PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Independent Auditors' Review Report

Interim Financial Information
As of March 31, 2018

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Interim Financial Information
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Contents

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INDEPENDENT AUDITORS' REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To
The Shareholders, Board of Directors and Managers of
Plascar Participações Industriais S.A.
São Paulo - SP

Introduction

We have reviewed the individual and consolidated interim financial information of Plascar Participações Industriais S.A. ("Company") contained within the Quarterly Financial Information – ITR, identified as Company and Consolidated, respectively, for the quarter ended on March 31, 2018, which comprise the balance sheet on March 31, 2018 and the related statements of income, comprehensive income, changes in equity and cash flows for the period of three month then ended, as well as a summary of the significant accounting practices and other notes.

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

Scope of the review

We conducted our review in accordance with Brazilian and International Standard on Review of interim financial information (NBC TR 2410 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 International Standards on Auditing and consequently does not enable us to obtain assurance that would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, we are not aware of any fact that causes us to believe that the individual and consolidated interim financial information included in the Quarterly Financial information - ITR referred to above were not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to Quarterly Financial Information - ITR and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Emphasis

Relevant uncertainty related to going concern

We draw attention to note 1 to these individual and consolidated interim financial information, which states that the Company has incurred recurring losses, and that the Company's current liabilities exceeded its current assets by R$ 592.298 thousand at March 31, 2018. This, along with other matters as described in note 1, raises a significant doubt about the Company's ability to continue as a going concern. No adjustments arising from these uncertainties were included in the interim financial information. Our conclusion is not qualified in respect of this matter.

Special Tax Regularization Program

We draw attention to Note 22 to the individual and consolidated financial statements informing that the Company joined in August 2017 to the Special Tax Regularization Program (PERT), established by Executive Act No. 783/17 later converted into Law No. 13.496/17 of October 24, 2017, currently under analysis by the Brazilian Revenue Service (RFB) and, therefore, not yet approved by the competent tax authority. Although the Company's management understands that the measurement and recognition of the debt consolidation have been made on consistent and conservative bases and, accordingly, expects no relevant adjustments resulting from this consolidation, the approval confirming the consolidated debt will depend on the conclusion of the analysis by the mentioned competent authority. Our conclusion is not qualified in respect of this matter.

Other issues

Interim statement of value added

We have also reviewed the individual and consolidated interim statement of value added for the period of three month ended March 31, 2018, prepared under the responsibility of the Company's management, whose disclosure in the interim financial information is required in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Financial Information – ITR and considered as supplemental information by the International Financial Accounting Standards (IFRS), which do not require the disclosure of the Statement of Value Added. This statement was submitted to the same review procedures previously described and based on our review, we are not aware of any fact that would lead us to believe that they have not been fairly stated, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

The accompanying interim financial information have been translated into English for the convenience of readers outside Brazil.

Campinas, April 26, 2018.

BDO

BDO RCS Auditores Independentes SS
CRC 2 SP 031522/F

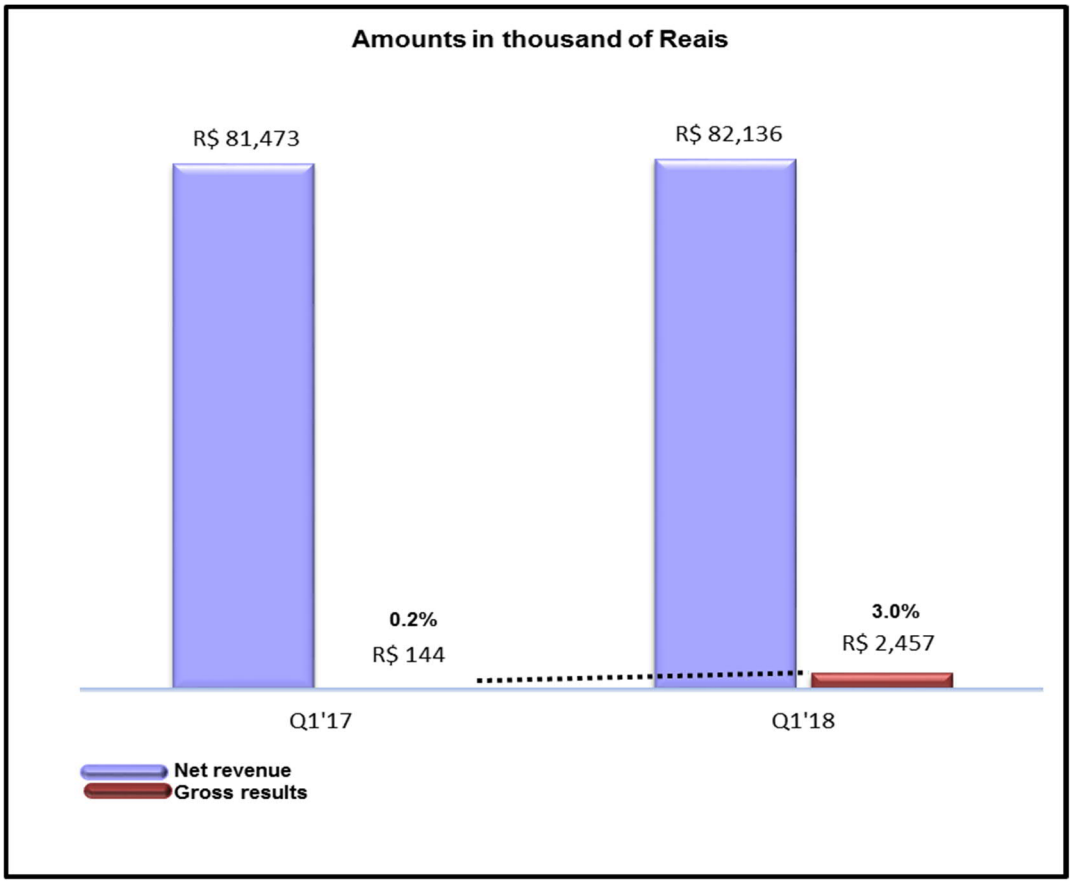
Esmir de Oliveira
Accountant CRC 1 SP 109628/O-0

Management report

The non-financial information included in the report, as well as the respective percentages and information on EBITIDA, were not reviewed by our independent auditors.

Amounts expressed in the thounsands of Reais, except when otherwise indicated.

Gross Losses



According to data of National Association of Motor Vehicle Manufactures – ANFAVEA, during the first quarter of 2018, vehicle production during increase 14,6% compared to the same period of 2017.

	SOURCE: ANFÁVEA – BRAZIL		
AUTOMOTIVE OUTLOOK	**Q1/17**	**Q1/18**	**VAR. %**
PRODUCTION OF VEHICLES	611	700	14,6%
SALES OF VEHICLES	472	546	15,6%

Production grows 14.6% in the year with increase in sales.

The production of Brazilian vehicle factories continues to generate good growth news, with the best monthly and quarterly result since 2014. With the rare combination of high domestic sales - light and heavy plates produced in the Country advanced 14.7% in the first 481.7 thousand units - and continued expansion of exports (180.2 thousand shipped), the national production adds almost 700 thousand cars, utilities, trucks and buses from January to March, representing a sustained increase of 14.6% over the same period of 2017.

With 267.4 thousand vehicles produced in March alone, there was also a significant increase of 25.3% over February (when production was hampered by carnival and fewer days worked) and a 13.5% increase compared to the same month last year.

From February to March, inventories rose from 226.5 thousand to 230.7 thousand vehicles stopped in the yards of automakers and dealerships waiting for buyers. This volume corresponds to 34 days of sales following the pace recorded last month, one more than in February, which is considered by industry to be a "reasonable" level.

Idleness e hiring

Antonio Megale, president of Anfavea, the association of manufacturers installed in the country, said that production in the first quarter (700 thousand) is already quite close to the average of 718 thousand verified in the first three months of the last 10 years (since 2008). But it is still well below the historical peak of 862 thousand reached between January and March 2013.

“The industry still operates with high idleness,” said Megale, pointing out that on average the production lines in the country have 40% of idle time, or use only 60% of total capacity - estimated at 5 million vehicles / year. The idle capacity index is lower in auto factories, 37%, and much higher in truck and bus plants, 70%.

Anfavea has kept unchanged the projection that domestic vehicle production is expected to add 3 million units in 2018, up 13.2% over 2017. With this performance, average factory idle capacity will remain at 40%.

“Good problem” with lack of parts

Continued output growth may begin to form bottlenecks in the supply of auto parts, which Megale classifies as “a good problem”. He acknowledges that the component industry has gone through the crisis of recent years with more suffering than the automakers, “even by the smallest size of some and a lack of working capital, which is expensive in Brazil, so the recovery in the sector is slower".

“But companies are making an effort to meet increased production. Sindipeças itself (which gathers suppliers) evaluates that there are specific problems in the supply chain, it is not systemic”, Megale says. “This is therefore, a good problem to solve”.

With sales on the rise, truck production up 55% in the quarter.

With heated sales and exports, truck production rose 55% in the first quarter compared to the same period last year, according to data released by Anfavea on Thursday. March more than 24.4 thousand units: a year ago, this volume was 16 thousand. In March alone, the production lines increased their volumes by 28% over the total made in February, reaching 9.9 thousand units. About March 2017, this volume was 67% higher.

The resumption of sales is one of the main factors driving the assembly line pace: in the first quarter, the Brazilian market bought 14.5 thousand units, 50.4% more than in the same months of last year. March contributed almost 6 thousand trucks, an increase of 46.8% over the volume of 4 thousand licensees in February. There was also a 44.5% increase over March 2017, when the sector sold 4.1 thousand heavy vehicles.

“It was the best March since 2015”, celebrated the president of Anfavea, Antonio Megale

Megale explains that the freight sector is GDP thermometer: "If we are selling trucks it is because the economy is doing well," he argues. "April has started well, with daily average above 300 units," he says. In March, the average sales of trucks was 282 units in the 21 working days of the month. He points out that several factors have contributed to the higher volumes this year and cites that the market now has more financing alternatives than Finame (BNDES) and the CDC (direct consumer credit), which has become a competitive option for carriers, in addition to the operational leasing, which is being used by some companies.

Like the domestic market, exports also continued to rise: in the first months of the year, volume rose by 25.3% year-on-year to just over 7,3 thousand units.

However, the executive said that the segment's idleness continues to rise: currently, the national heavy commercial industry is only using 30% of its total capacity. "It's a growth that brings good numbers, but it still needs to grow: this volume of 14,5 thousand brings us back to the 2003 sales level," recalls Megale.

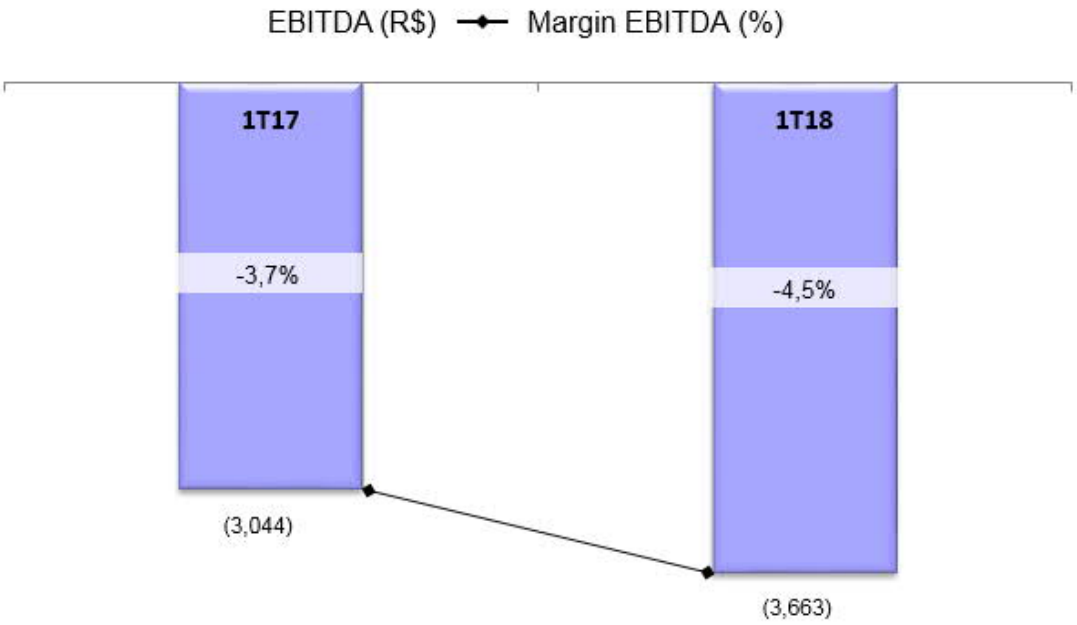
The vice president of the entity, Luiz Carlos de Moraes, also points out that the basis for comparison is still very low, although he indicates optimism on the part of manufacturers: "The phone is ringing," he says, referring to the greater movement in the departments of sales and distribution. Moraes affirms that there is growth in all the main subsegments of the economy, with emphasis on agribusiness.

“This 50% growth in the quarter confirms that we are on track to achieve our forecast to increase truck sales by 25% this year. Let's stop talking about falling and talk about growth now. With the growth of the economy, predicted between 2.8% and 3%, we believe that the segment will once again have more representation in the country's growth”.

Net income

The combined result of all factors mentioned on March 31, 2018 resulted in negative cash generation (EBITDA) of R $ 3,663 (4.5%) in the first quarter, as shown in the table below:

Within the negative EBITDA of R $ 3,044 in 2017, it considers the positive impact of R $ 3,437 due to the reversal in March 2017 of the balance of provision for possible contingencies.



PLASCAR CONSOLIDATED BRASIL						
MONTH / YEAR	NET SALES R$	GROSS RESULTS		EBITDA (Cumulative)		Cumulative (Losses) for the Period (R$)
		R$	% Vendas	R$	% Vendas	
dez/15	480,774	34,140	7.1%	5,459	1.1%	(198,348)
mar/16	**82,018**	**(11,987)**	**-14.6%**	**(20,626)**	**-25.1%**	**(59,736)**
jun/16	158,892	(37,691)	-23.7%	(54,232)	-34.1%	(133,844)
set/16	261,859	(36,880)	-14.1%	(60,625)	-23.1%	(189,923)
dez/16	351,385	(35,499)	-10.1%	(71,160)	-20.3%	(251,836)
mar/17	**81,473**	**144**	**0.2%**	**(3,044)**	**-3.7%**	**(45,717)**
jun/17	175,268	1,892	1.1%	(8,314)	-4.7%	(83,161)
set/17	276,719	11,750	4.2%	(3,789)	-1.4%	(118,268)
dez/17	389,175	22,034	5.7%	878	0.2%	(71,947)
mar/18	**82,136**	**2,457**	**3%**	**(3,663)**	**-4.5%**	**(39,431)**

Human Resources

Despite economic adversities in the country, and the needs for headcount cuts, the Company continues to invest in the professional development of its employees, with approximately 47.3 hours of learning and training per employee (in the last 12 months), focused on SENAI workshop, internships, technical training and operational development.

In March 31, 2018, the Company had 1,805 employees (1,860 in March 31, 2017).

Relationship with Independent Auditors

In compliance with CVM Instruction 381, we hereby announce that for the three-month period ended March 31, 2018, the Company contracted, together with its auditors, a non-external audit service in the amount of R $ 18.

The policy of the Company and its subsidiary on contracting non-audit services from the independence auditors is guided by principies that preserve the auditor's independence, under which: an auditor cannot audit his or her own work; an auditor cannot act as management of the audit cliente; and an auditor cannot serve in an advocacy role for the audit client.

PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Balance sheets
As of March 31, 2018 and December 31, 2017
(In thousands of Reais)

Assets

		Company		Consolidated	
	Notes	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Current					
Cash and cash equivalents		2	11	974	1,128
Trade accounts receivable	6	-	-	17,709	25,844
Inventories	7	-	-	40,615	38,826
Recoverable taxes	8	-	-	915	856
Other accounts receivables		16	16	8,092	7,075
		18	27	68,305	73,729
Non-current					
Other accounts receivables			-	3,857	3,857
Recoverable taxes	8		-	2,734	2,750
Judicial deposits			-	4,619	4,349
Property, plant and equipment	12	7	7	430,489	439,690
Other assets			-	8,954	9,005
		7	7	450,653	459,651
Total assets		25	34	518,958	533,380

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

PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Balance sheets
As of March 31, 2018 and December 31, 2017
(In thousands of Reais)

Liabilities and shareholders equity (unsecured liabilities)

		Company		Consolidated	
	Notes	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Current					
Loans and financing	13	-	-	383,535	370,963
Trade accounts payable		-	-	54,572	51,049
Tax obligations	22	22	21	30,151	29,284
Payroll and related charges	14	-	-	26,470	27,234
Advances from customers	15	-	-	83,514	82,296
Related parties	10	-	-	1,787	59
Provision for unsecured liabilities	11	287,495	248,361	-	-
Other liabilities		-	-	80,574	70,281
		287,517	248,382	660,603	631,166
Non-current					
Provision for contingencies	16	-	-	8,844	9,636
Related parties	10	8,990	8,703	-	-
Payroll and related charges	14	-	-	7,884	7,389
Income tax and social contribution - deferred	9	-	-	14,948	14,114
Tax obligations	22	-	-	123,469	128,386
Other liabilities		-	-	9	13
		8,990	8,703	155,154	159,538
Shareholders' equity	17				
Paid in capital		481,972	481,972	481,972	481,972
Revaluation reserve		22,269	22,269	22,269	22,269
Revaluation reserve		7,610	7,717	7,610	7,717
Accumulated losses		(808,333)	(769,009)	(808,333)	(769,009)
		(296,482)	(257,051)	(296,482)	(257,051)
Non-controlling interest		-	-	(317)	(273)
Total shareholders' equity (unsecured liabiliites)		(296,482)	(257,051)	(296,799)	(257,324)
Total liabilities and shareholdrs' equity		25	34	518,958	533,380

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

PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Statement of income
For the period of three month ended March 31, 2018 and 2017
(In thousands of Reais)

		Company		Consolidated	
	Notes	03/31/2018	03/31/2017	03/31/2018	03/31/2017
Net operating revenue	19	-	-	82,136	81,473
Cost of product sold	20	-	-	(79,679)	(81,329)
Gross profit (loss)		-	-	2,457	144
Operating (expenses) revenue					
Selling expenses	20	-	-	(4,733)	(4,296)
General and administrative expenses	20	(298)	(273)	(11,471)	(9,747)
Equity method results		(39,133)	(45,444)	-	-
Other operating income, net		-	-	55	242
Operating results		(39,431)	(45,717)	(16,149)	(13,801)
Results before financial income and expenses		(39,431)	(45,717)	(13,692)	(13,657)
Financial results					
Financial income	21	-	-	313	402
Financial expenses	21	-	-	(25,260)	(31,867)
		-	-	(24,947)	(31,465)
Results before income tax and social contribution		(39,431)	(45,717)	(38,639)	(45,122)
Income tax and social contribution					
Deferred		-	-	(835)	(645)
		-	-	(835)	(645)
Net loss for the period		(39,431)	(45,717)	(39,474)	(45,767)
Net loss attributable to					
Non-controling interest		-	-	43	(50)
Controlling interest		(39,431)	(45,717)	(39,431)	(45,717)
		(39,431)	(45,717)	(39,474)	(45,767)

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

PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Statements of comprehensive income
For the period of three month ended March 31, 2018 and 2017
(In thousands of Reais)

	Company		Consolidated	
	03/31/2018	03/31/2017	03/31/2017	03/31/2016
Net loss for the period	(39,431)	(45,717)	(39,474)	(45,767)
Other comprehensive income to be reclassified to the statements of income in subsequent periods	-	-	-	-
Other comprehensive income not reclassified to the statements of income in subsequent periods	-	-	-	-
Total comprehensive income	(39,431)	(45,717)	(39,474)	(45,767)
Total comprehensive income attributable to:				
Non-controling interest	-	-	(43)	(50)
Controlling interest	(39,431)	(45,717)	(39,431)	(45,717)
	(39,431)	(45,717)	(39,474)	(45,767)

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

PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Statement of changes in shareholders' equity
For the period of three month ended March 31, 2018 and 2017
(In thousands of Reais)

		Capital reserve					
	Paid in capital	Options granted and treasury shares	Revaluation reserve	Accumulated losses	Total	Non-controlling interest	Total
Balance as of January 1, 2017	481,972	22,269	8,345	(697,690)	(185,104)	(195)	(185,299)
Realization of property, plant and equipment deemed cost	-	-	(354)	354	-	-	-
Realization of deferred taxes on property, plant and equipment deemed cost	-	-	121	(121)	-	-	-
Net loss for the period	-	-	-	(45,717)	(45,717)	(50)	(45,767)
Balance as of March 31, 2018	481,972	22,269	8,112	(743,174)	(230,821)	(245)	(231,066)
Balance as of january 1, 2018	481,972	22,269	7,717	(769,009)	(257,051)	(273)	(257,324)
Realization of property, plant and equipment deemed cost	-	-	(162)	162	-	-	-
Realization of deferred taxes on property, plant and equipment deemed cost	-	-	55	(55)	-	-	-
Net loss for the period	-	-	-	(39,431)	(39,431)	(44)	(39,475)
Balance as of March 31, 2018	481,972	22,269	7,610	(808,333)	(296,482)	(317)	(296,799)

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

PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Statement of cash flows
For the period of three month ended March 31, 2018 and 2017
(In thousands of Reais)

	Notes	Company		Consolidated	
		03/31/2018	03/31/2017	03/31/2018	03/31/2017
Cash flow from operating activities					
Net loss ofr the period before income tax and social contribution		(39,431)	(45,717)	(38,639)	(45,122)
Adjustments to conciliate net loss to cash generated (used) in operating activities:					
Depreciation and amortization	21	-	-	9,979	10,577
Loss on asset disposal		-	-	6	413
Interest and monetary variation, net		-	-	23,678	30,000
Addition/reversal of provision for judicial deposits		-	-	957	1,202
Addition/reversal of provision for losses in inventory and obsolescence	7 e 21	-	-	71	(694)
Addition/reversal of allowance for doubtful debts	6	-	-	(78)	-
Results of equity method	11	39.133	45.444	-	-
Others		-	-	-	-
(Increase)/decrease in asset accounts					
Trade accounts receivable		-	-	8.213	2,978
Inventories		-	-	(1,861)	(6,702)
Recoverable taxes		-	-	(43)	238
Other accounts receivable		-	-	(966)	(976)
(Increase)/decrease in liabilites accounts					
Trade accounts payable		-	-	3,288	(970)
Payroll and relatd charges		-	-	(635)	10,080
Advances from customers		-	-	(303)	9,856
Tax obligations		2	-	(6,128)	1,767
Payment of tax reassessment		-	-	-	(2,412)
Provision for judicial deposits (payments)	16.b	-	-	(2,020)	(5,047)
Other liabilities		-	-	7,048	7,077
Net cash (used)/generated from operating activities		(296)	(273)	2,567	12,265
Cash flows from investing activities					
Additions of property, plant and equipment and intangible assets		-	-	(784)	(1,789)
Proceeds from property, plant and equipment sales		-	-	-	14
Proceeds from related parties		-	-	-	-
Net cash (used) in investment activities		-	-	(784)	(1,775)
Cash flows from financing activities					
Payment of loans and financings (principal and interest)		-	-	(3,665)	(10,526)
Net increase on loans and financings from related parties		287	291	1,728	57
Net cash (used)/generated in financing activities		287	291	(1,937)	(10,469)
Changes in cash and cash equivalents		(9)	18	(154)	21
Cash and cash equivalents at beginning of the period		11	8	1,128	459
Cash and cash equivalents at end of the period		2	26	974	480
(decrease)/increase in cash and cash equivalents		(9)	18	(154)	21

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

PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Statement of value added
For the period of three month ended March 31, 2018 and 2017
(In thousands of Reais)

	Notes	Company		Consolidated	
		03/31/2018	03/31/2017	03/31/2018	03/31/2017
Revenue					
Sales of productes and service rendered		-	-	105,501	103,445
Other income		-	-	-	14
Allowance for doubtful debts – addition/reversal	6	-	-	-	-
		-	-	105,501	103,459
Inputs acquired from thrid parties					
Cost of products sold and services rendered		-	-	(31,796)	(35,341)
Materials, energy, third parties services and other operating expenses		(144)	-	(12,461)	(16,973)
Provision for losses in inventory and obsolescence	7	-	-	(71)	694
		(144)	-	(44,328)	(51,620)
Gross value added produced		(144)	-	61,173	51,839
Depreciation and amortization, net	21	-	-	9,979	(10,577)
Net value added produced by the Company		(144)	-	51,194	41,262
Value added received in transferring					
Equity method results	11	(39,133)	(45,444)	-	-
Other income / reversal		-	-	313	-
Financial income, Interest and monetary variation		-	-	55	402
Total value added to distribute		(39,277)	(45,444)	51,562	41,664
Distribution of value added					
Personnel					
Personnel, social charge and benefits					
Salary		73	68	29,812	18,788
Social charges		29	27	4,533	12,012
Tax, charge and contribution					
Federal		-	-	13,447	12,624
State		-	-	10,927	6,048
Municipallity		51	40	1,295	728
Compensation of third party capital					
Financial expenses		1	1	25,126	31,369
Rent, leases, and other		-	137	5,896	5,862
Compensation of own capital					
Loss for the period		(39,431)	(45,717)	(39,431)	(45,767)
Loss attributable to non-cotrolling interest		-	-	(43)	(50)
		(39,277)	(45,444)	51,562	41,664

The accompanying notes are na integral part of these interim financial information

1. Operations

Plascar Participações Industriais S.A. ("Plascar S.A." or "Company") is a publicly-held corporation headquartered in the city of Campinas, State of São Paulo, with shares traded on the São Paulo Commodities, Futures and Stock Exchange BM&FBovespa under the ticker symbol (PLAS3). The Company's activities consist of controlling its subsidiary Plascar Indústria de Componentes Plásticos Ltda. ("Plascar Ltda."), which operates in the automotive industry and whose business activity is the manufacturing and selling of interior and exterior finishing auto parts.

Plascar Ltda. has manufacturing plants in the cities of Jundiaí, State of São Paulo, and Varginha and Betim, State of Minas Gerais.

The plants operate mainly in the automotive industry, focused on meeting the needs of automakers, supplying bumpers, dashboards, air diffusers, cup holders, door trim panels, parcel racks, carpets, window regulators and other small components. The manufacture of non-automotive products, focused on injection and assembly of supermarket trolleys, multi-use boxes, pallets and ecological furniture, represents less than 10% of the Company's total consolidated assets, net revenue and profit.

The controlling interest in Permali do Brasil Indústria e Comércio Ltda., which currently owns 46.09% of the Company's capital, is held by a joint venture established in 2005 between WL Ross & Co. LLC (75.7%) and Franklin Mutual Advisers LLC (24.3%), headquartered in Delaware, in the United States of America. In addition, the Company's capital is composed by Postalis Instituto de Seguridade Social dos Correios e Telégrafos and other individual shareholders, which currently holds 17.80% and 36.11%, respectively.

Financial Situation

Vehicle production during the 1st quarter of 2018 had an increase of 14.6% compared to the same period of 2017 (source: ANFAVEA). The Company's net revenue increase was 0.8% on the comparative periods.

Although the recovery of the truck segment during the first quarter of 2018 have been positive for the Company, there was a significant decrease in the light vehicle market segment from our main customer.

The Company has been chosen to supply a series of new projects involving the manufacture of injected parts for vehicles to its current customers and to new the automakers being established in Brazil, in addition to new businesses not related

to the automotive industry, some of which are under development and others have already been started.

The Company continues to take several measures to reduce internal operating costs and improve the margin, constantly negotiating with customers to pass on cost increases (labor, raw materials, etc.), all of which in accordance with the restructuring process that culminated in the shutdown of the manufacturing plants of Pindamonhangaba and Campinas, in the State of São Paulo, the disposal of the operations in Argentina, as well as benefit cuts and reduction in the number of employees (around 1,100 workers between December 2015 and March 2018). As a result of these measures of cost reduction, there was a recovery of gross profit and EBITDA reported in the first quarter of 2018 in comparison with the same period of 2017.

At March 31, 2018, the Company has an excess of current liabilities over current assets of R$ 592,298 thousand and net equity negative R$ 296,799.
In addition, the Company reports losses in the current and comparison periods, and has accumulated losses totaling R$ 808,333.

The Company technically has overdue contracts with banks in March 31,2018, a balance of originally long-term loans transferred to short-term loans in the amount of R$ 61,870 (Note 4.1c), due to a breach of restrictive covenants. For these overdue contracts, the Company has been negotiating directly with the banks to work out the best way to clear the outstanding amounts, and is being successful in its negotiations.

In view of the ongoing negotiations and clear efforts made by the Company to renegotiate each of these contracts, no bank has exercised the right to invoke the settlement acceleration clause. The Company does not expect any execution of the debt. In view of the ongoing negotiations and clear efforts made by the Company to renegotiate each of these contracts, no bank has exercised the right to invoke the settlement acceleration clause. The Company does not expect any execution of the debt, in particular, because, according to a material fact published on May 30, 2017, the Company entered into a Standstill Agreement, on May 24, 2017, that started a process of renegotiation of the Company's indebtedness with the main creditor banks. The Standstill Agreement had an initial term of 60 days, and was extended for an additional 30 days, and is currently being renegotiated and according to the Company’s legal advisors, without any risk of non - renewal or execution of the debt.

The Company has contracted, at its own expense, a specialized consultancy - among the options indicated by the creditor banks - which is concluding a complete

analysis of the Company's economic and financial situation and, at the end of the work, will issue a conclusive valuation opinion on a solid recovery plan of its indebtedness, to be presented and duly validated with the creditor banks and executed by the Company.

Further more, the Company has been seeking a new private investor, for a subsequent capital increase. The Company is also studying other alternatives to continue the process of improvement of its financial position and increase of sources of funds, with a continuous increase in its operations in industries with higher margins.

The Company's management reviewed the projections considering the new projects to manufacture injected parts and estimates a recovery in sales volume of around 22.1% in 2018 compared to 2017.

Vehicle production is forecast to increase 13.2% in 2018, according to official data from ANFAVEA.

In addition, the Company formalized the installment of its tax debts due by adhering to the tax recovery programs disclosed at State and Federal level (Note 22).

The Company entered into loan agreements with Fiat in the form of advances because of the significant downturn in the current market and credit crunch. At March 31, 2018, the balance of these advances is R$ 79,418 (Note 15).

The issue of these financial statements was authorized by the Supervisory Board on April 26, 2018.

2. Summary of significant accounting policies and presentation of quarterly information - ITR

The interim financial statements included in the present quarterly information have been prepared in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Committee of Accounting Pronouncements (CPC), as well as according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

In accordance with Circular Letter CVM/SNC/SEP 03/2011, the Company decided to present the notes to this quarterly information in a summarized form and not to duplicate information previously reported in the annual financial statements. In

these cases, the Company has included reference to the complete note in the annual financial statements to prevent the information about the Company's financial position and performance for the interim period from being misleading. Accordingly, this quarterly information should be read together with the financial statements for the year ended December 31, 2017.

The Company states further that the basis of preparation and the accounting policies used in this quarterly information are the same as those applied in the 2016 annual financial statements. Consequently, the related information is disclosed in Notes 2.1 to 2.22 to the annual financial statements.

The consolidated interim financial information includes the financial statements of Plascar Participações Industriais S.A. and the companies in which the Company holds controlling interest, either directly or indirectly, as follows:

	Interest at			
	03/31/2018		12/31/2017	
	Direct	Indirect	Direct	Indirect
Plascar Indústria de Componentes Plásticos Ltda.	99.89%	-	99.89%	-

New standards, amendments and interpretations of standards issued by the IASB and CVM

- Standard: IFRS 9 – Financial Instruments;
- Effective date: January 1, 2018;
- Main issues introduced by the standard: The main change refers to cases where the fair value of financial liabilities designated at fair value shall be segregated so that the portion of the fair value corresponding to the credit risk of the very entity is recognized in "Other comprehensive income" and not in the statement of income of the period;
- Adoption impacts: The Company's management evaluated the changes introduced by the standard and concluded that its adoption will not significantly affect the Company, mainly in regard to measurement of financial instruments when acquired in accordance with IAS 39. The main impacts refer to the classification of financial assets. This is because IFRS 9 changed the classification of financial assets, eliminating the categories of held to maturity, loans and receivables and available for sale, and establishing their classification into one of the following categories: at amortized cost, at fair value through comprehensive income (loss) or at fair value through income (loss). Additionally, some aspects related to the presentation and disclosure of financial instruments in the financial

statements shall be changed in order to reflect the new concepts introduced by IFRS 9.

- Standard: IFRS 15 - Revenue from contracts with customers;
- Effective date: January 1, 2018;
- Main issues introduced by the standard: This new standard brings the principles an entity will use to determine revenue measurement and when it should be recognized;
- Adoption impacts: The Company's management evaluated the principles and changes introduced by the new standard and concluded that its adoption will not significantly affect the Company in regard to the moment of recognition of revenue from contracts with customers, as well as its measurement, presentation and disclosure in the financial statements. The observed impacts relate to the Company's control environment, requiring the review of internal documents and the creation and/or change of procedures and controls in order to guarantee that new contracts with customers be properly assessed and accounted for in accordance with the concepts of IFRS 15.

- Standard: IFRS 16 – Leases;
- Effective date: January 1, 2019;
- Main issues introduced by the standard: This standard replaces the prior standard on lease IAS 17/ CPC 06 (R1) - Leases, and related interpretations, and establishes the principles for the recognition, measurement, presentation and disclosure of leases for both parties of an agreement, that is, the clients (lessees) and suppliers (lessors). The lessees are required to recognize a lease liability reflecting future payments of the lease and a "right of use of an asset" for basically all lease agreements, except for certain short-term lease and agreements for low value assets. For the lessors, the accounting treatment basically remains the same with classification of the leases as operating or financial leases, and accounting for those two types of lease agreements in a different manner;
- Adoption impacts: The Company is still evaluating the impacts of the new standard. Our evaluation is being conducted in different areas of the Company, in order to identify the lease agreements currently existing and the internal control environment and systems affected by the adoption of the new standard.

There are no other standards, changes in standards and interpretation that are not in force that the Company expects to have a material impact arising from its application in its accounting information.

3. Critical accounting estimates and judgments

The accounting estimates and judgments are continuously evaluated and are based on historic experience and on other factors, including expectations of future events considered reasonable for the circumstances.

3.1 Critical estimates and assumptions

Based on assumptions, the Company makes estimates concerning the future. The resulting accounting estimates will rarely be equal to the related actual results. The estimates and assumptions that have significant risk of resulting in material adjustments to the accounting values of assets and liabilities for the next financial year are mentioned below:

(a) Income tax, social contribution and other taxes

The Company is subject to income taxes in all countries in which it operates. Significant judgment is required in determining the worldwide provision for income taxes.

There are many transactions for which the ultimate tax determination is uncertain. The Company also recognizes provisions for anticipated tax audit issues based on estimates of whether additional taxes will be due. When the final result of these matters is different from the amounts initially estimated and recorded, these differences will affect current and deferred tax assets and liabilities of the period in which the final amount is determined.

(b) Impairment of non-financial assets

The assets which are subject to amortization are tested for impairment whenever events or circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For impairment testing purposes, assets are Companyed at the lowest levels for which there are separately identifiable cash flows (cash-generating units - CGU), as stated in Note 12.

4. Financial risk management

4.1. Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including exchange rate and fair value interest rate risks), credit risk and liquidity risk. The Company's management risk program focus on the unpredictability of financial markets and aims to reduce possible adverse effects on the Company's financial performance.

Risk management is carried out by a central treasury department (Company Treasury) under policies approved by the Board of Directors. Company Treasury identifies, evaluates and hedges the Company against financial risks in close co-operation with the Company's operating units.

(a) Market risk

(i) Exchange rate risk

The Company operates internationally and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the U.S. dollar. Exchange rate risk arises from commercial transactions, assets and liabilities.

At March 31, 2018 and December 31, 2017, the Company had assets and liabilities in foreign currency arising from import, export and intercompany loan transactions, as follows:

	Consolidated	
	03/31/2018	12/31/2017
Trade accounts receivables (Note 6)	4,896	4,872
Trade accounts payable	(968)	(636)
Net exposure	3,928	4,236

At March 31, 2018 and December 31, 2017, the Company had no derivative financial instrument operations to manage foreign exchange risk.

(ii) Cash flow and fair value interest rate risk

The Company has no significant interest-earning assets.

The Company's interest rate risk arises from long-term loans and financing. Loans and financing taken at variable rates expose the Company to the interest rate risk on cash flows. Loans issued at fixed rates expose the Company to fair value risk linked to interest rate.

The table below shows the sensitivity to a possible change in interest rates, with all other variables held constant, in the Company's profit before taxes (affected by the impact of loans payable subject to variable rates).

	Impact on income (loss) for the period (1)		
Financial liabilities	Scenario I Probable	Scenario II +25%	Scenario III +50%
Interbank Deposit Certificates (CDI)	6.25%	7.82%	9.38%
Loans and financing	(50,048)	(58,573)	(63,066)

(1) Refers to the hypothetical scenario of interest over the next 12 months or up to the maturity date of the contracts, whichever is shorter.

For sensitivity analysis, interest rates are based on rates currently adopted in the market.

Sensitivity analyses were prepared based on the net debt value and the fixed interest rate index in relation to the debt floating interest rate at March 31, 2018.

(b) Credit risk

Credit risk is managed in corporate level. Credit risk arises from cash and cash equivalents, deposits in banks and other financial institutions, as well as credit exposures to customers of the Original Equipment Market (OEM) and aftermarket/car dealers (DSH), including outstanding receivables and repurchase agreements. In the case of banks and other financial institutions, only notes from top-tier institutions are accepted. The individual risk limits are determined based on internal or external classifications according to the limits established by the Board of Directors. The use of credit limits is regularly monitored.

The possibility of the Company and its subsidiaries incurring losses in view of financial problems with their OEM customers is reduced, due to such customers profile (automakers and other companies operating worldwide). At March 31, 2018 and December 31, 2017, the Company and its subsidiaries did not have significant balances receivable from customers of the DSH sector.

No credit limit was crossed during the year and management does not expect any loss resulting from default of other parties, in excess to the amount already provided for.

(c) Liquidity risk

The projected cash flow is realized in the operating entities of the Company and aggregated by the Finance Department. This department monitors the continual projections of liquidity requirements to guarantee that the Company has sufficient cash to meet its operating needs. This forecast considers the plans of financing for the Company's debt, compliance with contractual clauses, meeting internal targets of balance sheet ratio and, if applicable, external or legal requirements, such as currency restrictions.

Surplus cash held by the operating entities over and above the balance required for working capital management is transferred to the Company Treasury. Company Treasury invests surplus cash in interest-earning bank accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide adequate margin as determined by the above-mentioned forecasts. At balance sheet date, the Company had short-term financial investments amounting to R$ 418 (R$ 377 at December 31, 2017) expected to timely generate cash inflows to manage liquidity risk.

The table below analyzes the Company's financial liabilities, by maturity range corresponding to the remaining period between balance sheet date and the contractual maturity date. The amounts disclosed in the table are the contractual not discounted cash flows and represent the expected effective cash outflows, disregarding any bank requirements of accelerated maturities.

	Consolidated				
	Up to 3 months	From 4 to 12 months	From 1 to 5 years	Over 5 years	Total
As at March 31, 2018					
Loans and financing	292,558	29,107	61,674	196	383,535
Trade accounts payable	53,500	1,072	-	-	54,572
Related-party payables	1,787	-	-	-	1,787
Other liabilities	75,333	1,842	3,408	-	80,583
	423,178	32,021	65,082	196	520,477

	Consolidated				
	Up to 3 months	From 4 to 12 months	From 1 to 5 years	Over 5 years	Total
As at December 31, 2017					
Loans and financing	267,493	32,462	70,726	282	370,963
Trade accounts payable	48,928	2,121	-	-	51,049
Related-party payables	59	-	-	-	59
Other liabilities	65,551	1,030	3,713	-	70,294
	382,031	35,613	74,439	282	492,365

4.2. Capital management

The Company's purposes in managing its capital are guaranteeing its going concern capacity upon transactions in order to bring gains to shareholders and benefits to the other interested parties, in addition to keeping an ideal capital structure in order to reduce costs.

	Consolidated	
	03/31/2018	12/31/2017
Total loans and financing (Note 13)	383,535	370,963
Less: Cash and cash equivalents	(974)	(1,128)
Net debt	382,561	369,835
Total equity	(296,799)	(257,324)
Total capital	85,762	112,511
Financial leverage index - %	446	329

4.3. Fair value estimation

It is assumed that the balances of trade accounts receivables and payables at their carrying amounts, less impairment in the case of trade receivables, approximate their fair values. At present, the Company does not have liabilities carried at fair value. However, the following table presents the Company's financial liabilities that are carried at amortized cost and their respective fair value:

	03/31/2018		12/31/2017	
	Book value	Fair value	Book value	Fair value
Loans and financings (Note 13)				
Working capital – local currency	275,358	277,827	266,529	268,684
Finame	108,177	108,177	104,434	104,434
	383,535	386,004	370,963	373,118

5. Financial instruments by category

The classification of the Company's consolidated financial instruments by category at each of the dates presented is as follows:

(a) Loans and receivables

	03/31/2018	12/31/2017
Assets, according to balance sheet		
Cash and cash equivalents	974	1,128
Trade accounts receivable	17,709	25,844
Receivables from the sale of properties	3,857	3,857
Court deposits	4,619	4,349
Other assets	8,092	7,075
	35,251	42,253

(b) Other financial liabilities

	03/31/2018	12/31/2017
Liabilities, according to balance sheet		
Trade accounts payable	54,572	51,049
Loans	383,535	370,963
Related-party transactions	1,787	59
Other liabilities	80,583	70,294
	520,477	492,365

Parent Company

Cash and cash equivalents are classified as "Loans and receivables", and payables to related parties are classified as "Other financial liabilities".

6. Trade accounts receivable

	Consolidated	
	03/31/2018	12/31/2017
Third parties in Brazil	14,851	13,436
Third parties abroad (Note 4.1)	4,896	4,872
Accounts receivable for tooling in Brazil	8,291	17,943
Allowance for doubtful accounts	(10,329)	(10,407)
	17,709	25,844

During the period ended March 31, 2018 and year ended December 31, 2017, the changes in the allowance for doubtful accounts were as follows:

	Consolidated	
	03/31/2018	12/31/2017
Beginning balance	(10,407)	(11,017)
(Increase) Decrease in the allowance (Note 21)	78	610
Final balance	(10,329)	(10,407))

At March 31, 2018 and December 31, 2017, the ageing of trade receivables, net of the allowance for doubtful accounts, was as follows:

	Consolidated	
	03/31/2018	12/31/2017
Falling due	9,866	18,866
Overdue:		
From 1 to 30 days	637	2,194
From 31 to 60 days	60	2,551
From 61 to 90 days	3,731	931
Over 90 days	13,744	11,709
	18,172	17,385
Total	28,038	36,251

The Company has a policy of providing for accounts receivable over 90 days overdue.

Overdue balance for more than 90 days, not provided for at March 31, 2018, net of the allowance for doubtful accounts, refers to sales of tools.

7. Inventories

	Consolidated	
	03/31/2018	12/31/2017
Finished goods	3,309	3,159
Work in process	10,473	9,810
Raw materials	20,177	19,805
Imports in progress	2,786	2,193
Maintenance and auxiliary materials	1,951	2,043
Tooling and molds under development intended for sale	7,176	7,370
Advances to suppliers	1,592	1,224
Provision for adjustment to market value and obsolescence	(6,849)	(6,778)
	40,615	38,826

During the period ended March 31, 2018, the changes in the provision for adjustment to market value and obsolescence were as follows:

	Consolidated
	03/31/2018
Beginning balance	(6,778)
Reversal of provision	324
Increase in provision	(395)
Net (increase) decrease (Note 21)	(71)
Final balance	(6,849)

8. Recoverable taxes

	Consolidated	
	03/31/2018	12/31/2017
State VAT (ICMS) on fixed assets – CIAP	956	983
Rural Worker Assistance Fund (Funrural) process	2,237	2,237
Others	456	386
	3,649	3,606
Current	915	856
Noncurrent	2,734	2,750
	3,649	3,606

9 Income tax and social contribution

a) Breakdown of deferred income tax and social contribution

	Consolidated	
	03/31/2018	12/31/2017
Liabilities:		
Fixed assets – deemed cost (1)	(753)	(808)
Depreciation – economic useful life review (2)	(14,195)	(13,306)
Total	(14,948)	(14,114)

Plascar S.A., parent company of Plascar Ltda., has income tax and social contribution losses of R$ 53,593 and R$ 64,595, respectively (R$ 53,296 and R$ 64,298 at December 31, 2017, respectively), on which deferred tax assets were not recognized since there is no expectation of realization of the related tax benefit against future taxable profit.

Plascar Ltda. has income tax and social contribution losses amounting to R$ 556,343 and R$ 551,287, respectively (R$ 515,605 and R$ 510,549 at December 31, 2017, respectively), on which deferred tax assets were not recognized, as determined by Brazilian Securities Commission (CVM) Instruction 371.

(1) It refers to deferred taxes on the deemed cost of fixed assets, arising from the recognition of the fair value of the assets on first-time adoption of CPC 27 (IAS 16).

(2) It refers to deferred taxes on the difference in fixed assets depreciation generated after the review of the economic useful lives of the assets. Until December 31, 2010, the Company, with reference to tax legislation, also considered for tax depreciation purposes based on new useful measures-advantages of assets. In September 2011, the Company started to use the depreciation rules based on the useful life of the tax legislation and, consequently, to satisfy its tax effects.

b) Reconciliation of income tax and social contribution benefit (expenses)

	Consolidated	
	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017
Loss before Income Tax and Social Contribution	(38,639)	(45,122)
Income tax and social contribution at statutory rate (34%)	13,137	15,341
Adjustments for calculation of effective rate:		
Tax effect on unrecognized income tax and social contribution losses (1)	(13,972)	(15,986)
Deferred income tax and social contribution expenses	(835)	(645)

(1) Tax effects on income tax and social contribution losses of Plascar S.A., which were not recognized since future taxable profit is not expected to be available.

c) Changes in deferred tax assets and liabilities

	Consolidated
	Net
Balance as at December 31, 2017	(14,114)
Deferred taxes on realization of deemed cost of fixed assets arising from depreciation and write-off of assets	55
Deferred taxes on income tax and social contribution losses	-
Deferred taxes on depreciation difference	(889)
Balance as at March 31, 2018	(14,948)

10 Related-party transactions

a) Management compensation

The remuneration of the Board of Directors and the Statutory Audit Board comprises the fixed remuneration approved at the General Meeting and is paid monthly.

The remuneration of the main officers and managers of the Company and its subsidiary consists of a fixed salary, variable pay based on targets established and additional benefits.

For the periods ended March 31, 2018 and 2017, total management compensation was as follows:

	Consolidated	
	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017
Fixed Compensation (1)	1,988	2,066
Variable remuneration (2)	321	368
Management fees (Note 21)	2,309	2,434

(1) Refers to salaries and management fees, vacation pay, year-end bonus, private pension plan and social charges (contributions to the National Institute of Social Security (INSS), Severance Pay Fund (FGTS) and others).

(2) Refers to profit sharing and bonus.

b) Related companies

The Company has business operations and loan agreements with its subsidiaries and other related parties, in accordance with the criteria set out below:

Commercial transactions between the Company and its subsidiaries refer to the purchase and sale of inputs and parts, supplementing products sold to automakers by the Company's related parties. Such commercial transactions occur through regular price quotations, and the prices, payment conditions and terms are similar to those observable with unrelated parties for periods not exceeding 90 days, without interest or charges.

Historically, the balances (accounts receivable) referring to commercial transactions have been promptly settled according to the dates established in the respective purchase orders, on the closing of exchange contracts. Consequently, at March 31, 2018 and 2017, no impairment loss has been provided for on accounts receivable from related parties.

The Company and its subsidiaries enter into loan agreements with related parties so that cash flow requirements are provided immediately, without the approval processes required by financial institutions. These agreements are contingent on the availability of funds and on not compromising the lender's cash flow. The loan agreements are executed in accordance with the rates agreed between the parties.

The main assets and liabilities balances at March 31, 2018 and December 31, 2017, as well as the transactions that had an impact on the results, are as follows:

	Parent Company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Current liabilities				
Loan agreement:				
Permali do Brasil Ind. e Com. Ltda.	-	-	1,787	59
Plascar Ltda	8,990	8,703	-	-
	8,990	8,703	1,787	59

Accounts receivable refer to product sales denominated in foreign currencies, which are not subject to interest charges.

The loan agreement between the Company (lender) and Plascar Ltda. (borrower) is exceptionally not subject to interest charges, as the Company is the direct owner of 99.89% of the capital of Plascar Ltda. This is the only loan agreement in which the lender is a non-operating company which holds a direct interest of approximately 100% in the borrower's capital, a circumstance which justifies a non-interest-bearing agreement. This agreement was signed on May 31, 2000, to assist the cash flow of Plascar Ltda.

The loan agreement between Permali do Brasil Indústria e Comércio Ltda. (lender) and Plascar Ltda. (borrower) bears monthly interest of 1.0% and has an indefinite maturity date. This agreement was signed on March 31, 2009 to assist the cash flow of Plascar Ltda.

11 Investments

The changes in investments are presented below:

	03/31/2018	12/31/2017
As at December 31	(248,361)	(177,534)
Share of loss on subsidiaries	(39,134)	(70,827)
As at March 31, 2018 (unsecured liabilities)	(287,495)	(248,361)

Presented below is significant information relating to Plascar Ltda.:

	03/31/2018	12/31/2017
Capital stock	389,082	389,082
Total shares	389,082,159	389,082,159
Shares held	388,654,169	388,654,169
Ownership interest	99.89%	99.89%
Equity of subsidiary	(287,811)	(248,634)
Investment recorded at Plascar S.A.	(287,495)	(248,361)
Loss for the period (1)	(39,176)	(70,906)
Equity in earnings of subsidiaries	(39,134)	(70,827)

(1) In the quarter ended March 31, 2017, Plascar Ltda. reported loss of R$ 45,495, resulting in a balance of equity in earnings of subsidiaries recognized by Plascar S.A. of R$ 45,444.

12 Property, plant and equipment

a) Breakdown

	Consolidated				
	Annual Depreciation rate %	03/31/2018			12/31/2017
		Cost	Depreciation	Net	Net
Buildings	2 to 4	9,352	(1,231)	8,121	8,179
Machinery and equipment	4 to 13.79 (1)	834,840	(467,992)	366,848	375,382
Molds	6 to 9	49,355	(445,846)	3,509	3,905
Furniture and fixtures	6 to 10	13,243	(11,012)	2,231	2,382
Vehicles	18.57 to 20	4,507	(3,721)	786	802
IT equipment	15 to 16.81	6,004	(5,592)	412	451
Spare parts and materials		4,191	-	4,191	4,191
Advances to suppliers		44,391	-	44,391	44,397
		965,883	(535,394)	430,489	439,690

(1) Weighted average rate of 5.82%.

Advances to suppliers substantially relate to the purchase of machinery and equipment for the expansion of the manufacturing plants of the Company. Of the total amount recorded at March 31, 2018, R$ 36,340 (December 31, 2017 – R$ 36,340) refers to the purchase of equipment items, still under construction, financed by the FINAME program (see Note 13).

The montant of R$ 9,836 (March 31, 2017 – R$ 10,413) refers to depreciation expenses, it was recognized in the result in "Costs of Sales", R$ 52 (March 31, 2017 – R$ 77) in "Sales expenses" and R$ 91 (March 31, 2017 – R$ 87) in "Administrative expenses".

b) Changes in cost

	Consolidated				
	Quarter ended March 31, 2018				
	Beginning balance	Additions	Write-offs	Transfers	Final balance
Buildings	9,352	17	-	(17)	9,352
Machinery and equipment	834,108	715	(1)	18	834,840
Molds	49,355	-	-	-	49,355
Furniture and fixtures	13,274	-	(30)	(1)	13,243
Vehicles	4,475	32	-	-	4,507
IT equipment	5,984	20	-	-	6,004
Land	-	-	-	-	-
Spare parts and materials	4,191	-	-	-	4,191
Construction in progress	-	-	-	-	-
Advances to suppliers	44,397	-	(6)	-	44,391
	965,136	784	(37)	-	965,883

c) Changes in depreciation

	Consolidated				
	Quarter ended March 31, 2017				
	Beginning balance	Additions	Write-offs	Transfers	Final balance
Buildings	(1,173)	(58)	-	-	(1,231)
Machinery and equipment	(458,725)	(9,267)	1	(1)	(467,992)
Molds	(45,450)	(396)	-	-	(45,846)
Furniture and fixtures	(10,892)	(151)	30	1	(11,012)
Vehicles	(3,673)	(48)	-	-	(3,721)
IT equipment	(5,533)	(59)	-	-	(5,592)
	(525,446)	(9,979)	31	-	(535,394)

d) Finance lease

At March 31, 2017, Plascar Ltda. settled outstanding finance lease agreements for machinery, equipment, building and vehicles.

e) Impairment tests for non-financial assets

The Company's assets were valued according to the market value of each item, determined by the replacement value and the depreciation coefficient, taking into account the useful life, age, remaining useful life, residual value and depreciation, resulting in the net selling price greater than the residual book value of the assets, not indicating therefore any need to recognize impairment.

Other information referring to this note had no significant changes in relation to the disclosures of Note 12 to the financial statements at December 31, 2017.

13 Loans and financing

(a) Resume

		Consolidated	
Type/Purpose	Finance charges at 03/31/2018	03/31/2018	12/31/2017
Working capital – local currency	CDI + interest from 0.32% to 0.94% p.m	275,358	266,529
FINAME	Interest from 0.21% to 0,45% p.m.	108,177	104,434
		383,535	370,963

(b) Loan detail by financial institution

Summary of Financial Operations - Purpose / Purpose	BRAZIL Standstill	FIBRA Standstill	BDMG Standstill	ITAÚ Standstill	BRADESCO Standstill	CEF	CCB	SAFRA	SANTANDER	Total
Working capital – Lical curency	55,031	74,145	41,820	57,436	24,933	18,874	3,117	-	-	275,356
FINAME	47,452	-	27,627	12,881	18,877	-	-	906	436	108,179
Total of loans	102,483	74,145	69,447	70,317	43,810	18,874	3,117	906	436	383,535
% in relation to total Loans	26.72%	19.33%	18.11%	18.33%	11.43%	4.92%	0.81%	0.24%	0.11%	100%
	93.92%					6.08%				100%
	% Of Debt Within Standstill Process									

For these overdue contracts, the Company has been negotiating directly with the banks to work out the best way to clear the outstanding amounts, and is being successful in its negotiations. In view of the ongoing negotiations and clear efforts made by the Company to renegotiate each of these contracts, no bank has exercised the right to invoke the settlement acceleration clause. The Company does not expect any execution of the debt, in addition, the process of renegotiating its indebitness with the main creditor banks began, through the signing of a "Standstill Contratct". Additionally, the contract tolerated the 60-day initial term, and it was extended by an additional 30 days. Currently, as the parties are in the process of renegotiation and, according to the opinion of the Company's legal advisors, there is no risk of contract renewal or debt execution.

The Company technically has overdue contracts with banks and, at March 31, 2018, a balance of originally long-term loans transferred to short-term loans in the amount of R$ 61,870 (note 4.1c), due to a breach of restrictive covenants.

In regard to loans for working capital requirements contracted by Plascar Ltda., R$ 93,161 is secured by machinery and equipment (CAPEX) and the remaining balance is secured by receivables and securities.

FINAME Financing is secured by a lien on the financed assets. From the total amount recorded at March 31, 2018, R$ 36,340 refers to contracts for the purchase of injectors, still under construction by suppliers, recorded with a corresponding entry to advances to suppliers, within fixed assets.

14 Salaries, accrued vacation pay and social charges payable

	Consolidated	
	03/31/2018	12/31/2017
Social charges (Note 22)	16,145	18,616
Labor indemnities	514	767
Provision for vacation pay/ year-end bonus	13,689	12,186
Provision for Profit sharing	3,952	2,827
Others	54	227
	34,354	34,623
Current	26,470	27,234
Noncurrent	7,884	7,389
	34,354	34,623

15 Advances from customers

	Consolidated	
	03/31/2018	12/31/2017
Fiat Automóveis (1)	79,418	77,897
MAN	251	250
Scania do Brasil	86	160
Volvo	1,222	1,222
Calsonic Kansei	1,566	1,225
Mercedes Benz	258	882
Others	713	660
	83,514	82,296

(1) Refers to contracts of loans by FIAT (note 1)

16 Commitments and contingencies

a) Operating agreement (sale and leaseback transaction)

During the year ended December 31, 2011, Plascar Ltda. entered into sale and leaseback transactions for the buildings and plots of land of the manufacturing plants of Varginha, Jundiaí and Betim. The real estate lease contracts are valid for a period of ten years and can be renewed for an additional ten-year period, with the express consent of Plascar Ltda. There is no option to purchase the properties at the end of the contracts.

b) Legal claims

The Company is party to ongoing labor and civil proceedings, and these issues are being discussed at the administrative and judicial levels, which are supported by court deposits, when applicable. Provisions for possible losses arising from those proceedings are estimated and adjusted by the management according to the opinion of its external legal counselors.

The Company's management, based on information provided by its internal and external legal counselors and on the analysis of pending processes, recorded a provision at an amount considered sufficient to cover losses on ongoing matters, as follows:

	Consolidated	
	03/31/2018	12/31/2017
Labor	8,844	9,636
	8,844	9,636

The changes in the provision for legal claims in the quarter ended March 31, 2018 were as follows:

				March 31, 2018
	Beginning balance	Additions	Payments	Final balance
Labor	9,636	957	(1,749)	8,844
	9,636	957	(1,749)	8,844

Labor

The provision for labor lawsuits refers principally to employees' claims linked to benefits arising from the employment relationship and was recorded based on the estimate of the legal advisors for the lawsuits involving risks of loss assessed as probable.

Possible losses, not recognized in the balance sheet

The Company has the following tax and labor litigation involving risks of loss classified by management as possible, based on the evaluation of the legal advisors, for which no provision for estimated possible losses was recognized:

	Consolidated	
	03/31/2018	12/31/2017
Tax	5,462	4,083
Labor	60,992	57,967
Civel	49,098	47,604
	115,522	109,654

Contingent assets

Currently, Plascar Ltda. is a plaintiff in two lawsuits considered significant, against the Rural Worker Assistance Fund (FUNRURAL) and the Brazilian Electricity Company (ELETROBRÁS), amounting to R$ 8,585 and R$ 19,249, respectively.

(i) The lawsuit against ELETROBRÁS, which has also been judged in favor of the

Company, is now at an advanced stage, and the Company has already initiated the process of execution of the judgment, requiring the payment of the amount due. The case is currently awaiting a court order to start the execution requested by the Company.

(ii) The lawsuit against FUNRURAL, was decided on September 4, 2001, and the amount released is R$ 2,237, which is challenged by the Company as to its monetary restatement for the subsequent issue of a settlement and payment order. This amount is recorded in recoverable taxes (note 8).

17 Equity (net unsecured liabilities)

In the quarter ended March 31, 2018, there were no changes in the Company's capital stock.

Other information referring to this note had no significant changes in relation to the disclosures of Note 17 to the financial statements at December 31, 2017.

18 Earnings per share

Basic earnings or loss per share is calculated by dividing the net profit or loss for the quarter attributable to the holders of the parent company's common shares by the weighted average number of common shares outstanding during the quarter.

Diluted earnings or loss per share is calculated by dividing net profit or loss attributable to holders of common shares of the Parent Company by the weighted average number of common shares issued during the quarter, plus the weighted average number of common shares that would be issued upon the conversion of all potential diluted common shares into common shares.

The following table presents profit (loss) and share information used to calculate basic and diluted earnings or loss per share for the quarters ended March 31, 2018 and 2017 (in thousands, except earnings (loss) per share):

	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017
Numerator:		
Net loss for the period	(39,431)	(45,717)
Denominator:		
Weighted average number of shares	4,970,167	4,970,167
Basic and diluted loss per share - R$	(7,93)	(9,20)

In the quarters ended March 31, 2018 and 2017, there were no transactions involving common shares or potential common shares or transactions that could have had a dilutive effect on earnings per share. There were no other transactions involving common shares or potential common shares between the balance sheet date and the date of completion of this financial information.

19 Net operating revenue

	Consolidated	
	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017
Gross sales	105,993	110,258
Taxes on sales	(23,365)	(21,972)
Sales returns and rebates	(492)	(6,813)
	82,136	81,473

Taxes on sales mainly comprise the ICMS (tax rates of 7%, 12% and 18%), Federal VAT - IPI) (tax rates of 5% and 15%), Contribution to the Social Integration Program - PIS (tax rates of 1.65% and 2.30%), Contribution for the Social Security Funding-COFINS (tax rates of 7.60% and 10.80%) and Social Security Contribution on billings (rate of 1%).

20 Costs and expenses by nature

The Company opted to present the statement of operations by function and shows below expenses by nature:

	Consolidated	
	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017
Raw materials, inputs and consumables	(31,840)	(31,554)
Personnel expenses (Note 23)	(31,665)	(28,212)
Termination costs (Note 23)	(371)	(2,588)
Freight on sales	(2,437)	(1,910)
Depreciation and amortization	(9,979)	(10,577)
Electricity, water and telephone	(5,428)	(5,388)
Third-party services	(2,401)	(2,884)
Management fees (Note 10)	(2,309)	(2,434)
Commissions on sales	(77)	(59)
Rents of properties	(5,476)	(5,757)
Allowance for doubtful accounts (Note 6)	-	-
Provision for adjustment to market value and obsolescence of inventories (Note 7)	71	694
Others	(3,829)	(4,703)
	(95,883)	(95,372)

Classified as		
Costs of goods sold	(79,679)	(81,329)
Selling expenses	(4,733)	(4,296)
General and administrative expenses	(11,471)	(9,747)
	(95,883)	(95,372)

21 Financial results

	Consolidated	
	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017
Financial expenses		
Interest	(22,303)	(21,785)
Charges on taxes installments*	(2,444)	(8,364)
Exchange rate losses	(281)	(1,037)
Tax on Financial Transactions (IOF)	(134)	(498)
Others	(98)	(183)
	(25,260)	(31,867)
Financial income		
Interest	46	1
Monetary variation gains	-	148
Exchange rate gains	261	219
Others	6	34
	313	402
Financial results	(24,947)	(31,465)

(*) Charges on overdue PIS/COFINS and ICMS payable in installments.

22 Tax liabilities

The outstanding tax balances at March 31, 2018 are R$ 153,620 and R$ 16,145 of payroll taxes, of which R$ 7,331 is overdue and R$ 162,434 is being paid in installments.

			In installments	
	Outstanding	Falling due	Current	Noncurrent
REFIS (PERT MP 783/17)	69,298	-	12,131	57,167
Parcel. Ordinário				
PIS/COF/IPI	17,149	-	3,811	13,338
PIS	332	332	-	-
COFINS	1,519	1,519	-	-
ICMS (Regularize-MG)	57,292	-	6,138	51,154
ICMS	6,962	1,554	3,794	1,614
IPI	28	28	-	-
Other taxes (ISS, IPTU)	1,040	820	23	197
	153,620	4,253	25,897	123,470

Withholding Income Tax (IRRF) (Employees)	761	697	-	-
REFIS INSS (PERT MP 783/17)	5,002	-	3,335	1,667
Ordinary Instalment INSS	2,941	-	653	2,288
Exemption of the payroll	982	982	-	-
INSS (Employer)	753	753	-	-
INSS (Employees)	582	582	-	-
INSS in installments SESI SENAI (Empresa)	5,124	-	1,195	3,929
	16,145	3,078	5,183	7,884
Sum of Employer	168,422	5,988	31,080	131,354
Sum of Employees	1,343	1,343	-	-
Total	169,765	7,331	31,080	131,354

On the overdue amounts, the Company records a fine of 20% in addition to interest charge based on the rates established by legislation.

Special Tax Regularization Program (PERT)

Plascar Ltda. joined PERT on August 29, 2017. The balance of overdue taxes up to April 2017, arising from debts with the National Treasury Attorney General, were negotiated in 120 instalments, with the value of the instalments in the first 12 months corresponding to 0.4% of the debt, to 0.5% in the second year, 0,6% in the third year, and the remaining balance in 84 instalments. The adjustment index applied to the instalments is the CentralBank's Overnight Rate (Selic).

Additionally, MP 783/17 was converted into Law No. 13.496/17 on October 25, 2017 including a new type of instalment payment, which allows the use of income and social contribution tax losses to reduce the debt consolidated with the Brazilian Revenue Service (RFB).

Below, briefly, the accounting effects of this transaction:

	General Attorney of the National Treasury	Brazil's Internal Revenue Service TAX	Brazil's Internal Revenue Service Non-Tributary	Total
Original Balance (a)	54,607	76,649	27,555	158,811
Use of tax loss carryforwards social-contribute Law 13,496 / 17 (b) (Nota 9.b)	-	(59,874)	(21,285)	(81,159)
Amortization of debt until March 31, 2018	(1,790)	(5,260)	(1,777)	(8,827)
Update of installments	2,390	2,576	509	5,475
Total (Note 22)	55,207	14,091	5,002	74.300

(a) Total tax and non-tax debt updated on the date of the adhesion of PERT, including Social Integration Program (PIS), Contribution for Social Security

Financing (COFINS), Industrialized Products Tax (IPI) and National Social Security Institute INSS (Exemption of Payroll).

(b) The Company joined to this new type of program. The amount involved in the discount by means of income and social contribution tax losses is R$ 81,159.

23 Employee benefits

Salaries, benefits and social charges are as follows:

	Consolidated	
	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017
Payroll and social charges	28,191	27,282
Profit sharing	1,828	1,295
Legal benefits	1,970	2,211
Additional benefits	47	12
	32,036	30,800

Additional benefits

In addition to the usual benefits required by the labor legislation, it is the practice of the Company and its subsidiaries to grant additional benefits contracted from third parties to their employees, such as: health care plan, life insurance, transport vouchers, meals, day care center aid, and reimbursement for training sessions.

Profit sharing

The Company and its subsidiaries have supplementary variable remuneration plans which consider whether goals established have been met:

(i) Profit sharing (PPR): The Company offers its employees profit sharing according to the collective bargaining agreement established between the Company, its employees' representatives and their trade union, which establishes goals that are monthly assessed and disclosed. This plan aims to encourage development and productivity by providing financial gains and conditions for the employees to receive a share of the profits of the Company.

(ii) Additional profit sharing bonus plan (Short-term PPR): The Company grants bonuses representing a variable number of monthly salaries to the Company's executives and management members. The profit sharing payable to personnel holding these positions is based on the individual and Company's performance, in accordance with previously defined goals.

24 Supplemental cash flow information

	Consolidated	
	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017
Payments during the quarters		
Interest	2,041	15,215
Non-cash transactions		
Additions to fixed assets with interest capitalization	-	-

The Company classifies interest paid as cash flows from financing activities.

25 Insurance (unaudited)

In the quarter ended March 31, 2018, there were no changes to the insurance coverage, value of the polices and risks involved. Accordingly, there were no changes in relation to the disclosures of Note 25 to the financial statements at December 31, 2017.

The risk assumptions adopted, given their nature, are not part of the scope of an audit of financial statements, and therefore were not examined by our independent auditors.

Board of directors

Stephen James Toy
Chairman

André Cambauva do Nascimento
Vice-Chairman

Andrew Catunda de Araújo
Board Member

Edson Figueiredo Menezes
Board Member

Hugo Lancarter Mol
Board Member

Executive Board

José Donizeti da Silva
Officer

André Cambauva do Nascimento
CEO

Gordiano Pessoa Filho
Finance and Investor Relations Officer

Executive Board (non-statutory)

Daniel Paulo Fossa
Jundiaí Business Unit Officer

Ronaldo Prado Serenini
Varginha Business Unit Officer

José Orlando Lima
Betim Business Unit Officer

Rita Aparecida de Souza
Commercial Officer

Ana Lúcia de Aguiar Zacariotto
Human Resources Officer

Marcos D'Aflita
Tooling Officer

Claudio Batista
Accounting Manager
Accountant CRC 1SP170282/O-9

Audit Board

José Antonio Vertoan
Member

Mauro Cesar Leschziner
Member

Charles Dimetrius Popoff
Member

Comments on business projections

With the sharp decline of around 25% in vehicle production in 2017, the Company's management has revised the forecast indicating a recovery of 22.1%. According to official data from the National Association of Motor Vehicle Manufacturers (ANFAVEA), auto production increase of 13.2% is currently predicted for 2018.

Projection of the Company's annual turnover (through organic growth only)			
Year	Percentage change (in comparison with the previous year)	Change in R$ (In comparison with the previous year)	Projected annual turnover, net
2018	22.1%	R$ 86.2 milion	R$ 475.4 milion
2019	7.6%	R$ 36.1 milion	R$ 511.5 milion
2020	4.9%	R$ 25.2 milion	R$ 536.7 milion

The projections above include only firm orders, both in production and under development, received by the Company up to the present date. The projections above may be increased if the Company is successful in bidding processes carried out by its customers. These processes were not included in the projections above due to their high level of uncertainty.