.49% relating to BNDES, subject to TJLP +1.5%.

This rate condition being considered, the Group believes that fluctuations in interest rates will not result in any material impact on its results. Accordingly, the Group maintains financial assets or liabilities bearing fixed interest rates at amortized cost and does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model, or carries out sensitivity analyses for the interest rate variation.

b.4) Risk of fluctuation in exchange rates

At March 31, 2018, the Group's exposure in USD (EUR and JPY equivalents in USD) was USD 7,934 thousand in the parent company and USD 7,934 thousand in the consolidated accounts, as shown below:

Foreign exchange exposure arising from accounts receivable and payable in foreign currency at March 31, 2018

	USD thousand		EUR thousand (*)		JPY thousand (**)	
Item	**Parent company**	**Consolidated**	**Parent company**	**Consolidated**	**Parent company**	**Consolidated**
(+) Trade receivables	30,355	30,355	10,559	10,559	-	-
(+) Demand deposits (in foreign currency)	7,235	7,235	1,951	1,951	-	-
(-) Imports	(3,725)	(3,725)	(3,974)	(3,974)	(176,122)	(176,122)
(-) Currency forwards - sale	(25,227)	(25,227)	(8,669)	(8,669)	118,554	118,554
(=) Net balance of foreign exchange exposure	**8,638**	**8,638**	**(133)**	**(133)**	**(57,568)**	**(57,568)**

Net balance of foreign exchange exposure in USD (EUR and JPY equivalents in USD) - in thousands

Currency	Parent company	Consolidated	
USD	8,638	8,638	
EUR	(163)	(163)	(*) Paridade EUR / USD 1,229
JPY	(541)	(541)	(**) Paridade JPY / USD 106,32758
Total	**7,934**	**7,934**	

Additionally, we present the notional value of NDFs for hedging the Group's budget:

Parent company and consolidated (USD)

Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	*% Hedged*
2018 (Apr-Dec)	34,006	(22,868)	3.5016	67.2%
2019 (Jan-Dec)	42,610	(10,794)	3.5640	25.3%
2020 (Jan-Mar)	10,305	(2,576)	3.5297	25.0%
Total	**86,921**	**(36,238)**	**3.5222**	**41.7%**

Parent company and consolidated (EUR)

Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	*% Hedged*
2018 (Apr-Dec)	23,554	(15,958)	4.2558	67.8%
2019 (Jan-Dec)	29,702	(7,922)	4.2208	26.7%
2020 (Jan-Mar)	7,326	(1,831)	4.5956	25.0%
Total	**60,582**	**(25,711)**	**4.2692**	**42.4%**

Parent company and consolidated (JPY)

Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	*% Hedged*
2018 (Apr-Dec)	(428,455)	286,823	0.0344	66.9%
2019 (Jan-Dec)	(634,936)	165,006	0.0335	26.0%
2020 (Jan-Mar)	(224,904)	56,976	0.0347	25.3%
Total	**(1,288,295)**	**508,805**	**0.0341**	**39.5%**

- Sensitivity analysis

For the purposes of carrying out sensitivity analysis of market risks, the Group analyzes together asset and liability positions indexed to a foreign currency.

For the sensitivity analysis of transactions indexed in foreign currency, management adopted as a probable scenario the amounts accounted for and determined at the exchange rates disclosed by the Brazilian Central Bank. For other scenarios, the depreciation and appreciation of the exchange rates were considered as references for calculating the amounts recorded in the books under those scenarios. The other scenarios were estimated with appreciation and depreciation of the real of 25% and 50%, compared to the probable scenario.

The methodology adopted for the calculation of the balances in the table below consisted of replacing the closing foreign exchange rate used for the purposes of accounting records with the stressed rates, in accordance with the scenarios below:

Sensitivity analysis table

The selling rates published on March 31, 2018 by the Brazilian Central Bank for USD, EUR and JPY were used in this sensitivity analysis.

	Parent company and consolidated			
	USD/BRL exchange rate for settlement of bills of exchange	*** Net balance of foreign exchange exposure - USD**	**** Average rate of bills of exchange**	**Total BRL**
50% better	4.9857		3.2521	14,974
25% better	4.1548		3.2521	7,797
Balance sheet date	3.3238	8,638	3.2521	619
25% worse	2.4929		3.2521	(6,558)
50% worse	1.6619		3.2521	(13,737)

(*) Amounts in thousands
(**) Average rate of remittance of the bills of exchange that comprise the net balance of foreign exchange exposure

	Parent company and consolidated			
	EUR/BRL exchange rate for settlement of bills of exchange	*** Net balance of foreign exchange exposure - EUR**	**** Average rate of bills of exchange**	**Total BRL**
50% better	2.0425		4.0404	266
25% better	3.0638		4.0404	130
Balance sheet date	4.0850	(133)	4.0404	(6)
25% worse	5.1063		4.0404	(142)
50% worse	6.1275		4.0404	(278)

(*) Amounts in thousands
(**) Average rate of remittance of the bills of exchange that comprise the net balance of foreign exchange exposure

	Parent company and consolidated			
	JPY/BRL exchange rate for settlement of bills of exchange	*** Net balance of foreign exchange exposure - JPY**	**** Average rate of bills of exchange**	**Total BRL**
50% better	0.0156		0.0303	846
25% better	0.0234		0.0303	397
Balance sheet date	0.0313	(57,568)	0.0303	(55)
25% worse	0.0391		0.0303	(507)
50% worse	0.0469		0.0303	(956)

(*) Amounts in thousands
(**) Average rate of remittance of the bills of exchange that comprise the net balance of foreign exchange exposure

Budgeted cash flow - exposure in foreign currency

The Group projects and conducts its transactions based on its current cash flows, which means that subsequent changes in the exchange rates can result in expenditure for the Group. To hedge its future cash flow against currency fluctuations, the Group uses forward contracts for USD, EUR and JPY (NDF).

Sensitivity analysis table

Parent company and consolidated sensitivity analysis table – cash flow derivatives portfolio for the period ended March 31, 2018

Scenario	USD/BRL exchange rate for settlement of operations	Notional value - USD (thousand)	Weighted average rate at maturity (*)	Adjustment in R$ thousand	EUR/BRL exchange rate for settlement of operations	Notional value - EUR (thousand)	Weighted average rate at maturity (*)	Adjustment in R$ thousand	JPY/BRL exchange rate for settlement of operations	Notional value - JPY (thousand)	Weighted average rate at maturity (*)	Adjustment in R$ thousand	Total adjustment in R$ thousand	Total effect of adjustments on equity - R$ thousand	Net effect on profit or loss - R$ thousand
50% better	1.6619	36,238	3.5286	67,646	2.0425	25,711	4.2692	57,250	0.0469	(508,805)	0.0342	6,457	131,353	131,353	-
25% better	2.4929	36,238	3.5286	37,534	3.0638	25,711	4.2692	30,993	0.0391	(508,805)	0.0342	2,480	71,007	71,007	-
Balance sheet date	3.3238	36,238	3.5286	7,422	4.0850	25,711	4.2692	4,736	0.0313	(508,805)	0.0342	(1,496)	10,662	10,662	-
25% worse	4.1548	36,238	3.5286	(22,691)	5.1063	25,711	4.2692	(21,521)	0.0234	(508,805)	0.0342	(5,472)	(49,684)	(49,684)	-
50% worse	4.9857	36,238	3.5286	(52,803)	6.1275	25,711	4.2692	(47,778)	0.0156	(508,805)	0.0342	(9,449)	(110,030)	(110,030)	-

The selling rates published on March 31, 2018 by the Brazilian Central Bank for USD, EUR and JPY were used.

All the instruments are traded with top-tier banks on an organized over-the-counter market, duly registered with the Clearing House for the Custody and Financial Settlement of Securities, as presented below:

		Weighted average forward rate - value for settlement	Notional value - thousand			
			Parent company		Consolidated	
Foreign currency			03.31.2018	03.31.2017	03.31.2018	03.31.2017
Short position	**EUR**	**4,21922**	34.381	42.821	34.381	42.821
Short position	**USD**	**3,41627**	61.465	62.290	61.465	61.548
Long position	**JPY**	**0,03346**	(627.359)	(570.147)	(627.359)	(570.147)

Counterparties: Banco ABC Brasil; BNP; Bradesco; Brasil; HSBC; Itaú; Mizuho; Pactual; Santander.

		Weighted average forward rate - value for settlement	Fair market value - thousand			
			Parent company		Consolidated	
Foreign currency			03.31.2018	03.31.2017	03.31.2018	03.31.2018
Short position	**EUR**	**4.21922**	752	23,567	752	23,567
Short position	**USD**	**3.41627**	5,034	19,083	5,034	18,436
Long position	**JPY**	**0.03346**	(799)	(2,941)	(799)	(2,941)

Counterparties: Banco ABC Brasil; BNP; Bradesco; Brasil; HSBC; Itaú; Mizuho; Pactual; Santander.

b.5) Market risk, fluctuations in prices of inputs (commodities).

The table below presents the outstanding position at March 31, 2018 and 2017:

	Weighted average price on maturity	Notional value - metric tons			
		Parent company		Consolidated	
Long position		**03.31.2018**	**03.31.2017**	**03.31.2018**	**03.31.2017**
Commodities					
Copper	**6,796**	282	227	282	227
Aluminum	**2,077**	201	141	201	141
TOTAL		**483**	**368**	**483**	**368**

Long positio	Weighted average price on maturity	Notional value (fair market value)			
		Parent company		Consolidated	
Commodities		03.31.2018	03.31.2017	03.31.2018	03.31.2017
Copper	**6,796**	(185)	359	(185)	359
Aluminum	**2,077**	(129)	72	(129)	72
TOTAL		**(314)**	**431**	**(314)**	**431**

Additionally, we present the notional value of the commodities to protect the economic plan of the Company.

Parent company and consolidated (ALUMINUM)				
Year	**Net Exposure (Tons)**	**Notional Value - Hedge (Tons)**	**Average Price - Portfolio Swap**	***% Hedged***
2018 (Mar-Dec)	265	180	2,204	67.9%
2019 (Jan-Mar)	82	21	2,212	25.6%
Total	**347**	**201**	**4,416**	**57.9%**

Parent company and consolidated (COPPER)				
Year	**Net Exposure (Tons)**	**Notional Value - Hedge (Tons)**	**Average Price - Portfolio Swap**	***% Hedged***
2018 (Mar-Dec)	369	251	6,893	68.0%
2019 (Jan-Mar)	122	31	7,243	25.4%
Total	**491**	**282**	**14,136**	**57.4%**

- Sensitivity analysis table

For the purposes of carrying out the sensitivity analysis of market risks, the Group analyzes together long and short positions of the prices of commodities (nickel, copper and aluminum).

For the sensitivity analysis of commodity transactions, management adopted as a probable scenario the amounts recognized in its books, determined by projected prices disclosed by the LME and exchange rates published by the Brazilian Central Bank at March 31, 2018. As a reference, the depreciation and appreciation of the prices used for accounting records were considered for the other scenarios. The scenarios were estimated with appreciation and depreciation of 25% and 50%, respectively, of prices in the probable scenario.

The methodology adopted for calculating the balances presented in the table below consisted of replacing the closing exchange rate and commodity prices at March 31, 2018 used for the purposes of accounting records with the stressed rates and prices calculated in accordance with the following scenarios.

Sensitivity analysis on results of operations of purchase of commodity swap contracts - Parent company and Consolidated

Commodity	Volume in metric tons	Settlement price on maturity (USD/metric ton)	Weighted average price on maturity (USD/metric ton)	Total adjustment BRL	Total effect on purchases of commodities BRL
Copper					
50% better		10,028		3,029	(3,029)
25% better		8,356		1,463	(1,463)
Balance sheet date	282	6,685	6,796	(104)	104
25% worse		5,014		(1,670)	1,670
50% worse		3,343		(3,237)	3,237
Aluminum					
50% better		2,996		614	(614)
25% better		2,496		280	(280)
Balance sheet date	201	1,997	2,077	(53)	53
25% worse		1,498		(387)	387
50% worse		999		(720)	720

The selling rates of the USD published on March 31, 2018 by the Brazilian Central Bank and the metal prices published on the same date by the LME were used.

The results from foreign exchange and commodity derivative financial instruments affected the Company's and its subsidiaries' information as presented below:

		03.31.2018		03.31.2017	
		Parent company	Consolidated	Parent company	Consolidated
Results of derivatives (exports/imports)					
Provisions					
- Operations on accounts receivable and payable		234	(68)	2,224	2,224
- Operations on loan		-	-	-	(1,284)
- Operations on IOC		-	-	(263)	(263)
Reversal	(BS)				
- Operations on accounts receivable and payable		-	-	(3,056)	(3,056)
- Operations on loan		-	-	-	(1,964)
Cash effect					
- Operations on accounts receivable and payable		(596)	187	10,960	14,888
- Operations on loan		-	-	-	-
	Note 29	**(362)**	**119**	**9,865**	**10,545**
Total derivative operations - net finance result		**(362)**	**119**	**9,865**	**10,545**
Gross result					
Gross sales					
- Settlements with cash effect		7,658	7,658	6,798	6,798
		7,658	**7,658**	**6,798**	**6,798**
Cost of sales					
- Settlements with cash effect		1,338	1,338	(1,161)	(1,335)
		1,338	**1,338**	**(1,161)**	**(1,335)**
Total derivative operations - gross result		**8,996**	**8,996**	**5,637**	**5,463**
Equity		**Parent company**	**Consolidated**	**Parent company**	**Consolidated**
Provisions					
- Operations on sales to be made	(BS)	5,395	5,395	35,138	34,512
- Operations on commodities	(BS)	314	314	430	430
Deferred income tax and social contribution		1,941	1,941	12,093	11,880
Total derivatice operations - equity		**7,650**	**7,650**	**47,661**	**46,822**
Provision for unrealized losses and gains on derivatives					
(BS) - Sum of the net balance sheet					
Balance sheet assets		9,411	10,396	47,430	47,726
Balance sheet liabilities		(6,379)	(8,093)	(3,477)	(4,103)
Balance sheet, net		**3,032**	**2,303**	**43,953**	**43,623**
Exchange variations (gains and losses)		3,667	7,526	(4,257)	(6,346)
Results of derivatives (exports/imports)		(362)	119	9,865	10,545
Gross sales		7,658	7,658	6,798	6,798
Cost of sales		1,338	1,338	(1,161)	(1,335)
Effects of foreign exchange variation and financial instruments on profit and loss		**12,301**	**16,641**	**11,245**	**9,662**

Guarantees

The Group had no guarantee deposits relating to these derivative instruments for the periods presented above (March 31, 2018 and 2017).

32 Employee benefits

The employee benefits offered by the Group are mainly granted on a monthly basis and recognized in the accounting records accordingly. There are no post-employment benefits, pension funds or other benefits that require specific accounting treatment.

For the period ended March 31, 2018, the Group granted profit-sharing to its employees, based on a union agreement, in the amount of R$ 14,238 (R$ 13,620 in the first quarter of 2017) in the parent company and R$ 14,263 (R$ 13,652 in the first quarter of 2017) in the consolidated accounts. The criteria established for the payment of profit-sharing follow the rules defined in the collective bargaining agreement, which establish certain goals to be attained, such as: i) meeting production goals for a predetermined number of employees; ii) maintaining the level of absenteeism at or below a previously established annual average rate of hours of absence in relation to the standard hours worked; and iii) maintaining the annual level of waste at or below the previously set average annual rate in relation to the number of parts produced.

Supplementary pension plan - defined contribution

In September 2006, the Group joined a free benefit-generating private pension plan, managed by Bradesco Vida e Previdência S.A. (the Manager), offering all its employees the option to participate. The contributions are defined according to salary bracket. Annually, the Manager conducts an actuarial valuation of the plan in order to determine possible adjustments to the contribution levels.

The Group contributed to the private pension plan an amount of R$ 2,161 at March 31, 2018 (R$ 1,113 at March 31, 2017).

33 Insurance

The Group has a policy of taking out insurance coverage for assets subject to risks at amounts considered sufficient to cover losses, considering the nature of its activity. The insurance is contracted with leading insurance companies with the advice of specialist insurance brokers.

The Group has a policy of taking out insurance coverage for assets subject to risks at amounts considered sufficient to cover losses, including property insurance, domestic and international transportation insurance, vehicle insurance and other coverages considering the nature of the risks. The insurance is contracted with leading insurance companies with the advice of specialist insurance brokers.

For 2018 the insurance coverage for operational risks (combined property damages and lost profits) is R$ 4,227,407 (2017 - R$ 1,100,000). The 2017 insurance policy stipulated a probable maximum loss; as from 2018, the insurance policy provides coverage for the total risk of the Group.

34 Discontinued operations

On May 9, 2017, the Board of Directors authorized the sale of 60% of the quotas held by MAHLE Metal Leve S.A. in MAHLE Leve Miba Sinterizados Ltda. to Miba Sinter Holding GmbH & Co KG, for the amount of R$ 1.00. The sale was consummated on June 30, 2017.

Management did not consider the information of subsidiary MAHLE Metal Leve Miba Sinterizados Ltda. relevant for purposes of restatement in the interim financial statements at March 31, 2018 and, therefore, the Company did not adjust the amounts of discontinued operations in the statement of operations at March 31, 2017.

The results of discontinued operations of MAHLE Metal Leve Miba Sinterizados Ltda. for the periods ended March 31, 2017 are shown in the table below:

	1Q 2017
Net revenue	25,419
Cost of sales	(21,976)
Gross (loss) profit	**3,443**
Selling expenses	(1,469)
General and administrative expenses	(813)
Technology and product development costs	(504)
Other income	(509)
Loss before finance income (costs) and taxation	**148**
Finance income	313
Finance costs	(3,967)
Finance income (costs), net	(3,654)
Loss before taxation	**(3,506)**
Deferred income tax and social contribution	313
Income tax and social contribution	**313**
Loss for the period classified as loss from discontinued operations	**(3,193)**

* * *

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Representation by officers on the parent company and consolidated financial statements

MAHLE Metal Leve S.A.
CNPJ No. 60.476.884/0001-87
Publicly-held company

REPRESENTATION

Messrs. Sergio Pancini de Sá and Christian Harald Binkert, executive officers of MAHLE Metal Leve S.A., with its head office at Avenida Ernst MAHLE, 2000, Mombaça, in the city of Mogi Guaçu, State of São Paulo, in conformity with item VI of Article 25 of CVM Instruction 480, of December 7, 2009, do hereby declare that:

They have reviewed and discussed, and agree with, the parent company and consolidated financial statements of MAHLE Metal Leve S.A. for the period ended March 31, 2018, and thus authorize their completion.

Mogi Guaçu, May 08 2018.

_____
Sergio Pancini de Sá
CEO

_____
Christian Harald Binkert
Executive Officer

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Representation by officers on the independent auditor's report on the financial statements

MAHLE Metal Leve S.A.
CNPJ No. 60.476.884/0001-87
Publicly-held company

REPRESENTATION

Messrs. Sergio Pancini de Sá and Christian Harald Binkert, executive officers of MAHLE Metal Leve S.A., with its head office at Avenida Ernst MAHLE, 2000, Mombaça, in the city of Mogi Guaçu, State of São Paulo, in conformity with item V of Article 25 of CVM Instruction 480, of December 7, 2009, do hereby declare that:

They have reviewed and discussed, and agree with, the opinion expressed by PricewaterhouseCoopers Auditores Independentes on the parent company and consolidated financial statements of MAHLE Metal Leve S.A. for the period ended March 31, 2018.

Mogi Guaçu, May 08, 2018

_____
Sergio Pancini de Sá
CEO

_____
Christian Harald Binkert
Executive Officer