(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Quartely information (ITR)
at September 30, 2017



MAHLE REPORTS EBITDA OF R$ 132.6 million in the 3Q17; MARGIN OF 22.2%

Mogi Guaçu (SP), November 14, 2017 - 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 third quarter of 2017. 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: November 16, 2017

12:00 p.m. (Brasília time), 9:00 a.m. (Eastern time)

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3Q17 HIGHLIGHTS

- **Net revenues**[1] of R$ 596.5 million in the 3Q17, 12.5% above that reported in the 3Q16, and Ebitda margin of 22.2% (15.9% in the 3Q16), with volume growth of 13.1%;
- The Board of Directors' Meeting of August 8, 2017 approved distribution of **R$ 51.0 million** as **Interest on Capital to Shareholders (gross)** referring to the period between January 1, 2017 and July 31, 2017;
- The **Net Debt/Ebitda ratio** in the 3Q17 was **0.05 times,** while at in the 3Q16 the ratio was 0.62 times;
- As disclosed in the **Material Fact** dated October 31, 2017, a Consent Decree (TCC) was entered into by and between the Company and the Administrative Council for Economic Defense (CADE) whereby the Company undertook, among other commitments, to pay a total monetary contribution of approximately R$ 17.5 million;
- In October 2017, **MAHLE Metal Leve received the "Transparency Award 2017"** from Brazil's National Association of Finance, Accounting and Administration Executives (ANEFAC) for the quality of the information in its 2016 financial statements.

Main Indicators								
(R$ million)	3Q17 (a)	2Q17 (b)	3Q16 (c)	(a/b)	(a/c)	9M17 (d)	9M16 (e)	(d/e)
Net revenues[1]	596.5	576.3	530.3	3.5%	12.5%	1,687.9	1,639.4	3.0%
EBITDA	132.6	107.7	84.5	23.1%	56.9%	319.1	284.6	12.1%
EBITDA margin	22.2%	18.7%	15.9%	3.5 p.p.	6,3 p.p.	18.9%	17.4%	1,5 p.p.
Net income	98.4	57.0	50.5	72.6%	94.9%	193.8	167.3	15.8%
Net margin	16.5%	9.9%	9.5%	6.6 p.p.	7 p.p.	11.5%	10.2%	1,3 p.p.

[1] *For purposes of comparison between the periods, the results of subsidiary MAHLE Metal Leve Miba Sinterizados LTDA are excluded from these financial statements since it was sold on June 30, 2017. Additional information is available in note 34 to the Interim Financial Information as of September 30, 2017.*

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MANAGEMENT 16

1 Management's Comments

Comparing the 3Q17 with the 3Q16, MAHLE Metal Leve had a growth of 12.5% in net revenues mainly due to an increase in the volume of domestic OEM (original equipment manufacturer) and aftermarket sales (+19.9% and +4.7%, respectively).

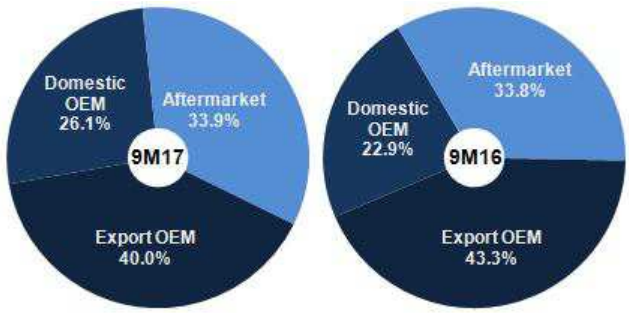
In the nine-month period of 2017, the performance of OEM sales resulted from a 26.8% increase in vehicle production, propelled by a growth of 55.4% in Brazilian vehicle exports, while aftermarket sales performance was mainly due to an increase in the heavy segment sales.

OEM and aftermarket exports also grew 8.8% and 36.4%, respectively, in terms of volume. The OEM exports growth is mainly due to an increase in the light segment exports to automakers in Europe and heavy vehicle exports to North America, while aftermarket exports increased because almost all the South America countries to which the Company exports performed well between the periods.

For this reason, in the 3Q17, the Company reported net revenues of R$ 596.5 million (a growth of 12.5% compared to the 3Q16) due to an increased performance in all markets it operates. See below:

- Domestic OEM sales: +19.9%;
- Domestic aftermarket and export sales: +10.6%;
- OEM exports: +9.3%.

The graph below shows revenue distribution for the 9M17 and the 9M16 in the markets where the Company operates.



In the 3Q17, operating income measured by EBITDA was R$ 132.6 million, with EBITDA margin of 22.2%. In the 9M17, EBITDA was R$ 319.1 million, with EBITDA margin of 18.9%.

We keep investing in research and development (in the 9M17, the R&D expenditures accounted for 3.7% of net revenues) since we believe this is one of the main competitiveness drivers for the Company. To that end, working along with several players is the key to increasingly prospect new state-of-the-art technologies and thus strength our business opportunities.

The Company's Tech Center in Jundiaí stands out for its R&D results and focus on sustainability. It is committed to operating with a defined strategy view, addressing development of technological innovations as a competitiveness differential, the organization's capacity to offer not only components and systems but mainly solutions for technological challenges, and setting of a process of innovation to meet the current and future market needs, as well as social responsibilities, such as:

- Clean air – emission reduction;
- Fuel conservation – fuel savings;
- Noise control;
- Recycling and recycling training with elimination of potential threats to the environment by disposal/garbage substances;
- Property cost – durability and reliability – product life – material fatigue considerations.

Still there are important challenges to be overcome. However, we will face them with constant engagement of our employees, with focus on innovation and cost management, always committed to developing products and solutions seeking to maintain a long-term relationship with our stakeholders.

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), São Bernardo do Campo, all in the State of São Paulo, and in Itajubá, State of Minas Gerais. Our sixth 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

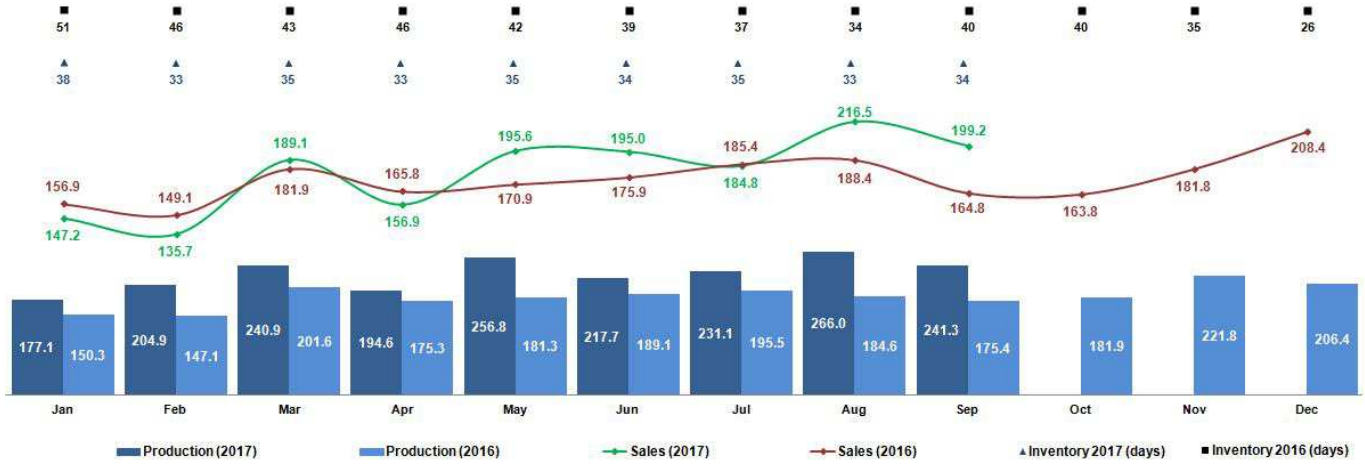
Brazilian automotive industry												
Segments	Jan-Sep 2017					Jan-Sep 2016					Sales Variation (A/C)	Production Variation (B/D)
	Sales (Local + Imp) (A)	Export	Import	Inventory (*)	Total Production (B)	Sales (Local + Imp) (C)	Export	Import	Inventory (*)	Total Production (D)		
Passenger Cars	1,348,432	457,829	-121,247	-15,218	1,669,796	1,237,208	284,572	-156,929	-84,265	1,280,586	9.0%	30.4%
Light Commercials	227,647	80,207	-53,316	-12,879	241,659	223,421	56,871	-50,345	-6,913	223,034	1.9%	8.4%
Total of Light vehicles	**1,576,079**	**538,036**	**-174,563**	**-28,097**	**1,911,455**	**1,460,629**	**341,443**	**-207,274**	**-91,178**	**1,503,620**	**7.9%**	**27.1%**
Trucks	35,364	21,490	-1,277	3,467	59,044	38,865	15,257	-1,379	-6,360	46,383	-9.0%	27.3%
Buses	8,562	6,740	-	853	16,155	9,301	6,984	-6	-1,797	14,482	-7.9%	11.6%
Total Trucks and Buses	**43,926**	**28,230**	**-1,277**	**4,320**	**75,199**	**48,166**	**22,241**	**-1,385**	**-8,157**	**60,865**	**-8.8%**	**23.6%**
Agricultural	33,594	9,940	-	459	43,993	30,975	7,130	-	-1,543	36,562	8.5%	20.3%
Total of medium and heavy vehicle	**77,520**	**38,170**	**-1,277**	**4,779**	**119,192**	**79,141**	**29,371**	**-1,385**	**-9,700**	**97,427**	**-2.0%**	**22.3%**
Total vehicle sales	**1,653,599**	**576,206**	**-175,840**	**-23,318**	**2,030,647**	**1,539,770**	**370,814**	**-208,659**	**-100,878**	**1,601,047**	**7.4%**	**26.8%**
Variation (un) - 9M17 x 9M16	**113,829**	**205,392**	**32,819**	**77,560**	**429,600**							
Variation (%) - 9M17 x 9M16	**7.4%**	**55.4%**	**-15.7%**	**-76.9%**	**26.8%**							

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

Brazilian vehicle production in the first nine months of 2017 grew 26.8% and **sales of the Brazilian automotive industry** in the domestic market increased 7.4% compared to the same period of 2016.

According to the Brazilian Association of Motor Vehicle Manufacturers (ANFAVEA), **vehicle inventory** recorded at the end of the nine-month period of 2017 totaled 224.1 thousand units, corresponding to 34 days of sales. In the same period of the previous year, vehicle inventory was equivalent to 40 days of sales (212.0 thousand units).

The graph below shows the changes in the production, sales and total inventory of national vehicles for the first nine months of 2017 compared to the same period of 2016:



3.2 *Performance of the Argentinean automotive industry*

Comparing the first nine months of 2017 with the same period of 2016, the Argentinean automotive industry reported a growth of 21.5% in sales and 0.7% in vehicle production.

Argentinian automotive industry			
Vehicle Sales (Locally-manufactured and imported)	**Jan-Sep 2017 (A)**	**Jan-Sep 2016 (B)**	**A/B**
Passenger Cars	469,714	383,125	22.6%
Light Commercials	170,734	147,525	15.7%
Total of Light vehicle	**640,448**	**530,650**	**20.7%**
Total of medium and heavy vehicle (**)	**19,693**	**12,802**	**53.8%**
Total vehicle sales	**660,141**	**543,452**	**21.5%**
Exports	151,087	135,716	11.3%
Imports	452,101	320,753	40.9%
Automotive trade balance	**(301,014)**	**(185,037)**	**-62.7%**
Vehicle inventory variation in the period (*)	(4,958)	(6,760)	26.7%
Total vehicle production	**354,169**	**351,655**	**0.7%**
Production of Light vehicle	**349,796**	**347,895**	**0.5%**
Production Trucks (***)	3,227	3,017	7.0%
Production Buses (***)	1,146	743	54.2%
Production of medium and heavy vehicle	**4,373**	**3,760**	**16.3%**
Total Vehicle Production	**354,169**	**351,655**	**0.7%**

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

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-Sep 2017	Jan-Sep 2016	variation	Jan-Sep 2017	Jan-Sep 2016	variation
Light vehicle	**2,261,251**	**1,851,515**	**22.1%**	**2,216,527**	**1,991,279**	**11.3%**
Trucks	62,271	49,400	26.1%	55,057	51,667	6.6%
Buses	17,301	15,225	13.6%	8,562	9,301	-7.9%
Agricultural	43,993	36,562	20.3%	33,594	30,975	8.5%
Medium and heavy vehicle	**123,565**	**101,187**	**22.1%**	**97,213**	**91,943**	**5.7%**
Total	**2,384,816**	**1,952,702**	**22.1%**	**2,313,740**	**2,083,222**	**11.1%**

Source: Anfavea and Adefa

3.3 *Vehicle production in the main exports markets*

The table below shows the figures for vehicle production in the 9M17 in Europe and NAFTA (Company's main export markets), compared to the same period of 2016.

Vehicle Production in the main exports market			
Segment	**Jan-Sep 2017 (A)**	**Jan-Sep 2016 (B)**	**A/B**
Production of Light vehicle	13,102,512	13,479,022	-2.8%
Production of medium and heavy vehicle	385,374	369,781	4.2%
North America	**13,487,886**	**13,848,803**	**-2.6%**
Production of Light vehicle	16,572,182	16,169,672	2.5%
Production of medium and heavy vehicle	501,705	493,475	1.7%
Europe	**17,073,887**	**16,663,147**	**2.5%**
Total Vehicle Production	**30,561,773**	**30,511,950**	**0.2%**

Source: IHS

4 Economic and financial performance

Summary P&L (R$ million)	3Q17	3Q16	V.A. (%)	V.A. (%)	H.A. (%)	9M17	9M16	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)	(c)	(d)	(c)	(d)	(c/d)
Net revenues	**596.5**	**530.3**	**100.0%**	**100.0%**	**12.5%**	**1,687.9**	**1,639.4**	**100.0%**	**100.0%**	**3.0%**
Cost of sales	(411.6)	(386.8)	-69.0%	-72.9%	6.4%	(1,214.3)	(1,168.0)	-71.9%	-71.2%	4.0%
Gross income	**184.9**	**143.5**	**31.0%**	**27.1%**	**28.9%**	**473.6**	**471.4**	**28.1%**	**28.8%**	**0.5%**
Selling expenses	(37.9)	(33.3)	-6.4%	-6.3%	13.8%	(105.1)	(104.4)	-6.2%	-6.4%	0.7%
General and administrative expenses	(17.7)	(14.0)	-3.0%	-2.6%	26.4%	(68.5)	(59.2)	-4.1%	-3.6%	15.7%
Technology and product development expenses	(19.1)	(21.4)	-3.2%	-4.0%	-10.7%	(62.0)	(64.6)	-3.7%	-3.9%	-4.0%
Other operating income (expenses)	(1.0)	(14.0)	-0.2%	-2.6%	-92.9%	10.4	(28.8)	0.6%	-1.8%	-136.1%
Equity in the results of investees	(0.1)	(0.0)	0.0%	0.0%	100.0%	(0.4)	(0.1)	0.0%	0.0%	300.0%
Operating income	**109.1**	**60.8**	**18.3%**	**11.5%**	**79.4%**	**248.0**	**214.3**	**14.7%**	**13.1%**	**15.7%**
Financial income (expenses), net	(7.1)	(7.7)	-1.2%	-1.5%	-7.8%	(24.0)	(40.1)	-1.4%	-2.4%	-40.1%
Income tax and social contribution	(7.6)	(5.6)	-1.3%	-1.1%	35.7%	(33.3)	(6.6)	-2.0%	-0.4%	404.5%
Net income attributable to owners of the parent	**98.4**	**50.5**	**16.5%**	**9.5%**	**94.9%**	**193.8**	**167.3**	**11.5%**	**10.2%**	**15.8%**
Net income of non-controlling interest	(4.0)	(6.5)	-0.7%	-1.2%	-38.5%	(10.3)	(15.1)	-0.6%	-0.9%	-31.8%
EBITDA	**132.6**	**84.5**	**22.2%**	**15.9%**	**56.9%**	**319.1**	**284.6**	**18.9%**	**17.4%**	**12.1%**
Margins:										
Gross margin	31.0%	27.1%			3,9 p.p.	28.1%	28.8%			-0,7 p.p.
Operating margin	18.3%	11.5%			6,8 p.p.	14.7%	13.1%			1,6 p.p.
Net margin attributable to owners of the parent	16.5%	9.5%			7 p.p.	11.5%	10.2%			1,3 p.p.
EBITDA margin	22.2%	15.9%			6,3 p.p.	18.9%	17.4%			1,5 p.p.
SG&A expenses to net sales revenue	**9.3%**	**8.9%**			**0,4 p.p.**	**10.3%**	**10.0%**			**0,3 p.p.**

4.1 Net revenues and market share by segment

In the 3Q17, consolidated net revenues grew 12.5%.

The table below shows the dynamics of the Company's revenue by segment and the impact in terms of volume/price and exchange variation between the quarters:

Net revenues by market (R$ Million)	3Q17 (a)	Volume/Price (b)	FX-Variation (c)	3Q16 (d)	% volume/price impact (b/d)	% FX-impacts (c/d)	H.A. (%) (a/d)
Original equipment							
Domestic[1]	163.6	27.6	(0.4)	136.4	20.2%	-0.3%	19.9%
Export	229.4	18.4	1.2	209.9	8.8%	0.5%	9.3%
Total	**393.0**	**46.0**	**0.8**	**346.3**	**13.3%**	**0.2%**	**13.5%**
Aftermarket							
Domestic[1]	158.2	11.7	(4.6)	151.1	7.7%	-3.0%	4.7%
Export	45.3	12.0	0.4	32.9	36.4%	1.3%	37.7%
Total	**203.5**	**23.7**	**(4.2)**	**184.0**	**12.9%**	**-2.3%**	**10.6%**
Grand total	**596.5**	**69.7**	**(3.4)**	**530.3**	**13.1%**	**-0.6%**	**12.5%**

[1] Domestic market includes Brazil and Argentina.

In the quarter, the Company reported a volume increase of 13.1%, mainly for domestic EOM sales, which in the 3Q17 were 20.2% higher than those reported in the 3Q16, and in aftermarket exports, which increased 36.4%. In the quarter, there was a negative impact of 0.6% on the consolidated net sales revenue due to the exchange variation.

The graph below shows consolidated net sales revenue and market share by segment in the quarters:



In the 9 M17, the Company reported an increase of 3.0% in its consolidated net sales revenue.

The table below shows the dynamics of the Company's revenues by market segment and the respective impacts in terms of volume/price and exchange variation between the periods:

Net revenues by market (R$ Million)	9M17 (a)	Volume/Price (b)	FX-Variation (c)	9M16 (d)	% volume/price impact (b/d)	% FX-impacts (c/d)	H.A. (%) (a/d)
Original equipment							
Domestic[1]	441.3	66.7	(1.5)	376.1	17.7%	-0.4%	17.3%
Export	674.5	20.7	(56.0)	709.9	2.9%	-7.9%	-5.0%
Total	**1,115.8**	**87.4**	**(57.5)**	**1,086.0**	**8.0%**	**-5.3%**	**2.7%**
Aftermarket							
Domestic[1]	453.2	26.4	(21.2)	448.0	5.9%	-4.7%	1.2%
Export	118.9	27.6	(14.1)	105.4	26.2%	-13.4%	12.8%
Total	**572.1**	**54.0**	**(35.3)**	**553.4**	**9.8%**	**-6.4%**	**3.4%**
Grand total	**1,687.9**	**141.4**	**(92.8)**	**1,639.4**	**8.6%**	**-5.6%**	**3.0%**

[1] Domestic market includes Brazil and Argentina.

In the 2017 nine-month period, the Company had a growth of 8.6% in sales volume compared to the same period of the previous year. Domestic OEM sales in the 9M17 were 17.7% higher than those reported in the 9M16, and aftermarket exports increased 26.2% between the periods.

The graph below shows consolidated net sales revenue and market share by segment in the first nine months of 2017 and 2016:



4.2 OEM (original equipment manufacturer) sales

Domestic OEM sales:

In the 3Q17, domestic OEM sales increased 19.9%, if compared with 3Q16, due to a growth in the domestic vehicle production, which in turn resulted from a growth in the Brazilian vehicle exports. The Company had a similar performance in the 9M17 (a growth of 17.3%).

OEM exports:

In the 3Q17, OEM exports increased 9.3% compared to the same period of the previous year, mainly due to an increase of 8.8% in the volume of light vehicle sales to Europe and heavy vehicle sales to North America, and a positive impact of exchange variation (+0.5%) between the quarters. In the 9M17, OEM exports decreased 5.0%, mainly due to a negative impact of 7.9% in the exchange variation, with a positive variation of 2.9% in sales volume.

The opposite table shows the average exchange rates for the first nine months of 2017 and 2016, respectively, (using the average exchange rate calculated by the Central Bank at the end of each day – PTAX):

Average	USD			EUR		
	2017	2016	Δ%	2017	2016	Δ%
Jan	3.1966	4.0524	-21.1%	3.3944	4.4010	-22.9%
Feb	3.1042	3.9737	-21.9%	3.3060	4.4034	-24.9%
Mar	3.1279	3.7039	-15.6%	3.3447	4.1213	-18.8%
Apr	3.1362	3.5658	-12.0%	3.3624	4.0470	-16.9%
May	3.2095	3.5393	-9.3%	3.5513	4.0029	-11.3%
Jun	3.2954	3.4245	-3.8%	3.7036	3.8468	-3.7%
Jul	3.2061	3.2756	-2.1%	3.6934	3.6228	2.0%
Aug	3.1509	3.2097	-1.8%	3.7225	3.5974	3.5%
Sep	3.1348	3.2564	-3.7%	3.7330	3.6520	2.2%
Average 9 months	3.1735	3.5557	-10.7%	3.5346	3.9661	-10.9%

4.3 Aftermarket sales

Domestic aftermarket sales:

In the 3Q17, domestic aftermarket sales increased 4.7%, with a volume increase of 7.7%, which was partially offset by the exchange variation (-3.0%) on the aftermarket sales in Argentina (these sales have been consolidated into our domestic aftermarket sales).

In the first nine months of 2017, domestic aftermarket sales increased 1.2%. Such percentage results from an increase of 5.9% in the volume of sales of this market, offset by the negative exchange variation (-4.7%) also resulting from aftermarket sales in Argentina (consolidated into our domestic aftermarket sales).

In both periods, such growth resulted from a 7.7% increase in the volume of the heavy segment, thus reflecting a slight recovery of the economic activity in the country.

Aftermarket exports:

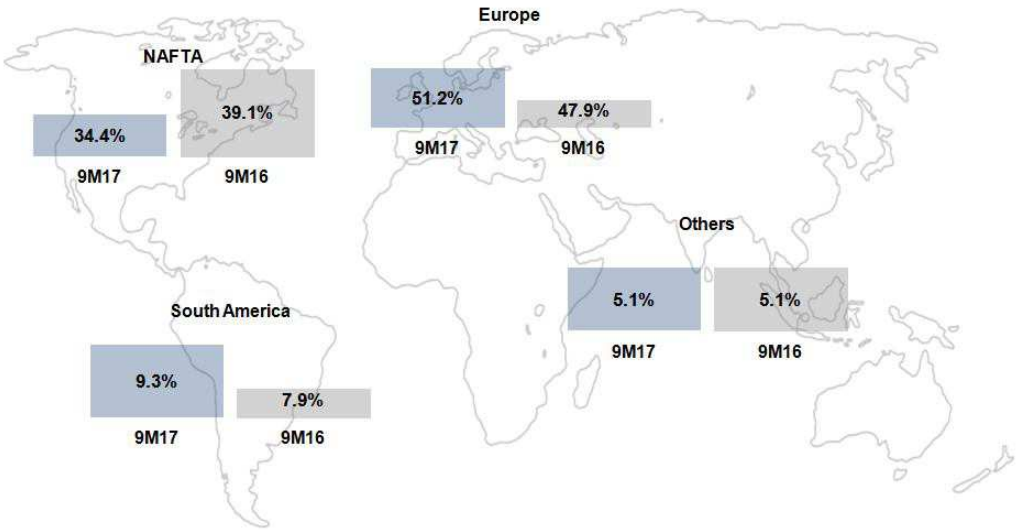
Aftermarket exports grew 37.7% in the 3Q17 compared to the 3Q16.

This increase is due to the positive impact of exchange variation (+1.3%) between the quarters, but mainly to a growth of 36.4% 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 the first nine months of 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, Equator, Paraguay, Bolivia, Uruguay and Peru.

4.4 Consolidated exports by region

The graph below shows the distribution of the Company's sales by geographic region in the 9M17 and 9M16:



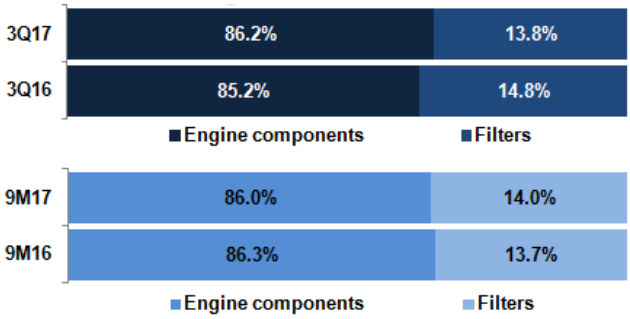
4.5 Net revenues by segment

In the 3Q17, engine component sales grew 13.8%, and filter sales grew 5.0% in relation to the same period of the previous year. Comparing the 9M17 with the 9M16, engine component sales increased 2.6%, while filters sales increased 5.2%, as shown in the opposite table.

Performance of the net sales revenue by segment (R$ million)	3Q17 (a)	3Q16 (b)	H.A. (%) (a/b)	9M17 (c)	9M16 (d)	H.A. (%) (c/d)
Engine components	514.0	451.7	13.8%	1,451.3	1,414.5	2.6%
Filters	82.5	78.6	5.0%	236.6	224.9	5.2%
Total	**596.5**	**530.3**	**12.5%**	**1,687.9**	**1,639.4**	**3.0%**

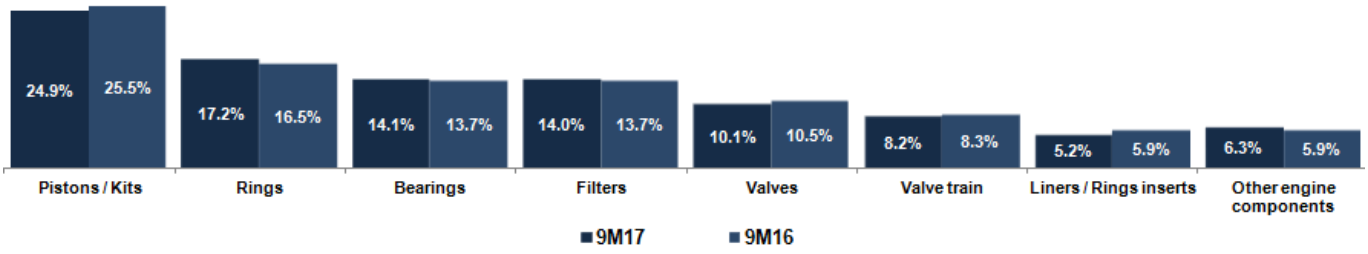
It should be noted that the Company does not export filters; therefore, this segment has not been subject to impacts of exchange variation between the quarters, as happened in the engine components segment.

The opposite chart shows the dynamics of sales of both segments in the 3Q17 and 3Q16, as well as in the 9M17 and 9M16:



4.6 Net revenues by product

The graph below shows total sales share by product in the 9M17 compared to the 9M16:



4.7 Gross margin

As shown in the table below, the Company closed the 3Q17 with gross margin of 31.0% (27.1% in the 3Q16), while in the 9M17 gross margin was 28.1% (28.8% in the 9M16):

Summary P&L (R$ million)	3Q17	3Q16	V.A. (%)	V.A. (%)	H.A. (%)	9M17	9M16	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)	(c)	(d)	(c)	(d)	(c/d)
Net revenues	**596.5**	**530.3**	**100.0%**	**100.0%**	**12.5%**	**1,687.9**	**1,639.4**	**100.0%**	**100.0%**	**3.0%**
Cost of sales	(411.6)	(386.8)	-69.0%	-72.9%	6.4%	(1,214.3)	(1,168.0)	-71.9%	-71.2%	4.0%
Gross income	**184.9**	**143.5**	**31.0%**	**27.1%**	**28.9%**	**473.6**	**471.4**	**28.1%**	**28.8%**	**0.5%**
Gross margin	31.0%	27.1%			3,9 p.p.	28.1%	28.8%			-0,7 p.p.

The gross income positive variation between the periods is mainly due to an increase of 13.1% in domestic and export sales in the 3Q17 and 8.6% in the 9M17.

4.8 Selling, general and administrative expenses

In the 3Q17, expenses grew in line with the net revenue growth. For the 9M17, net sales revenue growth was more than proportional to the increase in selling expenses. In both periods, this dynamics results from efforts to strengthen initiatives towards increasing productivity in the direct and indirect areas of the Company.

The increase in general and administrative expenses, in turn, is mainly due to payment of indemnity for employment terminations to adjust the number of employees, in both periods.

Summary P&L (R$ million)	3Q17	3Q16	V.A. (%)	V.A. (%)	H.A. (%)	9M17	9M16	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)	(c)	(d)	(c)	(d)	(c/d)
Net revenues	**596.5**	**530.3**	**100.0%**	**100.0%**	**12.5%**	**1,687.9**	**1,639.4**	**100.0%**	**100.0%**	**3.0%**
Selling expenses	(37.9)	(33.3)	-6.4%	-6.3%	13.8%	(105.1)	(104.4)	-6.2%	-6.4%	0.7%
General and administrative expenses	(17.7)	(14.0)	-3.0%	-2.6%	26.4%	(68.5)	(59.2)	-4.1%	-3.6%	15.7%
SG&A expenses	**(55.6)**	**(47.3)**	**9.3%**	**8.9%**	**17.5%**	**(173.6)**	**(163.6)**	**10.3%**	**10.0%**	**6.1%**
SG&A expenses to net sales revenue	**9.3%**	**8.9%**			**0,4 p.p.**	**10.3%**	**10.0%**			**0,3 p.p.**

4.9 Technology and product development expenses

In the 3Q17, R&D expenses accounted for 3.2% of net sales revenue (4.0% in the 3Q16), while in the first nine months of 2017 and 2016, they accounted for 3.7% and 3.9%, respectively.

Summary P&L (R$ million)	3Q17	3Q16	V.A. (%)	V.A. (%)	H.A. (%)	9M17	9M16	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)	(c)	(d)	(c)	(d)	(c/d)
Net revenues	**596.5**	**530.3**	**100.0%**	**100.0%**	**12.5%**	**1,687.9**	**1,639.4**	**100.0%**	**100.0%**	**3.0%**
Technology and product development expenses	(19.1)	(21.4)	-3.2%	-4.0%	-10.7%	(62.0)	(64.6)	-3.7%	-3.9%	-4.0%

4.10 Other operating income (expenses), net

In the 3Q17, a net expense of R$ 1.0 million was recorded in other net operating income (expenses), representing a positive variation of R$ 13.0 million compared to the 3Q16. In the 9M17, a net income of R$ 10.4 million was recorded in other net operating income (expenses), representing a positive variation of R$ 39.2 million compared to the 9M16. The main changes in both periods result from:

- ✓ Provision for/reversal of labor, civil and tax contingencies;
- ✓ Gain on disposal of assets, i.e., sale of MAHLE Metal Leve Miba Sinterizados Ltda;
- ✓ Income from Recoverable Assets (*Reintegra*).

Others incomes and expenses, net	3Q17 (a)	3Q16 (b)	Var. (a-b)	9M17 (c)	9M16 (d)	Var. (c-d)
Provision/Reversal for labor, civil and tax contingencies	(2.4)	(14.8)	12.4	(17.2)	(30.0)	12.8
Recovered taxes (Reintegra)	4.2	0.2	4.0	11.6	0.6	11.0
Gains/losses on disposal of assets/others	-	(1.7)	1.7	(3.2)	0.5	(3.7)
Electric power	0.3	(1.2)	1.5	1.0	(3.8)	4.8
Gains/losses on disposal of assets/others	-	-	-	17.3	-	17.3
Provision for restructuring	-	0.3	(0.3)	-	0.6	(0.6)
Provision for obsolescence	(3.0)	1.8	(4.8)	(1.8)	2.1	(3.9)
Other income/expenses	(0.1)	1.4	(1.5)	2.7	1.2	1.5
Total of others incomes and expenses, net	**(1.0)**	**(14.0)**	**13.0**	**10.4**	**(28.8)**	**39.2**

The positive variation in Recoverable Taxes results from the change in the tax rates under the *Reintegra* Program (a special tax recovery regime for export companies), as shown in the opposite table:

Reintegra	
Period	**Aliquot**
December, 2015 - December, 2016	0.1%
January, 2017 - September, 2017	2.0%

4.11 Operating income measured by EBITDA

In the 3Q17, EBITDA was R$ 132.6 million (R$ 84.5 million in the 3Q16), representing an EBITDA margin of 22.2% (15.9% in the 3Q16). The table below shows the changes between the periods in the accounts that make up operating income:

EBITDA 3Q16	Gross income	Other operating income (expenses)	Technology and product development expenses	Equity in the results of investees	Depreciation	General and administrative expenses	Selling expenses	EBITDA 3Q17
84.5	41.4	13.0	2.3	(0.1)	(0.2)	(3.7)	(4.6)	132.6
EBITDA margin 15.9%								EBITDA margin 22.2%

For the 9M17, EBITDA was R$ 319.1 million (R$ 284.6 million in the 9M16), representing an EBITDA margin of 18.9% (17.4% in the 9M16). The table below shows the changes between the periods in the accounts that make up operating income:

EBITDA 9M16	Other operating income (expenses)	Technology and product development expenses	Gross income	Depreciation	Equity in the results of investees	Selling expenses	General and administrative expenses	EBITDA 9M17
284.6	39.2	2.6	2.2	0.8	(0.3)	(0.7)	(9.3)	319.1
EBITDA margin 17.4%								EBITDA margin 18.9%

4.12 Net financial income (expenses)

In the 3Q17, the Company recorded a net financial expense of R$ 7.1 million, and of R$ 7.7 million in the 3Q16, representing a positive variation of R$ 0.6 million between the periods.

In the 9M17, the Company recorded a net financial expense of R$ 24.0 million, and of R$ 40.1 million in the same period of 2016, representing a positive variation of R$ 16.1 million between the periods.

Net financial result (R$ million)	3Q17 (a)	3Q16 (b)	Var. (a - b)	9M17 (c)	9M16 (d)	Var. (c - d)
Interests (income on investments)	8.7	3.3	5.4	20.1	7.1	13.0
Interests (expenses on financing)	(9.3)	(9.5)	0.2	(30.5)	(28.6)	(1.9)
Interests (Others)	0.7	1.8	(1.1)	4.6	4.2	0.4
Interests, net (i)	**0.1**	**(4.4)**	**4.5**	**(5.8)**	**(17.3)**	**11.5**
Exchange variation, net	(2.2)	2.9	(5.1)	11.1	(29.4)	40.5
Result with derivatives	6.3	3.5	2.8	3.0	34.5	(31.5)
Exchange variation and Result with derivatives (ii)	**4.1**	**6.4**	**(2.3)**	**14.1**	**5.1**	**9.0**
Monetary variation, net	(9.3)	(8.4)	(0.9)	(27.2)	(23.7)	(3.5)
Others	(2.0)	(1.3)	(0.7)	(5.1)	(4.2)	(0.9)
Monetary variation, net + Others (iii)	**(11.3)**	**(9.7)**	**(1.6)**	**(32.3)**	**(27.9)**	**(4.4)**
Financial income (expenses), net (i + ii + iii)	**(7.1)**	**(7.7)**	**0.6**	**(24.0)**	**(40.1)**	**16.1**

The variation in “Interests (income on investments)” of R$ 5.4 million between the 3Q17 and the 3Q16 results from an increase in the average investment levels in the period (R$ 422.5 million and R$ 143.1 million, respectively, averages for the 3Q17 and the 3Q16), which was partially offset by a reduction in the remuneration percentages (8.7% p.a. and 13.1% p.a., respectively, averages for the 3Q17 and the 3Q16), as shown in the table below:

Interest rates and volumes (average)	3Q17 (a)	3Q16 (b)	Var. (a - b)	9M17 (c)	9M16 (d)	Var. (c - d)
Remunetarion of investments	8.7%	13.1%	-4,4 p.p.	10.0%	13.0%	-3,0 p.p.
Cost of debt	8.0%	9.4%	-1,4 p.p.	8.6%	9.4%	-0,8 p.p.
Investments - average[1]	422.5	143.1	195.2%	234.2	132.0	77.4%
Average debt	(500.4)	(433.8)	15.4%	(362.7)	(412.4)	-12.1%

[1] - Certificates of deposits (CDs) and repurchase agreements with remuneration of 99.3% in average of the interbank deposit (CDI) rate, invested exclusively with first rate banks in Brazil.

There was an increase in the average volume of gross debt of 15.4% (from R$ 433.8 million to R$ 500.4 million in the 3Q16 and 3Q17, respectively), due to changes in loans and financing between the period, mainly those taken from the National Bank for Economic and Social Development (BNDES) and from commercial banks (Export Credit Notes – NCE). In the 9M17 and 9M16, the average volume of gross debt fell 12.1% (R$ 412.4 million and R$ 362.7 million in the 9M16 and 9M17, respectively). The average cost of debt between the 3Q17 and the 3Q16 decreased, as happened in the 9M17 and 9M16, as shown in the table above.

The negative variation of R$ 2.3 million recorded in net financial income (item “ii” of the table “Net financial result”) between the 3Q17 and the 3Q16 arises from net exchange variation and results on derivatives. Despite the exchange rate volatility and economic instability, the Company obtained positive results in 2017. In the 9M17, the Company reported financial income of R$ 14.1 million, while in the 9M16, it reported financial expenses of R$ 5.1 million, resulting in a positive variation of R$ 9.0 million between the periods.

The negative variation of R $ 1.6 million presented in the item "iii" of the "Net financial result" table between 3Q17 and 3Q16, basically originated from the monetary restatement of provisions for tax and labor lawsuits. In 9M17, the negative variation was R $ 4.4 million.

4.13 Income and social contribution taxes

As of September 30, 2017, the Company recorded an income and social contribution tax expense of R$ 33.3 million, consolidated (expense of R$ 6.6 million as of September 30, 2016).

For additional information, see note 11 to the Interim Financial Statements as of September 30, 2017.

4.14 Net income

In the 3Q17 the Company had net income of R$ 98.4 million (R$ 50.5 million in the 3Q16), meaning a growth of 94.9% between the periods, while net margin in the 3Q17 was 16.5% and 9.5% in the 3Q16.

In the 9M17, net income was R$ 193.8 million (R$ 167.3 million in the 9M16), meaning a growth of 15.8% between the periods, and net margin in the 9M17 was 11.5% and 10.2% in the 9M16.

4.15 Capital expenditures

The table below shows capital expenditures (capex), as well as total accumulated depreciation in the 9M17 and in the 9M16, respectively:

CAPEX & Depreciation (R$ million)	9M17	9M16
Capex	41.5	61.0
Total depreciation	69.1	70.9

Capex	9M17	9M16
% of Net sales revenue	2.5%	3.6%
% of Depreciation	60.0%	86.0%

In the 9M17, capex were channeled into R&D equipment, replacement of machinery and equipment seeking to increase productivity and quality, as well as into new products, new buildings and IT, among others.

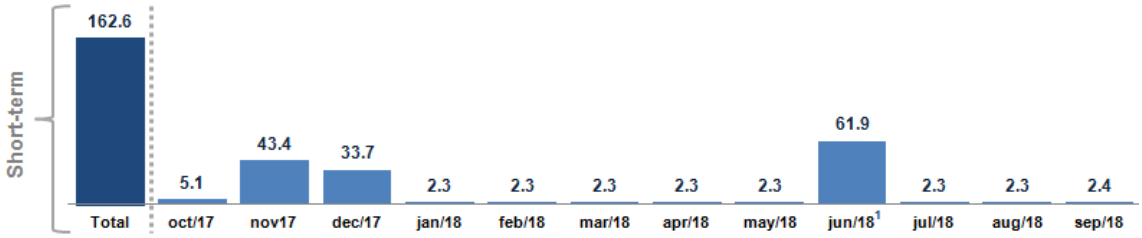
4.16 Indebtedness

At the end of the 9M17, the Company's total net indebtedness was R$ 17.6 million, representing a reduction of 90.4% compared to the end of 2016 (R$ 183.2 million).

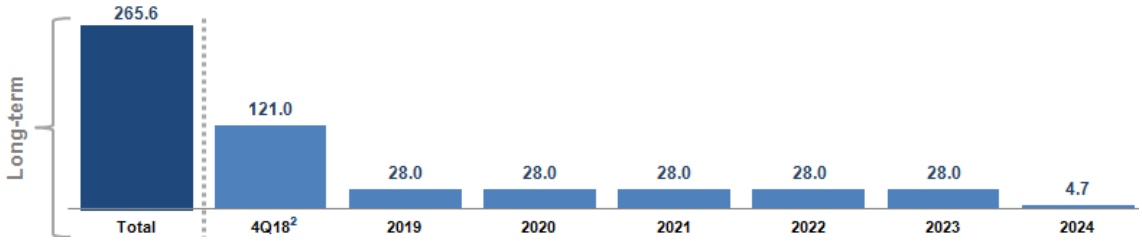
Net indebtedness (R$ million)	As of Sep/30/2017 (a)	As of Dec/31/2016 (b)	Variation (a - b)	% Debt (a)	% Debt (b)
Liabilities (i)	**428.2**	**499.5**	**(71.3)**	**100%**	**100%**
Short term	162.6	156.3	6.3	38%	31%
Long term	265.6	343.2	(77.6)	62%	69%
Assets (ii)	**(410.6)**	**(316.3)**	**(94.3)**		
Cash / banks / cash investments/ Loans - related parties	(410.6)	(316.3)	(94.3)		
Net indebtedness (i + ii)	**17.6**	**183.2**	**(165.6)**		

The Net Indebtedness/Ebitda ratio in the 3Q17 was 0.05 times, while at the end of 2016 the ratio was 0.62 times.

The graphs below show the maturities of short-term and long-term transactions at the end of the 9M17, representing 38% and 62%, respectively, of the financing described in the above table:

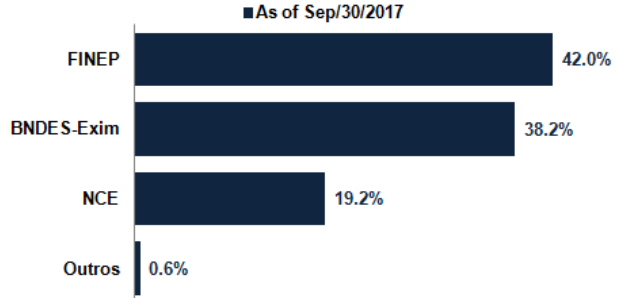


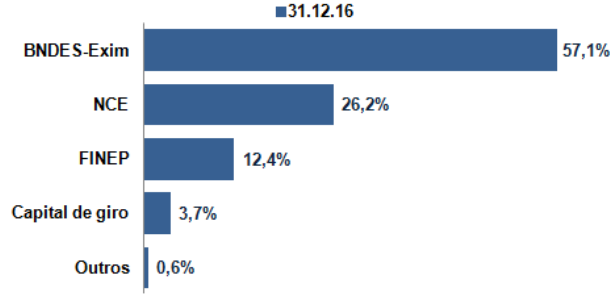
[1] In October 2017 the Company repaid R$ 59.5 million, whose original maturity was June 2018, referring to a credit line from BNDES-EXIM, bearing interest of 9.95 p.a.% (Long-Term Interest Rate (TJLP) + 2.00% + 0.95%).



[2] In October 2017 the Company repaid R$ 32.0 million, whose original maturity was December 2018, referring to a credit line from BNDES-EXIM, bearing interest of 9.90 p.a.% (TJLP + 2.00% + 0.90%).

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





4.17 Interest on capital to shareholders

The table below shows the amounts approved at the Meetings of the Board of Directors (RCA) for the fiscal year 2017, and will be ratified at the Annual General Meeting (AGO) in 2018:

Date	Payment Date	Type of pay-out	Period	Reference Year	Total Gross Amount (in R$ million)	Gross Amount per Share (in R$)	Net Amount per Share (in R$)
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
			Interest on capital		**73.1**	**0.5696251401**	**0.4841813691**

5 Investor Relations and Capital Markets

Over the 9M17, 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.

For the fourth consecutive year the Company received the "Transparency Award" from Brazil's National Association of Finance, Accounting and Administration Executives (ANEFAC). The award highlighted the Company as one of the most transparent companies in the country for the quality of the information in its 2016 financial statements, in the category of net income of up to R$ 5 billion.

The Transparency Award – from ANEFAC-FIPECAFI-SERASA EXPERIAN – represents the recognition of the importance the winning companies give to accountability and quality when disclosing their financing statements to investors and market in general.

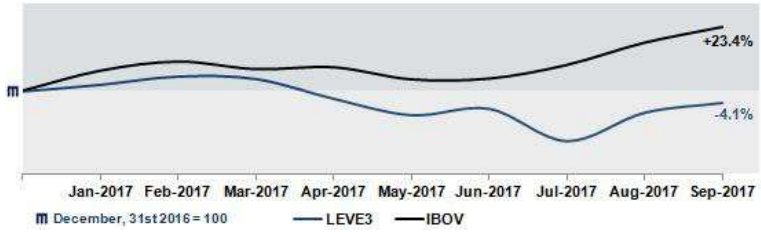
Created in 1997, the Transparency Award encourages the reporting of financial statements as a form of communication rather than a legal obligation. With technical assessment of FIPECAFI (Institute for Accounting, Actuarial and Financial Research Foundation) and the incentive of Serasa Experian (a credit protection agency), the assessment commitment strictly evaluates the transparency of the accounting information stated in the financial statements and disclosed to the market.

Given the challenging changes in the accounting practices, the Transparency Award follows the development of the statements over time, encouraging excellence in the accountability by Brazilian entrepreneurs.



5.1 Performance of the Company shares and free-float shares

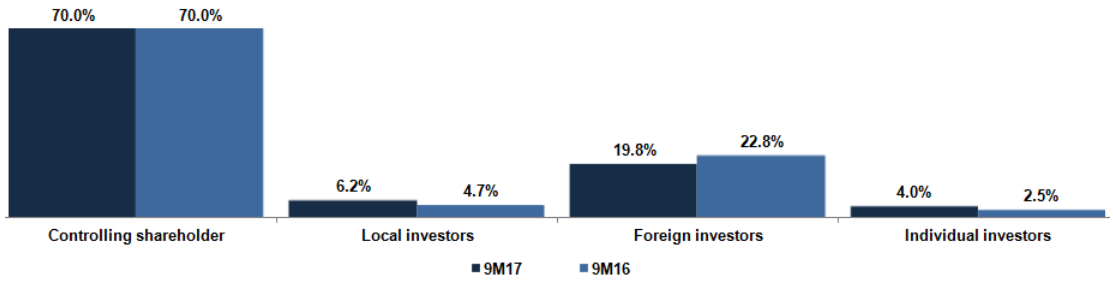
The graphs below show the evolution of LEVE3 shares, the Average Daily Trading Volume (ADTV) and the ADTV turnover in relation to the free-float market capitalization:



Average Daily Trading Volume (ADTV) and ADTV turnover to Free-Float Mkt Cap				
Period	**4Q16**	**1Q17**	**2Q17**	**3Q17**
Trading Volume (R$ million)	4.8	3.4	3.7	5.0
Turnover (%)	0.59%	0.40%	0.47%	0.70%

5.2 Shareholders' profile

At the end of the 9M17 and the 9M16, respectively, shareholders' profile in relation to the quantity of the Company shareholders, including free-float shares, was represented as follows:



The graph below shows the main countries in which the Company's free-float shares were held in the 9M17 and 9M16:



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 first nine months of 2017, the Company did not engage PricewaterhouseCoopers Auditores Independentes to perform other services, therefore not generating any situation that could create conflict of interests pursuant to that Instruction.

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 September 30, 2017 and the conclusions 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 nine months of 2017.

Management

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Quarterly Information (ITR) at September 30, 2017 and report on review of quarterly information

(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Stockholders
MAHLE Metal Leve S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of MAHLE Metal Leve S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2017, comprising the balance sheet as at that date and the statements of income and comprehensive income for the quarter and nine-month periods then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21 (R1), Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers, Rua José Pires Neto 314, 10º, Campinas, SP, Brasil 13025-170, Caixa Postal 3136 T: (19) 3794-5400, F: (19) 3794-5454, www.pwc.com/br

MAHLE Metal Leve S.A.

Conclusion on the interim information

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

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the nine-month period ended September 30, 2017. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Campinas, November 14, 2017

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F"

Valdir Augusto de Assunção
Contador CRC 1SP135319/O-9

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Quartely information (ITR)
at September 30, 2017

(A free translation of the original in Portuguese)

MAHLE Metal Leve S.A.

Quartely information (ITR) at September 30, 2017

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MAHLE Metal Leve S.A.

Balance sheet
at September 30, 2017 and December 31, 2016

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

		Parent company		Consolidated	
Assets	**Note**	**09.30.2017**	**12.31.2016**	**09.30.2017**	**12.31.2016**
Cash and cash equivalents	6	366,021	241,504	396,743	256,431
Trade and other receivables	7/10	351,660	260,831	425,013	338,844
Inventories	8	247,947	238,021	334,518	338,199
Taxes recoverable	9	48,810	38,799	64,389	50,343
Income tax and social contribution recoverable	9	5,423	11,699	17,100	22,059
Dividends and interest on capital receivable	10	29,707	41,187	-	-
Unrealized gains on derivative financial instruments	31	25,950	39,233	26,665	39,724
Other assets		35,261	16,172	46,513	20,804
Total current assets		**1,110,779**	**887,446**	**1,310,941**	**1,066,404**
Taxes recoverable	9	10,352	11,652	16,033	23,055
Income tax and social contribution recoverable	9	3,337	3,337	3,337	3,550
Loans to related parties	10	15,049	59,418	13,944	59,819
Deferred income tax and social contribution	11.b	-	-	4,796	6,220
Investments in subsidiaries	12	197,245	205,942	626	967
Property, plant and equipment	13	590,185	621,582	624,386	711,232
Assets held for sales	13	-	-	7,175	13,235
Intangible assets	14	430,217	426,915	456,732	454,670
Other assets		15,782	15,593	15,889	15,762
Total non-current assets		**1,262,167**	**1,344,439**	**1,142,918**	**1,288,510**
Total assets		**2,372,946**	**2,231,885**	**2,453,859**	**2,354,914**

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

MAHLE Metal Leve S.A.

Balance sheet
at September 30, 2017 and December 31, 2016

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

		Parent company		Consolidated	
Liabilities		**09.30.2017**	**12.31.2016**	**09.30.2017**	**12.31.2016**
Dividends and interest on capital payable	10	687	838	750	901
Trade and related-party payables	10/15	115,629	97,948	165,002	134,106
Taxes and contributions payable	16	16,607	18,177	18,422	20,588
Income tax and social contribution payable	16	1,505	1,505	13,267	23,450
Borrowings	17	162,632	120,396	162,647	156,287
Salaries, vacation pay and social charges	18	95,104	58,360	105,990	71,317
Sundry provisions	19	32,068	16,028	36,764	23,398
Provisions for warranties	20	8,443	17,377	10,901	20,375
Unrealized losses on derivative financial instruments	31	4,334	3,594	4,334	4,181
Other liabilities		22,815	24,005	29,459	34,365
Total current liabilities		**459,824**	**358,228**	**547,536**	**488,968**
Deferred income tax and social contribution	11.b	13,872	34,506	14,231	35,685
Provision for subsidiary's net capital deficiency	12	15,047	21,857	-	-
Income tax and social contribution payable	16	1,154	1,150	1,154	1,150
Borrowings	17	265,610	340,243	265,610	343,243
Provisions for contingencies and judicial deposits linked to judicial proceedings	21	245,091	241,061	265,216	266,145
Other liabilities		12,869	4,005	12,869	4,005
Total non-current liabilities		**553,643**	**642,822**	**559,080**	**650,228**
Total liabilities		**1,013,467**	**1,001,050**	**1,106,616**	**1,139,196**
Equity	22				
Share capital		966,255	966,255	966,255	966,255
Revenue reserves		278,308	268,624	278,308	268,624
Other comprehensive income		(23,613)	(4,044)	(23,613)	(4,044)
Retained earnings		138,529	-	138,529	-
Proposed additional dividends		-	-	-	-
Equity attributable to the owners of the parent		**1,359,479**	**1,230,835**	**1,359,479**	**1,230,835**
Non-controlling interests		-	-	(12,236)	(15,117)
Total equity		**1,359,479**	**1,230,835**	**1,347,243**	**1,215,718**
Total liabilities and equity		**2,372,946**	**2,231,885**	**2,453,859**	**2,354,914**

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

MAHLE Metal Leve S.A.

Statement of income
Quarter and periods ended September 30, 2017 and 2016

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

		Parent company			
		2017		2016	
	Note	3Q2017	9M2017	3Q2016	9M2016
Net revenue	24	508,119	1,406,219	440,811	1,337,160
Cost of sales	25	(361,635)	(1,050,667)	(338,819)	(1,025,276)
Gross profit		**146,484**	**355,552**	**101,992**	**311,884**
Selling expenses	26	(29,528)	(79,838)	(24,579)	(75,969)
General and administrative expenses	27	(15,531)	(60,817)	(11,883)	(49,625)
Technology and product development costs	28	(16,566)	(55,158)	(18,890)	(57,840)
Other income/expense	30	5,598	21,502	(8,376)	(19,067)
Equity in the results of investees	12	18,126	57,772	17,743	99,256
Profit before finance income (costs) and taxation		**108,583**	**239,013**	**56,007**	**208,639**
Finance income	29	16,470	65,356	14,441	80,343
Finance costs	29	(23,821)	(87,639)	(19,567)	(111,615)
Finance income (costs), net		(7,351)	(22,283)	(5,126)	(31,272)
Profit before taxation		**101,232**	**216,730**	**50,881**	**177,367**
Current income tax and social contribution	11.a	(2,716)	(41,196)	(2,203)	(27,475)
Deferred income tax and social contribution	11.a	(230)	18,180	1,731	17,368
Income tax and social contribution		**(2,946)**	**(23,016)**	**(472)**	**(10,107)**
Profit for the period		**98,286**	**193,714**	**50,409**	**167,260**
Basic and diluted earnings per share (in reais)	23	**0.76601**	**1.50975**	**0.39287**	**1.30358**

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

MAHLE Metal Leve S.A.

Statement of income
Quarters and periods ended September 30, 2017 and 2016

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

		Consolidated			
		2017		2016	
	Note	3Q2017	9M2017	3Q2016	9M2016
Net revenue	24	596,522	1,687,942	530,298	1,639,394
Cost of sales	25	(411,568)	(1,214,285)	(386,770)	(1,167,964)
Gross profit		**184,954**	**473,657**	**143,528**	**471,430**
Selling expenses	26	(37,886)	(105,050)	(33,252)	(104,358)
General and administrative expenses	27	(17,708)	(68,538)	(14,038)	(59,284)
Technology and product development costs	28	(19,128)	(62,074)	(21,402)	(64,635)
Other income	30	(1,002)	10,397	(13,957)	(28,762)
Equity in the results of investees	12	(80)	(339)	(39)	(107)
Operating profit		**109,150**	**248,053**	**60,840**	**214,284**
Finance income	29	24,182	83,217	17,544	108,217
Finance costs	29	(31,297)	(107,262)	(25,268)	(148,308)
Finance income (costs), net		(7,115)	(24,045)	(7,724)	(40,091)
Profit before taxation		**102,035**	**224,008**	**53,116**	**174,193**
Current income tax and social contribution	11.a	(10,138)	(54,724)	(8,564)	(25,088)
Deferred income tax and social contribution	11.a	2,425	21,376	2,978	18,461
Income tax and social contribution		(7,713)	(33,348)	(5,586)	(6,627)
Profit for the period		**94,322**	**190,660**	**47,530**	**167,566**
Discontinued operations					
Loss for the period from discontinued operations	34	-	(7,271)	(3,594)	(15,414)
Profit for the period		**94,322**	**183,389**	**43,936**	**152,152**
Profit attributable to					
Owners of the parent		98,286	193,714	50,409	167,260
Non-controlling interests		(3,964)	(10,325)	(6,473)	(15,108)
Profit for the period		**94,322**	**183,389**	**43,936**	**152,152**
Basic earnings per share (in reais)	23				
From continuing operations		0.76601	1.56642	0.42088	1.42371
From descontinuing operations		-	(0.05667)	(0.02801)	(0.12013)
		0.76601	**1.50975**	**0.39287**	**1.30358**

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

MAHLE Metal Leve S.A.

Statement of comprehensive income
Quarters and periods ended September 30, 2017 and 2016

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

	Parent company			
	2017		2016	
	3Q2017	9M2017	3Q2016	9M2016
Profit for the period	98,286	193,714	50,409	167,260
Comprehensive income				
Items that will be reclassified to profit or loss				
Change in cash flow hedge, net	2,800	(7,219)	(3,618)	70,670
Change in subsidiaries' cash flow hedge, net	-	128	(116)	(2,119)
Income tax and social contribution on cash flow hedge	(952)	2,454	1,231	(24,027)
Income tax and social contribution on subsidiaries' cash flow hedge	-	(43)	39	720
Cumulative translation adjustments	(11,498)	(9,755)	666	(44,866)
Write-off of the subsidiary's financial instrument adjustment	-	224	-	-
Write-off of taxes on subsidiary's financial instrument adjustment	-	(76)	-	-
Other comprehensive income	**(9,650)**	**(14,287)**	**(1,798)**	**378**
Total comprehensive income for the period, net of income tax and social contributior	**88,636**	**179,427**	**48,611**	**167,638**
Total comprehensive income	**88,636**	**179,427**	**48,611**	**167,638**

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

MAHLE Metal Leve S.A.

Statement of comprehensive income
Quarter and periods ended September 30, 2017 and 2016

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

	Consolidated			
	2017		2016	
	3Q2017	9M2017	3Q2016	9M2016
Profit for the period	94,322	183,389	43,936	152,152
Comprehensive income				
Items that will be reclassified to profit or loss				
Change in cash flow hedge, net	2,796	(7,006)	(3,816)	67,134
Income tax and social contribution on cash flow hedge	(952)	2,381	1,298	(22,827)
Cumulative translation adjustments	(11,498)	(10,183)	684	(43,155)
Translation adjustments of deferred income tax (subsidiaries located abroad)	-	427	(18)	(1,711)
Write-off of the subsidiary's financial instrument adjustment	-	224	-	-
Write-off of taxes on subsidiary's financial instrument adjustment	-	(76)	-	-
Other comprehensive income	**(9,654)**	**(14,233)**	**(1,852)**	**(559)**
Total comprehensive income for the period, net of income tax and social contributior	**84,668**	**169,156**	**42,084**	**151,593**
Comprehensive income attributable to:				
Owners of the parent	88,635	179,427	48,611	167,638
Non-controlling interests	(3,967)	(10,271)	(6,527)	(16,045)
Total comprehensive income	**84,668**	**169,156**	**42,084**	**151,593**
Comprehensive income attributable to owners of the parent				
From continuing operations	88,635	186,466	52,283	184,451
From descontinuing operations	-	(7,039)	(3,672)	(16,813)
	88,635	**179,427**	**48,611**	**167,638**

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

MAHLE Metal Leve S.A.

Statement of changes in equity
Periods ended September 30, 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 December 31, 2016		**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													
Interim interest on capital credited		-	-	-	-	-	-	-	-	(50,971)	(50,971)	-	(50,971)
Prescribed dividends and interest on capital		-	-	-	-	-	-	-	-	188	188	-	188
Capital increase of MAHLE Hirschvogel Forjas S.A.		-	-	-	-	-	-	-	-	-	-	1,544	1,544
Liabilites assumed by the parent		-	-	-	-	-	-	-	-	-	-	11,610	11,610
Profit for the period		-	-	-	-	-	-	-	-	193,714	193,714	(10,325)	183,389
Other comprehensive income													
Cumulative translation adjustments		-	-	-	-	-	-	(9,755)	(9,755)	-	(9,755)	-	(9,755)
Financial instrument adjustments	22	-	-	-	-	-	(6,867)	-	(6,867)	-	(6,867)	81	(6,786)
Taxes on financial instrument adjustments	22	-	-	-	-	-	2,335	-	2,335	-	2,335	(29)	2,306
Realization of deemed cost, net	22	-	-	-	-	-	(5,282)	-	(5,282)	5,282	-	-	-
Internal changes in equity													
Appropriation to legal reserve		-	9,684	-	-	9,684	-	-	-	(9,684)	-	-	-
At September 30, 2017		**966,255**	**120,547**	**157,761**	**-**	**278,308**	**50,882**	**(74,495)**	**(23,613)**	**138,529**	**1,359,479**	**(12,236)**	**1,347,243**

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

MAHLE Metal Leve S.A.

Statement of changes in equity
Periods ended September 30, 2016

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, 2015		**966,255**	**109,630**	**184,127**	**26,025**	**319,782**	**15,949**	**(11,688)**	**4,261**	**-**	**1,290,298**	**464**	**1,290,762**
Equity transactions with shareholders													
Interim interest on capital credited		-	-	-	-	-	-	-	-	(54,097)	(54,097)	-	(54,097)
Profit for the period		-	-	-	-	-	-	-	-	167,260	167,260	(15,108)	152,152
Other comprehensive income													
Cumulative translation adjustments		-	-	-	-	-	-	(44,866)	(44,866)	-	(44,866)	-	(44,866)
Financial instrument adjustments	22	-	-	-	-	-	68,551	-	68,551	-	68,551	(1,417)	67,134
Taxes on financial instrument adjustments	22	-	-	-	-	-	(23,307)	-	(23,307)	-	(23,307)	480	(22,827)
Realization of deemed cost, net	22	-	-	-	-	-	(3,227)	-	(3,227)	3,227	-	-	-
Internal changes in equity													
Appropriation to legal reserve	-	-	8,363	-	-	8,363	-	-	-	(8,363)	-	-	-
Payment of proposed additional dividends		-	-	-	(26,025)	(26,025)	-	-	-	-	(26,025)	-	(26,025)
At September 30, 2016		**966,255**	**117,993**	**184,127**	**-**	**302,120**	**57,966**	**(56,554)**	**1,412**	**108,027**	**1,377,814**	**(15,581)**	**1,362,233**

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

MAHLE Metal Leve S.A.

Statement of cash flows
Periods ended September 30, 2017 and 2016

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

		Parent company		Consolidated	
		9M2017	9M2016	9M2017	9M2016 (Reapresentado nota nº 3 b.)
Cash flows from operating activities	**Note**				
Profit before taxation		216,730	177,367	214,781	158,271
Adjustments for:					
Depreciation and amortization		67,351	66,442	74,686	75,433
Equity in the results of investees		(70,068)	(116,646)	339	107
Recognition (reversal) of provision for impairment of investments		12,296	17,390	-	-
Interest and foreign exchange and monetary variations, net		44,510	44,240	52,378	(19,434)
Unrealized (losses) gains on derivative financial instruments		6,804	(2,919)	6,580	(2,453)
Results on disposal of property, plant and equipment		(302)	492	2,718	(1,861)
Result on disposal of discontinued operations		(17,267)	-	(17,267)	-
Recognition (reversal) of provision for impairment of trade receivables		(639)	(4,622)	(963)	(4,604)
Recognition (reversal) of provision for tax and other contingencies		(6,499)	3,509	(3,426)	14,034
Recognition (reversal) of provisions for warranties		(6,820)	13,031	(2,074)	14,630
Recognition (reversal) of sundry provisions		16,040	5,205	17,012	1,733
Recognition (reversal) of provision for impairment of property, plant and equipment and intangible assets		(24)	(941)	(184)	(1,157)
Recognition (reversal) of provision for inventory loss		2,517	(1,425)	1,220	(4,279)
(Increase) decrease in assets					
Trade and other receivables		(40,190)	26,771	(48,230)	21,081
Inventories		(12,222)	(22,816)	(8,005)	(2,364)
Taxes recoverable		(18,050)	(16,105)	(14,172)	(21,233)
Other assets		(19,278)	(7,949)	(27,430)	(7,237)
Increase (decrease) in liabilities					
Trade and related-party payables		17,681	2,961	37,747	(1,682)
Salaries, vacation pay and social charges		36,744	22,678	39,280	22,486
Taxes and contributions payable		(1,566)	8,312	(21,338)	4,215
Other liabilities		(8,255)	(29,517)	(14,394)	(38,291)
Cash from operations		**219,493**	**185,458**	**289,258**	**207,395**
Income tax and social contribution paid		(25,580)	(4,285)	(35,471)	(8,817)
Net cash provided by operating activities		**193,913**	**181,173**	**253,787**	**198,578**
Cash flows from investing activities					
Dividends and interest on capital received from subsidiary		84,607	32,714	-	-
Loans granted to related companies		(17,591)	(30,888)	(405,349)	(410,503)
Loan repayments received from related companies		15,939	1,159	451,247	388,110
Additions to property, plant and equipment		(36,278)	(45,802)	(43,018)	(57,846)
Additions to intangible assets		(5,436)	(6,316)	(5,578)	(6,317)
Capital increase of subsidiary		(1,607)	(34,000)	-	-
Cash from discontinued operations		-	-	(1,526)	-
Proceeds from sale of property, plant and equipment		2,563	473	5,784	11,081
Net cash used in investing activities		**42,197**	**(82,660)**	**1,560**	**(75,475)**
Cash flows from financing activities					
Proceeds from borrowings		123,899	275,096	141,914	430,861
Repayment of principal of borrowings		(157,422)	(199,302)	(176,903)	(376,021)
Repayment of interest on borrowings		(29,402)	(20,242)	(31,816)	(29,385)
Capital increase of subsidiary- MAHLE H. Forjas S.A.		-	-	1,544	-
Dividends and interest on capital paid		-	(86,475)	(50,932)	(86,474)
Net cash provided by (used in) financing activities		**(113,857)**	**(30,923)**	**(116,193)**	**(61,019)**
Effect of foreign exchange variation on cash and cash equivalents		**2,264**	**(6,052)**	**1,158**	**(8,760)**
Increase (reduction) in cash and cash equivalents, net		**124,517**	**61,538**	**140,312**	**53,324**
Represented by:					
Cash and cash equivalents at the beginning of the period		241,504	133,995	256,431	152,093
Cash and cash equivalents at the end of the period	6	366,021	195,533	396,743	205,417
Increase (reduction) in cash and cash equivalents, net		**124,517**	**61,538**	**140,312**	**53,324**

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

MAHLE Metal Leve S.A.

Statement of value added
Periods ended September 30, 2017 and 2016

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

	Parent company		Consolidated	
	9M2017	**9M2016**	**9M2017**	**9M2016**
Gross revenue	**1,802,346**	**1,689,415**	**2,086,546**	**1,993,320**
Sales of goods, products and services	1,792,050	1,686,750	2,068,905	1,983,560
Other revenue	9,723	(967)	16,793	6,742
Reversal of provision for impairment of trade receivables	573	3,632	848	3,018
Inputs acquired from third parties	**(1,001,168)**	**(963,361)**	**(1,157,132)**	**(1,101,166)**
(Includes amounts of taxes: ICMS, IPI, PIS and COFINS)				
Cost of sales and services	(510,161)	(477,823)	(611,932)	(573,877)
Materials, energy, outsourced services and other	(521,456)	(510,071)	(565,662)	(546,957)
Impairment/recovery of assets	30,449	24,533	20,462	19,668
Gross value added	**801,178**	**726,054**	**929,414**	**892,154**
Depreciation and amortization	(67,351)	(66,444)	(71,105)	(70,334)
Net value added generated by the company	**733,827**	**659,610**	**858,309**	**821,820**
Value added received through transfer	**123,128**	**179,599**	**82,878**	**108,110**
Equity in the results of investees	57,772	99,256	(339)	(107)
Finance income	65,356	80,343	83,217	108,217
Total value added to distribute	**856,955**	**839,209**	**941,187**	**929,930**
Distribution of value added	**856,955**	**839,209**	**941,187**	**929,930**
Personnel	**302,227**	**283,413**	**358,549**	**338,811**
Taxes and contributions	**273,788**	**277,532**	**282,554**	**273,561**
Capital providers	**87,226**	**111,004**	**109,424**	**149,992**
Interest	30,242	20,330	31,259	31,082
Rentals	-	-	1,451	1,218
Foreign exchange, monetary and other variations	56,984	90,674	76,714	117,692
Shareholders	**193,714**	**167,260**	**183,389**	**152,152**
Dividends and interest on capital	50,971	54,097	50,971	54,097
Retained earnings	142,743	113,163	142,743	113,163
Share of non-controlling interests of retained earnings	-	-	(10,325)	(15,108)
Result on disposal of discontinued operations	**-**	**-**	**7,271**	**15,414**

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 September 30, 2017 and 2016 include 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 results and balance sheets of MAHLE Metal Leve Miba Sinterizados Ltda. up to the date of the sale are shown in Note 34.

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 (%)			
			09.30.2017		12.31.2016	
	Note	Country	Direct	Indirect	Direct	Indirect
Subsidiaries						
MAHLE Metal Leve Miba Sinterizados Ltda.	34	Brazil	-	-	60	-
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, 2016. This quarterly financial information for the period ended June 30, 2017 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 Company's accounting policies. 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, 2016 as disclosed on March 20, 2017.

The issuance of the parent company and consolidated financial statements was authorized by the Company's Board of Directors on November 14, 2017.

b. Restatement of comparative figures

In conformity with CPC 23 "Accounting Policies, Changes in Estimates and Correction of Errors", the figures relating to September 30, 2016 are being restated based on the criteria adopted for the quarterly financial of September 30, 2017, as shown below:

i) Reclassification of sales discount expenses, which were previously recorded as selling expense in the income statement for the period, as a deduction from revenue.

ii) Reclassification of amounts of legal costs from general and administrative expenses to other income (expenses) in the statement of income.

Income Statement		Parent Company 9 months 2016			Consolidated 9 months 2016			
		At previously presented	Reclassification	Restated	At previously presented	Reclassification	Discontinued operations	Restated
Net revenue	(i)	1,344,197	(7,037)	1,337,160	1,717,378	(7,037)	(70,947)	1,639,394
Selling expenses	(i)	(83,006)	7,037	(75,969)	(115,139)	7,037	3,744	(104,358)
General and administrative expenses	(ii)	(55,837)	6,212	(49,625)	(69,014)	7,119	2,611	(59,284)
Other income/expense	(ii)	(12,855)	(6,212)	(19,067)	(23,414)	(7,119)	1,771	(28,762)

Income Statement		Parent Company 3Q2016			Consolidated 3Q2016			
		At previously presented	Reclassification	Restated	At previously presented	Reclassification	Discontinued operations	Restated
Net revenue	(i)	443,331	(2,520)	440,811	559,142	(2,520)	(26,324)	530,298
Selling expenses	(i)	(27,099)	2,520	(24,579)	(36,950)	2,520	1,178	(33,252)
General and administrative expenses	(ii)	(18,095)	6,212	(11,883)	(21,984)	7,119	827	(14,038)
Other income/expense	(ii)	(2,164)	(6,212)	(8,376)	(8,022)	(7,119)	1,184	(13,957)

iii) Reclassification of cash flows related to intercompany loans, from cash flows from operating activities to cash flows from financing activities.

Statement of cash flows		Consolidated 09.30.2016		
		At previously presented	Reclassification	Restated
Cash flows from operating activities				
Trade and other receivables	(iii)	(1,312)	22,393	21,081
Net cash provided by operating activities	(iii)	**176,185**	**22,393**	**198,578**
Cash flows from investing activities				
Loans granted to related companies	(iii)	-	(410,503)	(410,503)
Loan repayments received from related companies	(iii)	-	388,110	388,110
Net cash used in investing activities		**(53,082)**	**(22,393)**	**(75,475)**

iv) Reclassification of amounts related to other assets, from the filter segment to the engine component segment for a better presentation.

Balance sheet		Consolidated 12.31.2016		
		At previously presented	Reclassification	Restated
Other assets- Engine components	(iv)	751,312	48,678	799,990
Other assets- Filters	(iv)	98,534	(48,678)	49,856

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, 2016.

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 income.

There was no change in the segment structure presented in the financial statements at December 31, 2016.

MAHLE Metal Leve S.A.

Notes to the interim financial statements

(in thousand of reais)

	Consolidated					
	9 months 2017			9 months 2016		
Statement of income	Engine components	Filters	Consolidated	Engine components	Filters	Consolidated
Gross operating revenue	**1,825,613**	**339,582**	**2,165,195**	**1,766,339**	**324,508**	**2,090,847**
Deductions from sales	(374,346)	(102,907)	(477,253)	(351,831)	(99,622)	(451,453)
Net operating revenue	**1,451,267**	**236,675**	**1,687,942**	**1,414,508**	**224,886**	**1,639,394**
Cost of sales	(1,031,391)	(182,894)	(1,214,285)	(999,356)	(168,608)	(1,167,964)
Gross profit	**419,876**	**53,781**	**473,657**	**415,152**	**56,278**	**471,430**
Selling expenses	(89,180)	(15,870)	(105,050)	(88,855)	(15,503)	(104,358)
Administrative expenses	(54,629)	(13,909)	(68,538)	(45,825)	(13,459)	(59,284)
Technology research costs	(49,449)	(12,625)	(62,074)	(52,998)	(11,637)	(64,635)
Other operating income (expenses)	9,496	901	10,397	(29,362)	600	(28,762)
Equit	(339)	-	(339)	(107)	-	(107)
Finance income	75,933	7,284	83,217	102,646	5,571	108,217
Finance costs	(96,463)	(10,799)	(107,262)	(139,514)	(8,794)	(148,308)
Profit before income tax and social contribution	**215,245**	**8,763**	**224,008**	**161,137**	**13,056**	**174,193**
Income tax and social contribution	(33,160)	(188)	(33,348)	(2,178)	(4,449)	(6,627)
Profit for the year	**182,085**	**8,575**	**190,660**	**158,959**	**8,607**	**167,566**
Discontinued operations	(7,271)	-	(7,271)	(15,414)	-	(15,414)
Non-controlling interests	9,861	464	10,325	14,511	597	15,108
Profit for the year	**184,675**	**9,039**	**193,714**	**158,056**	**9,204**	**167,260**

	Consolidated					
	3rd quarter 2017			3rd quarter 2016		
Statement of income	Engine components	Filters	Consolidated	Engine components	Filters	Consolidated
Gross operating revenue	**651,301**	**119,474**	**770,775**	**575,116**	**112,265**	**687,381**
Deductions from sales	(137,311)	(36,942)	(174,253)	(123,428)	(33,655)	(157,083)
Net operating revenue	**513,990**	**82,532**	**596,522**	**451,688**	**78,610**	**530,298**
Cost of sales	(347,501)	(64,067)	(411,568)	(326,968)	(59,802)	(386,770)
Gross profit	**166,489**	**18,465**	**184,954**	**124,720**	**18,808**	**143,528**
Selling expenses	(32,044)	(5,842)	(37,886)	(27,710)	(5,542)	(33,252)
Administrative expenses	(13,196)	(4,512)	(17,708)	(7,775)	(6,263)	(14,038)
Technology research costs	(15,232)	(3,896)	(19,128)	(17,737)	(3,665)	(21,402)
Other operating income (expenses)	(1,888)	886	(1,002)	(14,202)	245	(13,957)
Equit	(80)	-	(80)	(39)	-	(39)
Finance income	21,722	2,460	24,182	14,493	3,051	17,544
Finance costs	(28,133)	(3,164)	(31,297)	(21,042)	(4,226)	(25,268)
Profit before income tax and social contribution	**97,638**	**4,397**	**102,035**	**50,708**	**2,408**	**53,116**
Income tax and social contribution	(6,146)	(1,567)	(7,713)	(4,759)	(827)	(5,586)
Profit for the year	**91,492**	**2,830**	**94,322**	**45,949**	**1,581**	**47,530**
Discontinued operations	-	-	-	(3,594)	-	(3,594)
Non-controlling interests	3,802	162	3,964	6,264	209	6,473
Profit for the year	**95,294**	**2,992**	**98,286**	**48,619**	**1,790**	**50,409**

(in thousand of reais)

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

	Consolidated					
	09.30.2017			12.31.2016		
Balance sheet accounts	Engine components	Filters	Consolidated	Engine components	Filters	Consolidated
Total assets	**2,314,493**	**139,366**	**2,453,859**	**2,216,386**	**138,528**	**2,354,914**
Inventories	295,810	38,708	334,518	303,497	34,702	338,199
Property, plant and equipment	2,194,472	132,314	2,326,786	2,350,333	131,741	2,482,074
Depreciation and amortization	(1,619,964)	(82,436)	(1,702,400)	(1,691,906)	(78,936)	(1,770,842)
Intangible assets	50,039	411	50,450	47,645	1,165	48,810
Goodwill	406,282	-	406,282	405,860	-	405,860
Investment - Innoferm Tecnologia Ltda.	626	-	626	967	-	967
Other	987,228	50,369	1,037,597	799,990	49,856	849,846

2) Distribution by geographic area

The Group does not have any customer that accounts for more than 10% of total consolidated net revenue.

The consolidated net operating revenue in the first nine months of 2017 was R$ 1,687,942 (R$ 1,639,394 in the first nine months of 2016), the portion of which relating to foreign countries amounting to R$ 596,522 (R$ 530,298 in the first nine months of 2016) is distributed as follows:

	Consolidated							
	3Q 2017	%	9M 2017	%	3Q 2016	%	9M 2016	%
Domestic market (Brazil and Argentina	**321,833**	**53.9%**	**894,569**	**52.9%**	**287,471**	**54.2%**	**824,140**	**50.3%**
Europe	132,313	22.2%	406,338	24.1%	115,677	21.8%	390,444	23.8%
Central and North America	101,223	17.0%	272,723	16.2%	88,940	16.8%	319,104	19.5%
South America	27,288	4.6%	73,678	4.4%	24,833	4.7%	64,222	3.9%
Africa, Asia, Oceania and Middle East	13,865	2.3%	40,634	2.4%	13,377	2.5%	41,484	2.5%
Foreign countries	**274,689**	**46.1%**	**793,373**	**47.1%**	**242,827**	**45.8%**	**815,254**	**49.7%**
Total	**596,522**	**100.0%**	**1,687,942**	**100.0%**	**530,298**	**100.0%**	**1,639,394**	**100.0%**

6 Cash and cash equivalents

	Parent Company		Consolidated	
	09.30.2017	**12.31.2016**	**09.30.2017**	**12.31.2016**
BRL	779	1,708	1,552	2,416
ARS (expressed in BRL)	-	-	4,074	2,441
USD (expressed in BRL)	28,869	11,016	28,869	11,244
EUR (expressed in BRL)	8,128	10,056	8,755	10,086
Cash and demand deposits	37,776	22,780	43,250	26,187
BRL	311,316	206,665	314,060	212,713
ARS (expressed in BRL)	-	-	1,941	-
USD (expressed in BRL)	15,840	12,059	15,840	12,059
Financial investiments	327,156	218,724	331,841	224,772
BRL	1,089	-	1,099	5,472
ARS (expressed in BRL)	-	-	20,553	-
Cash in transit	1,089	-	21,652	5,472
	366,021	**241,504**	**396,743**	**256,431**

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 (95.2 %), which yield an average interest rate of 99.5 % 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 refers to deposits in foreign currency received from customers abroad, which can be withdrawn 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 and related-party receivables

	Parent company		Consolidated	
	09.20.2017	**12.31.2016**	**09.20.2017**	**12.31.2016**
Market				
Domestic	208,717	152,708	210,908	161,160
Foreign	62,535	54,783	141,366	128,262
	271,252	**207,491**	**352,274**	**289,422**
Other accounts receivable	1,358	1,808	1,405	1,893
Provision for impairment of trade receivables	(4,810)	(5,449)	(5,380)	(6,743)
	267,800	**203,850**	**348,299**	**284,572**
Related parties (Note 10)	83,860	56,981	76,714	54,272
	351,660	**260,831**	**425,013**	**338,844**

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

At September 30, 2017, trade receivables of the parent company in the amount of R$ 19,677 (December 31, 2016 - R$ 11,850) and consolidated trade receivables at September 30, 2017 of R$ 28,626 (December 31, 2016 - R$ 17,477) 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.

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

At September 30, 2017, other past-due accounts receivable do not represent any risk for the Group since most of them were settled in October 2017.

Notes to the interim financial statements

(in thousand of reais)

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

	Parent company		Consolidated	
	09.20.2017	**12.31.2016**	**09.20.2017**	**12.31.2016**
Not yet due	248,123	192,000	319,673	267,095
Past due:				
Up to 7 days	9,219	5,300	13,017	7,667
From 8 to 30 days	6,032	3,495	8,936	6,150
From 31 to 60 days	2,527	2,254	4,017	2,913
From 61 to 90 days	899	196	1,538	424
From 91 to 120 days	1,411	1,076	1,699	1,290
From 121 to 180 days	1,315	1,088	1,328	1,288
From 181 to 360 days	1,007	556	1,282	1,103
Over 360 days	2,077	3,334	2,189	3,385
(-) Provision for impairment of trade receivables	(4,810)	(5,449)	(5,380)	(6,743)
Total past due	19,677	11,850	28,626	17,477
	267,800	**203,850**	**348,299**	**284,572**

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 over 120 days past due.

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

	Parent compan	Consolidated
At December 31, 2016	**(5,449)**	**(6,743)**
Receivables provided for in the period	(3,916)	(4,526)
Receivables reversed in the period	4,107	5,099
Receivables written off definitively	382	439
Foreign exchange variation	66	(48)
Discontinued operations	-	399
At September 30, 2017	**(4,810)**	**(5,380)**

8 Inventories

	Parent company		Consolidated	
	09.30.2017	**12.31.2016**	**09.30.2017**	**12.31.2016**
Finished products	94,297	98,197	161,662	172,875
Work in progress	98,965	83,366	104,833	93,125
Raw materials	38,949	40,644	45,545	49,811
Auxiliary materials	8,173	7,278	11,886	10,793
Imports in transit	7,563	8,536	10,592	11,595
	247,947	**238,021**	**334,518**	**338,199**

In September 30, 2017, 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$ 26,656 (R$ 24,141 in December 31, 2016) in the parent company and R$ 37,724 (R$ 37,396 in December 31, 2016) in the consolidated accounts.

Changes in the provision for inventory loss are as follows:

	Parent company	Consolidated
At December 31, 2016	**(24,141)**	**(37,396)**
Reversal of provision	8,611	13,302
Recognition of provision	(11,554)	(15,395)
Inventory written off definitively as loss	428	428
Foreign exchange variation	-	445
Discontinued operations	-	892
At September 30, 2017	**(26,656)**	**(37,724)**

9 Taxes recoverable

	Parent company		Consolidated	
	09.30.2017	**12.31.2016**	**09.30.2017**	**12.31.2016**
Value-added Tax on Sales and Services (ICMS) on purchases of fixed assets	19,437	21,486	19,466	23,834
ICMS and Excise Tax (IPI)	34,450	21,159	44,080	26,249
Income tax and social contribution	8,760	15,036	20,437	25,609
Social Contribution on Revenues (COFINS)	2,642	2,361	4,508	3,237
Import Tax	2,010	4,881	2,629	6,478
Social Integration Program (PIS)	572	512	977	720
Export incentive - Argentina	-	-	5,660	10,102
Other	51	52	3,102	2,778
	67,922	**65,487**	**100,859**	**99,007**
Current	54,233	50,498	81,489	72,402
Non-current	13,689	14,989	19,370	26,605
	67,922	**65,487**	**100,859**	**99,007**

10 Related parties

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

	Parent company								
	Balances at 09.30.2017					Transactions from 01.01.2017 to 09.30.2017			
	Current assets		Non-current assets	Current liabilities		Sales/revenue		Purchases	
	Receivables (Note 7)	Payment term in days (**)	Loan	Suppliers (Note 15)	Payment term in days (**)	Products	Other	Products	Other *
Companies									
Subsidiaries									
Direct subsidiaries									
MAHLE Metal Leve GmbH	53,614	60	-	-	-	270,181	30	-	-
MAHLE Argentina S.A.	4,955	60	-	496	60	35,500	1,214	6,089	-
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	66	60	13,579	-	-	-	113	-	-
MAHLE Hirschvogel Forjas S.A.	26	60	1,470	-	-	-	90	-	-
MAHLE Industry do Brasil Ltda.	19	60	-	-	-	(3)	35	-	-
MAHLE Metal Leve Miba Sinterizados Ltda.	-	-	-	-	-	-	1,710	4,361	-
Total direct subsidiaries	**58,680**		**15,049**	**496**		**305,678**	**3,192**	**10,450**	**-**
Related companies									
MAHLE Vöcklabruck GmbH	4,865	60	-	-	-	21,183	-	-	-
MAHLE Behr Gerenciamento Térmico Brasil Ltda.	3,881	60	-	-	-	71	9,766	-	-
MAHLE Aftermarket S.de R.L.de C.V.	3,409	60	-	-	-	13,016	-	-	-
MAHLE Engine Componentes USA, Inc.	3,116	60	-	86	60	6,551	151	3	82
MAHLE Compressores do Brasil Ltda.	1,773	60	-	-	-	1,050	4,655	-	-
MAHLE Motor Parcalari San. Izmir A.S	1,323	60	-	3	60	2,458	-	151	15
MAHLE France SAS	1,179	60	-	-	-	5,031	-	-	-
MAHLE Aftermarket GmbH	1,125	60	-	1,104	60	3,449	616	3,383	809
MAHLE Engine Components (Yingkou) Co., Ltd.	947	60	-	-	-	4,996	148	-	-
MAHLE Pistoni Italia SPA	934	60	-	-	-	1,820	-	15	-
MAHLE Clevite Inc.	619	60	-	49	60	6,193	1,217	-	100
MAHLE India Pistons Ltd.	524	60	-	-	-	2,439	19	-	-
MAHLE International GmbH	322	60	-	2,721	60	-	1,480	54	2,968
MAHLE Engine Components (Nanjing) Co., Ltd.	313	60	-	-	-	4,041	419	-	-
MAHLE Componentes de Motores S.A.	163	60	-	28	60	1,746	179	51	-
MAHLE GmbH	153	60	-	10,538	60	35	79	1,176	9,503
MAHLE Engine Comp. (Chongqing) Co. Ltd.	114	60	-	-	-	411	-	-	-
MAHLE Engine Systems UK Ltd.	110	60	-	865	60	-	317	821	50
MAHLE Technologies Holding (China) Co., Ltd.	103	60	-	556	60	-	-	-	-
MAHLE Industriemotoren-Komponenten GmbH	31	60	-	-	-	127	-	-	-
MAHLE Industries Inc	25	60	-	-	-	16	125	-	(2)
MAHLE Letrika D.O.O.	23	60	-	124	60	-	81	1,008	-
MAHLE Compon. de Mot. de México, S. de R.L. de	21	60	-	342	60	55	39	4,640	-
MAHLE Trading Japan Co. Ltd.	21	60	-	-	-	21	69	3	-
MAHLE Migna Private Ltd.	18	60	-	-	-	67	-	-	-
MAHLE Kleinmot. Gmbh	17	60	-	-	-	21	-	-	-
MAHLE Engine Comp. Japan Corporation	15	60	-	6	60	44	-	-	13
MAHLE Engine Comp. Slovakia	9	60	-	-	-	30	939	-	-
MAHLE Japan Ltd.	8	60	-	-	-	-	42	-	-
MAHLE Motorsports Inc	7	60	-	-	-	17	-	-	-
MAHLE Donghyun Filter Systems Co., Ltd.	7	60	-	-	-	7	-	83	-
MAHLE Filter Systems India Pvt ,Ltd.	5	60	-	-	-	-	-	-	-
Innoferm Tecnologia Ltda.	-	-	-	2,500	60	-	396	-	-
MAHLE Indústria e Comércio Ltda.	-	-	-	1,130	60	-	-	-	5,084
MAHLE Filtersysteme GmbH	-	-	-	713	60	2	-	-	867
MAHLE Filtersysteme Austria GmbH	-	-	-	412	60	-	-	2,314	-
MAHLE Componente de Motor SRL	-	-	-	-	-	-	823	242	-
MAHLE Letrika (Suzhou) Automotive Eletrics CO.	-	-	-	169	60	-	80	1,493	-
MAHLE Aftermarket Pte. Ltd	-	-	-	-	-	-	4	678	-
MAHLE Filter Systems Japan Corporation	-	-	-	-	-	-	-	628	-
MAHLE Brockhaus GmbH	-	-	-	-	-	-	-	3,196	-
Other	-	-	-	60	60	225	52	484	330
Total related companies	**25,180**		**-**	**21,406**		**75,122**	**21,696**	**20,423**	**19,819**
Total related parties	**83,860**		**15,049**	**21,902**		**380,800**	**24,888**	**30,873**	**19,819**

*** This includes property, plant and equipment of R$ 422 and brand license of R$ 6,694**

**** 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 12.31.2016					Transactions from 01.01.2016 to 09.30.2016			
	Current assets		Non-current assets	Current liabilities		Sales/revenue		Purchases	
	Receivables (Note 7)	Payment term in days (**)	Loan	Suppliers (Note 15)	Payment term in days (**)	Products	Other	Products	Other *
Companies									
Subsidiaries									
Direct subsidiaries									
MAHLE Metal Leve GmbH	33,403	60	-	-	-	266,448	207	-	-
MAHLE Argentina S.A.	3,793	60	-	1,077	60	50,581	-	7,599	-
MAHLE Metal Leve Miba Sinterizados Ltda.	613	60	47,282	1,171	60	-	2,355	4,848	-
MAHLE Filtroil Ind. e Com. de Filtros Ltda.	67	60	12,136	-	-	-	104	-	-
MAHLE Hirschvogel Forjas S.A.	34	60	-	-	-	39	168	-	1,145
MAHLE Industry do Brasil Ltda.	22	60	-	15	60	-	68	2	-
Total direct subsidiaries	**37,932**		**59,418**	**2,263**		**317,068**	**2,902**	**12,449**	**1,145**
Related companies									
MAHLE Vöcklabruck GmbH	4,962	60	-	-	-	20,016	-	-	(8)
MAHLE Behr Gerenciamento Térmico Brasil Ltda.	2,248	60	-	-	-	29	6,596	-	-
MAHLE Aftermarket S.de R.L.de C.V.	1,335	60	-	-	-	4,186	-	-	-
MAHLE Compressores do Brasil Ltda.	1,210	60	-	2	60	-	4,335	-	6
MAHLE Engine Components (Nanjing) Co., Ltd.	1,143	60	-	-	-	1,794	-	-	-
MAHLE Filtersysteme GmbH	1,082	60	-	1,964	60	17	1,254	5	1,763
MAHLE France SAS	1,037	60	-	-	-	5,022	16	-	-
MAHLE Engine Components (Yingkou) Co., Ltd.	987	60	-	-	-	3,750	247	-	-
MAHLE International GmbH	900	60	-	1,057	60	-	982	-	2,236
MAHLE Engine Componentes USA, Inc.	805	60	-	20	60	4,472	361	174	(57)
MAHLE Clevite Inc.	752	60	-	54	60	8,212	288	-	153
MAHLE Aftermarket GmbH	587	60	-	2,621	60	2,758	809	3,159	2,299
MAHLE India Pistons Ltd.	489	60	-	-	-	2,148	-	-	-
MAHLE Componentes de Motores S.A.	232	60	-	108	60	828	329	141	-
MAHLE Compon. de Mot. de México, S. de R.L. d	173	60	-	337	60	302	11	3,225	314
MAHLE Motor Parcalari San. Izmir A.S	146	60	-	149	60	1,524	-	52	49
MAHLE Pistoni Italia SPA	126	60	-	-	-	388	-	355	-
MAHLE Industriemotoren-Komponenten GmbH	122	60	-	-	-	1,810	-	-	8
MAHLE Motorkomponenten GmbH	120	60	-	-	-	-	-	6	-
MAHLE Engine Systems UK Ltd.	96	60	-	646	60	5	245	785	460
MAHLE Powertrain LLC	89	60	-	-	-	-	-	-	-
MAHLE Letrika (Suzhou) Automotive	79	60	-	352	60	-	-	1,285	-
MAHLE Letrika D.O.O.	65	60	-	715	60	-	-	481	-
MAHLE Engine Comp. (Thailand) Co. Ltd.	62	60	-	-	-	1	64	-	-
MAHLE Migna Private Ltd.	44	60	-	-	-	-	-	-	-
MAHLE Industries Inc	40	60	-	3	60	-	145	-	5
MAHLE GmbH	30	60	-	8,310	60	-	84	1,748	12,350
MAHLE Engine Comp. (Chongqing) Co. Ltd.	26	60	-	-	-	353	-	-	-
MAHLE Filter Systems India Ltd. (India)	20	60	-	-	-	13	-	-	-
MAHLE Japan Ltd.	18	60	-	-	-	-	57	-	-
MAHLE Engine Comp. Japan Corporation	15	60	-	7	60	50	-	-	-
MAHLE Filter Systems India Pvt ,Ltd.	4	60	-	-	-	-	-	-	-
MAHLE Powertrain Ltd.	2	60	-	-	-	-	-	-	-
MAHLE Motorsports Inc	1	60	-	-	-	13	-	-	-
MAHLE Indústria e Comércio Ltda.	1	60	-	1,054	60	-	-	-	4,744
MAHLE Anéis Participações Ltda	1	60	-	-	-	-	-	-	-
MAHLE Engine Comp. Slovakia	-	-	-	-	-	2	-	-	-
Innoferm Tecnologia Ltda.	-	-	-	4,000	60	-	-	-	-
MAHLE Brockhaus GmbH	-	-	-	2,173	60	-	-	5,518	-
MAHLE Engine Comp. Inc	-	-	-	679	60	-	-	15	347
MAHLE Technologies Holding (China) Co., Ltd.	-	-	-	583	60	-	-	-	582
MAHLE Filtersysteme Austria GmbH	-	-	-	530	60	-	343	2,344	1
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	391	60	-	-	415	-
MAHLE Filter Systems Japan Corporation	-	-	-	234	60	-	-	458	115
MAHLE Trading (Shangai) Co. Ltd.	-	-	-	77	60	-	-	182	1
MAHLE Filter Systems Philippines Corporation	-	-	-	61	60	-	-	99	-
MAHLE Componente de Motor SRL	-	-	-	59	60	-	-	334	-
Letrika do Brasil Sistemas Elétricos	-	-	-	11	60	-	-	-	1
Other	-	-	-	7	-	738	37	1,042	51
Total related companies	**19,049**		**-**	**26,204**		**58,431**	**16,203**	**21,823**	**25,420**
Total related parties	**56,981**		**59,418**	**28,467**		**375,499**	**19,105**	**34,272**	**26,565**

*** This includes property, plant and equipment of R$ 4,213 and brand license of R$ 6,174**

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

Notes to the interim financial statements

(in thousand of reais)

	Consolidated								
	Balances at 09.30.2017					Transactions from 01.01.2017 to 09.30.2017			
	Current assets		Non-current assets	Current liabilities		Sales/revenue		Purchases	
	Receivables (Note 7)	Payment term in days (**)	Loan	Suppliers (Note 15)	Payment term in days (**)	Products	Other	Products	Other *
Related companies									
MAHLE Aftermarket GmbH	13,485	60	-	3,807	60	41,280	616	8,523	809
MAHLE Compon. de Mot. de México, S. de R.L. de C.V.	12,368	60	-	342	60	48,120	39	4,887	-
MAHLE Componentes de Motores S.A.	8,340	60	-	28	60	38,660	179	51	-
MAHLE France SAS	8,046	60	-	22	60	36,148	-	-	-
MAHLE Vöcklabruck GmbH	4,865	60	-	-	-	21,183	-	-	-
MAHLE Engine Componentes USA, Inc.	4,231	60	-	438	60	10,449	151	3	824
MAHLE Behr Gerenciamento Térmico Brasil Ltda.	3,999	60	-	13,790	60	169	9,766	8	3,397
MAHLE Componenti Motori Italia S.p.A.	3,652	60	-	-	-	12,194	-	80	-
MAHLE Aftermarket S.de R.L.de C.V.	3,409	60	-	-	-	13,016	-	-	-
MAHLE GmbH	2,375	60	-	13,287	60	3,646	79	1,176	11,066
MAHLE Componentes de Motor Espana S.L.	2,168	60	-	-	-	10,073	-	6	-
MAHLE Compressores do Brasil Ltda.	1,773	60	-	-	-	1,050	4,655	-	-
MAHLE Motor Parcalari San. Izmir A.S	1,323	60	-	3	60	2,458	-	151	15
MAHLE S.A.	1,097	60	-	-	-	5,187	-	184	-
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	1,055	60	-	15	60	3,466	-	-	72
MAHLE Engine Components (Yingkou) Co., Ltd.	1,051	60	-	-	-	5,185	148	-	-
MAHLE Clevite Inc.	619	60	-	91	60	6,332	1,217	-	100
MAHLE Engine Components (Thailand) Co., Ltd.	598	60	-	-	-	4,171	-	-	-
MAHLE India Pistons Ltd.	524	60	-	-	-	2,439	19	-	-
MAHLE Industriemotoren-Komponenten GmbH	449	60	-	-	-	1,368	-	-	-
MAHLE International GmbH	322	60	-	3,249	60	-	1,480	54	3,400
MAHLE Engine Components (Nanjing) Co., Ltd.	313	60	-	-	-	4,041	419	-	-
MAHLE Engine Components Slovakia s.r.o	166	60	-	-	-	813	939	-	-
MAHLE Engine Components (Chongqing) Co.,Ltd.	114	60	-	-	-	411	-	-	-
MAHLE Engine Systems UK Ltd.	110	60	-	867	60	-	317	821	50
MAHLE Technologies Holding (China) Co., Ltd.	103	60	-	556	60	-	-	-	-
MAHLE Industries, Inc.	32	60	-	529	60	29	125	-	1,798
MAHLE Letrika D.O.O.	23	60	-	155	60	-	81	1,008	-
MAHLE Polska Spolka Z.0.0	23	60	-	-	-	108	9	-	-
MAHLE Trading Japan Co. Ltd.	21	60	-	-	-	21	69	3	-
MAHLE Migna Private Ltd.	18	60	-	100	60	67	-	-	-
MAHLE Engine Componets Japan Corporation	15	60	-	6	60	79	-	-	13
MAHLE Japan Ltd.	8	60	-	-	-	-	42	-	-
MAHLE Motorsports Inc	7	60	-	-	-	17	-	-	-
MAHLE Donghyun Filter Systems Co., Ltd.	7	60	-	-	-	7	-	83	-
MAHLE Filter Systems India Pvt ,Ltd.	5	60	-	-	-	-	-	-	-
Innoferm Tecnologia Ltda.	-	-	-	2,500	60	-	396	-	-
MAHLE Indústria e Comércio Ltda.	-	-	-	1,130	60	-	-	-	5,084
MAHLE Filtersysteme GmbH	-	-	-	713	60	2	-	-	867
MAHLE Filtersysteme Austria GmbH	-	-	-	458	60	-	-	2,314	165
MAHLE Letrika (Suzhou) Automotive Eletrics CO., LT	-	-	-	169	60	-	80	1,493	-
MAHLE König GmbH	-	60	-	-	-	3	-	-	-
MAHLE Componente de Motor SRL	-	-	-	-	-	-	823	242	-
MAHLE Brockhaus GmbH	-	-	-	-	-	-	-	3,196	-
MAHLE Aftermarket Pte Ltd.	-	-	-	-	-	-	4	678	-
MAHLE Filter Systems Japan Corporation	-	-	-	-	-	-	-	628	-
MAHLE Holding Austria GmbH	-	-	13,944	-	-	-	-	-	-
Other	-	-	-	87	-	371	43	584	498
Total related companies	**76,714**		**13,944**	**42,342**		**272,563**	**21,696**	**26,173**	**28,158**
Total related parties	**76,714**		**13,944**	**42,342**		**272,563**	**21,696**	**26,173**	**28,158**

*** This includes property, plant and equipment of R$ 422 and brand license of R$ 7,410**

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

Notes to the interim financial statements

(in thousand of reais)

	Consolidated								
	Balances at 09.30.2016					Transactions from 01.01.2016 to 09.30.2016			
	Current assets		Non-current assets	Current liabilities		Sales/revenue		Purchases	
	Receivables (Note 7)	Payment term in days (**)	Loan	Suppliers (Note 15)	Payment term in days (**)	Products	Other	Products	Other *
Related companies									
MAHLE Compon. de Mot. de México, S. de R.L. de C.V.	10,968	60	-	1,263	60	57,673	1,904	3,225	314
MAHLE Filter Systems India Pvt ,Ltd.	6,782	60	-	-	-	-	-	-	-
MAHLE France SAS	5,325	60	-	7	60	37,855	16	-	-
MAHLE Vöcklabruck GmbH	4,962	60	-	-	-	20,016	-	-	(8)
MAHLE Componentes de Motores S.A.	4,707	60	-	108	60	39,486	329	141	-
MAHLE Componenti Motori Italia S.p.A.	2,955	60	-	-	-	11,803	-	355	-
MAHLE Behr Gerenciamento Térmico Brasil Ltda.	2,248	60	-	4,940	60	29	6,596	-	3,651
MAHLE Componentes de Motor Espana S.L.	1,808	60	-	3	60	9,007	-	45	3
MAHLE Aftermarket S.de R.L.de C.V.	1,335	60	-	-	-	4,186	-	-	-
MAHLE Engine Componentes USA, Inc.	1,246	60	-	3,209	60	6,425	361	174	1,024
MAHLE Engine Components (Thailand) Co., Ltd.	1,242	60	-	-	-	5,454	64	-	-
MAHLE S.A.	1,223	60	-	-	-	7,581	-	-	-
MAHLE Compressores do Brasil Ltda.	1,210	60	-	2	60	-	4,335	-	6
MAHLE Engine Components (Nanjing) Co., Ltd.	1,143	60	-	-	-	1,794	-	-	-
MAHLE Filtersysteme GmbH	1,082	60	-	1,964	60	17	1,254	5	1,763
MAHLE Engine Components (Yingkou) Co., Ltd.	987	60	-	-	-	4,373	247	32	-
MAHLE International GmbH	900	60	-	1,693	60	-	983	-	2,372
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG	856	60	-	7	60	4,633	-	-	117
MAHLE Clevite Inc.	807	60	-	97	60	8,212	288	-	153
MAHLE Aftermarket GmbH	587	60	-	4,061	60	31,720	809	7,214	2,299
MAHLE India Pistons Ltd.	489	60	-	-	-	2,148	-	-	-
MAHLE Industriemotoren-Komponenten GmbH	454	60	-	-	-	1,856	-	-	8
MAHLE Motor Parcalari San. Izmir A.S	146	60	-	149	60	1,524	-	52	49
MAHLE Motorkomponenten GMBH	120	60	-	-	-	-	-	6	-
MAHLE Engine Components Slovakia s.r.o	110	60	-	-	-	995	-	-	-
MAHLE Engine Systems UK Ltd.	96	60	-	648	60	5	244	785	460
MAHLE Powertrain LLC	89	60	-	-	-	-	-	-	-
Compania Rosarina S.A.	87	60	-	-	-	-	-	-	-
MAHLE Letrika (Suzhou) Automotive Eletrics CO., LT	79	60	-	352	60	-	-	1,285	-
MAHLE Letrika D.O.O.	65	60	-	715	60	-	-	481	-
MAHLE Industries, Inc.	48	60	-	350	60	-	145	4	2,470
MAHLE Migna Private Ltd.	44	60	-	-	-	-	-	-	-
MAHLE Engine Components (Chongqing) Co.,Ltd.	26	60	-	-	-	353	-	-	-
MAHLE Filter Systems India Ltd. (India)	20	60	-	-	-	13	-	-	-
MAHLE Japan Ltd.	18	60	-	-	-	-	57	-	-
MAHLE Engine Componets Japan Corporation	15	60	-	7	60	411	-	-	-
MAHLE Powertrain Ltd.	2	60	-	-	-	-	-	-	-
MAHLE Indústria e Comércio Ltda.	1	60	-	1,054	60	-	-	-	4,744
MAHLE Anéis Participações Ltda	1	60	-	-	-	-	-	-	-
MAHLE Motorsports Inc	1	60	-	-	-	13	-	-	-
MAHLE GmbH	(12)	60	-	12,111	60	3,012	84	1,832	14,538
MAHLE Composants Moteur France	-	-	-	-	-	48	-	167	5
Innoferm Tecnologia Ltda.	-	-	-	4,000	60	-	-	-	-
MAHLE Brockhaus GmbH	-	-	-	2,173	60	-	162	5,518	-
MAHLE Engine Comp. Inc	-	-	-	663	60	-	-	15	347
MAHLE Filtersysteme Austria GmbH	-	-	-	604	60	-	343	2,344	193
MAHLE Technologies Holding (China) Co., Ltd.	-	-	-	583	60	-	-	-	582
MAHLE Donghyun Filter Systems Co., Ltd.	-	-	-	391	60	-	-	415	-
MAHLE Filter Systems Japan Corporation	-	-	-	234	60	-	-	458	115
MAHLE Ind. Thermal Sys Reichenbach GmbH	-	-	-	88	60	-	-	-	-
MAHLE Trading (Shangai) Co.Ltd.	-	-	-	77	60	-	-	182	1
MAHLE Filter Systems Philippines Corporation	-	-	-	61	60	-	-	99	-
MAHLE Componente de Motor SRL	-	-	-	59	60	-	-	334	-
MAHLE Industrial Thermal Systems Reichenbach Gmbh	-	-	-	41	60	-	-	-	149
Letrika do Brasil Sistemas Elétricos	-	-	-	26	60	-	-	-	-
MIBA Sinter Áustria Gmbh	-	-	-	11	60	-	-	-	-
MAHLE Ventiltrieb GmbH	-	-	-	5	60	446	-	-	-
MIBA Sinter Holding Gmbh	-	-	-	4	60	-	-	-	-
MAHLE Aftermarket Ltd	-	-	-	2	60	-	-	-	7
MAHLE Aftermarket S.L.	-	-	-	2	60	-	-	60	2
MAHLE Holding Austria GmbH	-	-	59,819	-	-	-	-	-	-
MAHLE Filtersysteme France SAS	-	-	-	-	-	-	-	1	1
Other	-	-	-	-	-	363	37	792	34
Total related companies	**54,272**		**59,819**	**41,764**		**261,451**	**18,258**	**26,021**	**35,399**
Total related parties	**54,272**		**59,819**	**41,764**		**261,451**	**18,258**	**26,021**	**35,399**

*** This includes property, plant and equipment of R$ 3,066 and brand license of R$ 7,102**

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

Notes to the interim financial statements

(in thousand of reais)

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 September 30, 2017, the subsidiary MAHLE Filtroil Indústria e Comércio de Filtros Ltda. had a loan agreement with the Company in the amount of R$ 13,579 (R$ 12,136 at December 31, 2016), 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.

At September 30, 2017, the subsidiary MAHLE Hirschvogel Forjas S.A. had a loan agreement with the Company in the amount of R$ 1,470 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 September 30, 2017, the subsidiary has R$ 13,944 (R$ 59,819 at December 31, 2016) 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". The royalty expenses were recorded within "selling expenses - brand license", in the amount of R$ 6,694 in the parent company and R$ 7,410 in the consolidated accounts at September 30, 2017 (September 30, 2016 - R$ 6,174 in the parent and R$ 7,102 in the consolidated accounts).

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	
	09.30.2017	**12.31.2016**
MAHLE Metal Leve GmbH Austria)	29,707	41,187
	29,707	**41,187**

Dividends and interest on capital payable

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

	Parent company		Consolidated	
	09.30.2017	**12.31.2016**	**09.30.2017**	**12.31.2016**
Minorities	687	838	750	901
	687	**838**	**750**	**901**

Management compensation

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

	Parent company			
	2017		2016	
	3Q2017	**9 months**	**3Q2016**	**9 months**
Statutory officers	1,351	6,214	1,612	5,778
Non-statutory officers	5,392	12,672	1,761	5,324
	6,743	**18,886**	**3,373**	**11,102**

	Consolidated			
	2017		2016	
	3Q2017	**9 months**	**3Q2016**	**9 months**
Statutory officers	1,351	6,214	1,612	5,778
Non-statutory officers	5,392	12,672	1,761	5,324
	6,743	**18,886**	**3,373**	**11,102**

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 income is as follows:

	Parent company			
	2017		2016	
	3Q2017	9M2017	3Q2016	9M2016
Profit before income tax and social contribution	101,232	216,730	50,881	177,367
(-) Interest on capital	(50,971)	(50,971)	(30,958)	(54,097)
Profit before income tax and social contribution after interest on capital	**50,261**	**165,759**	**19,923**	**123,270**
Income tax and social contribution at the statutory rate in Brazil (34%)	(17,089)	(56,358)	(6,774)	(41,912)
Effects of permanent differences:				
Equity in the results of investees	6,163	19,642	6,032	33,747
Other, net	7,980	13,700	270	(1,942)
Total income tax and social contribution	**(2,946)**	**(23,016)**	**(472)**	**(10,107)**
Current income tax and social contribution	(2,716)	(41,196)	(2,203)	(27,475)
Deferred income tax and social contribution	(230)	18,180	1,731	17,368
	(2,946)	**(23,016)**	**(472)**	**(10,107)**
Effective rate	**5.9%**	**13.9%**	**2.4%**	**8.2%**

Notes to the interim financial statements

(in thousand of reais)

	Consolidated			
	2017		2016	
	3Q2017	9M2017	3Q2016	9M2016
Profit before income tax and social contribution	102,035	224,008	53,116	174,193
(-) Interest on capital	(50,971)	(50,971)	(30,958)	(54,097)
Profit before income tax and social contribution after interest on capital	**51,064**	**173,037**	**22,158**	**120,096**
Income tax and social contribution at the statutory rate in Brazil (34%)	(17,362)	(58,833)	(7,534)	(40,833)
Effects of permanent differences:				
Equity in the results of investees	(27)	(115)	(13)	(36)
Loss for the year for which no deferred tax asset was recognized	1,377	(788)	(3,649)	(7,104)
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	884	3,916	-	-
Gain for the period related to amount received by foreign subsidiary (*)	-	-	-	21,537
Other, net	7,415	22,472	5,610	19,809
Total income tax and social contribution	**(7,713)**	**(33,348)**	**(5,586)**	**(6,627)**
Current income tax and social contribution	(10,138)	(54,724)	(8,564)	(25,088)
Deferred income tax and social contribution	2,425	21,376	2,978	18,461
	(7,713)	**(33,348)**	**(5,586)**	**(6,627)**
Effective rate	**15.1%**	**19.3%**	**25.2%**	**5.5%**

(*) The subsidiary MAHLE Metal Leve GmbH recorded a tax credit of R$ 21,537, related to the recalculation of the provision for income tax for the years 2014 and 2015 due to the favorable opinion obtained from the Austrian authorities in March 2016. Of this amount, R$ 16,580 was used to compensate the income tax payable that was recorded in liabilities and R$ 4,957 was recognized as taxes recoverable and was refunded by the Austrian authorities in September 2016.

b. Recognized deferred tax assets and liabilities

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

i. Breakdown of deferred tax assets and liabilities:

	Parent company			
	Assets		Liabilities	
	Balance in 09.30.2017	Balance in 12.31.2016	Balance in 09.30.2017	Balance in 12.31.2016
Property, plant and equipment	-	-	44,745	52,781
Intangible assets	-	-	129,428	129,428
Derivatives	-	-	7,350	8,711
Inventory	(9,064)	(8,208)	-	-
Provisions	(158,587)	(148,206)	-	-
Tax (assets) liabilities	(167,651)	(156,414)	181,523	190,920
Amount eligible for offsetting	167,651	156,414	(167,651)	(156,414)
Net tax (assets) liabilities	**-**	**-**	**13,872**	**34,506**

	Consolidated			
	Assets		Liabilities	
	Balance in 09.30.2017	Balance in 12.31.2016	Balance in 09.30.2017	Balance in 12.31.2016
Property, plant and equipment	-	-	45,105	57,970
Intangible assets	-	-	129,427	129,428
Derivatives	-	-	7,350	8,510
Inventory	(10,441)	(11,750)	-	-
Provisions	(162,006)	(154,693)	-	-
Tax (assets) liabilities	(172,447)	(166,443)	181,882	195,908
Amount eligible for offsetting	167,651	160,223	(167,651)	(160,223)
Net tax (assets) liabilities	**(4,796)**	**(6,220)**	**14,231**	**35,685**

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 12.31.2016	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**Balance in 09.30.2017**
Property, plant and equipment	52,781	(8,036)	-	44,745
Intangible assets	129,428	0	-	129,428
Derivatives	8,711	1,093	(2,454)	7,350
Inventory	(8,208)	(856)	-	(9,064)
Provisions	(148,206)	(10,381)	-	(158,587)
	34,506	**(18,180)**	**(2,454)**	**13,872**

	Consolidated				
	Balance in 12.31.2016	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**Recorded in current assets/liabilities**	**Balance in 09.30.2017**
Property, plant and equipment	57,970	(12,865)	-	-	45,105
Intangible assets	129,428	(1)	-	-	129,427
Derivatives	8,510	1,221	(2,381)	-	7,350
Inventory	(11,750)	1,309	-	-	(10,441)
Provisions	(154,693)	(7,124)	(189)	-	(162,006)
Tax losses to be set	-	(3,916)	-	3,916	-
	29,465	**(21,376)**	**(2,570)**	**3,916**	**9,435**

12 Investments in subsidiaries

					09.30.2017
	Investments accounted for using the equity method	**Goodwill based on expected future profitability**	**Impairment**	**Elimination of profit on inventory (Balance at 09/30/2017)**	**Total**
MAHLE Argentina S.A.	129,485	59,549	(38,408)	(1,920)	148,706
MAHLE Metal Leve GmbH	39,454	-	-	(1,554)	37,900
Innoferm Tecnologia Ltda.	4,119	-	-	(3,493)	626
MAHLE Hirschvogel Forjas S.A.	-	35,755	(35,755)	-	-
MAHLE Industry do Brasil Ltda.	10,013	-	-	-	10,013
Total	**183,071**	**95,304**	**(74,163)**	**(6,967)**	**197,245**

					12.31.2016
	Investments accounted for using the equity method	**Goodwill based on expected future profitability**	**Impairment**	**Elimination of profit on inventory (Balance at 12/31/2016)**	**Total**
MAHLE Argentina S.A.	120,706	59,549	(38,408)	(4,100)	137,747
MAHLE Metal Leve GmbH	62,293	-	-	(1,099)	61,194
MAHLE Metal Leve Miba Sinterizados L	-	-	-	-	-
Innoferm Tecnologia Ltda.	4,460	-	-	(3,493)	967
MAHLE Hirschvogel Forjas S.A.	-	35,755	(35,755)	-	-
Total	**193,493**	**95,304**	**(74,163)**	**(8,692)**	**205,942**

	Note	Interest (%)	Total assets	Total liabilities	Equity	Net revenue	Profit (loss) for the period	Interest in equity				
								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
September 30, 2017							(9M2017)					
Subsidiaries												
MAHLE Metal Leve Miba Sinterizados Ltda.	34	60.00	-	-	-	-	-	-	-	(4,362)	-	-
MAHLE Argentina S.A.		99.20	191,397	60,869	130,528	240,743	24,035	129,485	23,843	-	2,179	-
MAHLE Metal Leve GmbH		100.00	138,734	99,280	39,454	333,774	40,862	39,454	40,861	-	(455)	-
MAHLE Filtroil Ind. e Com. de Filtros Ltda.		60.00	2,127	14,721	(12,594)	2,430	(1,160)	-	-	(696)	-	(7,557)
MAHLE Industry do Brasil Ltda.		99.99	24,555	14,542	10,013	24,028	3,978	10,013	3,978	-	-	-
MAHLE Hirschvogel Forjas S.A.		51.00	8,030	22,717	(14,687)	60	(14,191)	-	253	(7,490)	-	(7,490)
Total			**364,843**	**212,129**	**152,714**	**601,035**	**53,524**	**178,952**	**68,935**	**(12,548)**	**1,724**	**(15,047)**
Coligada												
Innoferm Tecnologia Ltda.		33.33	12,699	338	12,361	-	(1,019)	4,119	-	(339)	-	-
Subtotal Coligada			**12,699**	**338**	**12,361**	**-**	**(1,019)**	**4,119**	**-**	**(339)**	**-**	**-**
Total geral			**377,542**	**212,467**	**165,075**	**601,035**	**52,505**	**183,071**	**68,935**	**(12,887)**	**1,724**	**(15,047)**
December 31, 2016							(FY 2016)					
Subsidiaries												
MAHLE Metal Leve Miba Sinterizados Ltda.	34	60.00	86,538	108,433	(21,895)	92,699	(21,753)	-	-	(13,052)	-	(13,137)
MAHLE Argentina S.A.		99.20	182,427	60,748	121,679	334,115	40,931	120,706	40,588	-	2,729	-
MAHLE Metal Leve GmbH		100.00	153,151	90,858	62,293	463,958	90,954	62,293	90,954	-	5,135	-
MAHLE Filtroil Ind. e Com. de Filtros Ltda.		60.00	1,482	12,916	(11,434)	2,489	(2,127)	-	-	(1,276)	-	(6,860)
MAHLE Industry do Brasil Ltda.		99.99	11,637	5,602	6,035	13,190	(4,211)	6,034	-	(4,212)	-	-
MAHLE Hirschvogel Forjas S.A.		51.00	18,599	22,245	(3,646)	1,549	(22,353)	-	-	(11,400)	-	(1,860)
Total			**453,834**	**300,802**	**153,032**	**908,000**	**81,441**	**189,033**	**131,542**	**(29,940)**	**7,864**	**(21,857)**
Related companies												
Innoferm Tecnologia Ltda.		33.33	13,861	481	13,380	-	(449)	4,460	-	(150)	(2,000)	-
Subtotal related companies			**13,861**	**481**	**13,380**	**-**	**(449)**	**4,460**	**-**	**(150)**	**(2,000)**	**-**
Total			**467,695**	**301,283**	**166,412**	**908,000**	**80,992**	**193,493**	**131,542**	**(30,090)**	**5,864**	**(21,857)**
September 30, 2016							(9M2016)					
Subsidiaries												
MAHLE Metal Leve Miba Sinterizados Ltda.	34	60.00	89,086	104,588	(15,502)	70,947	(15,414)	-	(1,346)	(7,903)	-	(9,301)
MAHLE Argentina S.A.		99.20	181,966	64,892	117,074	254,127	31,813	116,137	31,543	-	1,673	-
MAHLE Metal Leve GmbH		100.00	146,643	83,190	63,453	369,634	82,725	63,453	82,725	-	5,579	-
MAHLE Filtroil Ind. e Com. de Filtros Ltda.		60.00	1,754	12,553	(10,799)	1,961	(1,492)	-	-	(895)	-	(6,479)
MAHLE Industry do Brasil Ltda.		99.99	10,260	20,141	(9,881)	7,691	(3,327)	-	-	(3,327)	-	(9,881)
MAHLE Hirschvogel Forjas S.A.		51.00	18,449	28,772	(10,323)	1,348	(17,030)	-	(3,421)	(5,265)	-	(5,265)
Subtotal subsidiaries			**448,158**	**314,136**	**134,022**	**705,708**	**77,275**	**179,590**	**109,501**	**(17,390)**	**7,252**	**(30,926)**
Related companies												
Innoferm Tecnologia Ltda.		33.33	14,294	786	13,508	-	(322)	4,502	(107)	-	-	-
Subtotal related companies			**14,294**	**786**	**13,508**	**-**	**(322)**	**4,502**	**(107)**	**-**	**-**	**-**
Total			**462,452**	**314,922**	**147,530**	**705,708**	**76,953**	**184,092**	**109,394**	**(17,390)**	**7,252**	**(30,926)**

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

At the meeting of the Board of Directors held on February 29, 2016, the Board approved an increase in the share capital of this company of up to R$ 34,000, of which R$ 20,400 was contributed by MAHLE Metal Leve S.A. on March 28, 2016 and the remaining R$ 13,600 was contributed on May 10, 2016.

MAHLE Filtroil Indústria e Comércio de Filtros Ltda.

At September 30, 2017, the interest in the net capital deficiency of the subsidiary MAHLE Filtroil Indústria e Comércio de Filtros Ltda. was R$ 7,557 (R$ 6,860 at December 31, 2016) and this was recorded in non-current liabilities within "provision for subsidiary's net capital deficiency".

At September 30, 2017 and December 31, 2016, 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 September 30, 2017, the interest in the net capital deficiency of the subsidiary MAHLE Hirschvogel Forjas S.A. is R$ 7,490 (R$ 1,860 at December 31, 2016), which is recorded in non-current liabilities within “Provision for net capital deficiency of subsidiary”.

At the Extraordinary General Meetings held on April 28, 2017 and May 2, 2017, share capital increases of R$ 1,600 and R$ 1,550 were approved for this subsidiary, of which R$ 1,581 was contributed by MAHLE Metal Leve S.A. and R$ 1,531 by the non-controlling shareholder. The purpose of this capital contribution was to complete the process of cessation of the subsidiary’s operations.

At the Extraordinary General Meeting held on November 1, 2016, the shareholders approved an increase in the share capital of this subsidiary in the amount of R$ 12,000, of which R$ 6,120 was contributed by MAHLE Metal Leve S.A. and R$ 5,880 was contributed by the non-controlling shareholder. The objective of this capital contribution was to complete the process of termination of operations of this subsidiary.

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 September 30, 2017, the share of equity in subsidiary MAHLE Industry do Brasil Ltda. is R$ 10,013 (R$ 6,034 at December 31, 2016), which is recorded in current assets as "Investments in subsidiaries".

At September 30, 2017, the subsidiary has a loan agreement with the Company as stated in Note 10 – Related parties.

On November 14, 2016, there was a capital contribution of R$ 16,800 to the subsidiary MAHLE Industry do Brasil Ltda. On the same date, the subsidiary paid off the total amount of R$ 15,800 (as of that date) of the loan owed to the Company, and R$ 1,000 was deposited in the subsidiary's account.

MAHLE Metal Leve GmbH

On May 31, 2017, the subsidiary MAHLE Metal Leve GmbH declared and paid dividends of R$ 84,607 to the Company for profits earned in FY 2016.

MAHLE Metal Leve Miba Sinterizados Ltda.

As mentioned in Note 1, 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. See details in Note 34.

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, 2016	**52,454**	**112,076**	**426,878**	**4,310**	**5,467**	**7,314**	**16,185**	**(3,102)**	**621,582**
Total cost	52,454	230,434	1,903,242	26,471	24,469	7,314	16,185	(3,102)	2,257,467
Accumulated depreciation	-	(118,358)	(1,476,364)	(22,161)	(19,002)	-	-	-	(1,635,885)
Net book value	**52,454**	**112,076**	**426,878**	**4,310**	**5,467**	**7,314**	**16,185**	**(3,102)**	**621,582**
Additions	-	-	22,334	455	1,407	1,959	10,123	-	36,278
Write-offs	-	-	(2,100)	-	(161)	-	-	24	(2,237)
Transfer	-	5	24,146	(73)	1	(9,083)	(14,996)	-	-
Depreciation	-	(3,764)	(54,387)	(605)	(1,394)	-	-	-	(60,150)
Depreciation/write-off (deemed cost)	-	(1,926)	(3,200)	(25)	(9)	-	-	(128)	(5,288)
At September 30, 2017	**52,454**	**106,391**	**413,671**	**4,062**	**5,311**	**190**	**11,312**	**(3,206)**	**590,185**
Total cost	52,454	230,434	1,922,471	26,832	24,834	190	11,312	(3,206)	2,265,321
Accumulated depreciation	-	(124,043)	(1,508,800)	(22,770)	(19,523)	-	-	-	(1,675,136)
Net book value	**52,454**	**106,391**	**413,671**	**4,062**	**5,311**	**190**	**11,312**	**(3,206)**	**590,185**

(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, 2016	**58,754**	**119,539**	**496,526**	**5,224**	**5,960**	**12,287**	**17,495**	**(4,553)**	**711,232**
Total cost	58,754	250,017	2,093,035	28,869	26,170	12,287	17,495	(4,553)	2,482,074
Accumulated depreciation	-	(130,478)	(1,596,509)	(23,645)	(20,210)	-	-	-	(1,770,842)
Net book value	**58,754**	**119,539**	**496,526**	**5,224**	**5,960**	**12,287**	**17,495**	**(4,553)**	**711,232**
Additions	-	410	24,761	677	1,576	1,961	13,633	-	43,018
Write-offs	-	-	(2,230)	(12)	(200)	-	-	184	(2,258)
Transfer	-	(117)	32,250	(53)	2	(14,055)	(18,027)	-	-
Depreciation	-	(3,898)	(60,962)	(691)	(1,526)	-	-	-	(67,077)
Depreciation/write-off (deemed cost)	-	(1,984)	(3,309)	(25)	(9)	-	-	(128)	(5,455)
Discontinued operations	(6,087)	(3,694)	(40,854)	(393)	(180)	(2)	(23)	138	(51,095)
Foreign exchange variation	(24)	(432)	(3,386)	(45)	(38)	-	(104)	50	(3,979)
At September 30, 2017	**52,643**	**109,824**	**442,796**	**4,682**	**5,585**	**191**	**12,974**	**(4,309)**	**624,386**
Total cost	52,643	234,413	1,977,567	27,877	25,430	191	12,974	(4,309)	2,326,786
Accumulated depreciation	-	(124,589)	(1,534,771)	(23,195)	(19,845)	-	-	-	(1,702,400)
Net book value	**52,643**	**109,824**	**442,796**	**4,682**	**5,585**	**191**	**12,974**	**(4,309)**	**624,386**

Deemed cost

Changes in deemed cost

	12.31.2016	Depreciation.write-off (deemed cost)	Discontinued operations	09.30.2017
Land	46,905	-	-	46,905
Buildings and construction	45,624	(1,926)	-	43,698
Machinery, equipment and facilities	7,013	(3,328)	-	3,685
Furniture and fittings	59	(25)	-	34
Vehicles	(126)	(9)	-	(135)
	99,475	**(5,288)**	**-**	**94,187**

	12.31.2016	Depreciation.write-off (deemed cost)	Discontinued operations	09.30.2017
Land	52,617	-	(5,712)	46,905
Buildings and construction	47,146	(1,984)	(1,464)	43,698
Machinery, equipment and facilities	7,012	(3,437)	110	3,685
Furniture and fittings	210	(25)	(151)	34
Vehicles	(134)	(9)	4	(139)
	106,851	**(5,455)**	**(7,213)**	**94,183**

The annual depreciation rates of the property, plant and equipment items at September 30, 2017 are equal to the rates presented at December 31, 2016.

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 September 30, 2017 (R$ 6,257 at December 31, 2016). 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.

(in thousand of reais)

Non-current assets held for sale

In 2016, the amount of R$ 13,235 was reclassified to non-current assets as assets held for sale, and there are also advance payments of R$ 377, which are recorded as “other liabilities”, related to the sale of items of property, plant and equipment which are to be removed from the Company by the end of 2017.

In the nine-month period ended September 30, 2017 there were partial sales in which the residual value of the assets was R$ 2,798. At September 30, 2017, a provision for loss of R$ 3,262 was recorded for property, plant and equipment, with a remaining balance of R$ 7,175 in the assets held for sale account. These assets are still available for immediate sale and in the process of negotiation.

14 Intangible assets

	Annual amortization rates (%)	Parent company		Consolidated	
		09.30.2017	12.31.2016	09.30.2017	12.31.2016
Goodwill on merger with subsidiaries:					
MAHLE Participações Ltda. (a)	-	568,612	568,612	568,612	568,612
Goodwill on acquisition of subsidiaries:					
MAHLE Argentina S.A. (a)	-	-	-	64,732	64,311
MAHLE Hirschvogel Forjas S.A. (a)	-	-	-	35,755	35,755
Cost of acquisition and installation of software (b)	20	45,724	48,024	46,398	49,898
Other (a and b)	-	334	334	2,629	2,917
Usage right and concessions (a) (*)	-	17,665	14,388	17,665	14,388
Usage right and concessions (b)	20	35,930	31,469	35,930	33,182
Provision for impairment of intangible assets *(Ring business)*	-	(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)
		479,277	**473,839**	**508,561**	**505,903**
Accumulated amortization		(49,060)	(46,924)	(51,829)	(51,233)
		430,217	**426,915**	**456,732**	**454,670**

(a) Indefinite useful life

(b) finite useful life

(*) The intangible asset in the amount of R$ 17,665 refers to R$ 12,000 of exclusive rights for the development of production systems of products derived from the fermentation technology and related products (MBE2) and R$ 5,665 refers to costs of improvement of the access through Anhanguera Highway and right of way to the Group's Technological Center in the city of Jundiaí, State of São Paulo.

(**) Of R$ 35,930, R$ 29,914 refers to costs of continuity of development of the technology of MBE2.

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, 2016	**379,958**	**6,182**	**40,774**	1	**426,915**
Additions	-	976	4,461	-	5,437
Amortization	-	(1,433)	(702)	-	(2,135)
Transfer	-	(3,276)	3,277	- 1	-
At September 30, 2017	**379,958**	**2,449**	**47,810**	-	**430,217**

	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, 2016	**405,860**	**6,438**	**42,285**	**87**	**454,670**
Additions	-	1,118	4,461	-	5,579
Amortization	-	(1,559)	(877)	-	(2,436)
Foreign exchange variation	421	(16)	-	(7)	398
Transfer	-	(3,276)	3,277	(1)	-
Discontinued operations	-	(143)	(1,336)	-	(1,479)
At September 30, 2017	**406,281**	**2,562**	**47,810**	**79**	**456,732**

Provision for impairment of intangible assets

At December 31, 2016, impairment tests were performed in accordance with the Brazilian accounting standard NBC TG 01 (CPC 01) “Impairment of assets”, and an impairment loss estimated at R$ 188.6 million was identified for goodwill of the cash generating unit (CGU) of the Company - ring business – related to the engine components segment, for which the amount recognized at December 31, 2015 is R$ 568.6 million. This identified impairment loss is due to a reduction in future results by reason of changes in exchange rates and the decline in sales volume driven by the current market conditions that have affected principally the automotive industry.

The Company's management continuously monitors the activities of its subsidiaries and did not detect substantial changes in their operational performance in the first nine months of 2017 that would justify any change in the previously recognized impairment losses.

15 Trade and related-party payables

	Parent company		Consolidated	
	09.30.2017	12.31.2016	09.30.2017	12.31.2016
Suppliers - Third Party				
Raw material	75,772	49,566	104,479	70,575
Services	17,955	19,915	18,181	21,767
	93,727	**69,481**	**122,660**	**92,342**
Related parties (Note 10)	21,902	28,467	42,342	41,764
	115,629	**97,948**	**165,002**	**134,106**

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	
	09.30.2017	12.31.2016	09.30.2017	12.31.2016
State taxes	**7,078**	**6,594**	**7,415**	**7,266**
ICMS payable	7,078	6,594	7,119	6,974
Other	-	-	296	292
Federal taxes	**9,529**	**11,583**	**10,916**	**13,225**
COFINS payable	2,905	4,188	2,919	4,639
IPI payable	2,618	2,063	2,618	2,106
IRRF	2,176	1,896	2,206	1,978
PIS payable	612	396	614	414
Other	1,218	3,040	2,559	4,088
Income tax and social contribution	**1,505**	**1,505**	**13,267**	**23,450**
Municipal taxes	**-**	**-**	**91**	**97**
Current liabilities	**18,112**	**19,682**	**31,689**	**44,038**
Federal taxes				
Social contribution payable	1,154	1,150	1,154	1,150
Non-current liabilities	**1,154**	**1,150**	**1,154**	**1,150**

17 Borrowings

Description		Average Cost	Parent company 09.30.2017	Parent company 12.31.2016	Consolidated 09.30.2017	Consolidated 12.31.2016
Borrowings in local currency (BRL)						
BNDES-Exim (Long-Term Interest Rate (TJLP) + 2.00% p.a. + 1.00%		10.00%	-	102,134	-	102,134
BNDES-Exim (Long-Term Interest Rate (TJLP) + 2.00% p.a. + 0.95% p.a.)		9.95%	60,565	60,078	60,565	60,078
BNDES-Exim (Long-Term Interest Rate (TJLP) + 2.00% p.a. + 0.90% p.a.)		9.90%	32,629	32,335	32,629	32,335
BNDES-Exim (interest of 8.00% p.a.)		8.00%	70,472	70,482	70,472	90,675
NCE (interest of 8.86% p.a.)		8.86%	82,213	82,213	82,213	82,213
FINEP (Long-Term Interest Rate (TJLP) + 5.00% p.a. - 6.00% p.a.)		6.00%	180,009	61,991	180,009	61,991
NCE (interest of 11.00% p.a.)		11.00%	-	48,515	-	48,515
Other		0.00%	2,354	2,891	2,369	3,038
Borrowings in foreign currency	**Currency**					
Working capital (interest of 111,2% p.a.)	USD	10.16%	-	-	-	18,551
	7.70%	**7.70%**	**428,242**	**460,639**	**428,257**	**499,530**
Current - borrowings in local currency			**162,632**	**120,396**	**162,647**	**140,736**
Current - borrowings in foreign currency			**-**	**-**	**-**	**15,551**
Total current			**162,632**	**120,396**	**162,647**	**156,287**
Non-current - borrowings in local currency			**265,610**	**340,243**	**265,610**	**340,243**
Non-current - borrowings in foreign currency			**-**	**-**	**-**	**3,000**
Total non-current			**265,610**	**340,243**	**265,610**	**343,243**

At September 30, 2017, long-term borrowings mature as follows:

	Consolidated 09.30.2017
2018	120.962
2019	27.996
2020	27.996
2021	27.996
2022	27.996
2023	27.996
2024	4.668
	265.610

Restrictive covenants

In the BNDES-Exim and NCE (57,41% and 57,41% of borrowings in the parent company and consolidated accounts, respectively) there are accelerated maturity clauses related mainly to the use of funds for a purpose other than that established in the credit facility agreements with the financial institutions. No guarantees were provided for these credit lines. For this financing, product export supporting documents are required.

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 (7,0% p.a. as at September 30, 2017) 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 September 30, 2017 and December 31, 2016, the Group had no payment of principal or interest in arrears and was not in breach of any of the covenants under the BNDES-Exim, BNDES-Finem, working capital, NCE and FINEP contracts.

On October 16, 2017, the Company paid the bank loan (taken from BNDES, Exim pre-shipment) of R$ 93.6 million with interest rate equivalent to 9.93% p.a. (TJLP + BNDES interest + bank agent interest). Total term of the loan was 24 months with payment of interest on a quarterly basis and principal at the end of the term.

18 Salaries, vacation pay and social charges

	Parent company		Consolidated	
	09.30.2017	**12.31.2016**	**09.30.2017**	**12.31.2016**
Employee profit sharing	18,335	22,271	19,415	24,506
Accrued vacation pay / 13th month salary	66,901	25,058	73,296	31,176
INSS /FGTS	9,572	10,541	9,596	11,147
Other social security obligations	296	490	3,683	4,488
	95,104	**58,360**	**105,990**	**71,317**

19 Sundry provision

	Parent company						
	Losses on contracts	Commercial bonuses	Electric power	Employee benefits	Tooling	Other	Total
At December 31, 2016	**6,334**	**3,481**	**4,364**	**-**	**1,266**	**583**	**16,028**
Reversal	-	-	-	-	-	(17)	(17)
Payment	-	(8,730)	(4,364)	-	(9)	(4)	(13,107)
Complement	-	11,672	8,057	5,225	45	4,165	29,164
At September 30, 2017	**6,334**	**6,423**	**8,057**	**5,225**	**1,302**	**4,727**	**32,068**

	Consolidated							
	Losses on contracts	Commercial bonuses	Restructuring	Electric power	Employee benefits	Tooling	Other	Total
At December 31, 2016	**10,579**	**3,482**	**1,917**	**5,154**	**-**	**1,456**	**810**	**23,398**
Reversal	-	-	(7)	(5,154)	-	-	(17)	(5,178)
Payment	-	(8,730)	(154)	-	-	(9)	(233)	(9,126)
Complement	-	11,675	-	8,550	5,289	44	5,512	31,070
Foreign exchange variation	(126)	-	-	-	-	-	(58)	(184)
Discontinued operations	(2,861)	-	-	-	(61)	-	(294)	(3,216)
At September 30, 2017	**7,592**	**6,427**	**1,756**	**8,550**	**5,228**	**1,491**	**5,720**	**36,764**

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, 2016	**17,377**	**20,375**
Reversal	(7,876)	(3,532)
Payment	(2,516)	(7,299)
Complement	1,056	1,462
Foreign exchange variation	402	535
Discontinued operations	-	(640)
At September 30, 2017	**8,443**	**10,901**

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, 2016	**259,329**	**42,860**	**4,833**	**(65,961)**	**241,061**
Additions	43,016	827	-	(14,524)	29,319
Monetary restatements	22,253	2,099	-	(410)	23,942
Write-off for use	(20,336)	(3,790)	(390)	10,929	(13,587)
Write-off for reversal	(40,411)	(824)	-	5,418	(35,817)
Transfer	-	-	-	173	173
At September 30, 2017	**263,851**	**41,172**	**4,443**	**(64,375)**	**245,091**

	Consolidated				
	Civil and labor	Tax	Environmental liability	Judicial deposits	Total
At December 31, 2016	**294,120**	**43,020**	**5,417**	**(76,412)**	**266,145**
Additions	56,504	904	615	(22,667)	35,356
Monetary restatements	25,371	2,111	-	(952)	26,530
Write-off for use	(22,064)	(3,790)	(1,079)	11,889	(15,044)
Write-off for reversal	(43,501)	(903)	(65)	5,687	(38,782)
Transfer	-	-	-	186	186
Foreign exchange variation	(172)	-	(4)	-	(176)
Write-off for descontinuity	(10,595)	(169)	-	1,765	(8,999)
At September 30, 2017	**299,663**	**41,173**	**4,884**	**(80,504)**	**265,216**

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 September 30, 2017, the Group had labor, civil and tax proceedings brought before the proper authorities in the amount of R$ 43,243 (December 31, 2016 - R$ 42,849), 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 and August 17, 2017, respectively, 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 and components for filters. 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 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 the necessary adjustments and disclosures whenever applicable. The conditions spelled out in the commitment include a payment of R$17.5 million, for which a provision has already been recognized in the financial statements.

22 Equity

a. Share capital

At September 30, 2017 and December, 31 2016, 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.	76,985,131	60.0%
Mahle Industriebeteiligungen GmbH	12,830,850	10.0%
Non-controlling shareholders	38,492,519	30.0%
	128,308,500	**100%**

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 September 30, 2017, the market value of the Company's common shares corresponded the price of R$ 19.90 per share (R$ 20.76 on December 31, 2016).

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, 2016.

b. Other comprehensive income

Carrying value adjustments

The Company recognizes under this heading:

- The effects of carrying value adjustments relating to the effective portion of gains or losses on cash flow hedges, which are recognized in September 30, 2017, net of taxes, at (-) R$ 4,765 (At September 30, 2016 (+) R$ 46,643) in the parent and at (-) R$ 4,625 (At September 30, 2016 (+) R$ 44,307) in the consolidated accounts.

- The adjustments for the adoption of the deemed cost of property, plant and equipment at R$ 5,282 at September 30, 2017 (At September 30, 2016 - R$ 3,227). 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:

	3Q2017	9M2017	3Q2016	9M2016
Profit attributable to owners of the parent	**98,286**	**193,714**	**50,409**	**167,260**
Shares outstanding	128,308,500	128,308,500	128,308,500	128,308,500
Basic earnings per share	**0.76601**	**1.50975**	**0.39287**	**1.30358**
From continuing operations	98,286	200,985	54,003	182,674
From descontinuing operations	-	(7,271)	(3,594)	(15,414)
Profit attributable to owners of the parent	**98,286**	**193,714**	**50,409**	**167,260**
From continuing operations	0.76601	1.56642	0.42088	1.42371
From descontinuing operations	-	(0.05667)	(0.02801)	(0.12013)
Basic earnings per share	**0.76601**	**1.50975**	**0.39287**	**1.30358**

There are no diluted earnings per share because the Company has no shares with dilutive effects.

24 Net operating revenue

	Parent company			
	2017		2016	
	3Q2017	9M2017	3Q2016	9M2016
Gross revenue				
Products	646,151	1,773,691	557,192	1,675,910
Services	11,210	32,711	11,509	27,193
Total revenue with products + services	**657,361**	**1,806,402**	**568,701**	**1,703,103**
Deductions from sales:				
Taxes on sales	(135,268)	(375,534)	(120,304)	(342,552)
Discounts , returns and sales incentives	(13,974)	(24,649)	(7,586)	(23,391)
Net operating revenue	**508,119**	**1,406,219**	**440,811**	**1,337,160**

(in thousand of reais)

	Consolidated			
	2017		2016	
	3Q2017	9M2017	3Q2016	9M2016
Gross revenue				
Products	760,072	2,135,667	677,012	2,066,525
Services	10,703	29,528	10,369	24,322
Total revenue with products + services	**770,775**	**2,165,195**	**687,381**	**2,090,847**
Deductions from sales:				
Taxes on sales	(136,247)	(378,200)	(120,750)	(343,832)
Discounts , returns and sales incentives	(38,006)	(99,053)	(36,333)	(107,621)
Net operating revenue	**596,522**	**1,687,942**	**530,298**	**1,639,394**

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			
	2017		2016	
	3Q2017	9M2017	3Q2016	9M2016
Personnel and benefits	(10,370)	(30,221)	(8,451)	(29,826)
Freight	(8,312)	(25,199)	(7,466)	(22,534)
Brand license	(2,440)	(6,694)	(2,110)	(6,174)
Variable selling expenses	(1,926)	(4,319)	(664)	(4,750)
Travel and entertainment allowance	(709)	(1,771)	(593)	(1,957)
Advertising	(491)	(2,435)	(723)	(1,822)
Depreciation	(188)	(560)	(172)	(595)
Professional services/service orders	(1,712)	(4,552)	(3,237)	(4,739)
(Reversal of) provision for impairment of trade receivables	(1,346)	191	1,071	3,187
Other expenses	(2,034)	(4,278)	(2,234)	(6,759)
	(29,528)	**(79,838)**	**(24,579)**	**(75,969)**

	Consolidated			
	2017		2016	
	3Q2017	9M2017	3Q2016	9M2016
Personnel and benefits	(12,430)	(36,440)	(10,337)	(35,883)
Freight	(10,271)	(31,059)	(9,667)	(28,691)
General expenses	(1,532)	(4,161)	(1,661)	(5,023)
Variable selling expenses	(3,928)	(9,813)	(2,064)	(10,522)
Brand license	(2,683)	(7,387)	(2,393)	(7,102)
Professional services/service orders	(3,597)	(5,683)	(4,351)	(7,655)
Travel and entertainment allowance	(789)	(2,054)	(716)	(2,334)
Advertising	(656)	(3,097)	(982)	(2,661)
Depreciation	(220)	(660)	(209)	(718)
(Reversal of) provision for impairment of trade receivables	(1,332)	837	1,120	2,866
Other expenses	(448)	(5,533)	(1,992)	(6,635)
	(37,886)	**(105,050)**	**(33,252)**	**(104,358)**

27 General and administrative expenses

General and administrative expenses by nature are as follows:

	Parent company			
	2017		2016	
	3Q2017	9M2017	3Q2016	9M2016
Personnel and benefits	(3,688)	(21,644)	(4,425)	(22,144)
Management	(6,743)	(18,886)	(3,373)	(11,102)
Professional services/service orders	(1,497)	(4,959)	(1,008)	(3,955)
Maintenance	(910)	(2,699)	(757)	(2,466)
Depreciation	(800)	(2,566)	(726)	(2,470)
Materials and utilities	(851)	(2,778)	(696)	(2,339)
PIS/COFINS	(662)	(2,143)	(465)	(1,266)
Travel and entertainment allowance	(273)	(896)	(183)	(706)
Other expenses	(107)	(4,246)	(250)	(3,177)
	(15,531)	**(60,817)**	**(11,883)**	**(49,625)**

	Consolidated			
	2017		2016	
	3Q2017	9M2017	3Q2016	9M2016
Personnel and benefits	(4,960)	(25,253)	(5,087)	(25,206)
Management	(6,743)	(18,886)	(3,373)	(11,102)
Professional services/service orders	(2,192)	(7,479)	(1,904)	(6,190)
Maintenance	(975)	(2,928)	(910)	(2,980)
Materials and utilities	(928)	(3,103)	(911)	(3,482)
Depreciation	(846)	(2,735)	(775)	(2,635)
PIS/COFINS	(764)	(2,270)	(471)	(1,295)
Travel and entertainment allowance	(326)	(1,076)	(255)	(957)
Other expenses	26	(4,808)	(352)	(5,437)
	(17,708)	**(68,538)**	**(14,038)**	**(59,284)**

28 Technology and product development costs

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

	Parent company			
	2017		2016	
	3Q2017	9M2017	3Q2017	9M2017
Personnel and benefits	(10,856)	(35,303)	(11,931)	(36,169)
Materials/utilities	(1,504)	(5,253)	(2,073)	(6,855)
Depreciation	(1,468)	(4,751)	(1,617)	(4,958)
Professional services/service orders	(701)	(2,467)	(1,141)	(3,351)
Maintenance	(763)	(2,372)	(903)	(2,298)
General expenses	(1,009)	(3,986)	(855)	(2,786)
Other expenses	(265)	(1,026)	(370)	(1,423)
	(16,566)	**(55,158)**	**(18,890)**	**(57,840)**

	Consolidated			
	2017		2016	
	3Q2017	9M2017	3Q2017	9M2017
Personnel and benefits	(11,194)	(36,275)	(12,231)	(37,090)
Materials/utilities	(1,521)	(5,312)	(2,100)	(6,921)
Professional services/service orders	(2,145)	(5,831)	(1,928)	(5,560)
Depreciation	(1,511)	(4,889)	(1,642)	(5,045)
General expenses	(1,706)	(6,116)	(2,113)	(5,833)
Maintenance	(768)	(2,377)	(903)	(2,301)
Other expenses	(283)	(1,274)	(485)	(1,885)
	(19,128)	**(62,074)**	**(21,402)**	**(64,635)**

29 Finance income and costs, net

	Parent company			
	2017		2016	
	3Q2017	9M2017	3Q2016	9M2016
Finance income				
Interest	9,672	25,336	5,805	12,989
Exchange variation (a)	1,179	25,847	3,033	25,841
Monetary variation gains	(194)	1,657	1,320	4,013
Derivative financial instruments (c)	5,801	12,410	4,238	37,361
Other	12	106	45	139
	16,470	**65,356**	**14,441**	**80,343**
Finance costs				
Interest	(9,350)	(30,590)	(8,277)	(20,331)
Exchange variations (b)	(5,571)	(18,401)	(837)	(60,280)
Monetary variation losses	(8,374)	(26,857)	(9,256)	(26,755)
Derivative financial instruments (d)	540	(9,400)	(754)	(2,863)
Other	(1,066)	(2,391)	(443)	(1,386)
	(23,821)	**(87,639)**	**(19,567)**	**(111,615)**
Finance income (costs), net	**(7,351)**	**(22,283)**	**(5,126)**	**(31,272)**
Summary of foreign exchange variations (a+b)	**(4,392)**	**7,446**	**2,196**	**(34,439)**
Trade payables	674	(1,329)	(928)	1,353
Borrowings	-	-	(836)	7,928
Interest on capital receivable	(160)	4,118	1,461	(7,484)
Cash and cash equivalents	39	2,318	651	(11,011)
Trade receivables	(4,936)	2,352	1,857	(25,190)
Other	(9)	(13)	(9)	(35)
Summary of derivative instruments (c+d)	**6,341**	**3,010**	**3,484**	**34,498**
Income	5,801	12,410	4,238	37,361
Expenses	540	(9,400)	(754)	(2,863)
Net result of foreign exchange variations and derivative financial instruments	**1,949**	**10,456**	**5,680**	**59**

Notes to the interim financial statements

(in thousand of reais)

	Consolidated			
	2017		2016	
	3Q2017	9M2017	3Q2016	9M2016
Finance income				
Interest	9,830	25,833	6,068	13,802
Exchange variation (a)	8,547	42,685	5,771	52,202
Monetary variation gains	(7)	2,204	1,423	4,254
Derivative financial instruments (c)	5,801	12,410	4,238	37,361
Other	11	85	44	598
	24,182	**83,217**	**17,544**	**108,217**
Finance costs				
Interest	(9,643)	(31,607)	(10,416)	(31,084)
Exchange variations (b)	(10,836)	(31,639)	(2,978)	(81,661)
Monetary variation losses	(9,303)	(29,428)	(9,841)	(27,936)
Derivative financial instruments (d)	540	(9,400)	(754)	(2,863)
Other	(2,055)	(5,188)	(1,279)	(4,764)
	(31,297)	**(107,262)**	**(25,268)**	**(148,308)**
Finance income (costs), net	**(7,115)**	**(24,045)**	**(7,724)**	**(40,091)**
Summary of foreign exchange variations (a+b)	**(2,289)**	**11,046**	**2,793**	**(29,459)**
Trade receivables	(2,022)	7,471	3,252	(10,810)
Borrowings	-	-	(837)	7,927
Cash and cash equivalents	(307)	2,323	406	(11,610)
Interest on capital receivable	(160)	4,118	1,461	(7,484)
Trade payables	207	(2,855)	(1,384)	(7,155)
Other	(7)	(11)	(105)	(327)
Summary of derivative instruments (c+d)	**6,341**	**3,010**	**3,484**	**34,498**
Income	5,801	12,410	4,238	37,361
Expenses	540	(9,400)	(754)	(2,863)
Net result of foreign exchange variations and derivative financial instruments	**4,052**	**14,056**	**6,277**	**5,039**

30 Other operating income and expenses, net

	Parent company			
	2017		2016	
	3Q2017	9M2017	3Q2016	9M2016
Other income				
Provision/reversal for labor, civil and tax contingencies	1,134	(9,499)	(7,920)	(16,490)
Taxes recovered (Reintegra)	4,199	11,621	178	621
Electric power	247	795	(1,183)	(3,466)
Provision/reversal of provision for obsolescence	-	52	656	941
Gains on disposal of equity interest in subsidiary	-	17,267	-	-
Gains (losses) on disposal of assets /other	(6)	(1,879)	(476)	(523)
Other income	24	3,145	369	(150)
	5,598	**21,502**	**(8,376)**	**(19,067)**

	Consolidated			
	2017		2016	
	3Q2017	9M2017	3Q2016	9M2016
Other income				
Provision/reversal for labor, civil and tax contingencies	(2,507)	(17,247)	(14,867)	(30,020)
Taxes recovered (Reintegra)	4,200	11,621	166	609
Electric power	360	1,022	(1,141)	(3,758)
Gains on disposal of equity interest in subsidiary	-	17,267	-	-
Provisio/reversal of provision for restructuring	-	-	259	579
Reversal of losses on products	-	-	(175)	(175)
Gains (losses) on disposal of assets /other	(68)	(3,246)	(1,737)	475
Provision/reversal of provision for obsolescence	(2,986)	(1,830)	1,788	2,126
Other income	(1)	2,810	1,750	1,402
	(1,002)	**10,397**	**(13,957)**	**(28,762)**

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 (IFRS 7), allowing the reader to assess the Group's financial position. The table below shows the classification of the financial instruments.

		Parent Company					
		09.30.2017			12.31.2016		
Assets	**Note**	**Loans and receivables**	**Derivatives used for hedge**	**Total**	**Loans and receivables**	**Derivatives used for hedge**	**Total**
Cash, demand deposits and cash in transit	6	38,865	-	38,865	22,780	-	22,780
Financial investments	6	327,156	-	327,156	218,724	-	218,724
Trade receivables	7	267,800	-	267,800	203,850	-	203,850
Receivables from and loans to related parties	7 and 10	98,909	-	98,909	116,399	-	116,399
Unrealized gains on derivatives	31	-	25,950	25,950	-	39,233	39,233
Total		**732,730**	**25,950**	**758,680**	**561,753**	**39,233**	**600,986**

Liabilities	**Note**	**Derivatives used for hedge**	**Others financial liabilities**	**Total**	**Derivatives used for hedge**	**Others financial liabilities**	**Total**
Payables to related parties	10 and 15	-	(21,902)	(21,902)	-	(28,467)	(28,467)
Trade payables	15	-	(93,727)	(93,727)	-	(69,481)	(69,481)
Borrowings	17	-	(428,242)	(428,242)	-	(460,639)	(460,639)
Unrealized losses on derivatives	31	(4,334)	-	(4,334)	(3,594)	-	(3,594)
Total		**(4,334)**	**(543,871)**	**(548,205)**	**(3,594)**	**(558,587)**	**(562,181)**

		Consolidated					
		09.30.2017			12.31.2016		
Assets	**Note**	**Loans and receivables**	**Derivatives used for hedge**	**Total**	**Loans and receivables**	**Derivatives used for hedge**	**Total**
Cash, demand deposits and cash in transit	6	64,902	-	64,902	31,659	-	31,659
Financial investments	6	331,841	-	331,841	224,772	-	224,772
Trade receivables	7	348,299	-	348,299	284,572	-	284,572
Receivables from and loans to related parties	7 and 10	90,658	-	90,658	114,091	-	114,091
Unrealized gains on derivatives	31	-	26,665	26,665	-	39,724	39,724
Total		**835,700**	**26,665**	**862,365**	**655,094**	**39,724**	**694,818**

Liabilities	**Note**	**Derivatives used for hedge**	**Others financial liabilities**	**Total**	**Derivatives used for hedge**	**Others financial liabilities**	**Total**
Payables to related parties	10 and 15	-	(42,342)	(42,342)	-	(41,764)	(41,764)
Trade payables	15	-	(122,660)	(122,660)	-	(92,342)	(92,342)
Borrowings	17	-	(428,257)	(428,257)	-	(499,530)	(499,530)
Unrealized losses on derivatives	31	(4,334)	-	(4,334)	(4,181)	-	(4,181)
Total		**(4,334)**	**(593,259)**	**(597,593)**	**(4,181)**	**(633,636)**	**(637,817)**

- 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).

The following table presents the financial instruments that are measured at fair value after initial recognition:

09.30.2017	**Measured at fair value**			
	Parent company		**Consolidated**	
Assets	**Total**	**Level 2**	**Total**	**Level 2**
Unrealized gains on derivatives	25,950	25,950	26,665	26,665
Total	**25,950**	**25,950**	**26,665**	**26,665**
Liabilities				
Unrealized losses on derivatives	(4,334)	(4,334)	(4,334)	(4,334)
Total	**(4,334)**	**(4,334)**	**(4,334)**	**(4,334)**

12.31.2016	**Measured at fair value**			
	Parent company		**Consolidated**	
Assets	**Total**	**Level 2**	**Total**	**Level 2**
Unrealized gains on derivatives	39,233	39,233	39,724	39,724
Total	**39,233**	**39,233**	**39,724**	**39,724**
Liabilities				
Unrealized losses on derivatives	(3,594)	(3,594)	(4,181)	(4,181)
Total	**(3,594)**	**(3,594)**	**(4,181)**	**(4,181)**

- Fair value calculation

Derivative financial instruments are carried at fair value in accordance with the valuation method. For the year ended December 31, 2016 and the period ended June 30, 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

The carrying values of financial investments, trade receivables and payables, and borrowings, less impairment provision in the case of trade receivables, are assumed to approximate their fair values.

- 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, 2016.

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 Company's main financial and economic risks, which are discussed in detail in the financial statements at December 31, 2016, are as follows:

- 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		**09.30.2017**				
	Note	**Carrying amount**	**Up to 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Liabilities						
Payables to related parties	10 and 15	(42,342)	(42,342)	-	-	-
Trade payables	15	(122,660)	(122,660)	-	-	-
Borrowings	17	(428,257)	(162,632)	(163,841)	(148,554)	(52,627)
Unrealized losses on derivatives	31	(4,334)	(4,334)	-	-	-
Total		**(597,593)**	**(331,968)**	**(163,841)**	**(148,554)**	**(52,627)**

Consolidated		**12.31.2016**				
	Note	**Carrying amount**	**Up to 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Liabilities						
Payables to related parties	10 and 15	(41,764)	(41,764)	-	-	-
Trade payables	15	(92,342)	(92,342)	-	-	-
Borrowings	17	(499,530)	(204,918)	(172,168)	(166,070)	(14,201)
Unrealized losses on derivatives	31	(4,181)	(4,181)	-	-	-
Total		**(637,817)**	**(343,205)**	**(172,168)**	**(166,070)**	**(14,201)**

The flows shown above are not expected to be realized earlier.

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**	**09.30.2017**	**12.31.2016**	**09.30.2017**	**12.31.2016**
Cash, demand deposits and cash in transit	6	38,865	22,780	64,902	31,659
Financial investments	6	327,156	218,724	331,841	224,772
Trade receivables	7	267,800	203,850	348,299	284,572
Receivables from and loans to related parties	7 and 10	98,909	116,399	90,658	114,091
Total		**732,730**	**561,753**	**835,700**	**655,094**

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	**09.30.2017**	**12.31.2016**	**09.30.2017**	**12.31.2016**
Top 20	142,792	76,882	188,512	115,421
Third Parties	129,818	132,417	165,167	175,894
Intercompanies	83,860	56,981	76,714	54,272
	356,470	**266,280**	**430,393**	**345,587**

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

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

		Parent Company		Consolidated	
Cash, demand deposits, cash in transit and financial investments	**Note**	**09.30.2017**	**12.31.2016**	**09.30.2017**	**12.31.2016**
AAA *	**6**	200,713	123,741	200,713	101,067
AA*		118,978	72,555	121,899	102,226
Others		46,330	45,208	74,131	53,138
		366,021	**241,504**	**396,743**	**256,431**

** Fitch National Long Term*

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 balance sheet date was:

		Parent company		Consolidated	
	Note	**09.30.2017**	**12.31.2016**	**09.30.2017**	**12.31.2016**
Cash, demand deposits and cash in transit	6	38,865	22,780	64,902	31,659
Financial investments	6	327,156	218,724	331,841	224,772
Borrowings	17	(428,242)	(460,639)	(428,257)	(499,530)
Total		**(62,221)**	**(219,135)**	**(31,514)**	**(243,099)**

At September 30, 2017, the balance of borrowings - R$ 428,242 Parent company and R$ 428,257 Consolidated – was 57.41%, respectively, of loans from BNDES (Exim) or Export Credit Note (NCE).

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 September 30, 2017, the Group's exposure in USD (EUR and JPY equivalents in USD) was USD 4,559 thousand in the parent company and USD 4,559 thousand in the consolidated accounts, as shown below:

Foreign exchange exposure arising from accounts receivable and payable in foreign currency at September 30, 2017

	USD thousand		EUR thousand (*)		JPY thousand (**)	
Item	**Parent company**	**Consolidated**	**Parent company**	**Consolidated**	**Parent company**	**Consolidated**
(+) Trade receivables	29,728	29,728	13,071	13,071	-	-
(+) Demand deposits (in foreign currency)	14,113	14,113	2,171	2,171	-	-
(-) Imports	(3,220)	(3,220)	(3,945)	(3,945)	(165,046)	(165,046)
(-) Currency forwards - sale	(37,275)	(37,275)	(10,135)	(10,135)	147,821	147,821
(=) Net balance of foreign exchange exposur	**3,346**	**3,346**	**1,162**	**1,162**	**(17,225)**	**(17,225)**

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

Currency	Parent company	Consolidated	
USD	3,346	3,346	
EUR	1,373	1,373	(*) Paridade EUR / USD 1.1815
JPY	(160)	(160)	(**) Paridade JPY / USD 107.6085
Total	**4,559**	**4,559**	

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

Parent company (USD)

Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	*% Hedged*
2017 (Oct-Dec)	7,952	(6,378)	3.8690	80.2%
2018 (Jan-Dec)	38,864	(17,024)	3.7624	43.8%
2019 (Jan-Sep)	30,164	(7,541)	3.5709	25.0%
Total	**76,980**	**(30,943)**	**3.7377**	**40.2%**

Consolidated (USD)

Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	*% Hedged*
2017 (Oct-Dec)	7,952	(6,378)	3.8690	80.2%
2018 (Jan-Dec)	38,864	(17,024)	3.7624	43.8%
2019 (Jan-Sep)	30,164	(7,541)	3.5709	25.0%
Total	**76,980**	**(30,943)**	**3.7377**	**40.2%**

Parent company(EUR)

Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	*% Hedged*
2017 (Oct-Dec)	9,718	(7,286)	4.1459	75.0%
2018 (Jan-Dec)	30,123	(13,945)	4.4695	46.3%
2019 (Jan-Sep)	22,687	(5,672)	4.1627	25.0%
Total	**62,528**	**(26,903)**	**4.3172**	**43.0%**

Consolidated (EUR)

Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	*% Hedged*
2017 (Oct-Dec)	9,718	(7,286)	4.1459	75.0%
2018 (Jan-Dec)	30,123	(13,945)	4.4695	46.3%
2019 (Jan-Sep)	22,687	(5,672)	4.1627	25.0%
Total	**62,528**	**(26,903)**	**4.3172**	**43.0%**

Parent company (JPY)

Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	*% Hedged*
2017 (Oct-Dec)	(130,133)	94,107	0.0345	72.3%
2018 (Jan-Dec)	(549,521)	261,265	0.0362	47.5%
2019 (Jan-Sep)	(425,895)	106,474	0.0338	25.0%
Total	**(1,105,549)**	**461,846**	**0.0353**	**41.8%**

Consolidated (JPY)

Year	Net Exposure (thousands)	Notional Value - Hedge (thousands)	Average Rate (Portfolio NDF)	*% Hedged*
2017 (Oct-Dec)	(130,133)	94,107	0.0345	72.3%
2018 (Jan-Dec)	(549,521)	261,265	0.0362	47.5%
2019 (Jan-Sep)	(425,895)	106,474	0.0338	25.0%
Total	**(1,105,549)**	**461,846**	**0.0353**	**41.8%**

- 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.

Notes to the interim financial statements

(in thousand of reais)

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 September 30, 2017 by the Brazilian Central Bank for USD, EUR and JPY were used in this sensitivity analysis.

	Parent company				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	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	4.7520		3.1601	5,327	4.7520		3.1601	5,327
25% better	3.9600		3.1601	2,677	3.9600		3.1601	2,677
Balance sheet date	3.1680	3,346	3.1601	27	3.1680	3,346	3.1601	27
25% worse	2.3760		3.1601	(2,624)	2.3760		3.1601	(2,624)
50% worse	1.5840		3.1601	(5,274)	1.5840		3.1601	(5,274)

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

	Parent company				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	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	5.6145		3.7369	2,182	5.6145		3.7369	2,182
25% better	4.6788		3.7369	1,094	4.6788		3.7369	1,094
Balance sheet date	3.7430	1,162	3.7369	7	3.7430	1,162	3.7369	7
25% worse	2.8073		3.7369	(1,080)	2.8073		3.7369	(1,080)
50% worse	1.8715		3.7369	(2,168)	1.8715		3.7369	(2,168)

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

	Parent company				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	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	0.0141		0.0295	265	0.0141		0.0295	265
25% better	0.0211		0.0295	145	0.0211		0.0295	145
Balance sheet date	0.0281	(17,225)	0.0295	24	0.0281	(17,225)	0.0295	24
25% worse	0.0352		0.0295	(98)	0.0352		0.0295	(98)
50% worse	0.0422		0.0295	(219)	0.0422		0.0295	(219)

(*) 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 sensitivity analysis table – cash flow derivatives portfolio for the period ended September 30, 2017

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 (USD/EUR parity - 1.27)	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	1.5840	30,943	3.7382	66,658	1.8715	26,903	4.3172	65,796	0.0422	(461,846)	0.0353	3,184	135,638	135,638	-
25% better	2.3760	30,943	3.7382	42,151	2.8073	26,903	4.3172	40,622	0.0352	(461,846)	0.0353	(64)	82,709	82,709	-
Balance sheet date	3.1680	30,943	3.7382	17,644	3.7430	26,903	4.3172	15,448	0.0281	(461,846)	0.0353	(3,311)	29,781	29,781	-
25% worse	3.9600	30,943	3.7382	(6,863)	4.6788	26,903	4.3172	(9,727)	0.0211	(461,846)	0.0353	(6,559)	(23,149)	(23,149)	-
50% worse	4.7520	30,943	3.7382	(31,370)	5.6145	26,903	4.3172	(34,901)	0.0141	(461,846)	0.0353	(9,807)	(76,078)	(76,078)	-

Consolidated sensitivity analysis table – cash flow derivatives portfolio for the period ended September 30, 2017

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 (USD/EUR parity - 1.27)	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	1.5840	30,943	3.7382	66,658	1.8715	26,903	4.3172	65,796	0.0422	(461,846)	0.0353	3,184	135,638	135,638	-
25% better	2.3760	30,943	3.7382	42,151	2.8073	26,903	4.3172	40,622	0.0352	(461,846)	0.0353	(64)	82,709	82,709	-
Balance sheet date	3.1680	30,943	3.7382	17,644	3.7430	26,903	4.3172	15,448	0.0281	(461,846)	0.0353	(3,311)	29,781	29,781	-
25% worse	3.9600	30,943	3.7382	(6,863)	4.6788	26,903	4.3172	(9,727)	0.0211	(461,846)	0.0353	(6,559)	(23,150)	(23,150)	-
50% worse	4.7520	30,943	3.7382	(31,370)	5.6145	26,903	4.3172	(34,901)	0.0141	(461,846)	0.0353	(9,807)	(76,078)	(76,078)	-

The selling rates published on June 30, 2017 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			09.30.2017	09.30.2016	09.30.2017	09.30.2016
Short position	**EUR**	**4.16889**	37,038	40,013	37,038	40,013
Short position	**USD**	**3.43232**	68,217	50,022	68,217	50,022
Long position	**JPY**	**0.02625**	(609,667)	(688,315)	(609,667)	(688,315)

		Weighted average forward rate - value for settlement	Fair market value - thousand			
			Parent company		Consolidated	
Foreign currency			09.30.2017	09.30.2016	09.30.2017	09.30.2016
Short position	**EUR**	**4.16889**	10,689	15,461	10,689	15,461
Short position	**USD**	**3.43232**	13,975	10,734	13,975	10,734
Long position	**JPY**	**0.03389**	(2,845)	(803)	(2,845)	(803)

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

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

The table below presents the outstanding position at September 30, 2017 and 2016:

	Weighted average price on maturity	Notional value - metric tons			
		Parent company		Consolidated	
Long position		09.30.2017	09.30.2016	09.30.2017	09.30.2016
Commodities					
Nickel	**11,234**	-	10	-	10
Copper	**6,583**	210	315	210	315
Aluminum	**2,100**	131	196	131	196
TOTAL		**341**	**521**	**341**	**521**

	Weighted average price on maturity	Notional value (fair market value)			
		Parent company		Consolidated	
Long positio		09.30.2017	09.30.2016	09.30.2017	09.30.2016
Commodities					
Nickel	**11,234**	-	46	-	46
Copper	**6,583**	248	(6)	248	(6)
Aluminum	**2,100**	24	(5)	24	(5)
TOTAL		**272**	**35**	**272**	**35**

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

Parent company (ALUMINUM)				
Year	**Net Exposure (Tons)**	**Notional Value - Hedge (Tons)**	**Average Price - Portfolio Swap**	***% Hedged***
2017 (Out-Dez)	59	44	1,941	75.0%
2018 (Jan-Dez)	246	87	1,393	35.4%
Total	**305**	**131**	**3,334**	**43.1%**

Consolidated (ALUMINUM)				
Year	**Net Exposure (Tons)**	**Notional Value - Hedge (Tons)**	**Average Price - Portfolio Swap**	***% Hedged***
2017 (Out-Dez)	59	44	1,941	75.0%
2018 (Jan-Dez)	246	87	1,393	35.4%
Total	**305**	**131**	**3,334**	**43.1%**

Parent company (COPPER)				
Year	**Net Exposure (Tons)**	**Notional Value - Hedge (Tons)**	**Average Price - Portfolio Swap**	***% Hedged***
2017 (Out-Dez)	89	67	5,864	75.3%
2018 (Jan-Dez)	396	143	4,159	36.1%
Total	**485**	**210**	**10,023**	**43.3%**

Consolidated (COPPER)				
Year	**Net Exposure (Tons)**	**Notional Value - Hedge (Tons)**	**Average Price - Portfolio Swap**	***% Hedged***
2017 (Out-Dez)	89	67	5,864	75.3%
2018 (Jan-Dez)	396	143	4,159	36.1%
Total	**485**	**210**	**10,023**	**43.3%**

- 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 September 30, 2017. 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 September 30, 2017 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		9,728		2,092	(2,092)
25% better		8,106		1,013	(1,013)
Balance sheet date	210	6,485	6,583	(65)	65
25% worse		4,864		(1,144)	1,144
50% worse		3,243		(2,222)	2,222
Aluminum					
50% better		3,166		442	(442)
25% better		2,638		223	(223)
Balance sheet date	131	2,111	2,100	4	(4)
25% worse		1,583		(215)	215
50% worse		1,055		(434)	434

The selling rates of the USD published on September 30, 2017 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:

		09.30.2017		09.30.2016	
		Parent company	Consolidated	Parent company	Consolidated
Results of derivatives (exports/imports)					
Provisions					
- Operations on accounts receivable and payable		6,804	6,804	1,386	1,386
- Operations on IOC		(2,179)	(2,179)	(299)	(299)
Reversal	(BS)				
- Operations on accounts receivable and payable		-	-	2,776	2,776
Cash effect					
- Operations on accounts receivable and payable		(7,635)	(7,635)	30,635	30,635
- Operations on loan		-	-	-	-
	Note 29	**(3,010)**	**(3,010)**	**34,498**	**34,498**
Total derivative operations - Net finance result		**(3,010)**	**(3,010)**	**34,498**	**34,498**
Gross result					
Gross sales					
- Settlements with cash effect		22,741	22,741	(7,326)	(7,326)
		22,741	**22,741**	**(7,326)**	**(7,326)**
Cost of sales					
- Settlements with cash effect		(3,841)	(4,676)	2,156	3,973
		(3,841)	**(4,676)**	**2,156**	**3,973**
Total derivative operations - Gross result		**18,900**	**18,065**	**(5,170)**	**(3,353)**

Equity		Parent company	Consolidated	Parent company	Consolidated
Provisions					
- Operations on sales to be made	(BS)	21,150	21,150	23,027	22,522
- Operations on commodities	(BS)	272	272	34	34
Deferred income tax and social contribution		7,283	7,283	7,841	7,669
Total derivative operations - Equity		**28,705**	**28,705**	**30,902**	**30,225**
Provision for unrealized losses and gains on derivatives					
(BS) - Sum of the net balance sheet					
Balance sheet assets		25,950	26,665	26,442	26,458
Balance sheet liabilities		(4,334)	(4,334)	(3,237)	(3,777)
Balance sheet, net		**21,616**	**22,331**	**23,205**	**22,681**
Exchange variations (gains and losses)		7,446	11,046	(34,439)	(29,459)
Results of derivatives (exports/imports)		(3,010)	(3,010)	34,498	34,498
Gross sales		22,741	22,741	(7,326)	(7,326)
Cost of sales		(3,841)	(4,676)	2,156	3,973
Effects of foreign exchange variation and financial instrument on profit and loss		**23,336**	**26,101**	**(5,111)**	**1,686**

Guarantees

The Group had no guarantee deposits relating to these derivative instruments for the periods presented above (September 30, 2017 and 2016).

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 year ended September 30, 2017, the Group granted profit-sharing to its employees, based on a union agreement, in the amount of R$ 33,669 (R$ 32,925 in the first nine months of 2016) in the parent company and R$ 33,710 (R$ 32,987 in the first nine months of 2016) 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$ 4,940 at September, 30 2017 (R$ 2,160 at September, 30, 2016).

33 Insurance (not audited)

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 risk assumptions adopted, given their nature, have not been made part of the scope of an audit and, accordingly, were not examined by our independent auditors. The insurance is contracted with leading insurance companies with the advice of specialist insurance brokers.

For 2017, the insurance coverage against operating risks totaled R$ 1,100,000 for material damages and loss of profits combined.

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.

The deal was submitted to CADE for approval. With the sale of the subsidiary, the Company derecognized the provision for net capital deficiency in the amount of R$ 17,415, of which R$ 17,267 in other operating income and R$ 148 in other comprehensive income.

At December 31, 2016, the Company had a loan owed by subsidiary MAHLE Metal Leve Miba Sinterizados Ltda. and with the sale of the subsidiary, the loan was transferred to the account "loans to third parties". At July 25, 2017, Miba Sinter Brasil Ltda. paid R$ 50.3 million to MAHLE Metal Leve S.A. for the total loan plus interest.

The assets and liabilities of MAHLE Metal Leve Miba Sinterizados Ltda. at June 30, 2017 and December 31, 2016 and the provision for net capital deficiency are shown in the table below:

Assets	**06.30.2017**	**12.31.2016**
Total current assets	32,371	30,417
Total non-current assets	54,221	56,121
Total assets	**86,592**	**86,538**
Liabilities		
Total current liabilities	93,118	50,653
Total non-current liabilities	22,499	57,780
Equity (Net capital deficiency)	(29,025)	(21,895)
Total liabilities and equity (Net capital deficiency)	**86,592**	**86,538**

Calculation of the provision for net capital deficiency:

Net capital deficiency	29,025
Ownership interest	60%
Reversal of provision	17,415

The results of discontinued operations of MAHLE Metal Leve Miba Sinterizados Ltda. for the periods ended September 30, 2017 and 2016 are shown in the table below and were recorded in a separate account in the income statement:

	2017		2016	
	3Q2017	9M2017	3Q2016	9M2016
Net revenue	-	51,918	26,324	70,947
Cost of sales	-	(45,962)	(23,409)	(68,236)
Gross (loss) profit	**-**	**5,956**	**2,915**	**2,711**
Selling expenses	-	(2,822)	(1,178)	(3,744)
General and administrative expenses	-	(1,542)	(827)	(2,611)
Technology and product development costs	-	(998)	(443)	(1,184)
Other income	-	(3,280)	(1,184)	(1,771)
Loss before finance income (costs) and taxation	**-**	**(2,686)**	**(717)**	**(6,599)**
Finance income	-	1,353	2,360	4,462
Finance costs	-	(7,893)	(5,555)	(13,785)
Finance income (costs), net	-	(6,540)	(3,195)	(9,323)
Loss before taxation	**-**	**(9,226)**	**(3,912)**	**(15,922)**
Current income tax and social contribution	-	(5)	-	(9)
Deferred income tax and social contribution	-	1,960	318	517
Income tax and social contribution	**-**	**1,955**	**318**	**508**
Loss for the period classified as loss from discontinued operations	**-**	**(7,271)**	**(3,594)**	**(15,414)**

35 Subsequent events

On November, 14, 2017, the Board of Directors approved the payment of interest on capital in the gross amount of R$ 22,116, for the period from August 1, 2017 to October 31, 2017, which will be paid on December 21, 2017, corresponding to R$ 0.1723699626 per common share, including withholding income tax at the rate of 15%, with the result that the net value of interest on capital is R$ 0.1465144682 per common share.

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(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, 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 quarter ended September 30, 2017, and thus authorize their completion.

Mogi Guaçu, November 14, 2017.

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Sergio Pancini de Sá
CEO and Investor Relations Director

(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, 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 quarter ended September 30, 2017.

Mogi Guaçu, November 14, 2017.

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Sergio Pancini de Sá
CEO and Investor Relations Director