PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Independent Auditor's Review Report

Interim Financial Information
As at June 30, 2018

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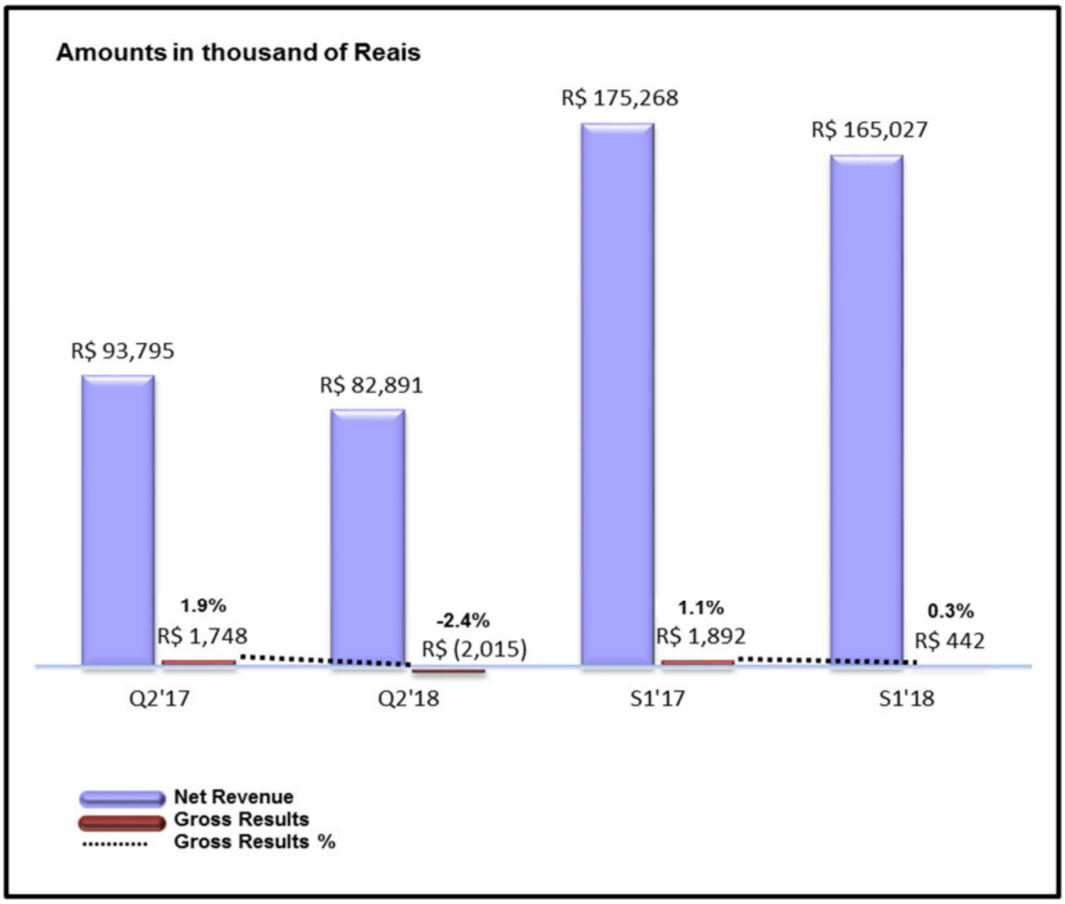
Contents

Management report

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

Amounts expressed in thousands of Reais, except when otherwise indicated.

Gross result



According to data of National Association of Motor Vehicle Manufactures – ANFAVEA, during the second quarter of 2018, vehicle production during increase 12,6% compared to the same period of 2017.

	SOURCE: ANFAVEA – BRAZIL		
AUTOMOTIVE OUTLOOK	**S2/17**	**S2/18**	**VAR. %**
PRODUCTION OF VEHICLES	653	735	12.6%
SALES OF VEHICLES	548	621	13.3%

	SOURCE: ANFAVEA – BRAZIL		
AUTOMOTIVE OUTLOOK	**Acum/17**	**Acum/18**	**VAR. %**
PRODUCTION OF VEHICLES	1,263	1,435	13.6%
SALES OF VEHICLES	1,019	1,167	14.5%

Production of cars in the semester grows 13.6% and reaches higher volume since 2014

Suspension of orders from Argentina and Mexico, however, caused Anfavea to cut growth forecast for the year from 13.2% to 11.9%; sector, which estimated a 5% increase for exports, now expects to repeat the result of 2017, of 766 thousand vehicles.

Vehicle production in the first half of the year increased 13.6% over the same period last year and totaled 1.43 million units, the highest volume for the period since 2014. The sector was moving towards an expected growth of 13.2% this year, but with the suspension of orders from Argentina and Mexico in recent weeks, the increase was revised to 11.9%. In numbers, it will be about 34,000 fewer cars.

"We will still have a number that is not negligible, of 3 million units produced," says Antonio Megale, president of the National Association of Automobile Manufacturers (Anfavea).

The sector projected a 5% increase in exports, but now expects to repeat the record result of 2017, of 766 thousand vehicles. Sales to Mexico fell 54% in the first half. For Argentina, which had been growing at double digits, the increase is at 4%. The neighboring country accounts for more than 70% of Brazil's foreign sales.

In June, the companies were able to recover part of the lost production in the previous month with the truck drivers' strike, estimated between 70,000 and 80,000 units. 256,300 vehicles were manufactured, the best result for the month since 2013. Compared to May and June 2017, the increase was 21%.

Sales were stable compared to May, which had already been a weak month because of the strike, which interrupted the delivery of parts to factories and cars to stores. The 202,000 vehicles sold were 3.6% above the volume of June last year. In the year, the sum is 1.16 million units, 14.4% more than in 2017, but the trend is to decelerate in the second half of the year, closing with an increase of 11.7%, or 2.5 million of units.

"We were on a good pace, but the truckers' strike had an impact on consumer confidence and in the case of June, it also had the Cup," Megale justifies.

With production on the rise and sales and exports slowing, the industry closed last month with 240,600 vehicles in stock, enough for 36 days of sales, up from 31 days in May. Megale says "this does not worry us because, seasonally, July and August are good sales months and we will be prepared."

				Forecasts 2018
Auto vehicles (automobiles, light commercial, trucks, bus)				
	Thousand units	2017	2018	%2018
Production	Total vehicles	2,700	3,055	13.2%
	Light vehicles	2,596	2,935	13.0%
	Heavy vehicles	103.6	120.3	16.2%
Licensing	Total vehicles	2,240	2,502	11.7%
	Light vehicles	2,176	2,422	11.3%
	Heavy vehicles	63.7	79.5	24.7%
Exports	Total vehicles	762	800	5.0%
	Light vehicles	725	758	4.6%
	Heavy vehicles	37.4	42.2	12.8%

Agricultural and road machinery			
Thousand units	2017	2018	%2018
Production	55.0	61.5	11.8%
Domestic Sales	44.4	46.0	3.7%
Exports	14.1	15.5	9.9%

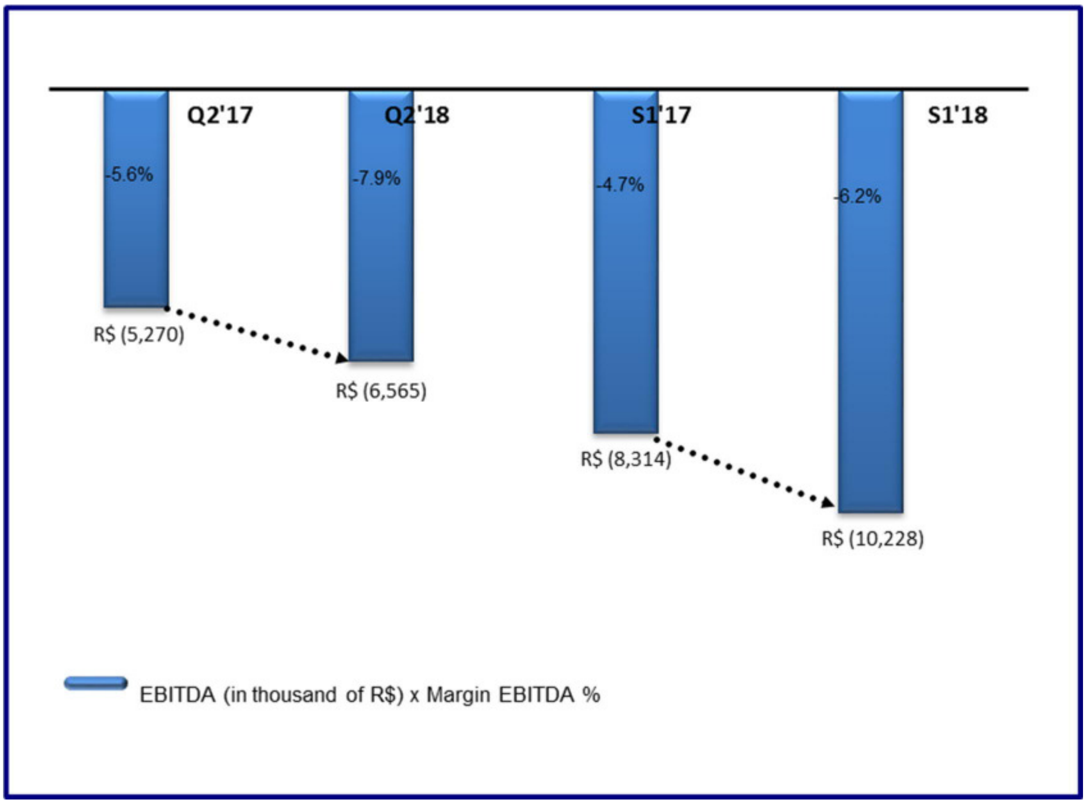
Auto vehicles and Agricultural and road machinery			
In Billions of USD	2017	2018	%2018
Exports in value	15.9	16.7	5.4%

Net result

The combined result of all factors mentioned on June 30, 2018 resulted in negative cash generation (EBITDA) of R$ 6,565 (-7.9%) in the second quarter, as shown in the table below:

Within the negative EBITDA of R $ 8,314 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.

EBITDA (R$) x Margin EBITDA (%)



PLASCAR CONSOLIDATED BRASIL						
MONTH/YEAR	NET SALES R$	GROSS RESULTS		EBITDA (Cumulative)		Accumulated losses for the Period (R$)
		R$	% Sales	R$	% Sales	
Dec/15	480,774	34,140	7.1%	5,459	1.1 %	(198,348)
Mar/15	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)
Sep/16	261,859	(36,880)	-14.1%	(60,625)	-23.1%	(189,923)
Dec/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)
Sep/17	276,719	11,750	4.2%	(3,789)	-1.4%	(118,268)
Dec/17	389,175	22,034	5.7%	878	0.2%	(71,947)
Mar/18	82,136	2,457	3.0%	(3,663)	-4.5%	(39,431)
Jun/18	165,027	442	0.3%	(10,228)	-6.2%	(75,676)

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 54.7 hours of learning and training per employee (in the last 12 months), focused on SENAI workshop, internships, technical training and operational development.

At June 30, 2018, the Company had 1,761 employees (1,851 on June 30, 2017).

Relationship with Independent Auditors

In compliance with CVM Instruction 381, we hereby announce that for the three-month period ended June 30, 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 principles 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 client; and an auditor cannot serve in an advocacy role for the audit client.

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

To the
Shareholders, Board Members and Management of
Plascar Participações Industriais S.A.
Campinas - SP

Introduction

We have reviewed the individual and consolidated interim financial information of **Plascar Participações Industriais S.A. ("Company")**, identified as Parent Company and Consolidated, included in the Quarterly Information for the quarter ended June 30, 2018, which comprises the individual and consolidated statement of financial position as at June 30, 2018 and the respective individual and consolidated statements of operations and comprehensive income (loss) for the three- and six-month periods then ended, and of the individual and consolidated statements of changes in equity and cash flows for the six-month period then ended, including a summary of significant accounting policies and the corresponding notes to the financial statements.

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

Scope of the review

We conducted our review in accordance with Brazilian and international standards for reviewing interim financial information (NBC TR 2410 and ISRE 2410 – "Review of Interim Financial Information Performed by the Independent Auditor of the Entity"). An interim review consists principally of applying analytical and other review procedures, and making enquiries of and having discussions with persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, we are not aware of any fact that leads us to believe that the individual and consolidated interim financial 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 Brazilian Securities and Exchange Commission (CVM).

Emphasis

Material uncertainty as to going concern

We draw attention to Notes 1, 13 and 15 to the individual and consolidated interim financial information, which describe that the Company and its controlled company have reported recurring losses on its operations and current liabilities in excess of current assets, by the end of the quarter ended June 30, 2018, totaling R$ 323,438 thousand and R$ 628,156 thousand, respectively, individual and consolidated. However, the Company and its controlled company have been making efforts, along with its main shareholders, to restructure financial and operating debts with certain creditors, and the effects of non-compliance with contractual terms with financial and non-financial creditors. As a result, the Company entered into a non-binding agreement with those creditors, related parties and potential investor by means of a document called Term Sheet, consisting of a group of preliminary measures for the restructuring of the debt, which even involves the change of the Company's parent company, and expiring on October 31, 2018, or the completion of the whole process, whichever occurs first. Therefore, these circumstances, in addition to others described in the mentioned Notes, raise substantial doubt about the continuity of the Company as a going concern. The individual and consolidated interim financial information do not include any adjustments as a result of these uncertainties or future outcome of the measures currently in progress. Our conclusion is not modified in respect of this matter.

Special Tax Regularization Program - PERT"

We draw attention to Note 22 to the individual and consolidated interim financial information informing that the Company's controlled 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, currently under analysis by the Brazilian Revenue Service (RFB) and pending homologation, and although the Company's management understands that the measurement and recognition of the debt consolidation have been made on consistent and conservative bases and in accordance with the mentioned law, no relevant adjustments are expected as a result of this approval. Our conclusion is not modified in respect of this matter.

Other matters

Individual and consolidated interim statements of value added

We have also reviewed the individual and consolidated interim statements of value added for the six-month period ended June 30, 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 Information and considered as supplemental information by IFRS, which do not require the disclosure of the statement of value added. This interim information 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 financial statements have been translated into English for the convenience of readers outside Brazil.

Campinas, July 27, 2018.

BDO RCS Auditores Independents SS
CRC 2 SP 031522/F

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

PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Balance sheets
As of June 30, 2018 and December 31, 2017
(In thousands of Reais)

		Company		Consolidated	
	Notes	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Current					
Cash and cash equivalents		-	11	196	1,128
Trade accounts receivable	6	-	-	15,942	25,844
Inventories	7	-	-	39,577	38,826
Recoverable taxes	8	-	-	995	856
Other assets		16	16	7,112	7,075
		16	**27**	**63,822**	**73,729**
Non-current					
Other assets		-	-	3,857	3,857
Related parties		-	-	228	-
Recoverable taxes	8	-	-	2,734	2,750
Judicial deposits		-	-	4,750	4,349
Property, plant and equipment	12	7	7	421,462	439,690
Other assets		-	-	8,907	9,005
		7	**7**	**441,938**	**459,651**
Total assets		**23**	**34**	**505,760**	**533,380**

The accompanying notes are an integral part of these interim financial information, company and consolidated

PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Balance sheets
As of June 30, 2018 and December 31, 2017
(In thousands of Reais)

		Company		Consolidated	
	Notes	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Current					
Loans and financing	13	-	-	395,829	370,963
Trade accounts payable		-	-	56,182	51,049
Tax and contribution obligations	22	25	21	38,216	29,284
Payroll and social charges obligations	14	-	-	34,594	27,234
Advances from customers	15	-	-	84,884	82,296
Related parties	10	-	-	-	59
Provision for unsecured liabilities	11	323,429	248,361	-	-
Other liabilities		-	-	82,273	70,281
		323,454	**248,382**	**691,978**	**631,166**
Non-current					
Provision for contingencies	16	-	-	6,059	9,636
Related parties	10	9,296	8,703	-	-
Payroll and social charges obligations	14	-	-	6,788	7,389
Income tax and social contribution - deferred	9	-	-	15,695	14,114
Tax and contribution obligations	22	-	-	118,318	128,386
Other trade payables		-	-	5	13
		9,296	**8,703**	**146,865**	**159,538**
Shareholders' equity	17				
Paid in capital		481,972	481,972	481,972	481,972
Profit reserve		-	22,269	-	22,269
Adjustment to equity valuation		7,520	7,717	7,520	7,717
Accumulated losses		(822,219)	(769,009)	(822,219)	(769,009)
		(332,727)	**(257,051)**	**(332,727)**	**(257,051)**
Non-controlling interest		-	-	(356)	(273)
Total shareholders' equity (unsecured liabiliites)		(332,727)	(257,051)	(333,083)	(257,324)
Total liabilities and shareholdrs' equity		**23**	**34**	**505,760**	**533,380**

The accompanying notes are an integral part of these interim financial information, company and consolidated

PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Statement of income
For the semester ended June 30, 2018 and 2017
(In thousands of Reais)

		Company		Consolidated	
	Notes	06/30/2018	06/30/2017	06/30/2018	06/30/2017
Net operating revenue	19	-	-	165,027	175,268
Cost of product sold	20	-	-	(164,585)	(173,376)
Gross profit (loss)		**-**	**-**	**442**	**1,892**
Operating (expenses) revenue					
Selling expenses	20	-	-	(9,634)	(8,234)
General and administrative expenses	20	(605)	(553)	(21,258)	(24,721)
Equity method results	11	(75,068)	(82,605)	-	-
Other operating income / (expenses), net		-	-	71	1,482
Operating results		**(75,673)**	**(83,158)**	**(30,821)**	**(31,473)**
Operating results before financial results		**(75,673)**	**(83,158)**	**(30,379)**	**(29,581)**
Financial results					
Financial income	21	-	-	1,098	1,490
Financial expenses	21	(3)	(3)	(45,133)	(53,895)
		(3)	**(3)**	**(44,035)**	**(52,405)**
Results before income tax and social contribution		**(75,676)**	**(83,161)**	**(74,414)**	**(81,986)**
Income tax and social contribution					
Deferred		-	-	(1,345)	(1,266)
		-	**-**	**(1,345)**	**(1,266)**
Loss for the period		**(75,676)**	**(83,161)**	**(75,759)**	**(83,252)**
Net loss attributable to					
Non-controling interest		-	-	(83)	(91)
Controlling interest		(75,676)	(83,161)	(75,676)	(83,161)
		(75,676)	**(83,161)**	**(75,759)**	**(83,252)**
Loss per share of operations attributable to the Company's shareholders during the period (expressed in BRL per lot of one thousand shares)		**-**	**-**		
Basic and diluted loss per share		**(15.23)**	**(16.73)**		

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PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Statement of income
For the quarter ended June 30, 2018 and 2017
(In thousands of Reais)

		Company		Consolidated	
	Notes	06/30/2018	06/30/2017	06/30/2018	06/30/2017
Net operating revenue	19	-	-	82,891	93,795
Cost of product sold	20	-	-	(84,906)	(92,047)
Gross profit (loss)		**-**	**-**	**(2,015)**	**1,748**
Operating (expenses) revenue					
Selling expenses	20	-	-	(4,901)	(3,938)
General and administrative expenses	20	(307)	(280)	(9,787)	(14,974)
Equity method results	11	(35,935)	(37,161)	-	-
Other operating income / (expenses), net		-	-	16	1,240
Operating results		**(36,242)**	**(37,441)**	**(14,672)**	**(17,672)**
Operating results before financial results		**(36,242)**	**(37,441)**	**(16,687)**	**(15,924)**
Financial results					
Financial income	21	-	-	785	1,088
Financial expenses	21	(3)	(3)	(19,873)	(22,028)
		(3)	**(3)**	**(19,088)**	**(20,940)**
Results before income tax and social contribution		**(36,245)**	**(37,444)**	**(35,775)**	**(36,864)**
Income tax and social contribution					
Deferred		-	-	(510)	(621)
		-	**-**	**(510)**	**(621)**
Loss for the period		**(36,245)**	**(37,444)**	**(36,285)**	**(37,485)**
Net loss attributable to					
Non-controling interest		-	-	(40)	(41)
Controlling interest		(36,245)	(37,444)	(36,245)	(37,444)
		(36,245)	**(37,444)**	**(36,285)**	**(37,485)**
Loss per share of operations attributable to the Company's shareholders during the period (expressed in BRL per lot of one thousand shares)		**-**	**-**		
Basic and diluted loss per share		**(7.29)**	**(7.53)**		

The accompanying notes are an integral part of these interim financial information, company and consolidated

PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Statements of comprehensive income
For the semester ended June 30, 2018 and 2017
(In thousands of Reais)

	Company		Consolidated	
	06/30/2018	06/30/2017	06/30/2018	06/30/2017
Loss for the period	**(75,676)**	**(83,161)**	**(75,759)**	**(83,252)**
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				
Total comprehensive income attributable to:	-	-	(83)	(91)
Non-controling interest	(75,676)	(83,161)	(75,676)	(83,161)
Controlling interest	**(75,676)**	**(83,161)**	**(75,759)**	**(83,252)**

The accompanying notes are an integral part of these interim financial information, company and consolidated

PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Statements of comprehensive income
For the quarter ended June 30, 2018 and 2017
(In thousands of Reais)

	Company		Consolidated	
	06/30/2018	06/30/2017	06/30/2018	06/30/2017
Loss for the period	**(36,245)**	**(37,444)**	**(36,285)**	**(37,485)**
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				
Total comprehensive income attributable to:	**-**	**-**	**(40)**	**(41)**
Non-controling interest	**(36,245)**	**(37,444)**	**(36,245)**	**(37,444)**
Controlling interest	**(36,245)**	**(37,444)**	**(36,285)**	**(37,485)**

The accompanying notes are an integral part of these interim financial information, company and consolidated

PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Statement of changes in shareholders' equity
For the semester ended June 30, 2018 and 2017
(In thousands of Reais)

		Capital reserve					
	Paid in capital	Recognized options and shares granted	Adjustment to equity valuation	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	-	-	(590)	590	-	-	-
Realization of deferred taxes on adjustment to equity valuation	-	-	201	(201)	-	-	-
Net loss for the period	-	-	-	(83,161)	**(83,161)**	12	**(83,149)**
Balance as of June 30, 2017	**481,972**	**22,269**	**7,956**	**(780,462)**	**(268,265)**	**(183)**	**(268,448)**
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	-	-	(298)	298	-	-	-
Realization of deferred taxes on adjustment to equity valuation	-	-	101	(101)	-	-	-
Realization of capital reserve and options granted	-	(22,269)	-	22,269	-	-	-
Net loss for the period	-	-	-	(75,676)	**(75,676)**	(83)	**(75,759)**
Balance as of June 31, 2018	**481,972**	**-**	**7,520**	**(822,219)**	**(332,727)**	**(356)**	**(333,083)**

The accompanying notes are an integral part of these interim financial information, company and consolidated

PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Statement of cash flows
For the semesterended June 30, 2018 and 2017
(In thousands of Reais)

	Notes	Company		Consolidated	
		06/30/2018	06/30/2017	06/30/2018	06/30/2017
Cash flow from operating activities					
Loss for the period before income tax and social contribution		**(75,676)**	**(83,161)**	**(74,414)**	**(81,986)**
Adjustments to conciliate net loss to cash generated (used) in operating activities:					
Depreciation and amortization	20	-	-	20,053	21,193
Loss on disposal of assets		-	-	60	515
Interest and monetary variation, net		-	-	45,879	51,580
Addition/reversal of provision for judicial deposits		-	-	-	4,894
Addition/reversal of provision for inventory losses and obsolescence	7 e 20	-	-	608	(550)
Constituição/reversão de provisão para demandas judiciais	6	-	-	586	-
Results of equity method	11	75,068	82,605	-	-
Others		-	2	-	-
(Increase)/decrease in asset accounts					
Trade accounts receivable		-	-	9,315	6,211
Inventories		-	-	(1,359)	1,319
Recoverable taxes		-	-	(123)	438
Other assets		-	-	62	(199)
Increase/(decrease) in liability accounts					
Trade accounts payable		-	-	4,681	(306)
Payroll and social charges obligations		-	-	5,878	15,182
Advances from customers		-	-	(629)	(2,419)
Tax and contribution obligations		4	-	(5,444)	5,567
Provision for judicial deposits (payments)	16.b	-	-	(9,478)	(7,195)
Other liabilities		-	-	9,432	10,327
Net cash generated from / (used in operating activities		**(604)**	**(554)**	**5,107**	**24,571**
Cash flows from investing activities					
Additions of property, plant and equipment and intangible assets		-	-	(1,885)	(3,634)
Proceeds from property, plant and equipment disposal		-	-	-	14
Proceeds from related parties		-	583	(228)	(978)
Net cash generated from / (used in) investment activities		**-**	**583**	**(2,113)**	**(4,598)**
Cash flows from financing activities					
Payment of loans and financings (principal and interest)		-	-	(3,867)	(15,305)
Net increase on loans and financings from related parties		593	-	(59)	(4,801)
Net cash generated from / (used in) financing activities		**593**	**-**	**(3,926)**	**(20,106)**
Increase/(decrease) in cash and cash equivalents		**(11)**	**29**	**(932)**	**(133)**
Cash and cash equivalents at beginning of the period		11	8	1,128	459
Cash and cash equivalents at end of the period		-	37	196	326
Increase/(decrease) in cash and cash equivalents		**(11)**	**29**	**(932)**	**(133)**

The accompanying notes are an integral part of these interim financial information, company and consolidated

PLASCAR PARTICIPAÇÕES INDUSTRIAIS S.A.

Statement of value added
For the semester ended June 30, 2018 and 2017
(In thousands of Reais)

		Company		Consolidated	
	Notes	06/30/2018	06/30/2017	06/30/2018	06/30/2017
Revenue					
Sales of goods, products and service rendered		-	-	212,564	222,205
Other income		-	-	63	14
		-	**-**	**212,627**	**222,219**
Inputs acquired from thrid parties					
Raw materials used		-	-	(66,877)	(83,000)
Materials, energy, third parties services and other operating expenses		-	-	(24,979)	(26,771)
Provision for inventory losses and obsolescence	7	-	-	608	550
		-	**-**	**(91,248)**	**(109,221)**
Value added produced, net		**-**	**-**	**121,379**	**112,998**
Depreciation, amortization and deplition, net	20	-	-	(20,053)	(21,193)
Net value added produced by the Company		**-**	-	**101,326**	**91,805**
Value added received in transferring					
Equity method results	**11**	(75,068)	(82,605)	-	-
Financial income		-	-	1,098	1,490
Income tax and social contribution on loss carryforward compensation		-	-	237	-
Other income		-	-	72	1,585
Total value added to distribute		**(75,068)**	**(82,605)**	**102,733**	**94,880**
Distribution of value added					
Personnel					
Personnel, social charge and benefits					
Direct salary		163	139	58,566	45,023
Social charges		61	56	11,336	25,927
Tax, charge and contribution					
Federal		-	-	26,912	26,312
State		-	-	22,478	14,671
Municipal		95	80	2,493	1,282
Compensation on third party capital					
Interest		3	2	44,911	53,294
Leases		286	279	11,796	11,623
Compensation on own capital					
Loss for the period		(75,676)	(83,161)	(75,676)	(83,161)
Loss attributable to non-cotrolling interest		-	-	(83)	(91)
		(75,068)	**(82,605)**	**102,733**	**94,880**

The accompanying notes are an integral part of these interim financial information, company and consolidated

1. General information

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 located 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 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 result.

The controlling interest of 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 paid in 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 first semester of 2018 had an increase of 13.6% compared to the same period of 2017 according to data from ANFAVEA. The Company's net revenue, on the other hand, in the first semester of 2018, decreased by 5.8% when compared to the previous year. Although the recovery in the truck market in the first semester of 2018 was positive for the Company, there was a significant drop in the light vehicle segment of our main customer, and loss of revenue due to the truck drivers' strike.

The Company continues to take several measures to reduce internal operating costs and improve the margin, also promoting constant price negotiations with customers to pass through cost increases (labor, raw material, etc.), all according to the restructuring process that also culminated in the closing of the industrial units of Pindamonhangaba and Campinas, in the State of São Paulo, and disposal of operations in Argentina, benefit cuts and reduction in the number of employees (around 1,100 workers between December 2015 and June 2018).

As at June 30, 2018, the Company has an excess of current liabilities over current assets in the amount of R$ 323,438 in the individual, and of R$ 628,156 in consolidated and deficit in equity in consolidated in the amount of R$ 333,083 and in individual in the amount of R$ 332,727.

In addition, the Company has reported losses in the current and comparative periods, as well as an accumulated loss of R$ 822,219, individual and consolidated.

The Company has overdue bank contracts and, as of June 30, 2018, has outstanding non-current loans recognized as current in the amount of R$ 53,709 (note 4.1c), due to non-compliance with restrictive clauses ("Covenants"). For these past due contracts, the Company has been negotiating directly with each of the banks, seeking the best way to equate the outstanding amounts, in what has been successful.

These negotiations were formalized and brought together through the signature of a Standstill Agreement signed between the Company and its main bank creditors on May 24, 2017, as disclosed to the market through a Relevant Fact published on May 30, 2017. The Standstill agreement was initially signed to last for 60 days and was extended for additional 30 days, with no further extension. Such agreement had as its main purpose the assumption of the commitment by the creditors to not take any enforceable measure to collect the outstanding bank debts from the Company while the parties were negotiating the financial restructuring of the debts.

Following this negotiation, on June 12, 2018, the Company, Plascar Indústria de Componentes Plásticos Ltda. together with the other subsidiaries, Permali do Brasil, International Automotive Components Group Brazil LLC, Mapa Capital (potential investor) and certain financial and non-financial creditors of Plascar, signed a non-binding "Summary of Principal Terms and Conditions for Restructuring of Plascar" ("Term Sheet"), with the objective of restructuring the existing debt of Plascar Ltda. through the entry of a new partner into the economic group of Plascar and exchange of part of the existing debt for shares issued by an entity to be created to control the Company.

(In thousands of Brazilian reais, unless otherwise stated)

This Term Sheet is valid until October 31, 2018 or until the parties sign the new debt restructuring bank contracts, whichever occurs first.

The Term Sheet was signed by all related creditors, with the exception of the financial institution Banco do Brasil S.A., which at the moment analyzes the contents of the referred Term Sheet for subsequent signature.

On June 12, 2018, the Company disclosed to the market a new Relevant Fact providing detailed information on the progress of the debt restructuring process.

There is still no expectation by the Company and its legal advisors of any execution of the bank contracts object of this renegotiation, which even classify the probability of execution as remote, especially due to the proximity of the satisfactory conclusion of the restructuring to all creditors involved.

Currently the composition of the debt included in the Term Sheet and presented in Notes 13 and 15, is presented as follows:

Summary of debt included in Term Sheet updated as at June 30, 2018	BRASIL	FIBRA	BDMG	ITAÚ	BRADESCO	FCA	Total
Financial transactions	106,009	76,614	71,929	71,344	46,481	-	372,377
Non-financial transactions	-	-	-	-	-	81,108	81,108
Total debt	106,009	76,614	71,929	71,344	46,481	81,108	453,485
	Financial institutions					Non-financial institution	

Originally, they were included in the base date of March 31, 2018, with the following values:

Summary of debt included in Term Sheet updated as at March 31, 2018	BRASIL	FIBRA	BDMG	ITAÚ	BRADESCO	FCA	Total
Financial transactions	102,483	74,145	69,447	70,317	44,937	-	361,329
Non-financial transactions	-	-	-	-	-	79,418	79,418
Total debt	102,483	74,145	69,447	70,317	44,937	79,418	440,747
	Financial institutions					Non-financial institution	

Regarding financial and economic market forecasts, the Company's management reviewed the numbers considering new projects for the production of injected parts and estimates a recovery in sales volume of around 22.1% in 2018 if compared to 2017.

Vehicle production is forecast to increase 11.9% in 2018, according to official data from ANFAVEA.

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

The Company signed into loan agreements with Fiat in the form of advances because of the significant downturn in the current market and credit limits. At June 30, 2018, the balance of these advances is R$ 81,108 (Note 15).

The issue of these financial statements was authorized by the Supervisory Board on July 27, 2018.

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

The interim financial information included in the present quarterly information have been prepared in accordance with accounting practices adopted in Brazil, including the accounting pronouncements issued by the Brazilian Committee of Accounting Pronouncements (CPC), and 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 for preparation and the accounting policies used in these quarterly information are the same as those applied in the 2017 annual financial statements. Consequently, the related information is disclosed in Explanatory Notes 2.1 to 2.22 to that financial statements.

(In thousands of Brazilian reais, unless otherwise stated)

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, detailed as follows:

	Interest at			
	06/30/2018		12/31/2017	
	Direct	Indirect	Direct	Indirect
Plascar Indústria de Componentes Plásticos Ltda.	99.89%	-	99.89%	-

2.1. Financial instruments - CPC 48 / IFRS 9

The main impacts are related to the classification of financial assets, since the new standard changed the classification categories of financial assets, eliminating the categories held to maturity, loans and receivables and available for sale. As a result, financial assets were classified in one of the following categories: at amortized cost, at fair value through comprehensive income and at fair value through profit or loss.

In relation to financial liabilities, classification and measurement requirements were practically unchanged from the previous standard (CPC 39 / IAS 39), including those related to embedded derivatives and the option to assign financial liabilities at fair value. The only exception introduced by the new standard for financial liabilities relates to liabilities designated at fair value. Since the Company has no financial liabilities designated at fair value, this change did not have any impact.

(a) Financial assets, classification, recognition and measurement.

The Company and its subsidiary classify its financial assets in the following categories: (a) at amortized cost, (b) measured at fair value through comprehensive income and (c) measured at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired.

Regular purchases and sales of financial assets are recognized on the trade date - the date on which the Company undertakes to buy or sell the asset. Financial assets are written-off when the rights to receive cash flows from investments have expired or have been transferred; in the latter case, provided that the Company has significantly transferred all the risks and benefits of ownership.

(i) Amortized cost

These are financial assets held by the Company (i) for the purpose of receiving its contractual cash flow and not for sale with profit or loss and (ii) the contractual terms of which give rise, on specified dates, to cash flows that constitute, exclusively, payments of principal and interest on the principal amount outstanding. It includes the balance of cash and cash equivalents, trade accounts receivable, other assets and securities. Its changes are recognized in income for the period under "Financial income" or "Financial expenses", depending on the result obtained.

(ii) Measured at fair value through comprehensive income

These are financial assets held by the Company (i) both for the receipt of its contractual cash flow and for the sale with profit or loss and (ii) the contractual terms of which give rise, on specified dates, to cash flows that constitute, exclusively, principal and interest payments on the principal amount outstanding. In addition, investments in equity instruments where, on initial recognition, the Company has elected to present subsequent changes in its fair value to other comprehensive income, are classified in that category.

This category is composed by the balance of other investments. These changes are recognized in income for the period, under "Financial income" or "Financial expenses", depending on the result obtained, except for the fair value of investments in equity instruments, which are recognized in other comprehensive income.

(iii) Measured at fair value through profit or loss

Financial assets that are not measured at amortized cost or at fair value through other comprehensive income are classified in this category. It comprises the balance of derivative financial instruments. Its variations are recognized in the statement of income for the period, under "Financial income" or "Financial expenses", depending on the result obtained, for non-derivative instruments and, in the "Derivative financial instruments" heading, for derivative instruments.

2.2. Revenue from Contracts with Customers - CPC 47 / IFRS 15

Revenues from contracts with customers are recognized by the Company as the transfer of control of the products to customers occurs, represented by the ability to determine the use of the products and to obtain substantially all the remaining benefits from the products. For this, the Company follows the conceptual framework of the standard, based on the five-step model: (1) identification of contracts with customers; (2) identification of performance obligations under contracts; (3) determining the price of the transaction; (4) allocation of the transaction price to the performance obligation provided for in the contracts and (5) recognition of revenue when the performance obligation is met. Revenue is the net revenue from sales, after deduction of taxes, rebates and returns.

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 grouped 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.

(In thousands of Brazilian reais, unless otherwise stated)

At June 30, 2018 and December 31, 2017, the Company had assets and liabilities in foreign currency arising from import, export and intercompany loan transactions, on the amounts detailed as follows:

	Consolidated	
	06/30/2018	12/31/2017
Trade accounts receivables (Note 6)	5,678	4,872
Trade accounts payable	(111)	(636)
	5,567	**4,236**

At June 30, 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 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)	6.59%	8.24%	9.88%
Loans and financing	(64,058)	(69,648)	(75,194)

(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 June 30, 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 subsidiary incurring losses in view of financial problems with their OEM customers is reduced, due to such customer's profile (automakers and other companies operating worldwide). At June 30, 2018 and December 31, 2017, the Company and its subsidiary 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 accrued for.

(c) Liquidity risk

The projected cash flow is realized in the operating entities of the Company and combined by the Finance Department. This department monitors the recurring 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 did not have current financial investments amounting (R$ 377 at December 31, 2017) expected to timely generate cash inflows to manage liquidity risk.

(In thousands of Brazilian reais, unless otherwise stated)

The following table 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 anticipated maturities.

	Consolidated				
	Up to 3 months	**From 4 to 12 months**	**From 1 to 5 years**	**Over 5 years**	**Total**
As at June 30, 2018					
Loans and financing	315,286	26,834	53,544	165	395,829
Trade accounts payable	56,150	32	-	-	56,182
Other liabilities	81,768	505	5	-	82,278
	453,204	**27,371**	**53,549**	**165**	**534,289**

	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 ability to continue as going concern in order to bring gains to shareholders and benefits to the other interested parties, in addition to keep an ideal capital structure in order to reduce costs.

	Consolidated	
	06/30/2018	**12/31/2017**
Total loans and financing (Note 13)	395,829	370,963
Less: Cash and cash equivalents	(196)	(1,128)
Net debt	395,633	369,835
Total equity	(333,083)	(257,324)
Total capital	**62,550**	**112,511**
Financial leverage index - %	**653**	**329**

(In thousands of Brazilian reais, unless otherwise stated)

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:

	06/30/2018		12/31/2017	
	Book value	Fair value	Book value	Fair value
Loans and financings (Note 13)				
Working capital – local currency	286,136	280,701	266,529	268,684
Finame	109,693	109,693	104,434	104,434
	395,829	390,394	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 the following table:

(a) Amortized cost

	06/30/2018	12/31/2017
Assets, according to balance sheet		
Cash and cash equivalents	196	1,128
Trade accounts receivable	15,942	25,844
Receivables from the disposal of properties	3,857	3,857
Judicial deposits	4,750	4,349
Related parties	228	-
Other assets	7,112	7,075
	32,085	**42,253**

(b) Fair value through profit or loss

	06/30/2018	12/31/2017
Liabilities, according to balance sheet		
Trade accounts payable	56,182	51,049
Loans	395,829	370,963
Related parties	-	59
Other liabilities	82,278	70,294
	534,289	**492,365**

(In thousands of Brazilian reais, unless otherwise stated)

Controlling Company

Cash and cash equivalents are classified as "Fair value through profit or loss"; e trade accounts payable to related parties are classified as "Fair value through profit or loss".

6. Trade accounts receivable

	Consolidated	
	06/30/2018	12/31/2017
Third parties in Brazil	19,463	13,436
Third parties abroad (Note 4.1)	5,678	4,872
Accounts receivable for tooling in Brazil	1,794	17,943
Allowance for doubtful accounts	(10,993)	(10,407)
	15,942	25,844

During the period ended June 30, 2018 and year ended December 31, 2017, the changes in the allowance for doubtful accounts were as follows:

	Consolidated	
	06/30/2018	12/31/2017
Beginning balance	(10,407)	11,017
Increase (Decrease) in the allowance	(586)	610
Final balance	(10,993)	(10,407)

At June 30, 2018 and December 31, 2017, the aging of trade receivables, was as follows:

	Consolidated	
	06/30/2018	12/31/2017
Due	13,816	18,866
Overdue:		
From 1 to 30 days	485	2,194
From 31 to 60 days	124	2,551
From 61 to 90 days	24	931
Over 90 days	12,486	11,709
	13,119	**17,385**
Total	**26,935**	**36,251**

The Company’s policy for allowance of doubtful accounts considers balance outstanding over 90 days.

Overdue balance for more than 90 days, not accrued for at June 30, 2018, net of allowance for doubtful accounts, refers to sales of tools.

(In thousands of Brazilian reais, unless otherwise stated)

7. Inventories

	Consolidated	
	06/30/2018	12/31/2017
Finished goods	4,183	3,159
Work in process	9,693	9,810
Raw materials	18,504	19,805
Imports in progress	3,059	2,193
Maintenance and auxiliary materials	2,080	2,043
Tooling and molds under development intended for sale	6,898	7,370
Advances to suppliers	1,330	1,224
Provision for adjustment to market value and obsolescence	(6,170)	(6,778)
	39,577	**38,826**

During the period ended June 30, 2018, changes in the provision for adjustment to market value and obsolescence were as follows:

	Consolidated
	06/30/2018
Beginning balance	(6,778)
Reversal of provision	4,001
Increase of provision	(3,393)
Net (increase) decrease (Note 20)	608
Final balance	**(6,170)**

8. Recoverable taxes

	Consolidated	
	06/30/2018	12/31/2017
ICMS on property, plant and equipment – CIAP	944	983
Rural Worker Assistance Fund (Funrural) process	2,237	2,237
Others	548	386
	3,729	**3,606**
Current	995	856
Noncurrent	2,734	2,750
	3,729	**3,606**

(In thousands of Brazilian reais, unless otherwise stated)

9 Income tax and social contribution

a) Breakdown of deferred income tax and social contribution

	Consolidated	
	06/30/2018	**12/31/2017**
Liabilities:		
Property, plant and equipment - deemed cost **(1)**	(707)	(808)
Depreciation - economic useful life review **(2)**	(14,988)	(13,306)
Total	**(15,695)**	**(14,114)**

Plascar S.A., controlling company of Plascar Ltda., has income tax and social contribution losses and negative taxable basis of R$ 53,904 and R$ 64,906, 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 through future taxable profit.

Plascar Ltda. has income tax and social contribution losses and negative taxable basis of R$ 591,607 and R$ 586,551, 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 property, plant and equipment, arising from the recognition of the fair value on first-time adoption of CPC 27 (IAS 16).

(2) It refers to deferred taxes calculated on the difference in property, plant and equipment depreciation generated after the review of the economic useful lives of the assets. Until December 31, 2010, the Company, as allowed by tax legislation, also considered for tax purposes the depreciation based on new useful live of assets. After September 2011, the Company started to use the depreciation rules based on the useful life allowed by tax regulation and, consequently, recognized the related deferred tax effects.

(In thousands of Brazilian reais, unless otherwise stated)

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

	Consolidated			
	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017
Loss before Income Tax and Social Contribution	(35,775)	(74,414)	(36,864)	(81,986)
Income tax and social contribution at statutory rate (34%)	12,164	25,301	12,534	(27,875)
Adjustments for calculation of effective rate:				
Tax effect on unrecognized income tax and social contribution losses (1)	(12,674)	(26,646)	(13,155)	(29,141)
Deferred income tax and social contribution expenses	**(510)**	**(1,345)**	**(621)**	**(1,266)**

(1) Tax effects on income tax and social contribution losses of Plascar S.A., which were not recognized since there is no expectation of future taxable profit.

c) Changes in deferred tax assets and liabilities

	Consolidated
	Liability
Balance as at December 31, 2017	(14,114)
Deferred taxes on realization of deemed cost of property, plant and equipment arising from depreciation and write-off of assets	101
Deferred taxes on depreciation difference	(1,682)
Balance as at June 30, 2018	**(15,695)**

10 Related-party transactions

a) Management compensation

Compensation of the Board of Directors and the Statutory Audit Board comprehends the fixed salary approved at the General Meeting and is monthly paid.

(In thousands of Brazilian reais, unless otherwise stated)

Compensation of the main officers and managers of the Company and its subsidiary consists of a fixed salary, variable payments based on established goals and additional benefits.

For the periods ended June 30, 2018 and 2017, total management compensation was as follows:

	Consolidated			
	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017
Fixed salary (1)	2,058	4,046	1,755	3,821
Variable payments (2)	322	643	281	649
Management fees (Note 20)	**2,380**	**4,689**	**2,036**	**4,470**

(1) Refers to salaries and management fees, vacation, 13th salary, 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) Affiliated companies

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

Commercial transactions between The Company and its subsidiary 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 rate contracts. Consequently, at June 30, 2018 and 2017, no impairment loss has been provided for on accounts receivable from related parties.

(In thousands of Brazilian reais, unless otherwise stated)

The Company and its subsidiary 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 June 30, 2018 and December 31, 2017, as well as the transactions that had an impact on the results, are as follows:

	Company		Consolidated	
	06/30/2018	12/31/2017	03/31/2018	12/31/2017
Non-current assets				
Loan agreement:				
Permali do Brasil Ind. e Com. Ltda.	228	-	-	-
	228	**-**	**-**	**-**
Current liabilities				
Loan agreement:				
Permali do Brasil Ind. e Com. Ltda.	-	-	-	59
Plascar Ltda	9,296	8,703	-	-
	9,296	**8,703**	**-**	**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., with indefinite maturity.

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.

(In thousands of Brazilian reais, unless otherwise stated)

11 Provision for investments losses

The changes in investments are presented below:

	06/30/2018	12/31/2017
As of December 31	(248,361)	(177,534)
Share loss in subsidiaries	(75,068)	(70,827)
As at June 30, 2018 (unsecured liabilities)	**(323,429)**	**(248,361)**

Relevant information relating to Plascar Ltda. are presented as follow:

	06/30/2018	12/31/2017
Paid in capital	389,082	389,082
Total shares	389,082,159	389,082,159
Held shares	388,654,169	388,654,169
Ownership interest	99.89%	99.89%
Equity of subsidiary	(323,785)	(248,634)
Investment recognized at Plascar S.A.	(323,429)	(248,361)
Loss for the period (1)	(75,150)	(70,906)
Equity in earnings of subsidiaries	(75,068)	(70,827)

(1) In the semester ended June 30, 2017, Plascar Ltda. reported loss of R$ 82,696, resulting in a balance of equity in earnings of subsidiaries recognized by Plascar S.A. of R$ 82,605.

12 Fixed assets

a) Rollfoward

	Consolidated				
	Annual Depreciation rate %	06/30/2018			12/31/2017
		Cost	Depreciation	Net	Net
Buildings	2 to 4	9,352	(1,289)	8,063	8,179
Machinery and equipment	4 to 13.79 (1)	835,494	(477,358)	358,136	375,383
Molds	6 to 9	49,355	(46,201)	3,154	3,905
Furniture and fixtures	6 to 10	13,241	(11,165)	2,076	2,382
Vehicles	18.57 to 20	4,433	(3,722)	711	802
IT equipment	15 to 16.81	6,096	(5,610)	486	451
Spare parts and materials		4,205	-	4,205	4,191
Advances to suppliers		44,631	-	44,631	44,397
		966,807	(545,345)	421,462	439,690

(1) Weighted average rate of 5.82%.

(In thousands of Brazilian reais, unless otherwise stated)

Advances to suppliers are substantially related to the purchase of machinery and equipment for the expansion of the manufacturing plants of the Company. From the total amount recognized at June 30, 2018, R$ 36,548 (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 amount of R$ 19,763 (June 30, 2017 – R$ 20,869) refers to depreciation expenses, it was recognized as "Costs of Sales", R$ 101 (June 30, 2017 – R$ 143) as "Sales expenses" and R$ 189 (June 30, 2017 – R$ 181) as "Administrative expenses".

b) Changes in cost

	Consolidated				
	Semester ended June 30, 2018				
	Beginning balance	Additions	Write-offs	Transfers	Final Balance
Buildings	9,352	166	-	(166)	9,352
Machinery and equipment	834,108	1,268	(40)	158	835,494
Molds	49,355	-	-	-	49,355
Furniture and fixtures	13,274	-	(32)	(1)	13,241
Vehicles	4,475	51	(93)	-	4,433
IT equipment	5,984	161	(49)	-	6,096
Spare parts and materials	4,191	5	-	9	4,205
Advances to suppliers	44,397	234	-	-	44,631
	965,136	1,885	(214)	-	966,807

c) Changes in depreciation

	Consolidated				
	Semester ended June 30, 2018				
	Beginning balance	Additions	Write-offs	Transfers	Final balance
Buildings	(1,173)	(116)	-	-	(1,289)
Machinery and equipment	(458,725)	(18,665)	33	(1)	(477,358)
Molds	(45,450)	(751)	-	-	(46,201)
Furniture and fixtures	(10,892)	(305)	31	1	(11,165)
Vehicles	(3,673)	(90)	41	-	(3,722)
IT equipment	(5,533)	(126)	49	-	(5,610)
	(525,446)	**(20,053)**	**154**	**-**	**(545,345)**

(In thousands of Brazilian reais, unless otherwise stated)

d) Financial lease

In March 31, 2017, Plascar Ltda. settled outstanding financial 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) Summary of loans

		Consolidated	
Type/Purpose	**Interest at 03/31/2018**	**06/30/2018**	**12/31/2017**
Working capital – local currency	CDI + interest from 0.32% to 0.94% p.m.	286,136	266,529
FINAME	Interest from 0.21% to 0,45% p.m.	109,683	104,434
Total		**395,829**	**370,963**

(In thousands of Brazilian reais, unless otherwise stated)

(b) Loans detail by financial institution

Summary of Financial Operations - Type / Purpose	BRAZIL Standstill	FIBRA Standstill	BDMG Standstill	ITAÚ Standstill	BRADESCO Standstill	CEF	CCB	SAFRA	SANTANDER	Total
Working capital - Local currency	57,332	76,614	43,795	58,998	26,637	20,362	2,398	-	-	286,136
FINAME	48,677	-	28,134	12,346	19,844	-	-	518	174	109,693
Total of loans	**106,009**	**74,614**	**71,929**	**71,344**	**46,481**	**20,362**	**2,398**	**518**	**174**	**395,829**

% in relation to total loans	**26.78%**	**19.36%**	**18.17%**	**18.03%**	**11.74%**	**5.14%**	**0.61%**	**0.13%**	**0.04%**	**100%**
	94.08%					**5.92%**				**100%**
	% Of Indebtedness Within the Debt Renegotiation Process (see Material Fact on June 12, 2018 (note 1)).									

The Company has overdue bank contracts and, as explained in detail in Note 1 (Financial Situation), is close to conclude the bank debt restructuring. As already explained, the Company's Management reinforces that there is no expectation that any execution will occur until the restructuring is completed.

The Company technically has overdue bank contracts and, as at June 30, 2018, outstanding noncurrent loans recognized as current in the amount of R$ 53,709 (Note 4.1c), due to non-compliance with restrictive clauses ("covenants").

From the working capital loans contracted by Plascar Ltda., R$ 93,161 are guaranteed by machinery and equipment (CAPEX) with the remaining balances guaranteed by receivables and collaterals.

FINAME’s financing are guaranteed by pledge of the financed assets. From the total amount recognized as at June 30, 2018, R$ 36,548 refers to contracts for the acquisition of injectors, still under construction by suppliers, and recorded as advances to suppliers, in fixed assets.

(In thousands of Brazilian reais, unless otherwise stated)

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14 Payroll and social charges obligations

	Consolidated	
	06/30/2018	**12/31/2017**
Social charges (Note 22)	17,968	18,616
Labor indemnities	1,917	767
Provision for vacation / 13th salary	17,184	12,186
Profit sharing provision	4,258	2,827
Others	55	227
	41,382	34,623
Current	34,594	27,234
Noncurrent	6,788	7,389
	41,382	**34,623**

(In thousands of Brazilian reais, unless otherwise stated)

15 Advances from customers

	Consolidated	
	06/30/2018	12/31/2017
Fiat Automóveis (1)	81,108	77,897
MAN	258	250
Scania do Brasil	52	160
Volvo	-	1,222
Calsonic Kansei	1,941	1,225
Mercedes Benz	556	882
Others	969	660
	84,884	**82,296**

(1) These are contracts for the payment of advances entered into with Fiat which are part of the Debts Renegotiation, "Term Sheet", as mentioned in note 1 (summary table).

16 Commitments and provision for contingencies

a) Operating lease 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	
	06/30/2018	12/31/2017
Labor and social charge provisions	6,059	9,636
	6,059	**9,636**

(In thousands of Brazilian reais, unless otherwise stated)

The changes in the provision for legal claims in the semester ended June 30, 2018 were as follows:

	June 30, 2018			
	Beginning balance	Reversal	Payments	Final balance
Labor	9,636	(277)	(3,300)	6,059
	9,636	**(277)**	**(3,300)**	**6,059**

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, according to detailed and estimate below:

	Consolidated	
	06/30/2018	12/31/2017
Tax	5,470	4,083
Labor	55,964	57,967
Civil	56,016	47,604
	117,450	**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 (unsecured liabilities)

In the six-month period ended June 30, 2018, there were no changes in the Company's paid in capital.

Other information referring to this explanatory note had no significant changes in relation to the disclosures on Note 17 to the financial statements of 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 semester.

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 and the semester ended June 30, 2018 and 2017 (in thousands, except earnings (loss) per share):

	Company			
	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017
Numerator:				
Net loss for the period	(36,245)	(75,676)	(37,444)	(83,161)
Denominator:				
Average weighted number of shares	**4,970,167**	**4,970,167**	**4,970,167**	**4,970,167**
Basic and diluted loss per share - R$	(7.29)	(15.23)	(7.53)	(16.73)

In the quarters ended June 30, 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			
	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017
Gross sales	107,779	213,772	120,345	230,603
Taxes on sales	(24,172)	(47,537)	(24,965)	(46,937)
Sales returns and rebates	(716)	(1,208)	(1,585)	(8,398)
	82,891	**165,027**	**93,795**	**175,268**

Taxes on sales mainly comprehend tax on goods and services - ICMS (rates of 7%, 12% and 18%), tax on industrialized products - IPI (rates of 5% and 15%), social integration program - PIS (aliquots of 1.65 % and 2.30%), contribution to social security financing - COFINS (rates of 7.60% and 10.80%) and Social Security Contribution on billing (rate of 2.5%).

(In thousands of Brazilian reais, unless otherwise stated)

20 Costs and expenses by nature

The Company opted to present the statement of income by function and presents below expenses by nature:

	Consolidated			
	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017
Raw materials, inputs and material for consumption	(35,062)	(66,902)	(42,554)	(74,107)
Personnel expenses (Note 23)	(30,725)	(62,390)	(35,376)	(63,589)
Termination costs (Note 23)	(2,451)	(2,822)	(303)	(2,891)
Freight on sales	(1,845)	(4,282)	(1,771)	(3,681)
Depreciation and amortization	(10,074)	(20,053)	(10,616)	(21,193)
Power, water and telephone	(5,812)	(11,239)	(5,833)	(11,221)
Third-party services	(2,667)	(5,068)	(2,813)	(5,697)
Management fees (Note 10)	(2,380)	(4,689)	(2,036)	(4,470)
Commissions on sales	(39)	(117)	(59)	(118)
Rental of properties	(5,478)	(10,954)	(5,195)	(10,952)
Provision for adjustment to market value and obsolescence of inventories (Note 7)	679	608	(144)	550
Others	(3,740)	(7,569)	(4,259)	(8,962)
	(99,594)	**(195,477)**	**(110,959)**	**(206,331)**
Classified as				
Costs of goods sold	(84,906)	(164,585)	(92,047)	(173,376)
Selling expenses	(4,901)	(9,634)	(3,938)	(8,234)
General and administrative expenses	(9,787)	(21,258)	(14,974)	(24,721)
	(99,594)	**(195,477)**	**(110,959)**	**(206,331)**

(In thousands of Brazilian reais, unless otherwise stated)

21 Financial results

	Consolidated			
	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017
Financial expenses				
Interest	(16,200)	(38,503)	(12,595)	(34,379)
Charges on reassessed taxes*	(2,745)	(5,189)	(8,312)	(16,676)
Loss on exchange rate	(764)	(1,044)	(886)	(1,924)
Tax on Financial Transactions (IOF)	(88)	(222)	(103)	(601)
Others	(76)	(175)	(132)	(315)
	(19,873)	**(45,133)**	**(22,028)**	**(53,895)**
Financial income				
Interest	(10)	36	2	3
Gain on monetary variation	6	6	113	261
Gain on exchange rate	787	1,048	916	1,135
Others	2	8	57	91
	785	**1,098**	**1,088**	**1,490**
Financial results	**(19,088)**	**(44,035)**	**(20,940)**	**(52,405)**

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

22 Tax and contribution obligations

The outstanding tax balance at June 30, 2018 are R$ 156,534 and R$ 17,968 of payroll social charges, of which R$ 7,157 are current due, R$ 8,623 are overdue, and R$ 158,722 reassessed.

				Reassessment	
	Outstanding	Due	Overdue	Current	Noncurrent
REFIS (PERT MP 783/17)	68,340	-	-	13,368	54,972
Reg. Instalment payment PIS/COFINS/IPI	16,354	-	-	3,869	12,485
PIS	946	319	627	-	-
COFINS	4,327	1,459	2,868	-	-
ICMS (Regularize-MG)	56,701	-	-	6,701	50,000
ICMS	8,722	1,574	2,369	4,110	669
IPI	289	113	176	-	-
Other taxes (ISS, IPTU)	855	639	-	23	193
	156,534	**4,104**	6,040	**28,071**	**118,319**
Withholding Income Tax (IRRF) (Employees)	762	762	-	-	-
REFIS INSS (PERT MP 783/17)	4,513	-	-	3,667	846
Ordinary Reassessment INSS	2,820	-	-	664	2,156
Exemption to payroll charges	2,839	934	1,905	-	-
INSS (Company)	1,466	788	678	-	-
INSS (Employees)	569	569	-	-	-
INSS reassessed SESI SENAI (Company)	4,999	-	-	1,213	3,786
	17,968	**3,053**	2,583	**5,544**	**6,788**
Sum (Company)	**173,171**	**5,826**	8,623	**33,615**	**125,107**
Sum (Employees)	**1,331**	**1,331**	-	**-**	**-**
Total	**174,502**	**7,157**	**8,623**	**33,615**	**125,107**

(In thousands of Brazilian reais, unless otherwise stated)

On overdue amounts, the Company recognizes a penalty 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 on overdue taxes up to April 2017, arising from debts with the National Treasury Attorney General, were reassessed in 120 instalments, with the value of each installment for 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 for the instalments is the Central Bank'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).

The following is a summary of the accounting effects of this transaction:

	General Attorney of the National Treasury	Brazil's Internal Revenue Service Tax	Brazil's Internal Revenue Service Non-tax	Total
Original Balance (a)	54,607	76,649	27,555	158,811
Use of tax loss carryforwards and negative taxable basis on social contribution Law 13,496 / 17 (b) (Note 9.b)	-	(59,874)	(21,285)	(81,159)
Amortization of debt until March 31, 2018	(2,249)	(6,874)	(2,429)	(11,552)
Update of installments	3,216	2,865	672	6,753
Total (Note 22)	**55,574**	**12,766**	**4,513**	**72,853**

(a) Total of tax and non-tax debt updated until the date of the adhesion to PERT, including Social Integration Program (PIS), Contribution for Social Security Financing (COFINS), Tax on Industrialized Products (IPI) and National Social Security Institute INSS (exemption of payroll charges).

(b) The Company joined to this new type of program. The amount involved for the reduction of the balance with tax losses and negative basis is R$ 81,159.

(In thousands of Brazilian reais, unless otherwise stated)

23 Employee benefits

Expenses with salaries, benefits and social charges are as follows:

	Consolidated			
	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017
Payroll and social charges	29,198	57,389	32,156	59,439
Profit sharing plan	1,879	3,707	1,252	2,547
Legal benefits by Law	2,038	4,008	2,235	4,446
Additional benefits	61	108	36	48
	33,176	**65,212**	**35,679**	**66,480**

Additional benefits

In addition to the usual benefits provided by labor legislation, the Company and its subsidiary have the practice of granting their employees additional benefits contracted from third parties, such as: medical care, life insurance, collective transportation and food, school reimbursement, nursery and trainings reimbursement.

Profit sharing plan

The Company and its subsidiary have complementary plans for variable compensation that consider meeting the established goals:

(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.

(In thousands of Brazilian reais, unless otherwise stated)

24 Supplementary information to the cash flow statement

	Consolidated			
	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017
Payments during the quarters				
Interest	1,246	3,287	2,924	18,139

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

25 Insurance (unaudited)

In the semester ended June 30, 2018, there were no changes to the insurance coverage, value of the insurance policy and risks involved. Accordingly, there were no changes in relation to the disclosures of explanatory note no. 25 to the financial statements of 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

(In thousands of Brazilian reais, unless otherwise stated)

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 11.9% 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 million	R$ 475.4 million
2019	7.6%	R$ 36.1 million	R$ 511.5 million
2020	4.9%	R$ 25.2 million	R$ 536.7 million

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.