

VIX
Logística
S.A.

**Consolidated and individual interim
accounting information at June 30, 2017**

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Report on the review of quarterly information - ITR

To
The Board of Directors and Stockholders of
Vix Logística S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the individual and consolidated interim accounting information of Vix Logística S.A. ("the Company"), included in the quarterly information form - ITR for the quarter ended June 30, 2017, which comprises the balance sheet as of June 30, 2017 and the respective statements of income and comprehensive income for the three and six-month periods then ended and changes in stockholders' equity and cash flows for the six-month period then ended, including the explanatory notes.

The Company's Management is responsible for the preparation of the interim accounting information in accordance with the CPC 21(R1) and the IAS 34 - Interim Financial Reporting, issued by the IASB, as well as the presentation of these information in accordance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of quarterly information - ITR. Our responsibility is to express our conclusion on this interim accounting information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and International Interim Information Review Standards (*NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and *ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity*), respectively. A review of interim information consists of making inquiries primarily of the management responsible for financial and accounting matters and applying analytical procedures and other review procedures. The scope of a review is significantly less than an audit conducted in accordance with auditing standards and, accordingly, it did not enable us to obtain assurance that we were aware of all the material matters that would have been identified in an audit. Therefore, we do not express an audit opinion.

**Conclusion on the interim accounting information**

Based on our review, we are not aware of any fact that might lead us to believe that the individual and consolidated interim accounting information included in the aforementioned quarterly information was not prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, applicable to the preparation of the quarterly review - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters***Statements of added value***

The individual company and consolidated statements of value added for the quarter ended June 30, 2017, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34, were submitted to the same review procedures followed together with the review of the Company's interim financial information. In order to form our opinion, we evaluated whether these statements are reconciled to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of value added are not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

Previous year and quarter accounting information

The individual and consolidated balance sheets corresponding to December 31, 2016 were previously audited by other independent auditors, who issued report dated February 24, 2017, without any change.

The individual and consolidated interim accounting information for to the quarter ended June 30, 2016, which comprises the respectively statements of profit or loss and comprehensive income or the three and six-month period then ended and changes in equity and cash flows for the six-month period then ended were previously reviewed by other independent auditors, who issued an unchanged report thereon dated August 3, 2016. The individual and consolidated statements of value added for the three-month period ended June 30, 2016 were submitted to the same review procedures by those independent auditors and based on their review, those auditors issued an opinion reporting that nothing had come to their attention that caused them to believe that the accompanying statements of value added had not been prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

Rio de Janeiro, July 31, 2017

KPMG Auditores Independentes
CRC SP-014428/O-6 F-RJ
(Original report in Portuguese signed by)
Marcelo Luiz Ferreira
Contador CRC RJ-087095/O-7

Vix Logística S.A.

Balance sheets at June 30, 2017 and December 31, 2016

(In thousands of Reais)

| | | Parent company | | Consolidated | | | | Parent company | | Consolidated | |
|--|-------|------------------|-------------------|------------------|-------------------|---|-------|------------------|-------------------|------------------|-------------------|
| Assets | Notes | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 | Liabilities and shareholders' equity | Notes | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Current assets | | | | | | Current liabilities | | | | | |
| Cash and cash equivalents | 3 | 174.402 | 190.120 | 273.263 | 274.433 | Loans and financing | 12 | 123.145 | 122.082 | 148.886 | 147.321 |
| Accounts receivable | 4 | 104.837 | 113.266 | 148.514 | 161.467 | Suppliers | | 9.290 | 10.436 | 12.118 | 13.868 |
| Accounts receivable - related parties: | 14 | 740 | 717 | 744 | 720 | Accounts payable to suppliers - related parties | 14 | 3.500 | 227 | 4.402 | 406 |
| Inventories | 5 | 11.145 | 10.183 | 13.287 | 12.505 | Labor obligations | 13 | 32.403 | 25.179 | 42.317 | 33.616 |
| Recoverable taxes | 6 | 15.564 | 16.832 | 17.031 | 18.015 | Tax obligations | 13 | 6.372 | 7.710 | 9.605 | 11.175 |
| Recoverable income tax and social contribution | 6 | 9.753 | 9.286 | 14.599 | 11.794 | Income tax and social contribution payable | 13 | 5.383 | 210 | 9.507 | 1.153 |
| Other receivables and contractual withholdings | 7 | 2.583 | 2.659 | 4.621 | 5.270 | Accounts payable | | 3.474 | 4.511 | 6.799 | 8.561 |
| Prepaid expenses | | 3.987 | 925 | 4.545 | 1.122 | Advances from clients | | 335 | 398 | 431 | 408 |
| Financial assets - held to maturity | | 604 | 584 | 604 | 584 | Operations with derivatives | 23.1 | 656 | 1.006 | 656 | 1.006 |
| | | | | | | Dividends payable | | | 2.455 | | 2.455 |
| | | 323.615 | 344.572 | 477.208 | 485.910 | | | 184.558 | 174.214 | 234.721 | 219.969 |
| Operating assets held for sale | 8 | 31.761 | 48.439 | 33.949 | 49.644 | | | | | | |
| | | 355.376 | 393.011 | 511.157 | 535.554 | | | | | | |
| Non-current | | | | | | Non-current liabilities | | | | | |
| Receivables from related parties | 14 | 11.577 | 8.907 | 9.091 | 8.327 | Loans and financing | 12 | 212.422 | 268.100 | 266.741 | 330.141 |
| Recoverable taxes | 6 | 5.398 | 6.162 | 5.985 | 6.368 | Operations with derivatives | 23.1 | 3.056 | 4.235 | 3.056 | 4.235 |
| Other receivables and contractual withholdings | 7 | 7.595 | 5.954 | 7.907 | 6.156 | Amounts owed to related parties | 14 | 120 | 128 | | |
| Deposits in court and other accounts | 15 | 15.451 | 15.798 | 19.757 | 19.706 | Deferred income tax and social contribution | 17 | 69.729 | 67.807 | 84.565 | 83.622 |
| | | | | | | Tax obligations | 13 | 4.989 | 5.491 | 4.989 | 5.491 |
| | | | | | | Provision for contingencies | 15 | 15.091 | 17.768 | 22.136 | 17.768 |
| | | 40.021 | 36.821 | 42.740 | 40.557 | | | 305.407 | 363.529 | 381.487 | 441.257 |
| | | | | | | | | 489.965 | 537.743 | 616.208 | 661.226 |
| Shareholders' equity | | | | | | Shareholders' equity | | | | | |
| Investments | 9 | 178.317 | 172.393 | 179 | 255 | Share capital | 16 | 332.000 | 332.000 | 332.000 | 332.000 |
| Property, plant and equipment | 10 | 457.001 | 463.180 | 601.516 | 611.804 | Capital reserves | 16 | 9.338 | 9.338 | 9.338 | 9.338 |
| Intangible Assets | 11 | 35.152 | 36.870 | 36.518 | 37.588 | Profit reserves | 16 | 226.004 | 214.699 | 226.004 | 214.699 |
| | | 670.470 | 672.443 | 638.213 | 649.647 | Equity valuation adjustments | 16 | 8.560 | 8.495 | 8.560 | 8.495 |
| | | 710.491 | 709.264 | 680.953 | 690.204 | | | 575.902 | 564.532 | 575.902 | 564.532 |
| Total assets | | 1.065.867 | 1.102.275 | 1.192.110 | 1.225.758 | Total liabilities and shareholders' equity | | 1.065.867 | 1.102.275 | 1.192.110 | 1.225.758 |

See the accompanying notes to the interim financial information.

Vix Logística S.A.

Statements of income

Six-month period ended June 30, 2017 and 2016

(In thousands of Reais)

| | | <u>Parent company</u> | | <u>Consolidated</u> | |
|---|-------|-----------------------|------------------|---------------------|------------------|
| | Notes | June 30, 2017 | June 30, 2016 | June 30, 2017 | June 30, 2016 |
| Net earnings from sales and services | 19 | 323.915 | 360.905 | 483.758 | 510.585 |
| Costs of Sales and Services | 20 | <u>(270.708)</u> | <u>(292.064)</u> | <u>(412.187)</u> | <u>(437.806)</u> |
| Gross profit | | 53.207 | 68.841 | 71.571 | 72.779 |
| Operating expenses and income | | | | | |
| Commercial/general/administrative expenses | 20 | (24.882) | (27.074) | (35.929) | (31.394) |
| Other earnings, net | | 480 | 314 | 716 | 883 |
| Equity accounting results | 9 | <u>5.874</u> | <u>(727)</u> | <u>-</u> | <u>-</u> |
| | | <u>(18.528)</u> | <u>(27.487)</u> | <u>(35.213)</u> | <u>(30.511)</u> |
| Operating income before financial results | | <u>34.679</u> | <u>41.354</u> | <u>36.358</u> | <u>42.268</u> |
| Financial expenses | 21 | (25.249) | (45.815) | (28.824) | (50.380) |
| Financial income | 21 | <u>14.740</u> | <u>29.867</u> | <u>19.781</u> | <u>35.467</u> |
| Income before income tax and social contribution | | 24.170 | 25.406 | 27.315 | 27.355 |
| Current income tax and social contribution | 17.1 | (5.384) | (6.208) | (9.508) | (8.874) |
| Deferred income tax and social contribution | 17.2 | <u>(1.930)</u> | <u>(2.934)</u> | <u>(951)</u> | <u>(2.217)</u> |
| Net income for the period | | <u>16.856</u> | <u>16.264</u> | <u>16.856</u> | <u>16.264</u> |
| Basic and diluted net income per share (in R\$) | 23 | | | 0,19899 | 0,19201 |

See the accompanying notes to the interim financial information.

Vix Logística S.A.

Statements of income

Three-month period ended June 30, 2017 and 2016

(In thousands of Reais)

| | | <u>Parent company</u> | | <u>Consolidated</u> | |
|---|-------|-----------------------|------------------|---------------------|------------------|
| | Notes | June 30, 2017 | June 30, 2016 | June 30, 2017 | June 30, 2016 |
| Net earnings from sales and services | 19 | 158.322 | 177.994 | 242.460 | 250.691 |
| Costs of Sales and Services | 20 | <u>(134.839)</u> | <u>(152.927)</u> | <u>(209.126)</u> | <u>(223.859)</u> |
| Gross profit | | 23.483 | 25.067 | 33.334 | 26.832 |
| Operating expenses and income | | | | | |
| Commercial/general/administrative expenses | 20 | (16.358) | (13.206) | (18.943) | (15.653) |
| Other earnings, net | | 165 | 241 | 349 | 620 |
| Equity accounting results | 9 | <u>5.270</u> | <u>(703)</u> | <u>-</u> | <u>-</u> |
| | | <u>(10.923)</u> | <u>(13.668)</u> | <u>(18.594)</u> | <u>(15.033)</u> |
| Operating income before financial results | | <u>12.560</u> | <u>11.399</u> | <u>14.740</u> | <u>11.799</u> |
| Financial expenses | 21 | (11.223) | (22.932) | (12.962) | (25.161) |
| Financial income | 21 | <u>6.507</u> | <u>14.458</u> | <u>8.818</u> | <u>17.400</u> |
| Income before income tax and social contribution | | 7.844 | 2.925 | 10.596 | 4.038 |
| Current income tax and social contribution | 17.1 | (1.606) | (765) | (3.989) | (1.994) |
| Deferred income tax and social contribution | 17.2 | <u>(367)</u> | <u>(769)</u> | <u>(736)</u> | <u>(653)</u> |
| Net income for the period | | <u>5.871</u> | <u>1.391</u> | <u>5.871</u> | <u>1.391</u> |
| Basic and diluted net income per share (in R\$) | 23 | | | 0,06931 | 0,01642 |

See the accompanying notes to the interim financial information.

Vix Logística S.A.

Statements of comprehensive income

Six-month period ended June 30, 2017 and 2016

(In thousands of Reais)

| | <u>Parent company and Consolidated</u> | |
|--|--|----------------------|
| | June 30, 2017 | June 30, 2016 |
| Net income for the period | <u>16.856</u> | <u>16.264</u> |
| Other comprehensive results | | |
| Not reclassified to result - Exchange variation on investee abroad | <u>81</u> | <u>84</u> |
| | <u>81</u> | <u>84</u> |
| Comprehensive results for the period | <u><u>16.937</u></u> | <u><u>16.348</u></u> |

See the accompanying notes to the interim financial information.

Vix Logística S.A.

Statements of comprehensive income

Three-month period ended June 30, 2017 and 2016

(In thousands of Reais)

| | <u>Parent company and Consolidated</u> | |
|--|--|---------------------|
| | June 30, 2017 | June 30, 2016 |
| Net income for the period | <u>5.871</u> | <u>1.391</u> |
| Other comprehensive results | | |
| Not reclassified to result - Exchange variation on investee abroad | <u>(3)</u> | <u>(141)</u> |
| | <u>(3)</u> | <u>(141)</u> |
| Comprehensive results for the period | <u><u>5.868</u></u> | <u><u>1.250</u></u> |

See the accompanying notes to the interim financial information.

Vix Logística S.A.

Statements of changes in shareholders' equity at June 30, 2017 and 2016 (parent company and consolidated)

(In thousands of Reais)

| | Paid in social capital | Capital reserve | Profit reserves | | Proposed additional dividend | Equity valuation adjustments | Retained earnings | Total |
|---|------------------------------|--------------------|-----------------|------------|------------------------------------|------------------------------------|----------------------|---------|
| | | | Legal | Investment | | | | |
| Balances at December 31, 2016 | 332.000 | 9.338 | 21.271 | 191.149 | 2.279 | 8.495 | | 564.532 |
| Net income for the period | - | - | - | - | - | - | 16.856 | 16.856 |
| Exchange variation on investee abroad | - | - | - | - | - | 81 | - | 81 |
| Total comprehensive results in the period | - | - | - | - | | 81 | 16.856 | 16.937 |
| Realization of revaluation reserve | - | - | - | - | (5.575) | (16) | 24 | (5.567) |
| Dividends paid | - | - | - | - | | - | - | - |
| Profit retention | - | - | - | 11.823 | 5.057 | - | (16.880) | - |
| Total contributions and distributions to shareholders | - | - | - | 11.823 | (518) | (16) | (16.856) | (5.567) |
| Balances at June 30, 2017 | 332.000 | 9.338 | 21.271 | 202.972 | 1.761 | 8.560 | - | 575.902 |

| | Paid in social capital | Capital reserve | Profit reserves | | Proposed additional dividend | Equity valuation adjustments | Retained earnings | Total |
|---|------------------------------|--------------------|-----------------|------------|------------------------------------|------------------------------------|----------------------|---------|
| | | | Legal | Investment | | | | |
| Balances at December 31, 2015 | 332.000 | 9.338 | 18.872 | 159.187 | 3.368 | 8.439 | - | 531.204 |
| Net income for the period | - | - | - | - | - | - | 16.264 | 16.264 |
| Exchange variation on investee abroad | - | - | - | - | - | 84 | - | 84 |
| Total comprehensive results in the period | - | - | - | - | - | 84 | 16.264 | 16.348 |
| Realization of revaluation reserve | - | - | - | - | - | (17) | 24 | 7 |
| Dividends paid | | | | | (3.368) | | (4.462) | (7.830) |
| Profit retention | - | - | - | 11.409 | 417 | - | (417) | - |
| Total contributions and distributions to shareholders | - | - | - | 11.409 | (2.951) | (17) | (16.264) | (7.823) |
| Balances at June 30, 2016 | 332.000 | 9.338 | 18.872 | 170.596 | 417 | 8.506 | - | 539.729 |

See the accompanying notes to the interim financial information.

Vix Logística S.A.

VIX Logística S.A. and subsidiaries
Consolidated and individual interim accounting information
at June 30, 2017

Statements of cash flows

Quarters ended June 30, 2017 and 2016

(In thousands of Reais)

| | Parent company | | Consolidated | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | June 30, 2017 | June 30, 2016 | June 30, 2017 | June 30, 2016 |
| Cash flows from operating activities | | | | |
| Income before income tax and social contribution | 24.170 | 25.406 | 27.315 | 27.355 |
| Adjustment of items with no cash outlay for conciliation of the profit with the generation of cash by operating activities | | | | |
| Depreciation and amortization (notes 10 and 11) | 39.943 | 40.486 | 51.847 | 50.433 |
| Residual value of fixed/intangible assets written off (note 8, 10 and 11) | 22.963 | 28.450 | 23.251 | 32.459 |
| Equity accounting results (Note 9) | (5.874) | 727 | - | |
| Interest and monetary variation on loans | 19.654 | 27.202 | 22.947 | 31.359 |
| Monetary and exchange variation on unrealized loans | 349 | (8.372) | 349 | (8.372) |
| Valuation of derivatives to fair value through profit and loss | (1.529) | 8.374 | (1.529) | 8.374 |
| Provision for contingencies | (4.674) | (529) | 2.000 | (566) |
| Monetary restatement of deposits in court | 1.727 | 160 | 1.902 | 160 |
| Allowance for (reversal of) doubtful accounts | 18 | 135 | 18 | (391) |
| Interest on financial assets held to maturity | (21) | | (21) | |
| | <u>96.726</u> | <u>122.039</u> | <u>128.079</u> | <u>140.811</u> |
| Changes in operating assets and liabilities | | | | |
| Accounts receivable | 8.430 | (14.233) | 12.953 | 3.133 |
| Accounts receivable - related parties: | (23) | 143 | 15 | 151 |
| Inventories | (962) | (237) | (782) | (468) |
| Recoverable taxes | 801 | 768 | (2.586) | 719 |
| Other assets | (5.933) | (4.748) | (3.745) | (6.484) |
| Suppliers | (1.146) | 4.800 | (1.750) | 4.311 |
| Suppliers - related parties | 3.273 | 153 | 3.986 | 1.169 |
| Labor obligations | 7.224 | 3.810 | 8.702 | 4.254 |
| Tax obligations | 3.835 | 6.691 | 6.282 | 5.769 |
| Other liabilities | (1.613) | 2.044 | (1.769) | 448 |
| | <u>110.612</u> | <u>121.230</u> | <u>149.385</u> | <u>153.813</u> |
| Cash provided by operations | | | | |
| Income tax and social contribution paid | (5.384) | (6.208) | (9.508) | (8.874) |
| Interest paid | (20.796) | (26.293) | (23.695) | (30.016) |
| Acquisition and renewal of the fleet of vehicle | (32.220) | (57.587) | (35.967) | (59.421) |
| | <u>(58.399)</u> | <u>(89,988)</u> | <u>(69,170)</u> | <u>(98,311)</u> |
| Net cash flows from operating activities | <u>52.212</u> | <u>31.142</u> | <u>80.215</u> | <u>55.502</u> |
| Cash flows from investment activities | | | | |
| Acquisition of other fixed and intangible assets | (4.133) | (14.333) | (4.909) | (14.753) |
| Write-off of other investments | 31 | 108 | 77 | 209 |
| Dividends received | - | 1.012 | - | - |
| | <u>(4.102)</u> | <u>(13.213)</u> | <u>(4.832)</u> | <u>(14.544)</u> |
| Net cash flows used in investment activities | <u>(4.102)</u> | <u>(13.213)</u> | <u>(4.832)</u> | <u>(14.544)</u> |
| Cash flows from financing activities | | | | |
| Raising of loans | 2.481 | | 2.481 | |
| Payments of loans | (58.279) | (54.484) | (71.085) | (70.751) |
| Dividends paid | (8.030) | (7.830) | (8.030) | (7.830) |
| | <u>(63.828)</u> | <u>(62.314)</u> | <u>(76.634)</u> | <u>(78.581)</u> |
| Net cash flows used in financing activities | <u>(63.828)</u> | <u>(62.314)</u> | <u>(76.634)</u> | <u>(78.581)</u> |
| Exchange variation on foreign investment | | | 81 | 84 |
| | <u>(15.718)</u> | <u>(44.385)</u> | <u>(1.170)</u> | <u>(37.539)</u> |
| Increase in cash and cash equivalents | <u>(15.718)</u> | <u>(44.385)</u> | <u>(1.170)</u> | <u>(37.539)</u> |
| Cash and cash equivalents at January 1 | 190.120 | 222.907 | 274.433 | 300.186 |
| Cash and cash equivalents at March 31 | <u>174.402</u> | <u>178.522</u> | <u>273.263</u> | <u>262.647</u> |
| | <u>(15.718)</u> | <u>(44.385)</u> | <u>(1.170)</u> | <u>(37.539)</u> |
| Supplementary information to the cash flow information | | | | |
| Raising of loans related to the purchase of vehicles | 1.977 | - | 7.169 | - |

See the accompanying notes to the interim financial information.

Vix Logística S.A.

VIX Logística S.A. and subsidiaries
Consolidated and individual interim accounting information
at June 30, 2017

Statements of added value

Quarters ended June 30, 2017 and 2016

(In thousands of Reais)

| | Parent company | | Consolidated | |
|--|-----------------|------------------|------------------|------------------|
| | June 30, 2017 | June 30, 2016 | June 30, 2017 | June 30, 2016 |
| Revenues | | | | |
| Sales of goods, products and services | 364.410 | 403.753 | 551.323 | 578.518 |
| Other earnings | 483 | 314 | 719 | 883 |
| Allowance for doubtful accounts | (13) | (260) | (22) | (264) |
| | <u>364.880</u> | <u>403.807</u> | <u>552.020</u> | <u>579.137</u> |
| Inputs acquired from third parties | | | | |
| Cost of goods and services sold | (59.020) | (64.119) | (69.525) | (80.971) |
| Material, power, third-party services and others | (38.083) | (36.867) | (124.104) | (111.434) |
| Adjustments to Fair Value | | - | - | - |
| | <u>(97.103)</u> | <u>(100.986)</u> | <u>(193.629)</u> | <u>(192.405)</u> |
| Gross added value | <u>267.777</u> | <u>302.821</u> | <u>358.391</u> | <u>386.732</u> |
| Depreciation and amortization | (39.943) | (40.486) | (51.847) | (50.433) |
| Net added value produced by the Company | <u>227.834</u> | <u>262.335</u> | <u>306.544</u> | <u>336.299</u> |
| Transferred added value received | | | | |
| Equity accounting results | 5.874 | (727) | - | - |
| Financial income | 14.740 | 29.867 | 19.781 | 35.467 |
| | <u>20.614</u> | <u>29.140</u> | <u>19.781</u> | <u>35.467</u> |
| Total added value to be distributed | <u>248.448</u> | <u>291.475</u> | <u>326.325</u> | <u>371.766</u> |
| Distribution of added value | | | | |
| Personnel | | | | |
| Salaries and payroll charges | 124.899 | 139.331 | 163.594 | 182.340 |
| Board of directors' fees | 5.125 | 7.151 | 5.125 | 7.151 |
| Retirement and pension plans | 366 | 555 | 425 | 614 |
| Taxes, fees and contributions | | | | |
| Federal | 54.589 | 62.294 | 78.744 | 82.682 |
| State | 8.439 | 8.274 | 16.332 | 17.127 |
| Municipal | 8.609 | 8.213 | 10.554 | 10.130 |
| Remuneration of third-party capital | | | | |
| Interest | 24.831 | 44.405 | 28.081 | 48.575 |
| Rents | 4.430 | 3.728 | 5.985 | 5.228 |
| Other | 304 | 1.260 | 629 | 1.655 |
| Remuneration of shareholders' equity | | | | |
| Dividends | 5.057 | 4.462 | 5.057 | 4.462 |
| Retained earnings | 11.799 | 11.802 | 11.799 | 11.802 |
| | <u>248.448</u> | <u>291.475</u> | <u>326.325</u> | <u>371.766</u> |

See the accompanying notes to the interim financial information.

Management's notes to the interim financial information

(In thousands of Reais, except when indicated otherwise)

1 Information about the company

VIX Logística S.A. ("Company" or "VIX"), founded in 1971, located at Avenida Jerome Vervloet, 345 - 1st floor - Goiabeiras - Vitória/ES is engaged mainly in providing logistics services, including road transport of intercity, interstate and international cargoes, collective passenger road transport in chartered buses, leasing of vehicles and labor, and logistics operations, among others, and may also hold interests in other companies as a partner or shareholder.

At June 30, 2017, in addition to performing its operations, the company held interests in the following fully-controlled companies:

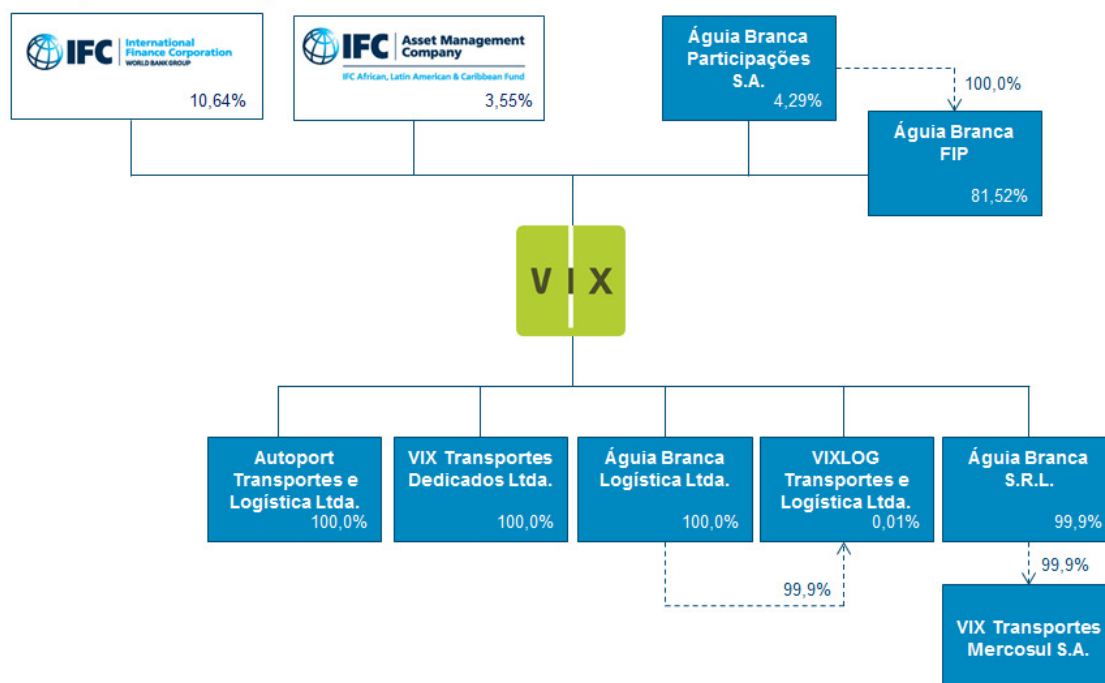
| Company | Name | Activity carried out |
|---|-------------|---------------------------------------|
| Águia Branca Logística Ltda. | ABL | Road transport of cargo and logistics |
| VIX Transportes Dedicados Ltda. | VIXTD | Road transport of cargo and logistics |
| Águia Branca SRL (Argentina) | AB SRL | Road transport of cargo and logistics |
| VIX Transportes Mercosur (Argentina) ⁽¹⁾ | VixMercosur | Road transport of cargo and logistics |
| Autoport Transportes e Logística Ltda. | ATL | Road transport of vehicles |
| Vixlog Transporte e Logística Ltda. ⁽¹⁾ | VIXLOG | Road transport of cargo |

(1) An indirectly controlled company with almost insignificant commercial operations.

The company and its subsidiaries are part of the Águia Branca Group ("Group"), which has business operations in the areas of logistics, road transport, air transport and trading of vehicles and parts. The activity related to the logistics area is carried out by the company and its subsidiaries.

The company and its subsidiaries carry out Logistics activities such as transporting vehicles, transporting passengers on a charter basis, leasing vehicles in addition to various other activities developed specifically for each type of contract. Their business is conducted within the context of a corporate group, using, where appropriate, the structure of related companies, sharing administrative costs and management efforts.

Corporate and operational structure of Vix



2 Basis of preparation and summary of significant accounting policies

2.1 Declaration of conformity

The quarterly information has been prepared and is being presented in accordance with Accounting Pronouncements Committee ("CPC") 21 (R1) – Interim Statement issued by the CPC and international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB") and applicable standards for quarterly information of the Brazilian Securities Commission ("CVM").

The quarterly financial information should be read in conjunction with the financial statements of December 31, 2016, which were prepared in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the IASB.

2.2 Preparation basis

The individual and consolidated financial statements were prepared based on historical cost as a value basis, which, in the case of financial assets available for sale and other assets and liabilities (including derivative instruments) is adjusted to reflect the fair value measurement.

The individual and consolidated interim accounting information of VIX Logística S.A. for the quarter ended June 30, 2017 was authorized for issue by the Company's Board of Directors on July 28, 2017, considering subsequent events that occurred up to this date.

2.3 Functional currency and presentation currency

The functional currency of the parent company VIX Logística and the subsidiaries ABL, VIXTD, ATL and VIXLOG is the Brazilian Real (R\$) and for the subsidiaries ABSRL and VIX Mercosur it is the Argentine peso. Each subsidiary of the company determines its own functional currency and for those whose functional currencies are different from the Real, the interim accounting information is translated into Reais on the closing date.

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction or evaluation dates, when the items are remeasured.

2.4 Critical estimates and judgments

Judgments, estimates and assumptions are used for the measurement and recognition of certain assets and liabilities of the Company's quarterly information. The determination of these estimates takes into consideration experience of past and current events, presuppositions related to future events and other objective and subjective factors. Significant items subject to estimates include taxes, provisions for civil, tax and labor risks, income from the provision for unbilled services and useful life of non-current assets. The future settlement of transactions involving these estimates may result in significantly different amounts from those recorded in the quarterly information due to the lack of precision inherent to the process of their determination. The Company reviews the estimates and the assumptions at least once a year.

2.5 Accounting policies

In the preparation of this quarterly information, the accounting policies adopted are the same as those used when preparing the financial statements as of December 31, 2016, published in the official press on March 10, 2017, and the quarterly financial information for the six month period ended June 30 2016, disclosed on August 03, 2016.

New pronouncements that have come into effect from January 1, 2016, as disclosed in the financial statements of December 31, 2015, have not had material impacts on the Company's individual and consolidated quarterly financial information.

2.6 Business segment reporting

The core activity of the group consists of providing dedicated logistics solutions, therefore the information and results are analyzed by the main decision maker in a consolidated manner, despite being organized via four types of services: (i) Dedicated Logistics; (ii) Automotive Logistics, (iii) Fleet Service and (iv) Charter. All these services consist of dedicated logistics solutions and reflect the current portfolio of services offered by the Group. Although there are various types of service, the decision makers understand that the group represents only one business segment and it does not comprise specific strategies focused on just one line of service.

3 Cash and cash equivalents

| | Parent company | | Consolidated | |
|---------------------------------|----------------|-------------------|----------------|-------------------|
| | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Cash | 278 | 272 | 391 | 392 |
| Banks | 1.039 | 1.092 | 2.386 | 3.172 |
| Short-term financial investment | 173.085 | 188.756 | 270.486 | 270.869 |
| | <u>174.402</u> | <u>190.120</u> | <u>273.263</u> | <u>274.433</u> |

At June 30, 2017, the Águia Branca Group, and the Company and its subsidiaries maintained the centralization of its investments in Bradesco Fundo de Investimento Multimercado Crédito Privado GAB CORP, which has daily liquidity and no restrictions on redemption. The daily residual amounts are invested automatically and are available for redemption, and no restrictions are imposed on this balance (daily liquidity), with yields equivalent to the rates of the interbank deposit certificate (CDI), with an average yield of 100.5% (99.62% in 2016).

4 Accounts receivable

| | Parent company | | Consolidated | |
|--|----------------|-------------------|----------------|-------------------|
| | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Trade accounts receivable | 45.450 | 53.870 | 70.625 | 89.632 |
| Unbilled services and other accounts receivable: | 59.786 | 58.497 | 73.128 | 68.193 |
| Unbilled bills of lading | - | 1.316 | 5.184 | 4.119 |
| (-) Allowance for doubtful accounts | <u>(399)</u> | <u>(417)</u> | <u>(423)</u> | <u>(477)</u> |
| | <u>104.837</u> | <u>113.266</u> | <u>148.514</u> | <u>161.467</u> |

The company and its subsidiaries provide services to large companies operating in different sectors that do not present any difficulty in the realization of their accounts receivable, and do not have a history of significant losses.

The breakdown of the balance of trade accounts receivable by age of maturity is as follows:

| | Parent company | | Consolidated | |
|--------------------------------|----------------|-------------------|---------------|-------------------|
| | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| To fall due | 43.826 | 52.446 | 67.282 | 83.778 |
| Overdue | | | | |
| Overdue up to 30 days | 884 | 750 | 1.604 | 4.726 |
| Overdue from 31 to 90 days | 464 | 525 | 1.135 | 786 |
| Overdue from 91 to 180 days | 173 | 7 | 205 | 45 |
| Overdue for more than 180 days | <u>103</u> | <u>142</u> | <u>399</u> | <u>297</u> |
| | <u>45.450</u> | <u>53.870</u> | <u>70.625</u> | <u>89.632</u> |

Changes in the Provision for Doubtful Accounts

| | Parent company | | Consolidated | |
|-----------------|-----------------------|--------------------------|----------------------|--------------------------|
| | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Opening balance | (417) | (304) | (477) | (1.417) |
| Provisions | | (257) | | (349) |
| Reversals | 18 | 144 | 54 | 1.289 |
| Closing balance | (399) | (417) | (423) | (477) |

5 Inventories

| | Parent company | | Consolidated | |
|-----------------------|-----------------------|--------------------------|----------------------|--------------------------|
| | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Parts and accessories | 6.093 | 5.849 | 7.348 | 7.208 |
| Tires | 2.525 | 1.841 | 2.915 | 2.236 |
| Body materials | 934 | 966 | 1.222 | 1.304 |
| Fuels and lubricants | 1.235 | 1.313 | 1.393 | 1.478 |
| Other items | 358 | 214 | 409 | 279 |
| | 11.145 | 10.183 | 13.287 | 12.505 |

- (i) They are batteries, screws, washers, bearings, filters, belts etc. used for maintenance of the vehicles.
- (ii) They are used for the maintenance and recuperation of the bodies of vehicles: bumpers, windscreens, lights etc, which are consumed in the period of one year.

6 Recoverable taxes

| | Parent company | | Consolidated | |
|--|----------------|-------------------|---------------|-------------------|
| | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Current | | | | |
| Value added tax on sales and services - ICMS(i) | 8.949 | 7.901 | 9.263 | 8.074 |
| Social integration program - PIS and Contribution for | | | | |
| Contribution for the Financing of Social Security - Cofins (iii) | 6.500 | 8.813 | 6.500 | 8.814 |
| National Institute of Social Security - INSS | - | 3 | 1.143 | 1.003 |
| Other | 115 | 115 | 125 | 124 |
| | 15.564 | 16.832 | 17.031 | 18.015 |
| Income tax - IRPJ (ii) | 8.106 | 9.286 | 11.643 | 11.461 |
| Social Contribution on Net Income - CSLL (ii) | 1.647 | | 2.956 | 333 |
| | 9.753 | 9.286 | 14.599 | 11.794 |
| | 25.317 | 26.118 | 31.630 | 29.809 |
| Non-current | | | | |
| Value added tax on sales and services - ICMS | 5.398 | 6.162 | 5.985 | 6.368 |
| | 5.398 | 6.162 | 5.985 | 6.368 |
| | 30.715 | 32.280 | 37.615 | 36.177 |

- (i) ICMS (value-added tax on sales and services) is represented mainly by credit concerning acquisition of fixed assets, using the monthly rate of 1:48, in conformity with the prevailing tax rules and regulations in force. The company and its subsidiaries assess for each purchase the recoverable portion of taxes and adds the non-recoverable portion to the cost of the item of origin in fixed assets, since it can only be used in proportion to the taxed inflows.
- (ii) IRPJ and CSLL credits refer to the prepayments of the companies that opted for the "annual taxable income" taxation regime (VIX, VIXTD, ATL and ABL) and withheld at source.
- (iii) PIS and COFINS credits are extemporaneous credits referring mainly to the recalculation of the proportionality of the cumulative and non-cumulative regimes. The company recognizes the legitimacy of this credit in view of the existing legal grounds on the methodology of calculations made for raising the credits.

7 Other receivables and contractual withholdings

| | Parent company | | Consolidated | |
|---|----------------|-------------------|---------------|-------------------|
| | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Current | | | | |
| Suppliers | 334 | 448 | 429 | 756 |
| Employees (13th salary, Vacations, wages, etc.) | 1.489 | 1.367 | 1.958 | 1.939 |
| Sundry Debtors (i) | 37 | 261 | 1.358 | 1.483 |
| Other | 723 | 583 | 877 | 1.092 |
| | 2.583 | 2.659 | 4.622 | 5.270 |
| Non-current | | | | |
| Sundry Debtors (i) | 399 | 399 | 399 | 399 |
| Contract withholdings (ii) | 6.978 | 5.476 | 7.289 | 5.678 |
| Other | 218 | 79 | 218 | 79 |
| | 7.595 | 5.954 | 7.906 | 6.156 |
| | 10.178 | 8.613 | 12.528 | 11.426 |

- (i) The amounts of trade accounts receivable referring to contractual refunds are classified under sundry debtors.
- (ii) The amounts withheld by some customers and tenants of real estate properties are classified, under contractual withholdings, in conformity with the contractual clause. These amounts will be reimbursed at the end of the contract.

8 Operating assets held for sale

Represented mainly by vehicles, machinery and equipment no longer allocated to the operations of the company and its subsidiaries, available for sale, valued at cost of acquisition, less depreciation accumulated up to the date of availability for sale, are stated at the lower amount between their book value and their fair value less selling expenses. The values are maintained in accordance with the expectation of sales by the company's management.

| | Parent company | | Consolidated | |
|---------------------------------|----------------|-------------------|---------------|-------------------|
| | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Trucks / Semi-trailer | 4.131 | 5.742 | 6.319 | 6.911 |
| Light / Utilities / Bus | 27.362 | 37.609 | 27.362 | 37.645 |
| Other | 268 | 5.088 | 268 | 5.088 |
| Total assets available for sale | 31.761 | 48.439 | 33.949 | 49.644 |

| | Controladora | | Consolidado | |
|--|---------------------|------------------------|---------------------|------------------------|
| | 30 de junho de 2017 | 31 de dezembro de 2016 | 30 de junho de 2017 | 31 de dezembro de 2016 |
| Saldo inicial | 48.439 | 53.444 | 49.644 | 62.105 |
| Devolução | 69 | 836 | 112 | 836 |
| Reincorporação | 506 | 1.807 | 506 | 1.807 |
| Movimentação para Ativos operacionais disponíveis para venda | 4.107 | 49.095 | 5.331 | 45.897 |
| Baixas por alienação | (21.215) | (56.740) | (21.498) | (60.977) |
| Outras baixas | (145) | (3) | (146) | (24) |
| Saldo final | 31.761 | 48.439 | 33.949 | 49.644 |

9 Investments - Parent Company

| | | | | Parent company - June 30, 2017 | |
|--|-------------|---------|-------------|--------------------------------|-------------------|
| | Ownership % | Assets | Liabilities | Shareholders' equity | Net income (loss) |
| Direct investments | | | | | |
| Águia Branca Logística - ABL | 99,99 | 41.469 | 21.674 | 19.795 | (5.204) |
| Autoport Transportes e Logística - ATL | 99,99 | 172.608 | 45.442 | 127.166 | 7.351 |
| VIX Transportes Dedicados - VIXTD | 99,99 | 100.480 | 69.717 | 30.763 | 3.712 |
| Águia Branca S.R.L. - ABSRL | 99,99 | 488 | 72 | 416 | 16 |
| | | | | 178.140 | 5.875 |
| Other investments (i) | | | | 179 | - |
| | | | | 178.319 | 5.875 |

| Parent company - December 31, 2016 | | | | | |
|--|-------------|---------|-------------|----------------------|-------------------|
| | Ownership % | Assets | Liabilities | Shareholders' equity | Net income (loss) |
| Direct investments | | | | | |
| Águia Branca Logística - ABL | 99,99 | 43.847 | 18.848 | 24.999 | (4.513) |
| Autoport Transportes e Logística - ATL | 99,99 | 163.548 | 43.733 | 119.815 | 11.659 |
| VIX Transportes Dedicados - VIXTD | 99,99 | 88.579 | 61.529 | 27.050 | 384 |
| Águia Branca S.R.L. - ABSRL | 99,99 | 441 | 122 | 319 | (265) |
| | | | | 172.183 | 7.265 |
| Other investments (i) | | | | 210 | - |
| | | | | 172.393 | 7.265 |

VIX Logística S.A. and subsidiaries
*Consolidated and individual interim accounting information
at June 30, 2017*

| | Consolidated | |
|------------------------------|----------------------|-------------|
| | December 31, | |
| | June 30, 2017 | 2016 |
| Direct investments | | |
| Other investments (i) | 179 | 255 |
| | 179 | 255 |

- (i) These are projects encouraged under the Audiovisual Law, using part of the funds of the company's fiscal net profit, Such as Helena Movie.

At June 30, 2017, the company recorded R\$ 81 (loss of R\$ 88 at December 31, 2016) with respect to the loss with foreign exchange variation on overseas investments. This variation is due to the investment in the company Águia Branca S.R.L. and its subsidiaries, located in Argentina.

Breakdown of investments

| | ABL | ATL | VIXTD | ABSRL | Total |
|--|------------|------------|--------------|--------------|--------------|
| Balances at January 1, 2016 | 29.512 | 108.156 | 26.666 | 496 | 164.830 |
| (+) Equity accounting | (4.513) | 11.659 | 384 | (265) | 7.265 |
| (-) Exchange variation on foreign investment | - | - | - | 88 | 88 |
| Balances at December 31, 2016 | 24.999 | 119.815 | 27.050 | 319 | 172.183 |
| (+) Equity accounting | (5.204) | 7.351 | 3.712 | 16 | 5.875 |
| (-) Exchange variation on foreign investment | - | - | - | 81 | 81 |
| Balances at June 30, 2017 | 19.795 | 127.166 | 30.762 | 416 | 178.140 |

10 Property, plant and equipment

Controladora

| | Veículos | Máquinas e equipamentos | Equipamentos de informática | Edifícios e construções | Benfeitorias em bens de terceiros(i) | Móveis utensílios e ferramentas | Terrenos | Aeronave(ii) | Outros - imobilização em andamento(iii) | Total |
|--|----------------|-------------------------|-----------------------------|-------------------------|--------------------------------------|---------------------------------|---------------|--------------|---|----------------|
| Saldos em 1º de janeiro de 2016 | 338.045 | 112.025 | 1.785 | 10.263 | 1.975 | 2.259 | 23.725 | 4.905 | 13.194 | 508.176 |
| Aquisições | 61.705 | 9.620 | 137 | - | - | 118 | - | - | 9.624 | 81.204 |
| Baixas por alienação | (225) | (107) | - | - | - | (6) | - | - | - | (338) |
| Outras baixas | (158) | (106) | (13) | - | (223) | (47) | - | - | - | (547) |
| Reclassificação para bens Destinados a venda | (46.058) | (3.037) | - | - | - | - | - | - | - | (49.095) |
| Reclassificações | 3.089 | (156) | 11 | 9.911 | 2.745 | - | - | - | (15.600) | - |
| Depreciação | (56.549) | (16.561) | (642) | (461) | (1.295) | (370) | - | (342) | - | (76.220) |
| Saldos em 31 de dezembro de 2016 | 299.849 | 101.678 | 1.278 | 19.713 | 3.202 | 1.954 | 23.725 | 4.563 | 7.218 | 463.180 |
| Aquisições | 28.959 | 4.419 | 2.581 | - | - | 88 | - | - | 1.328 | 37.375 |
| Baixas por alienação | (445) | (85) | - | - | - | (2) | - | - | - | (532) |
| Outras baixas | (900) | (131) | (5) | - | - | (20) | - | - | - | (1.056) |
| Reclassificação para bens Destinados a venda | (8.087) | 3.979 | - | - | - | - | - | - | - | (4.108) |
| Reclassificações | 2.008 | 382 | (16) | 1.983 | 2.421 | 3 | - | - | (6.786) | (5) |
| Depreciação | (27.225) | (8.471) | (466) | (441) | (902) | (177) | - | (171) | - | (37.853) |
| Saldos em 30 de junho de 2017 | 294.159 | 101.771 | 3.372 | 21.255 | 4.721 | 1.846 | 23.725 | 4.392 | 1.760 | 457.001 |
| Taxas médias anuais de depreciação (%) | | | | | | | | | | |
| Leves / Utilitários / Ônibus | 19,8 | - | - | - | - | - | - | - | - | |
| Caminhões / Semi-reboque | 17,0 | - | - | - | - | - | - | - | - | |
| Outros | - | 14,6 | 20,0 | 3,7 | 55,4 | 10,0 | - | 5,0 | - | |

VIX Logística S.A. and subsidiaries
Consolidated and individual interim accounting information
at June 30, 2017

Consolidado

| | Veículos | Máquinas e equipamentos | Equipamentos de informática | Edifícios e construções | Benfeitorias em bens de terceiros(i) | Móveis utensílios e ferramentas | Terrenos | Aeronave(ii) | Outros - imobilização em andamento(iii) | Total |
|--|----------------|-------------------------|-----------------------------|-------------------------|--------------------------------------|---------------------------------|---------------|--------------|---|----------------|
| Saldos em 1º de janeiro de 2016 | 480.697 | 126.163 | 1.848 | 10.261 | 4.469 | 2.723 | 23.725 | 4.905 | 13.660 | 668.451 |
| Aquisições | 65.848 | 9.713 | 146 | - | 4 | 132 | - | - | 11.982 | 87.825 |
| Baixas por alienação | (878) | (107) | - | - | - | (6) | - | - | - | (991) |
| Outras baixas | (220) | (112) | (13) | - | (223) | (49) | - | - | - | (617) |
| Reclassificação para bens Destinados a venda | (42.860) | (3.037) | - | - | - | - | - | - | - | (45.897) |
| Reclassificações | 3.126 | (156) | 11 | 9.911 | 5.436 | - | - | - | (18.328) | - |
| Depreciação | (73.845) | (18.798) | (665) | (461) | (2.414) | (442) | - | (342) | - | (96.967) |
| Saldos em 31 de dezembro de 2016 | 431.868 | 113.666 | 1.327 | 19.711 | 7.272 | 2.358 | 23.725 | 4.563 | 7.314 | 611.804 |
| Aquisições | 37.405 | 4.573 | 2.588 | - | - | 99 | - | - | 1.733 | 46.398 |
| Baixas por alienação | (445) | (85) | - | - | - | (2) | - | - | - | (532) |
| Outras baixas | (900) | (133) | (5) | - | - | (22) | - | - | - | (1.060) |
| Reclassificação para bens Destinados a venda | (9.310) | 3.979 | - | - | - | - | - | - | - | (5.331) |
| Reclassificações | 2.304 | 386 | (18) | 1.983 | 2.422 | - | - | - | (7.083) | (6) |
| Depreciação | (37.046) | (9.602) | (478) | (441) | (1.809) | (211) | - | (171) | - | (49.757) |
| Saldos em 30 de junho de 2017 | 423.876 | 112.784 | 3.414 | 21.253 | 7.885 | 2.222 | 23.725 | 4.392 | 1.964 | 601.516 |
| Taxas médias anuais de depreciação (%) | | | | | | | | | | |
| Leves / Utilitários / Ônibus | 19,8 | - | - | - | - | - | - | - | - | |
| Caminhões / Semi-reboque | 17,0 | - | - | - | - | - | - | - | - | |
| Outros | - | 14,6 | 20,0 | 3,7 | 55,4 | 10,0 | - | 5,0 | - | |

- (i) Leasehold improvements are amortized in accordance with the term of the lease contracts or the useful life, whichever is less
- (ii) The aircraft is used by the company's executives to speed up travel to serve clients and, therefore, is used strictly for business.
- (iii) Constructions in progress are basically unfinished works and/or equipment requiring implements in order to start the operation.

11 Intangible Assets

The company possesses items of intangible assets in the financial leasing mode, as shown below:

| | Parent company | | Consolidated | |
|-------------------------------|-----------------------|---------------|----------------------|---------------|
| | December 31, | | December 31, | |
| | June 30, 2017 | 2016 | June 30, 2017 | 2016 |
| Informatics System | 35.226 | 39.747 | 35.230 | 39.755 |
| Intangible assets in progress | 2.016 | 2.766 | 3.378 | 3.479 |
| | <u>37.242</u> | <u>42.513</u> | <u>38.608</u> | <u>43.234</u> |
| Accumulated amortization | (2.090) | (5.643) | (2.090) | (5.646) |
| Net intangible assets | <u>35.152</u> | <u>36.870</u> | <u>36.518</u> | <u>37.588</u> |

- (i) Information system under development

Parent company

| | Informatics System | Contractual rights | Intangible assets in progress | Total |
|--|---------------------------|---------------------------|--------------------------------------|---------------|
| Balances at January 1, 2016 | 21.531 | 4.200 | 3.603 | 29.334 |
| Acquisitions | 7.309 | - | 7.688 | 14.997 |
| Sales and write-offs | - | (4.200) | - | (4.200) |
| Reclassifications | 8.526 | - | (8.526) | - |
| Amortization | (3.261) | - | - | (3.261) |
| | <u>34.105</u> | <u>-</u> | <u>2.765</u> | <u>36.870</u> |
| Balances at December 31, 2016 | 34.105 | - | 2.765 | 36.870 |
| Acquisitions | 90 | - | 292 | 382 |
| Sales and write-offs | (15) | - | - | (15) |
| Reclassifications | 1.046 | - | (1.041) | 5 |
| Amortization | (2.090) | - | - | (2.090) |
| | <u>33.136</u> | <u>-</u> | <u>2.016</u> | <u>35.152</u> |
| Balances at June 30, 2017 | 33.136 | - | 2.016 | 35.152 |
| Average annual rates of amortization (%) | | | | |
| SAP System (%) | 10,0 | - | - | |
| Other | 20,0 | - | - | |

Consolidated

| | Informatics System | Contractual rights | Intangible assets in progress | Total |
|--|--------------------|--------------------|-------------------------------|---------------|
| Balances at January 1, 2016 | 21.537 | 4.200 | 3.603 | 29.340 |
| Acquisitions | 7.309 | | 8.402 | 15.711 |
| Sales and write-offs | | (4.200) | | (4.200) |
| Reclassifications | 8.526 | | (8.526) | - |
| Amortization | (3.263) | | | (3.263) |
| | | | | - |
| Balances at December 31, 2016 | 34.109 | - | 3.479 | 37.588 |
| Acquisitions | 90 | - | 940 | 1.030 |
| Sales and write-offs | (15) | - | - | (15) |
| Reclassifications | 1.046 | - | (1.041) | 5 |
| Amortization | (2.090) | - | - | (2.090) |
| | | | | - |
| Balances at June 30, 2017 | 33.140 | - | 3.378 | 36.518 |
| Average annual rates of amortization (%) | | | | |
| SAP System (%) | 10,0 | - | - | |
| Other | 20,0 | - | - | |

12 Loans and Financing

| | Parent company | | Consolidated | |
|--|----------------|-------------------|----------------|-------------------|
| | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Current | | | | |
| Acquisition of fixed assets - FINAME (note 12.1) | 34.064 | 42.202 | 55.415 | 65.540 |
| Bank loan for investment (note 12.2) | 86.814 | 78.138 | 90.707 | 79.577 |
| Leasing (note 12.3) | 2.267 | 1.742 | 2.764 | 2.204 |
| | <u>123.145</u> | <u>122.082</u> | <u>148.886</u> | <u>147.321</u> |
| Non-current | | | | |
| Acquisition of fixed assets - FINAME (note 12.1) | 43.035 | 56.031 | 85.865 | 103.857 |
| Bank loan for investment (note 12.2) | 167.409 | 210.974 | 178.659 | 224.724 |
| Leasing (note 12.3) | 1.978 | 1.095 | 2.217 | 1.560 |
| | <u>212.422</u> | <u>268.100</u> | <u>266.741</u> | <u>330.141</u> |
| | <u>335.567</u> | <u>390.182</u> | <u>415.627</u> | <u>477.462</u> |

12.1 Acquisition of fixed assets - FINAME

Financing obtained for investment in heavy vehicles and equipment that has annual interest rates ranging from 2.20% to 7.0% with correction by the unit of reference (UR), long-term interest rate (TJLP) or by the Special Settlement and Custody System - Selic rate ranging from 2.20% to 3.90%, besides some contracts entered into based on the Program for Support of the Investment with an annual interest rate of 2.5% to 10% without inflationary restatement, with due dates between 07/15/2017 and 06/15/2022.

12.2 Bank loan for investment

Loans obtained for investment in operating vehicles and equipment that have: (i) annual interest rates of approximately 1.45% to 2.74% (R\$ 242,825) and correction by the interbank deposit certificate (CDI), (ii) exchange variation of the US dollar, plus an annual interest rate of 3.74%

(R\$ 26,539). Those contracts subject to exchange rate variation of the US dollar are bound to operations of exchange of position of the portions subject to exchange variation for fixed rates and correction by the CDI (swap), with due dates between 12/04/2017 and 12/03/2018, whose additional comments are described in Note 22.

As shown below, the financial covenants were complied with at July 30, 2017:

| Index | Limits | June 30, 2017 | December 31, 2016 |
|--|------------------------------|----------------------|--------------------------|
| Net debt/EBITDA ¹ | Equal to or less than 3.0 | 0,73 | 1.00 |
| EBITDA ¹ / Net financial expenses | Greater than or equal to 2.0 | 9,18 | 7.40 |

¹ EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization)

12.3 Leasing

Financial leasing contracts for the purchase of machinery, equipment and other assets, with annual interest rates from approximately 0.60% to 2.42% (R\$ 4,980), and a term between 48 and 60 months, and correction by the interbank deposit certificate (CDI), as shown below:

| June 30, 2017 | | | | | | |
|---|-----------------------|--------------------------|--------------|---------------------|--------------------------|--------------|
| Year | Parent company | | | Consolidated | | |
| | Fixed assets | Intangible Assets | Total | Fixed assets | Intangible Assets | Total |
| up to one year | 1.496 | 771 | 2.267 | 1.993 | 771 | 2.764 |
| more than one year and up to five years | 1.696 | 282 | 1.978 | 1.935 | 282 | 2.217 |
| | <u>3.192</u> | <u>1.053</u> | <u>4.245</u> | <u>3.928</u> | <u>1.053</u> | <u>4.981</u> |
| December 31, 2016 | | | | | | |
| Year | Parent company | | | Consolidated | | |
| | Fixed assets | Intangible Assets | Total | Fixed assets | Intangible Assets | Total |
| up to one year | 1.464 | 278 | 1.742 | 1.926 | 278 | 2.204 |
| more than one year and up to five years | 1.095 | | 1.095 | 1.560 | | 1.560 |
| | <u>2.559</u> | <u>278</u> | <u>2.837</u> | <u>3.486</u> | <u>278</u> | <u>3.764</u> |

12.4 Guarantees

The lines of financing have their own assets as collateral, promissory notes and an endorsement of the controlling shareholders.

12.5 Breakdown of the long-term payments

June 30, 2017

| Parent company | | | | |
|-----------------------|---------------|----------------|-------------------------------|----------------|
| Year | FINAME | Leasing | Bank loan - investment | Total |
| 2018 | 10.535 | 767 | 77.658 | 88.960 |
| 2019 | 13.311 | 709 | 51.454 | 65.474 |
| After 2020 | 19.189 | 502 | 38.297 | 57.988 |
| | <u>43.035</u> | <u>1.978</u> | <u>167.409</u> | <u>212.422</u> |
| Consolidated | | | | |
| Year | FINAME | Leasing | Bank loan - investment | Total |
| 2018 | 20.335 | 1.004 | 80.158 | 101.497 |
| 2019 | 30.902 | 709 | 56.454 | 88.065 |
| After 2020 | 34.628 | 504 | 42.047 | 77.179 |
| | <u>85.865</u> | <u>2.217</u> | <u>178.659</u> | <u>266.741</u> |

December 31, 2016

| Parent company | | | | |
|-----------------------|----------------|----------------|-------------------------------|----------------|
| Year | FINAME | Leasing | Bank loan - investment | Total |
| 2018 | 25.049 | 1.095 | 120.759 | 146.903 |
| 2019 | 12.836 | - | 51.918 | 64.754 |
| After 2020 | 18.146 | - | 38.297 | 56.443 |
| | <u>56.031</u> | <u>1.095</u> | <u>210.974</u> | <u>268.100</u> |
| Consolidated | | | | |
| Year | FINAME | Leasing | Bank loan - investment | Total |
| 2018 | 43.845 | 1.560 | 125.759 | 171.164 |
| 2019 | 29.158 | - | 56.918 | 86.076 |
| After 2020 | 30.854 | - | 42.047 | 72.901 |
| | <u>103.857</u> | <u>1.560</u> | <u>224.724</u> | <u>330.141</u> |

13 Labor and tax obligations

| | Parent company | | Consolidated | |
|---|-----------------------|--------------------------|----------------------|--------------------------|
| | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Labor obligations | | | | |
| Current | | | | |
| Pension - FGTS/SOCIAL SECURITY | 3.592 | 4.408 | 4.627 | 6.175 |
| With Personnel - salaries/other | 1.999 | 1.076 | 2.373 | 1.460 |
| Accrued vacations, 13th salary and charges | 26.812 | 19.695 | 35.317 | 25.981 |
| | <u>32.403</u> | <u>25.179</u> | <u>42.317</u> | <u>33.616</u> |
| Tax obligations | | | | |
| Current | | | | |
| PIS/COFINS/IRPJ/CSL | 1.692 | 2.392 | 2.976 | 3.704 |
| ICMS (value added tax) payable | 1.273 | 1.230 | 2.622 | 2.730 |
| ISS (service tax) payable | 1.694 | 1.709 | 2.103 | 2.049 |
| Payment of taxes in installments PAEX/REFIS (i) | 1.121 | 1.342 | 1.121 | 1.342 |
| Withheld | 578 | 1.020 | 769 | 1.333 |
| Other | 14 | 17 | 14 | 17 |
| | <u>6.372</u> | <u>7.710</u> | <u>9.605</u> | <u>11.175</u> |
| Income tax and social contribution payable | | | | |
| Current | | | | |
| IRPJ (Corporate income tax) payable | 3.926 | - | 6.932 | 578 |
| CSLL (Social contribution on net income) payable | 1.457 | 210 | 2.575 | 575 |
| | <u>5.383</u> | <u>210</u> | <u>9.507</u> | <u>1.153</u> |
| | <u>11.755</u> | <u>7.920</u> | <u>19.112</u> | <u>12.328</u> |
| Non-current | | | | |
| Payment of taxes in installments PAEX/REFIS (i) | 4.989 | 5.491 | 4.989 | 5.491 |
| | <u>4.989</u> | <u>5.491</u> | <u>4.989</u> | <u>5.491</u> |
| | <u>11.361</u> | <u>13.201</u> | <u>14.594</u> | <u>16.666</u> |
| Short term portion | 38.775 | 32.889 | 51.922 | 44.791 |
| Long-term portion | 4.989 | 5.491 | 4.989 | 5.491 |

- (i) Regarding taxes adhered to the Tax Recovery Program - Refis, which consists of an optional tax debit scheme proposed to legal entities with debts to the Federal Revenue Service (SRF), the Attorney General of the National Treasury (PGFN) and National Institute of Social Security - INSS (Reopening of Law 12973/14) adjusted the fines and interest, deducted from the PF as allowed by law that await consolidation by the RFB / PGFN.

14 Balances and transactions with related parties

Transactions with related parties are carried out by the Company under strictly commutative conditions, observing the usual market price and conditions and, therefore, do not generate any undue benefit to its counterparties or losses to the Company. In the normal course of operations, the Company enters into agreements with related parties related to the purchase and sale of vehicles, rental of real estate and vehicles, and purchase and sale of parts and services. The balances of transactions with related parties and their effects on the interim financial statements are as follows:

| | Parent company | | Consolidated | |
|---|----------------|-------------------|---------------|-------------------|
| | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Current assets | | | | |
| Accounts receivable - freight and advances | | | | |
| Águia Branca Participações S.A. | - | 8 | - | 8 |
| ECO101 Highway Concessionaire | 431 | 489 | 431 | 489 |
| Kurumá Veículos Ltda. | 4 | 1 | 4 | 1 |
| Land Vitória Comércio de Veículos Ltda | 1 | - | 5 | 3 |
| Savana Comércio de Veículos Ltda | 148 | 145 | 148 | 145 |
| VD Comércio de Veículos Ltda. | 155 | 74 | 155 | 74 |
| Vitoria Motors Ltda. | 1 | - | 1 | - |
| | <u>740</u> | <u>717</u> | <u>744</u> | <u>720</u> |
| Receivables from related parties | | | | |
| Águia Branca Logística Ltda | 2200 | 405 | - | - |
| Águia Branca Participações S.A. | 2.222 | 2.220 | 2.222 | 2.220 |
| Autoport Transportes e Logística Ltda | 7 | 12 | - | - |
| VD Comércio de Veículos Ltda. | 6.870 | 6.107 | 6.869 | 6.107 |
| VIX Transportes Dedicados Ltda | 278 | 163 | - | - |
| | <u>11.577</u> | <u>8.907</u> | <u>9.091</u> | <u>8.327</u> |
| Current liabilities | | | | |
| Suppliers - parts, vehicles and services | | | | |
| AB Comércio de Veículos Ltda. | 18 | 15 | 18 | 14 |
| Águia Branca Encomendas Ltda. | 1 | 1 | - | 1 |
| Águia Branca Participações S.A. | 173 | 111 | 173 | 112 |
| Águia Branca Logística Ltda | 37 | - | - | - |
| Autoport Transportes e Logística Ltda | 128 | 8 | - | - |
| Kurumá Veículos Ltda. | 4 | 3 | 4 | 3 |
| VD Comércio de Veículos Ltda.(i) | 3.139 | 89 | 4.207 | 276 |
| | <u>3.500</u> | <u>227</u> | <u>4.402</u> | <u>406</u> |
| Amounts owed to related parties | | | | |
| Águia Branca Logística Ltda | 24 | 25 | - | - |
| Autoport Transportes e Logística Ltda | 12 | 11 | - | - |
| VIX Transportes Dedicados Ltda | 84 | 92 | - | - |
| | <u>120</u> | <u>128</u> | <u>-</u> | <u>-</u> |

(i) Purchase of vehicles for use in the company's operating activity.

VIX Logística S.A. and subsidiaries
Consolidated and individual interim accounting information
at June 30, 2017

| Results | Parent company | | Consolidated | |
|---|----------------|---------------|---------------|---------------|
| | June 30, 2017 | June 30, 2016 | June 30, 2017 | June 30, 2016 |
| Income from goods and services | | | | |
| AB Comércio de Veículos | 476 | - | 476 | - |
| Águia Branca Logística Ltda | 1.742 | 3.451 | - | - |
| Águia Branca Participações S.A. | 97 | 2 | 97 | 2 |
| Autoport Transportes e Logística Ltda | 75 | 60 | - | - |
| ECO101 Highway Concessionaire | 2.857 | 2.937 | 2.857 | 2.937 |
| Kurumá Veículos Ltda. | 15 | 23 | 34 | 23 |
| MVI Administ. and Investor Imob. Ltda | - | 26 | - | 26 |
| Savana Comércio de Veículos | 990 | - | 990 | - |
| VD Comércio de Veículos Ltda. | 512 | 1.163 | 512 | 1.173 |
| Viação Águia Branca S.A. | 2 | 24 | 2 | 24 |
| Vitoria Motors Ltda. | 1 | 3 | 1 | 3 |
| VIX Transportes Dedicados | 1.212 | 847 | - | - |
| VM Comércio de Veículos Ltda. | - | 3 | - | 41 |
| Land Vitória Comércio de Veículos Ltda | 5 | - | 27 | - |
| Other | 1 | - | 1 | - |
| | <u>7.985</u> | <u>8.539</u> | <u>4.997</u> | <u>4.229</u> |
| Cost of Services | | | | |
| AB Comércio de Veículos Ltda. | 135 | 94 | 135 | 94 |
| Águia Branca Encomendas Ltda. | 17 | 17 | 17 | 17 |
| Águia Branca Logística Ltda | 249 | 327 | - | - |
| Autoport Transportes e Logística Ltda | 461 | 496 | - | - |
| AZUL Linhas Areas Brasileiras S/A | 3 | - | 3 | - |
| Kurumá Veículos Ltda.(i) | 128 | 181 | 128 | 181 |
| VD Comércio de Veículos Ltda.(i) | 1.956 | 1.660 | 2.650 | 2.983 |
| Rio Novo Locações Ltda.(ii) | 579 | 510 | 912 | 510 |
| Águia Branca Participações S.A.(iii) | 1.740 | 1.627 | 1.764 | 1.685 |
| VD Pneus Ltda | - | 4 | 1 | 5 |
| Viação Águia Branca S.A.(iv) | 53 | 21 | 53 | 21 |
| Viação Salutaris e Turismo S.A. | 12 | 14 | 12 | 14 |
| Vitória Motors Ltda | - | 24 | - | 24 |
| VIX Transportes Dedicados | 429 | 1.134 | - | - |
| | <u>5.762</u> | <u>6.109</u> | <u>5.675</u> | <u>5.534</u> |
| Acquisition of Fixed Assets (iv) | | | | |
| Águia Branca Logística Ltda | - | 25 | - | - |
| Autoport Transportes e Logística Ltda | - | 379 | - | - |
| Kurumá Veículos Ltda. | 130 | 140 | 130 | 140 |
| VD Comércio de Veículos Ltda. | 8.097 | 547 | 15.621 | 1.867 |
| VIX Transportes Dedicados | - | 12 | - | - |
| | <u>8.227</u> | <u>1.103</u> | <u>15.751</u> | <u>2.007</u> |

- (i) Acquisition of parts and services for maintenance of the Company's fleet.
- (ii) Payments for the lease of real estate.
- (iii) Payments for sharing services of Informatics resources - information technology and business consulting, where the costs are calculated according to the use of the services.
- (iv) Payments for the lease of real estate properties and vehicles.

a. Remuneration of the key management personnel

The key management personnel includes the board members, directors and officers. The annual remuneration for 2017 was set at R\$ 14,485, in conformity with the deliberation approved through the minutes of the Board of Directors meeting held on March 6, 2017.

| | June 30, 2017 | June 30, 2016 |
|------------------------------|---------------|---------------|
| Remuneration | 5.125 | 7.151 |
| Other short-term benefits | 87 | 92 |
| Other long-term benefits (i) | 1.234 | 1.802 |
| | <u>6.446</u> | <u>9.045</u> |

- (i) These amounts refer to INSS (social security), a private pension fund and life insurance.

b. Warranties and guarantees to third parties

The company is a guarantor of loans taken out by the financial institutions for its subsidiaries namely:

| | June 30, 2017 | December 31, 2016 |
|--------------------------------------|---------------|-------------------|
| Autoport Transporte e Logística Ltda | 2.783 | 3.591 |
| Águia Branca Logística Ltda | 5.883 | 6.861 |
| VIX Transportes Dedicados | 23.970 | 26.161 |
| | <u>32.636</u> | <u>36.613</u> |

15 Provision for contingencies

During the normal course of its business, the Parent Company and its subsidiaries may be exposed to certain contingencies and risks which include tax, labor and civil proceedings, under discussion.

The changes in the provision for contingencies to cover likely risks are, as follows:

Parent company

| Provisions | Tax | Labor | Civil | Total |
|--------------------------------------|--------------|---------------|------------|---------------|
| Balances at January 1, 2016 | <u>1.590</u> | <u>11.717</u> | <u>227</u> | <u>13.534</u> |
| Provision | | 3.384 | 44 | 3.428 |
| Complement to provision | (75) | 5.759 | 24 | 5.708 |
| Write-off through payment | | (2.790) | (58) | (2.848) |
| Reversal of provision | | (2.054) | | (2.054) |
| Balances at December 31, 2016 | <u>1.515</u> | <u>16.016</u> | <u>237</u> | <u>17.768</u> |
| Provision | | 1.749 | 249 | 1.998 |
| Complement to provision | | 1.989 | 8 | 1.997 |
| Write-off through payment | (1.515) | (1.001) | 0 | (2.516) |
| Reversal of provision | | (4.036) | (120) | (4.156) |
| Balances at June 30, 2017 | <u>0</u> | <u>14.717</u> | <u>374</u> | <u>15.091</u> |

Consolidated

| Provisions | Tax | Labor | Civil | Total |
|--------------------------------------|--------------|---------------|--------------|---------------|
| Balances at January 1, 2015 | 1.590 | 11.717 | 227 | 13.534 |
| Provision | | 3.384 | 44 | 3.428 |
| Complement to provision | (75) | 5.759 | 24 | 5.708 |
| Write-off through payment | | (2.790) | (58) | (2.848) |
| Reversal of provision | | (2.054) | | (2.054) |
| Balances at December 31, 2016 | 1.515 | 16.016 | 237 | 17.768 |
| Provision | 1.528 | 6.833 | 369 | 8.730 |
| Complement to provision | 45 | 2.358 | 13 | 2.416 |
| Write-off through payment | | (1.106) | | (1.106) |
| Reversal of provision | (1.515) | (4.038) | (119) | (5.672) |
| Balances at June 30, 2017 | 1.573 | 20.063 | 500 | 22.136 |

Tax contingencies

The company and its subsidiaries are parties to various administrative and judicial processes of a tax nature represented by notices of infraction related to questioning of certain procedures adopted by the management. Of the amount of the processes, there is an amount of R\$ 173,057 (R\$ 175,957 in December 2016) referring to processes classified as a risk of possible loss, in which the amount of R\$ 135,850 (R\$ 139,650 at December 31, 2016) refers to processes at the State level (ES, RJ and RO), R\$ 37,025 (R\$ 36,130 at December 31, 2016) at Federal level and R\$ 179 (R\$ 177 at December 31, 2016) at the Municipal level and an amount of R\$ 1,573 (R\$ 1,515 at December 31, 2016) referring to processes classified as a risk of likely loss (individual and consolidated), where the total amount is recorded as a provision.

The main tax lawsuits, classified as a risk of possible loss, according to the opinion of our legal counsel, are presented below:

- (1) In December 2011, the Rio de Janeiro State Treasury Office (SEFAZ-RJ) filed a tax deficiency notice against Vix Logística S.A. in the amount of R\$ 56,723 (R\$ 97,018, updated amount in June 2017) on the emission of a CT-e (electronic transport document) on vehicle rental operations. The company has presented its defense and currently the process is at the first administrative instance.
- (2) In November 2013, the Espírito Santo State Treasury Office (SEFAZ-ES) filed a tax deficiency notice against Vix Logística S.A. in the amount of R\$ 7,580 (R\$ 12.734, updated amount in June 2017) on the non-payment of ICMS (VAT) on the transfers (outflows) of fixed assets. The company has presented its defense and currently the process is at the second administrative instance.
- (3) In November 2014, the parent company Vix Logística S.A. was fined by the Federal Revenue Department of Brazil (RFB) in the amount of R\$ 28,838 (R\$ 33,277, updated amount in June 2017) where the RFB is questioning the matters: taking of PIS and COFINS credits on import operations and suspension of PIS and COFINS for freight to a commercial exporting company, in addition to mischaracterizing items that the company classified as inputs for taking PIS and COFINS credits. The company has presented its defense and currently the process is at the second administrative counsel of tax appeals.

- (4) In June 2016, SEFAZ-ES fined the parent company Vix Logística S.A. in the amount of R\$ 31,008 (R\$ 33,450, updated value in June 2017) on the non-payment of ICMS on transfers (outflows) of fixed assets. The company has presented its defense and currently the process is at the first administrative instance.

Labor contingencies

At June 30, 2017, the company and its subsidiaries were parties in 1,240 (1,199 at December 31, 2016) labor court suits, where the total amount claimed in these processes, when classified as a risk of possible loss amount to R\$ 51,285 (R\$ 53,991 at December 31, 2016) and when classified as a risk of likely loss amount to R\$ 20,063 (R\$ 16,016 at December 31, 2016) according to the lawyers who are defending the company's interests.

The Company makes a provision based on the prognosis of loss of the lawsuits, with the support of its legal advisors, to estimate the probable future disbursement. Accordingly, a provision of R\$ 20,063 (R\$ 16,016 on December 31, 2016), individual and consolidated, was recorded, which corresponds to the expected cash outflow of the cases assessed by the legal counsel, while also maintaining judicial deposits in the amount Of R\$ 15,451 (R\$ 15,798 as of December 31, 2016) recorded in noncurrent assets of the parent company, and R\$ 19,753 (R\$ 19,706 as of December 31, 2016) recorded in noncurrent assets of the consolidated.

The labor contingencies in which the company is a party were typically filed by former employees after their dismissal, usually claiming payment of overtime. Additionally, the company is a party to certain collective actions questioning the workday and the outsourcing of activities by its clients.

Civil contingencies

At June 30, 2017, the company and its subsidiaries were parties to 194 (185 at December 31, 2016) civil court suits, of which 95 (89 at December 31, 2016) are court suits in which the company is a defendant and 99 (96 in 2016) in which it is a plaintiff.

Of the court suits in which the company as a defendant, R\$ 17,069 (R\$ 16,618 at December 31, 2016) are classified as a risk of possible loss and R\$ 250 (R\$ 237 at December 31, 2016) are classified as a risk of likely loss (individual and consolidated), according to the lawyers who are defending the processes, and provisions are being recorded in this amount.

The civil contingencies do not involve material amounts and are mainly indemnification suits concerning traffic accidents.

16 Equity

16.1 Share capital

At June 30, 2017, the fully subscribed and paid-in share capital was R\$ 332,000, represented by 84,705,666 registered common shares with no par value. The authorized capital is represented by 750,000,000 common shares with no par value.

| Shareholders | June 30, 2017 | | December 31, 2016 | |
|---|--------------------|---------------|--------------------|---------------|
| | Qty. Common shares | Ownership (%) | Qty. Common shares | Ownership (%) |
| Águia Branca FIP | 69.056.132 | 81,52 | 69.056.132 | 81,52 |
| International Finance Corporation (IFC) | 9.011.241 | 10,64 | 9.011.241 | 10,64 |
| Águia Branca Participações S.A. | 3.634.540 | 4,29 | 3.634.540 | 4,29 |
| IFC ALAC Brasil FIP | 3.003.747 | 3,55 | 3.003.747 | 3,55 |
| Kaumer Chieppe | 6 | <0.01 | 6 | <0.01 |
| Total | 84.705.666 | 100 | 84.705.666 | 100 |

16.2 Capital reserves

They refer to the goodwill reserve on the subscription of share capital in 2009.

16.3 Profit reserve

The company, in accordance with its by-laws, maintains a profit reserve whose purpose is to ensure funds for financing additional investments of fixed and working capital and are formed with the remaining balance of the net income for the period that remains after the legal and statutory deductions, where these reserves may not exceed the share capital.

16.4 Legal reserve

Recorded at the rate of 5% of the net income for the year until it reaches the amount of 20% of the social capital, in accordance with the Brazilian corporation law.

16.5 Equity valuation adjustment

It refers mainly to the revaluation of the company's fixed assets. In compliance with the legal provisions, a provision was recorded for deferred income tax and social contribution on the total balance of the revaluation reserve, which is classified in non-current liabilities.

16.6 Distribution of dividends

As of June 30, 2017, the amount of R \$ 8,030 was paid to its shareholders, and in the same period of 2016, an amount of R \$ 7,830 was paid, related to the additional proposed in 2015. In the Shareholders' Agreement, the distribution of A dividend of at least 30% of net income for the year.

| Dividends paid | June 30, 2017 | June 30, 2016 |
|-----------------------------------|---------------|---------------|
| Águia Branca Participações S.A. | 6.891 | 6.719 |
| IFC Alac Brasil | 285 | 278 |
| International Finance Corp. - IFC | 854 | 833 |
| | <u>8.030</u> | <u>7.830</u> |

17 Income tax and social contribution

17.1 Current balances

Recorded pursuant to the current rates, based on the adjusted profit (taxable income) or income from rendering of services (presumed profit) for tax purposes:

Reconciliation of the provisions for income tax and social contribution

| | Parent company | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | June 30, 2017 | June 30, 2016 | June 30, 2017 | June 30, 2016 |
| Income before income tax and social contribution | 24.170 | 25.406 | 27.315 | 27.355 |
| Nominal combined rate - % | 34 | 34 | 34 | 34 |
| Income tax and social contribution at the prevailing rates | (8.218) | (8.638) | (9.287) | (9.301) |
| Adjustments for calculation of the actual rate | | | | |
| (+) Additions - permanent items | | | | |
| Fines | | | | |
| Other costs and non deductible expenses | (294) | (28) | (380) | (160) |
| (-) Exclusions - permanent items | - | - | - | - |
| Equity accounting results | 1.997 | (247) | - | - |
| Tax loss for the period | - | - | - | (30) |
| Other | (799) | (229) | (791) | (257) |
| Effects of tax calculation by the presumed profit in the investees | - | - | (1) | (1.343) |
| (=) Costs of IR and CSLL on the result | (7.314) | (9.142) | (10.459) | (11.091) |
| Current | (5.384) | (6.208) | (9.508) | (8.874) |
| Deferred | (1.930) | (2.934) | (951) | (2.217) |
| Actual rate | 30% | 36% | 38% | 41% |

17.2 Deferred balances

Assets

Deferred income tax and social contribution, in the amount of R\$ 7,690 (R\$ 9,249 at December 31, 2016) and R\$15,583 (R\$ 14,878 at December 31, 2016), in the parent company and consolidated, respectively, refer primarily to the provision made on temporary differences (Provision for Contingencies, Swap). In consolidated, there is the provision on tax losses in the subsidiaries Vix Transportes Dedicados, Autoport Transportes e Logística and Aguiá Branca Logística Ltda, whose amounts are reviewed at each balance sheet date and, when applicable, in the measure that it ceases to be likely that there will be sufficient taxable future profits for their payment.

VIX Logística S.A. and subsidiaries
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| Parent company | Provision for contingencies | ICMS credits incorporated in fixed assets | Taxes with suspended demandability | Provision Swap | Provision for income tax on remittance abroad | Depreciation of intangible assets | Tax loss | Total |
|---|-----------------------------|---|------------------------------------|----------------|---|-----------------------------------|----------|---------|
| Balances at January 1, 2016 | 4.602 | | 77 | - | 9 | - | - | 4.688 |
| Formation of income tax and social contribution | 1.440 | 1.591 | | 1.786 | | 272 | | 5.089 |
| Use of income tax and social contribution | | (173) | (77) | | (6) | (272) | | (528) |
| Balances at December 31, 2016 | 6.042 | 1.418 | - | 1.786 | 3 | - | - | 9.249 |
| Formation of income tax and social contribution | - | - | - | | 2 | - | - | 2 |
| Use of income tax and social contribution | (910) | (127) | - | (524) | - | - | - | (1.561) |
| Balances at June 30, 2017 | 5.132 | 1.291 | - | 1.262 | 5 | - | - | 7.690 |
| Consolidated | | | | | | | | |
| Balances at January 1, 2016 | 4.602 | | 77 | - | 9 | - | 4.524 | 9.212 |
| Formation of income tax and social contribution | 1.440 | 1.591 | | 1.786 | | 272 | 1.105 | 6.194 |
| Use of income tax and social contribution | | (173) | (77) | | (6) | (272) | | (528) |
| Balances at December 31, 2016 | 6.042 | - | - | 1.786 | 3 | - | 5.629 | 14.878 |
| Formation of income tax and social contribution | 1.484 | | | | 2 | | | 1.486 |
| Use of income tax and social contribution | | (127) | | (524) | | | (130) | (781) |
| Balances at June 30, 2017 | 7.526 | (127) | - | 1.262 | 5 | - | 5.499 | 15.583 |

Liabilities

Deferred income tax and social contribution liabilities in the amount of R\$ 77,419 (R\$ 77,056 at December 31, 2016) and R\$ 100,248 (R\$ 98,500 at December 31, 2016), in the parent company and consolidated, respectively, refer to the revaluation reserve and the differences arising from the adjustments of Law 11,638, related mainly to the review of the economic useful lives of fixed assets - vehicles and equipment (the cumulative effect at December 31, 2007 was considered as an adjustment in shareholders' equity), as shown below:

VIX Logística S.A. and VIX Logística S.A. and subsidiaries
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| Parent company | Review of the useful life of fixed | ICMS credits incorporated into fixed assets | Revaluation reserve | Exchange variation | Provision for Swap | Leasing | Depreciation of intangible assets | Updating of deposits for appeals | Total |
|---|---------------------------------------|--|------------------------|-----------------------|--------------------|--------------|--------------------------------------|-------------------------------------|----------------|
| Balances at January 1, 2016 | <u>60.554</u> | <u>(1.591)</u> | <u>4.540</u> | | <u>496</u> | <u>2.614</u> | <u>(272)</u> | <u>727</u> | <u>67.068</u> |
| Formation of income tax and social contribution | 5.507 | 1.591 | | 2.301 | | 657 | 272 | 173 | 10.501 |
| Use of income tax and social contribution | | | (17) * | | (496) | | | | (513) |
| Balances at December 31, 2016 | <u>66.061</u> | <u>-</u> | <u>4.523</u> | | <u>-</u> | <u>3.271</u> | <u>-</u> | <u>900</u> | <u>77.056</u> |
| Formation of income tax and social contribution | 609 | - | - | (467) | - | 223 | - | - | 365 |
| Use of income tax and social contribution | - | - | (8) | - | - | - | - | 6 | (2) |
| Balances at June 30, 2017 | <u>66.670</u> | <u>-</u> | <u>4.515</u> | <u>(467)</u> | <u>-</u> | <u>3.494</u> | <u>-</u> | <u>906</u> | <u>77.419</u> |
| Consolidated | | | | | | | | | |
| Balances at January 1, 2016 | <u>77.792</u> | <u>(1.591)</u> | <u>4.540</u> | | <u>496</u> | <u>2.623</u> | <u>(272)</u> | <u>794</u> | <u>84.382</u> |
| | | | | | | | | | - |
| Formation of income tax and social contribution | 9.547 | 1.591 | - | 2.301 | - | 685 | 272 | 235 | 14.631 |
| Use of income tax and social contribution | - | - | (17) * | - | (496) | - | - | - | (513) |
| Balances at December 31, 2016 | <u>87.339</u> | <u>-</u> | <u>4.523</u> | <u>2.301</u> | <u>-</u> | <u>3.308</u> | <u>-</u> | <u>1.029</u> | <u>98.500</u> |
| Formation of income tax and social contribution | 1.838 | - | - | (467) | - | 256 | - | 29 | 1.656 |
| Use of income tax and social contribution | - | - | (8) | - | - | - | - | - | (8) |
| Balances at June 30, 2017 | <u>89.177</u> | <u>-</u> | <u>4.515</u> | <u>1.834</u> | <u>-</u> | <u>3.564</u> | <u>-</u> | <u>1.058</u> | <u>100.148</u> |

(*) Amounts that did not impact the results for the period.

Presentation at the net amount in the balance sheet

| | Parent company | | Consolidated | |
|-----------------------|-----------------------|--------------------------|----------------------|--------------------------|
| | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Asset balance (-) | 7.690 | (249) | 15.583 | 14.878 |
| Liability balance (+) | 77.419 | 77.056 | 100.148 | 98.500 |
| | <u>69.729</u> | <u>77.305</u> | <u>84.565</u> | <u>83.622</u> |

Effect on the results for the period

| | June 30, 2017 | June 30, 2016 | June 30, 2017 | June 30, 2016 |
|--|----------------------|----------------------|----------------------|----------------------|
| Assets - increase (decrease) in the balance of deferred taxes | (1.559) | 4.090 | 705 | 6.933 |
| Liabilities - increase (decrease) in the balance of deferred taxes (*) | <u>(371)</u> | <u>(7.024)</u> | <u>(1.656)</u> | <u>(9.150)</u> |
| | <u>(1.930)</u> | <u>(2.934)</u> | <u>(951)</u> | <u>(2.217)</u> |

(*) Without considering taxes on the revaluation reserve, recorded directly in shareholders' equity.

18 Insurance coverage

The Company and its subsidiaries maintain insurance with coverage and compensation limits considered sufficient by management to cover the main risks to its assets.

The main responsibilities for the operations performed by the parent company and its subsidiaries for any damages caused to third parties arising from their activities and also the main risks of damages to physical assets, protecting their assets from large and/or unexpected disbursements are transferred to the insurance market.

Considering the financial costs of taking out insurance for the entire fleet of vehicles, the company adopts risk management practices to minimize the frequency and severity of losses.

In addition, the Company maintains specific policies for optional civil liability for vehicles and Passenger Road Transport maintains compulsory civil liability policies

At June 30, 2017, the Company holds the following main insurance policies taken out with third parties:

| Assets insured | Risks covered | Amount of the coverage. |
|-----------------------|--|---------------------------------------|
| Property | Fire/lightening/explosion/electrical damage/windstorm, Hurricane, hail, theft, larceny. | 3.500 |
| Property and stock | Basic coverage, electrical damage and unsafe place | 60.000 |
| Finished products | Road Transport of Cargo (RCTR-C and RCF-DC) | 3.500 |
| Assets and goods | Road Transport of Cargo (RCTR-C and RCF-DC) | 3.500 |
| Finished products | Road transport on international travel (RCTR-C, RCTR-VI and RCF-DC) | US\$ 1,050 |
| Assets and goods | Road transport on international travel (RCTR-C, RCTR-VI and RCF-DC) | US\$ 1,050 |
| Life insurance | Death. Accidental death, accidental disability, disability salary permanent per disease. | 12 times functional of insured person |
| Insurance of Officers | Civil liability of Officers | 15.000 |

19 Income from sales and services

| | Parent company | | Consolidated | |
|--|-----------------------|----------------------|----------------------|----------------------|
| | June 30, 2017 | June 30, 2016 | June 30, 2017 | June 30, 2016 |
| Earnings from sales and rendering of services | 364.410 | 403.753 | 551.323 | 578.518 |
| Taxes and/or deductions | | | | |
| ICMS (Value added tax) | (5.012) | (5.066) | (12.574) | (13.436) |
| ISS (Service tax) | (8.383) | (7.962) | (10.188) | (9.779) |
| PIS (Social integration program) | (4.733) | (5.318) | (7.724) | (7.794) |
| COFINS (Tax for social security financing) | (21.805) | (24.502) | (35.582) | (35.905) |
| INSS (Social security tax) | - | - | (935) | (924) |
| Canceled sales | (562) | - | (562) | (95) |
| | <u>(40.495)</u> | <u>(42.848)</u> | <u>(67.565)</u> | <u>(67.933)</u> |
| Net operating income | <u>323.915</u> | <u>360.905</u> | <u>483.758</u> | <u>510.585</u> |

19.1 Income from sales and services rendered

Income from sales and services are separated thus by nature of services:

| | Parent company | | Consolidated | |
|-------------------------------|-----------------------|----------------------|----------------------|----------------------|
| | June 30, 2017 | June 30, 2016 | June 30, 2017 | June 30, 2016 |
| Nature of the services | | | | |
| Fleet Service | 106.227 | 128.041 | 106.281 | 128.041 |
| Dedicated logistics | 134.897 | 146.890 | 197.154 | 207.340 |
| Automotive logistics | 20.052 | 19.984 | 144.216 | 131.182 |
| Charters | 76.836 | 77.395 | 76.836 | 77.395 |
| Fleet renewal | 26.398 | 31.443 | 26.836 | 34.560 |
| | <u>364.410</u> | <u>403.753</u> | <u>551.323</u> | <u>578.518</u> |

The company's business activity is to provide services and logistics solutions in order to meet the needs of its clients.

These needs are allocated by nature of the services, as mentioned previously. The company's assets operate in an integrated manner, where their results are interconnected and interdependent. The company's management uses as a basis for decision making the logistics solution suited to the demands of its customers, considered as a single segment.

The income arising from sales of property, plant and equipment during the renovation of the fleet, due to its permanent characteristics and as it is a part of the pricing of contracts for providing services, is classified as being part of the net operating income.

In the quarters ended June 30, 2017 and 2016, the company has a customer that individually accounts for more than 15% of its revenue.

| | Parent company | | Consolidated | |
|---------------------------------------|----------------|---------------|---------------|---------------|
| | June 30, 2017 | June 30, 2016 | June 30, 2017 | June 30, 2016 |
| Costs of the services provided | | | | |
| Labor and Charges | (134.861) | (152.443) | (173.686) | (195.704) |
| Inputs | (36.514) | (35.618) | (46.728) | (48.389) |
| Depreciation | (39.001) | (39.649) | (50.877) | (49.567) |
| Leasing of properties and equipment | (4.124) | (3.467) | (5.371) | (4.966) |
| Third-party services | (9.240) | (10.018) | (13.528) | (15.182) |
| Freight | (7.019) | (6.191) | (77.403) | (69.641) |
| Fleet renewal | (21.745) | (28.315) | (22.029) | (32.293) |
| Other costs (i) | (18.204) | (16.363) | (22.565) | (22.064) |
| | (270.708) | (292.064) | (412.187) | (437.806) |

- (i) These amounts refer to the Company's other general expenses, such as: insurance, tax on ownership of motor vehicles (IPVA), licensing, telephone, water, electricity, canteen, travel costs, conservation of assets, tracking of the fleet etc.
- (ii) These amounts refer to the Company's other general expenses, such as: telephone, water, electricity, canteen, office supplies, computer costs, provisions for contingencies, etc.

21 Financial income and expenses

| | Parent company | | Consolidated | |
|-----------------------------------|----------------|---------------|---------------|---------------|
| | June 30, 2017 | June 30, 2016 | June 30, 2017 | June 30, 2016 |
| Financial expenses | | | | |
| Interest on loans and financing | (19.315) | (26.857) | (22.041) | (30.426) |
| Foreign exchange variation losses | (2.138) | (3.446) | (2.138) | (3.481) |
| Other interest calculated | (180) | (282) | (183) | (295) |
| Swaps | (2.987) | (13.779) | (2.987) | (13.779) |
| Other financial expenses | (629) | (1.451) | (1.475) | (2.399) |
| | (25.249) | (45.815) | (28.824) | (50.380) |
| Financial income | | | | |
| Foreign Exchange gains | 1.661 | 11.807 | 1.661 | 11.807 |
| Earnings on financial investments | 10.816 | 13.683 | 15.615 | 19.130 |
| Discounts and interest received | 438 | 1.221 | 449 | 1.274 |
| Swaps | 1.529 | 2.833 | 1.529 | 2.833 |
| Other financial income | 296 | 323 | 527 | 423 |
| | 14.740 | 29.867 | 19.781 | 35.467 |
| Net financial result | (10.509) | (15.948) | (9.043) | (14.913) |

22 Risk management and appreciation of financial instruments

22.1 Comments on risks

22.1.1 Credit risks

The company's operations consist of providing logistics services, represented mainly by the transport of cargoes and passengers, the latter as chartered services, governed by specific contracts, which have certain conditions and terms, which are substantially indexed rates of inflationary correction for a period of more than a year. The company adopts specific procedures for selection and analysis of clients to prevent losses due to default.

Credit risk arising from current accounts, short-term financial investments, operations with derivatives and deposits in court are reduced through the contracting of operations with first tier financial institutions.

22.1.2 Interest rate and exchange rate risk

FINAME loans have post-fixed rates updated by the long-term interest rate (TJLP) and the Selic rate. In both cases prefixed rates (*spread*) are added to these indexers.

Financing in the form of working capital and "investment loans" are contracted with interest rates post-fixed by the variation of the CDI. In the 4,131 mode, in foreign currency and, thus, subject to exchange variation, the risk of variation in the exchange rate of these loans is mitigated by contracting swap operations carried out with the financial institutions that granted the loans, defined as a definitive correction index to the variation of the CDI rate plus prefixed interest, as mentioned in note 14. Gains and losses calculated in this operation are recorded under the heading of "Financial expenses".

Balances with related parties are not subject to financial charges.

| | Parent company | | Consolidated | |
|------------|----------------|-------------------|----------------|-------------------|
| | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| TJLP | 7.666 | 10.727 | 13.205 | 13.929 |
| SELIC rate | 235.149 | 261.306 | 260.885 | 286.267 |
| Dollar | 26.540 | 32.252 | 26.540 | 32.252 |
| | <u>269.355</u> | <u>304.285</u> | <u>300.630</u> | <u>332.448</u> |

The financing obtained with FINAME in PSI are indexed to the long-term interest rate (TJLP) and in some cases to the Selic rate. In both cases prefixed rates (*spread*) are added to these indexers.

| | Parent company | | Consolidated | |
|------------------|----------------|-------------------|----------------|-------------------|
| | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Post Fixed Loans | 269.355 | 304.285 | 300.630 | 332.448 |
| Pre-fixed Loans | 66.574 | 85.897 | 115.357 | 145.014 |
| | <u>335.929</u> | <u>390.182</u> | <u>415.987</u> | <u>477.462</u> |

VIX Logística S.A. and subsidiaries
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| | Parent company | | Consolidated | |
|--------------------------------------|----------------|-------------------|---------------|-------------------|
| | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Loans in Selic/CDI | 235.149 | 261.307 | 260.885 | 286.268 |
| Foreign currency loan + SWAP | 30.252 | 37.929 | 30.252 | 37.929 |
| Total Debt in CDI (a) | 265.401 | 299.236 | 291.137 | 324.197 |
| Short-term Financial Investments (b) | 173.085 | 188.756 | 270.486 | 270.869 |
| Balance in CDI (a - b) | 92.316 | 110.480 | 20.651 | 53.328 |

The risk of the variation of the Selic rate and CDI is partially mitigated by the investments made.

22.1.3 *Liquidity risk*

The policy for liquidity risk management implies maintaining a secure level of cash availability or access to immediate funds. Accordingly, the company and its subsidiaries have funds in current accounts available for immediate use.

The table below shows the maturity of financial liabilities and obligations with suppliers contracted by the company and its subsidiaries in the interim accounting information (contracted cash flows not discounted):

| | Less than 1 year | From 1 to 3 years | From 3 to 5 years | More than 5 years |
|---|---------------------|----------------------|----------------------|----------------------|
| Parent company | | | | |
| At June 30, 2017 | | | | |
| Loans and financing | 70.529 | 228.796 | 58.580 | 3.013 |
| Suppliers | 9.290 | | | |
| Accounts payable to suppliers - related parties | 3.500 | | | |
| Accounts payable | 3.474 | | | |
| Dividends | - | | | |
| At December 31, 2016 | | | | |
| Loans and financing | 273.621 | 243.404 | 58.495 | 3.000 |
| Suppliers | 10.436 | | | |
| Suppliers - related parties | 227 | | | |
| Accounts payable | 4.511 | | | |
| Dividends | 2.455 | | | |
| Consolidated | | | | |
| At June 30, 2017 | | | | |
| Loans and financing | 84.638 | 279.557 | 76.643 | 3.013 |
| Suppliers | 12.118 | | | |
| Suppliers - related parties | 4.402 | | | |
| Accounts payable | - | | | |
| Dividends | - | | | |
| At December 31, 2016 | | | | |
| Loans and financing | 328.986 | 294.403 | 75.607 | 3.000 |
| Suppliers | 13.868 | | | |
| Suppliers - related parties | 406 | | | |
| Accounts payable | 8.561 | | | |

22.1.4 Capital management

The Company's objectives when managing its capital are to safeguard the Company's ability to continue to offer a return for its shareholders and benefits for the other interested parties and to maintain an optimal capital structure for reducing this cost.

To maintain or adjust the Company's capital structure, Management can review, or propose to review, in the cases where the shareholders have to approve it, the dividend payment policy, return capital to shareholders, or even issue new shares or sell assets to reduce, for example, the level of indebtedness.

Consistent with other companies of the sector, the Company monitors its capital based on the financial leverage ratio. This ratio corresponds to the net debt expressed as a percentage of the total capital. The net debt, in turn, corresponds to total borrowings (including short and long term borrowings, as presented in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated through the sum of shareholders' equity, as presented in the consolidated balance sheet, with the net debt.

| | Parent company | | Consolidated | |
|--|--------------------------|--------------------------|--------------------------|------------------------------|
| | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Total loans and financing (Note 14) | 335.567 | 390.182 | 415.627 | 477.462 |
| Less: Cash and cash equivalents (Note 5) | 174.402 | 190.120 | 273.263 | 274.433 |
| Net debt | 161.165 | 200.062 | 142.364 | 203.029 |
| Total shareholders' equity | 575.902 | 564.532 | 575.902 | 564.532 |
| Total capital | 737.067 | 764.594 | 718.266 | 767.561 |
| Financial leverage ratio - % | 22% | 26% | 20% | 26% |

22.1.5 Credit quality of the financial assets

The credit quality of the financial assets that are not overdue or impaired can be assessed through reference to the external credit ratings (if any) or past information on the default rates of the counterparties. For the credit quality of counterparties that are financial institutions, such as cash and short-term financial investments, the company considers the lowest rating of the counterparty disclosed by the three main international rating agencies (S&P, Fitch, Moody's).

We present below a table showing the rating evaluation of the financial institutions' custodians of current account assets, short-term financial investments and accounts receivable.

| Banks | Rating (*) | Parent company | | Consolidated | |
|-----------------|------------|----------------|-------------------|----------------|-------------------|
| | | June 30, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Banco do Brasil | AAA | 124 | 1.111 | 305 | 1.497 |
| Bradesco | AAA | 165.167 | 180.508 | 263.363 | 264.059 |
| Santander | AAA | 102 | 25 | 153 | 30 |
| CEF | AAA | 8.614 | 8.130 | 8.670 | 8.152 |
| HSBC | AAA | - | | 128 | 175 |
| BANESTES | A + | 30 | 3 | 30 | 3 |
| ALFA | AAA | 8 | 4 | 41 | 23 |
| Safrá | AAA | 15 | 3 | 44 | 15 |
| Votorantim | AA- | 21 | 6 | 38 | 13 |
| Itaú | AAA | 43 | 58 | 100 | 74 |
| | | <u>174.124</u> | <u>189.848</u> | <u>272.872</u> | <u>274.041</u> |

(*) According to the rating agencies: Standard & Poors, Fitch Ratings, Moody's, LFR Rating (Banco do Estado).

22.2 Appreciation of financial instruments

The estimated realization amounts of the Company's financial assets and liabilities were calculated through information available on the market and appropriate valuation methodologies. However, considerable judgment was required to interpret the market data in order to produce the most appropriate estimated realization amount. Accordingly, the estimates presented below do not necessarily represent the amounts that may be realized on the current exchange market. The use of different market methodologies may have a material effect on the estimated realization values.

The financial instruments are described below, as well as the criteria for their valuation:

Cash and cash equivalents

The balances in current accounts held in top tier banks have market values similar to the book values. For short-term financial investments, the market value was calculated based on the market prices of these securities on the base date of the balance sheet. The agreed rates reflect usual market conditions.

Related party receivable/payable

Presented at book value, since there are no similar instruments on the market.

Loans and financing

The market values for loans and financing closely approximate the accounting balances, and are updated in conformity with clauses established in the contracts.

22.3 Classification of financial instruments

VIX Logística S.A. and subsidiaries
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Parent company

| | June 30, 2017 | | | |
|---|--|------------------------------|--------------------------|---|
| | Assets and liabilities at fair value through profit or loss | Loans and receivables | Other liabilities | Financial Asset Held to Maturity |
| Assets as per balance sheet | | | | |
| Cash and cash equivalents | 173.085 | 1.317 | | |
| Trade accounts receivable, net | | 104.837 | | |
| Accounts Receivable from Related Parties, net | | 740 | | |
| Deposits in court | | 15.451 | | |
| Receivables from related parties | | 11.577 | | |
| Financial assets held to maturity | | | | 604 |
| Dividends receivable | | | | |
| Operations with derivatives | | | | |
| Other short and long-term receivables | | 14.165 | | |
| Financial liabilities | | | | |
| Loans and financing | | | 335.567 | |
| Suppliers | | | 9.290 | |
| Operations with derivatives | 3.712 | | | |
| Other accounts payable | | | 3.809 | |
| Dividends payable | | | 0 | |

Consolidated

| | June 30, 2017 | | | |
|---|--|------------------------------|--------------------------|---|
| | Assets and liabilities at fair value through profit or loss | Loans and receivables | Other liabilities | Financial Asset Held to Maturity |
| Assets as per balance sheet | | | | |
| Cash and cash equivalents | 270.486 | - | | |
| Trade accounts receivable, net | | 148.514 | | |
| Accounts Receivable from Related Parties, net | | 744 | | |
| Deposits in court | | 19.757 | | |
| Receivables from related parties | | 9.091 | | |
| Dividends receivable | | | | 604 |
| Financial assets held to maturity | | | | |
| Operations with derivatives | | | | |
| Other short and long-term receivables | | 17.073 | | |
| Financial liabilities | | | | |
| Loans and financing | | | 415.627 | |
| Suppliers | | | 12.118 | |
| Operations with derivatives | 3.712 | | | |
| Other accounts payable | | | 7.230 | |
| Dividends receivable | | | 0 | |

Parent company

| | December 31, 2016 | | | |
|---|--|------------------------------|------------------------------------|---|
| | Assets and liabilities at fair value through profit or loss | Loans and receivables | Other liabilities financial | Financial Asset Held to Maturity |
| Assets as per balance sheet | | | | |
| Cash and cash equivalents | 188.756 | 1.364 | | |
| Trade accounts receivable, net | | 113.266 | | |
| Accounts Receivable from Related Parties, net | | 717 | | |
| Deposits in court | | 15.798 | | |
| Receivables from related parties | | 8.907 | | |
| Financial assets held to maturity | | | | 584 |
| Dividends receivable | | | | |
| Operations with derivatives | | | | |
| Other short and long-term receivables | | 9.538 | | |
| Financial liabilities | | | | |
| Loans and financing | | | 390.182 | |
| Suppliers | | | 10.663 | |
| Operations with derivatives | 5.241 | | | |
| Other accounts payable | | | 4.909 | |
| Dividends receivable | | | 2455 | |

Consolidated

| | December 31, 2016 | | | |
|---|--|------------------------------|------------------------------------|---|
| | Assets and liabilities at fair value through profit or loss | Loans and receivables | Other liabilities financial | Financial Asset Held to Maturity |
| Assets as per balance sheet | | | | |
| Cash and cash equivalents | 270.869 | 3.564 | | |
| Trade accounts receivable, net | | 161.467 | | |
| Accounts Receivable from Related Parties, net | | 720 | | |
| Deposits in court | | 19.706 | | |
| Receivables from related parties | | 8.327 | | |
| Dividends receivable | | | | 584 |
| Financial assets held to maturity | | | | |
| Operations with derivatives | | | | |
| Other short and long-term receivables | | 12.548 | | |
| Financial liabilities | | | | |
| Loans and financing | | | 477.462 | |
| Suppliers | | | 14.274 | |
| Operations with derivatives | 5.241 | | | |
| Other accounts payable | | | 8.969 | |
| Dividends receivable | | | 2455 | |

22.4 Derivative financial instruments

Swap transactions recorded by the company and its subsidiaries were contracted at the same time as the operations of foreign currency loans, including deadlines, rates and equivalent amounts in order to eliminate exposure to exchange rate variations and to secure their updating by the indices of the interbank deposit certificate (CDI), plus a determined percentage of spread.

At June 30, 2017, the gross debt of the company (parent company) in U.S. dollars was US\$ 8,022 (R\$ 26,540) and a loss arising from the operation with derivatives R\$ 3,712. There are no operations in foreign currency contracted by its subsidiaries.

| Opening date | Due date | Rate (%) | Amount contracted | Balance at June 30, 2017 | Balance at June 30, 2017 | Result with derivatives |
|------------------|------------------|------------|-------------------|--------------------------|--------------------------|-------------------------|
| December 2, 2015 | December 3, 2018 | CDI + 3.74 | 45.000 | 26.540 | 30.252 | 3.712 |

Interest rate swap

The notional values of swap contracts of interest rates, outstanding at June 30, 2017, correspond to R\$ 3,712 (R\$ 5,241 at December 31, 2016).

22.5 Sensitivity analysis of fluctuations in the interest rate of the CDI

The company has 69% in CDI of the loans and financing exposed to variation of the CDI (considering the exchange of the debts in foreign currency by variation of the CDI with traditional swaps), 3% in long-term interest rate (TJLP) and 28% in a rate fixed in advance. At June 30, 2017, the company had a total debt, including loans for purchase of goods in the FINAME mode, in the amount of R\$ 335,568 (R\$ 415,568 in consolidated), at an average annual rate of 10,66%.

The Company's management estimates the following effects when applying the sensitivity tests to scenarios that vary from a 25% to 50% increase in the level of the Selic and Dollar, taking as a reference in the likely scenario the average for the period reported in the Focus Bulletin, of June 30, 2017. The CDI was projected accompanying the Selic curve and the maintaining the TJLP with a variation of 25% and 50%.

| | Parent company | Consolidated |
|---|----------------|--------------|
| Total amount of the debt | 335.567 | 415.627 |
| Probable estimated rate - % | 10,13% | 9,97% |
| Probable financial expense (per year) | 33.993 | 41.438 |
| Estimated rate considering the deterioration of the scenarios (25%) - % | 14,02% | 13,30% |
| Recalculated financial expense | 47.046 | 55.278 |
| Increase in expenditure | 13.054 | 13.840 |
| Estimated rate considering the deterioration of the scenarios (25%) - % | 17,91% | 16,63% |
| Recalculated financial expense | 60.100 | 69.119 |
| Increase in expenditure | 26.107 | 27.681 |

The company has a debt in dollars (Res. 4,131 mode of the central bank), entered into with Banco Itaú S/A due on December 3, 2018, contracted on December 2, 2015 at a price of R\$ 3.75/US\$ with a national value of US\$ 12,000. On the same date it contracted a liability position Swap in CDI + a rate of 2.20% p.a.

Management estimates (based on quotations of BM&FBOVESPA) that the dollar likely for next year is R\$ 3.19/US\$. Scenario II is the dollar at R\$ 3.51/US\$ (10% change) and Scenario III is the dollar at R\$ 3.83/US\$ (20% change). In the likely scenario the company will have a result of a negative Swap of R\$ 2,027. In the two other scenarios the company will have a negative swap result of R\$ 453 and positive result of R\$ 2,339, respectively.

| | Equity balances | | | | | | | | |
|-------------------------------------|-----------------|-------------|-------------------|-------------|---------------|-------------------|-----------|---------|-------------|
| | June 30, 2017 | | December 31, 2016 | | June 30, 2017 | December 31, 2016 | Scenarios | | |
| | Assets | Liabilities | Assets | Liabilities | Notional | Nocional | Risk | Likely | 10% 20% |
| Interest rate swaps - hedge of flow | | 3.712 | | 5.241 | 12.000 | 12.000 | | (3.245) | (453) 2.339 |

22.6 Estimate of the fair value

It is assumed that the balances of trade accounts receivable and accounts payable to suppliers at book value, less the loss (impairment), if in the case of accounts receivable, closely approximate their fair values. The fair value of financial assets and liabilities, for disclosure purposes, is estimated by discounting the future contractual cash flows by the prevailing interest rate on the market, which is available to the Company for similar financial instruments.

The company applies CPC 40/IFRS 7 to financial instruments stated in the balance sheet at fair value, which requires disclosure of the fair value measurements per level of the following hierarchy:

- Prices quoted (unadjusted) on active markets for similar assets and liabilities (level 1).
- Information, besides quoted prices, included in level 1 that is adopted by the market for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2).
- Inputs for the assets or liabilities that are not based on data adopted by the market (i.e. unobservable inputs) (level 3).

The following table presents the company's assets and liabilities measured at fair value in:

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Consolidated and individual interim accounting information
at June 30, 2017

| Parent company | June 30, 2017 | | | | December 31, 2016 | | | |
|--|----------------------|----------------|----------------|----------------------|--------------------------|----------------|----------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total balance | Level 1 | Level 2 | Level 3 | Total balance |
| Assets | | | | | | | | |
| Financial assets stated at fair value through profit or loss | | 173.085 | | 173.085 | | 188.756 | | 188.756 |
| Derivatives used for hedge | | | | - | | | | - |
| Total assets | - | 173.085 | - | 173.085 | - | 188.756 | - | 188.756 |
| Liabilities | | | | | | | | |
| Financial liabilities at fair value through profit or loss | | 3.712 | | 3.712 | | 5.241 | | 5.241 |
| Derivatives used for hedge | | | | - | | | | - |
| Total liabilities | - | 3.712 | - | 3.712 | - | 5.241 | - | 5.241 |
| Consolidated | June 30, 2017 | | | | December 31, 2016 | | | |
| | Level 1 | Level 2 | Level 3 | Total balance | Level 1 | Level 2 | Level 3 | Total balance |
| Assets | | | | | | | | |
| Financial assets stated at fair value through profit or loss | | 270.486 | | 270.486 | | 270.869 | | 270.869 |
| Derivatives used for hedge | | | | - | | | | - |
| Total assets | - | 270.486 | - | 270.486 | - | 270.869 | - | 270.869 |
| Liabilities | | | | | | | | |
| Financial liabilities at fair value through profit or loss | | 3.712 | | 3.712 | | 5.241 | | 5.241 |
| Derivatives used for hedge | | | | - | | | | - |
| Total liabilities | - | 3.712 | - | 3.712 | - | 5.241 | - | 5.241 |

23 Basic and diluted income per share

| | June 30, 2017 | June 30, 2016 |
|---|--------------------------|--------------------------|
| Net income for the year | 16.856 | 16.264 |
| Weighted average of common shares outstanding | 84.706 | 84.706 |
| Basic and diluted income per share (in Reais) | 0,19899 | 0,19201 |

The company does not have potential shares, i.e. no instruments or contracts that may result in the issuance of shares; therefore, the diluted result per share has not been presented.

24 Other disclosures on the cash flows

In the statements of cash flows, the results from the sale of fixed assets and non-current assets held for sale comprise:

| | Parent company | | Consolidated | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | June 30, 2017 | June 30, 2016 | June 30, 2017 | June 30, 2016 |
| Sale of property, plant and equipment | | | | |
| Net book value | 532 | 356 | 532 | 794 |
| Profit / Loss on disposal of fixed assets | 120 | (138) | 120 | (133) |
| Amounts received on the disposal of property, plant and equipment | <u>652</u> | <u>218</u> | <u>652</u> | <u>661</u> |

| | Parent company | | Consolidated | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | June 30, 2017 | June 30, 2016 | June 30, 2017 | June 30, 2016 |
| Sale of non-current assets held for sale | | | | |
| Net book value | 21.215 | 28.094 | 21.498 | 31.665 |
| Profit / Loss of the sale | 4.623 | 3.131 | 4.778 | 2.234 |
| Amounts received on the sale | <u>25.838</u> | <u>31.225</u> | <u>26.276</u> | <u>33.899</u> |

Non-monetary transactions

The main non-monetary transaction is the acquisition of a fleet through financing. In the period ended June 30, 2017, the amount of these transactions was R\$ 1,977, in the parent company, and R\$ 7,169 in consolidated. In the same period of 2016 the company did not have any non-monetary transactions.

25 Employee benefits

The Group provides a supplementary pension plan through an Open Private Supplementary Pension Entity in the pure defined contribution model. The contributions are fixed based on a percentage of the employee's salary. The administration of the funds is conducted by an Open Supplementary Pension Entity, and the assets are invested in investment funds.

The contributions are recognized as employee benefit expense.

The amounts recognized in the balance sheet were determined as follows:

| | Parent company | | Consolidated | |
|---|--------------------------|----------------------|--------------------------|----------------------|
| | June 30, 2017 | June 30, 2016 | June 30, 2017 | June 30, 2016 |
| Expenses recorded in the income statement with: | | | | |
| Pension plan benefits | 366 | 555 | 425 | 614 |

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