Marcopolo S.A.

Quarterly Information at March 31, 2016 and Report on Review of Quarterly Information

(A free translation of the original report in Portuguese as published in Brazil containing financial statements prepared in accordance with accounting practices adopted in Brazil)

(A free translation of the original in Portuguese)

Quarterly Information (ITR) - 3/31/2016 - MARCOPOLO SA

Contents

(A free translation of the original in Portuguese)

Company Information / Capital Composition

Number of shares (units)	Current quarter 3/31/2015
Paid-up capital	
Common shares	341,625,744
Preferred shares	555,274,340
Total	896,900,084
Treasury shares	
Common shares	-
Preferred shares	4,949,901
Total	4,949,901

(A free translation of the original in Portuguese)

Parent Company Financial Statements / Balance Sheet - Assets

(Thousands of Reais)

1 – Account Code	2 – Account Description	Current quarter 3/31/2016	Previous year 12/31/2015
1	Total assets	3,247,871	3,766,649
1.01	Current assets	1,516,191	1,992,268
1.01.01	Cash and cash equivalents	722,278	923,243
1.01.02	Short-term investments	100,662	185,195
1.01.02.01	Short-term investments valued at Fair Value	100,662	185,195
1.01.02.01.01	Marketable Securities	100,662	185,195
1.01.03	Accounts Receivable	369,882	551,232
1.01.03.01	Trade accounts receivable	369,882	551,232
1.01.04	Inventory	232,872	226,532
1.01.06	Recoverable Taxes	65,273	73,341
1.01.06.01	Current taxes recoverable	65,273	73,341
1.01.08	Other current assets	25,224	32,725
1.01.08.03	Other	25,224	32,725
1.02	Noncurrent Assets	1,731,680	1,774,381
1.02.01	Long-term Assets	116,161	161,286
1.02.01.01	Short-term investments valued at Fair Value	72,728	114,878
1.02.01.01.02	Available-for-sale securities	72,728	114,878
1.02.01.03	Accounts Receivable	9,855	6,063
1.02.01.03.02	Other Accounts Receivable	9,855	6,063
1.02.01.06	Deferred taxes	33,578	40,345
1.02.01.06.01	Deferred income tax and social contribution	33,578	40,345
1.02.02	Investments	1,392,637	1,385,629
1.02.02.01	Equity interests	1,392,637	1,385,629
1.02.02.01.01	Interests in Associated Companies	16,530	15,650
1.02.02.01.02	Interests in subsidiaries	1,219,734	1,197,584
1.02.02.01.03	Interests in Joint Ventures	156,373	172,395
1.02.03	Property, plant and equipment	217,695	221,892
1.02.03.01	Property, plant and equipment in operation	217,695	221,892
1.02.04	Intangible assets	5,187	5,574
1.02.04.01	Intangible assets	5,187	5,574

(A free translation of the original in Portuguese)

Quarterly Information (ITR) - 3/31/2016 - MARCOPOLO SA

Parent Company Financial Statements / Balance Sheet - Liabilities and Equity

(Thousands of Reais)

1 – Account Code	2 – Account Description	Current quarter 3/31/2016	Previous year 12/31/2015
2	Total liabilities	3,247,871	3,766,649
2.01	Current liabilities	796,378	975,992
2.01.01	Social and labor obligations	33,205	55,752
2.01.01.02	Labor obligations	33,205	55,752
2.01.02	Trade payables	148,039	163,337
2.01.02.01	Domestic Trade payables	138,762	159,419
2.01.02.02	Foreign Trade payables	9,277	3,918
2.01.03	Tax obligations	19,012	26,624
2.01.03.01	Federal tax liabilities	17,460	25,733
2.01.03.01.01	Income taxes and contribuitions payable	17,460	25,733
2.01.03.02	State tax liabilities	836	721
2.01.03.03	Municipal tax liabilities	716	170
2.01.04	Loans and Financing	490,355	582,856
2.01.04.01	Loans and Financing	490,355	582,856
2.01.04.01.01	In local currency	97,090	411,656
2.01.04.01.02	Foreign currency	393,265	171,200
2.01.05	Other obligations	105,767	147,423
2.01.05.02	Other	105,767	147,423
2.01.05.02.04	Advances from customers	26,042	44,337
2.01.05.02.05	Representatives on commission	25,579	39,437
2.01.05.02.06	D&O profit shares	1,714	6,720
2.01.05.02.07	Other current accounts payable	52,432	56,929
2.02	Noncurrent liabilities	681,225	962,572
2.02.01	Loans and financing	650,648	937,049
2.02.01.01	Loans and financing	650,648	937,049
2.02.01.01.01	In local currency	606,997	646,062
2.02.01.01.02	Foreign currency	43,651	290,987
2.02.04	Provisions	30,577	25,523
2.02.04.01	Tax, welfare and civil contingencies	30,577	25,523
2.02.04.01.01	Tax provisions	13,855	13,494
2.02.04.01.02	Social security and labor provisions	16,722	12,029
2.03	Shareholders' equity	1,770,268	1,828,085
2.03.01	Realized capital	1,200,000	1,200,000
2.03.02	Capital reserves	(5,037)	(2,321)
2.03.02.07	Goodwil on share issuance	(5,037)	(2,321)
2.03.04	Profit reserves	379,042	374,524
2.03.04.01	Legal reserve	38,361	38,361
2.03.04.02	Statutory reserve	363,638	363,638
2.03.04.09	Treasury shares	(22,957)	(27,475)
2.03.05	Retained earnings/accumulated losses	8,852	-
2.03.06	Equity valuation adjustments	187,411	255,882

(A free translation of the original in Portuguese)

Parent Company Financial Statements / Statement of Income

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current year 1/1/2016 to 3/31/2016	Accrued value of the prior year 1/1/2015 to 3/31/2015
3.01	Revenue from goods sold and services provided	271,022	408,947
3.02	Cost of goods and/or services sold	(247,495)	(324,291)
3.03	Gross profit	23,527	84,646
3.04	Operating (expenses) income	(41,396)	(32,999)
3.04.01	Sales expenses	(13,754)	(27,322)
3.04.02	General and administrative expenses	(18,988)	(19,038)
3.04.05	Other operating expenses	(11,462)	(3,931)
3.04.06	Equity in net income of subsidiaries	2,808	17,292
3.05	Net income (loss) from operations	17,869	51,657
3.06	Financial Income/loss	32,408	(22,239)
3.06.01	Financial revenue	128,374	78,996
3.06.02	Financial expenses	(95,966)	(101,235)
3.07	Profit before income tax and social contribution	14,539	29,418
3.08	Income taxes and social contribution	5,687	4,239
3.08.01	Current	1,081	3
3.08.02	Deferred charges	6,768	4,242
3.09	Net income from continued operations	8,852	33,657
3.11	Net income/loss for the period	8,852	33,657
3.99	Earnings per share - (reais/share)	-	-
3.99.01	Basic earnings per share	-	-
3.99.01.01	Common	0.00992	0.03778
3.99.01.02	Preferred	0.00992	0.03778
3.99.02	Diluted earnings per share	-	-
3.99.02.01	Common	0.00987	0.03753
3.99.02.02	Preferred	0.00987	0.03753

(A free translation of the original in Portuguese)

Parent Company Financial Statements / Statement of Comprehensive Income

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current year 1/1/2016 to 3/31/2016	Accrued value of the prior year 1/1/2015 to 3/31/2015
4.01	Net income for the period	8,852	33,657
4.02	Other comprehensive income/loss	(68,471)	93,757
4.02.01	Exchange variance on foreign investments	(68,471)	95,673
4.02.02	Actuarial losses over employees benefits	-	(2,877)
4.02.03	Deferred tax income and social contribution over actuarial gains/losses	-	978
4.02.04	Result of comprehensive income of subsidiaries	-	(17)
4.03	Comprehensive income for the period	(59,619)	127.414

(A free translation of the original in Portuguese)

Parent Company Financial Statements / Statement of Cash Flows - Indirect Method

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current year 1/1/2016 to 3/31/2016	Accrued value of the prior year 1/1/2015 to 3/31/2015
6.01	Cash flows from operating activities	225,845	326,579
6.01.01	Cash flows from operating activities	(7,665)	90,494
6.01.01.01	Net income for the year	8,852	33,657
6.01.01.02	Depreciation and amortization	5,611	5,624
6.01.01.03	Earnings on disposal of investments, property, plant and equipment and intangible assets	391	138
6.01.01.04	Equity in net income of subsidiaries	(2,808)	(17,292)
6.01.01.05	Allowance for doubtful accounts	(496)	1,223
6.01.01.06	Current and deferred income tax and social contribution	5,687	(4,239)
6.01.01.07	Interest and exchange variance appropriated	(24,902)	71,383
6.01.02	Changes in assets and liabilities	233,510	236,085
6.01.02.01	(Increase) decrease in trade accounts receivable	181,846	150,021
6.01.02.02	(Increase) decrease in inventories	(6,340)	(1,200)
6.01.02.03	(Increase) decrease in other accounts receivable	18,545	(8,097)
6.01.02.04	(Increase) decrease in assets stated at fai value	127,206	183,454
6.01.02.05	Increase (decrease) in trade payables	(15,298)	(58,388)
6.01.02.06	Increase (decrease) in actuarial benefits	-	2,877
6.01.02.07	Increase (decrease) in other accounts and provisions	(73,530)	(32,579)
6.01.02.08	Income taxes paid	1,081	(3)
6.02	Cash flow from investment activities	(74,089)	(2,354)
6.02.01	Investments	(72,671)	17
6.02.02	Dividends from subsidiaries, jointly-controlled entities and associates	-	4,497
6.02.03	Purchases of property, plant and equipment	(1,332)	(6,018)
6.02.04	Purchases of intangible assets	(86)	(850)
6.03	Cash flow from financing activities	(352,721)	(67,185)
6.03.02	Loans secured from unrelated parties	19,816	2,137
6.03.03	Payment of loans – principal	(358,874)	(10,354)
6.03.04	Payment of loans – interest	(15,465)	(13,068)
6.03.05	Payment of interest in shareholders' equity and dividends	-	(48,688)
6.03.06	Treasury shares	1,802	2,788
6.05	Increase (decrease) in cash and cash equivalents	(200,965)	257,040
6.05.01	Opening balance of cash and cash equivalents	923,243	433,561
6.05.02	Closing balance of cash and cash equivalents	722,278	690,601

Parent Company Financial Statements /Statement of Changes in Equity / 1/1/2016 to 3/31/2016

(Thousands of Reais)

1 – Account Code	2 – Account Description	Paid-up share capital	Capital reserves, options awarded and treasury shares	Profit reserves	Retained earnings / accumulated losses	Other comprehensive income / loss	Shareholders' equity
5.01	Opening balances	1,200,000	(29,796)	401,999	-	255,882	1,828,085
5.03	Adjusted opening balances	1,200,000	(29,796)	401,999	-	255,882	1,828,085
5.04	Capital transactions with partners	-	1,802	-	-	-	1,802
5.04.04	Treasury shares acquired	-	1,802	-	-	-	1,802
5.05	Total comprehensive income/loss	-	-	-	8,852	(68,471)	(59,619)
5.05.01	Net income for the period	-	-	-	8,852	-	8,852
5.05.02	Other comprehensive income/loss	-	-	-	-	(68,471)	(68,471)
5.05.02.04	Translation adjustments in the period	-	-	-	-	(68,471)	(68,471)
5.07	Closing balances	1,200,000	(27,994)	401,999	8,852	187,411	1,770,268

Parent Company Financial Statements /Statement of Changes in Equity / 1/1/2015 to 3/31/2015

(Thousands of Reais)

1 – Account Code	2 – Account Description	Paid-up share capital	Capital reserves, options awarded and treasury shares	Profit reserves	Retained earnings / accumulated losses	Other comprehensive income / loss	Shareholders' equity
5.01	Opening balances	1,200,000	(32,584)	403,469	-	76,696	1,647,581
5.03	Adjusted opening balances	1,200,000	(32,584)	403,469	-	76,696	1,647,581
5.04	Capital transactions with partners	-	2,788	(45,117)	(21,651)	-	(63,980)
5.04.04	Treasury stock acquired	-	-	-	-	-	-
5.04.05	Treasury stock sold	-	2,788	-	-	-	2,788
5.04.07	Interest in shareholders' equity	-	-	(45,117)	(21,651)	-	(66,768)
5.05	Total comprehensive income/loss	-	-	-	33,657	93,757	127,414
5.05.01	Net income for the period	-	-	-	33,657	-	33,657
5.05.02	Other comprehensive income/loss	-	-	-	-	93,757	93,757
5.05.02.04	Translation adjustments in the period	-	-	-	-	93,757	93,757
5.07	Closing balances	1,200,000	(29,796)	358,352	12,006	170,453	1,711,015

Parent Company Financial Statements / Statement of Value Added

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current year 1/1/2016 to 3/31/2016	Accrued value of the prior year 1/1/2015 to 3/31/2015
7.01	Revenue	306,543	457,875
7.01.01	Sales of goods, products and services	305,660	455,503
7.01.02	Other revenue	387	3,595
7.01.04	Allowance/(reversal of allowance) for doubtful accounts	496	(1,223)
7.02	Consumables acquired from third parties	(234,197)	(322,014)
7.02.01	Cost of goods and services sold	(197,920)	(283,844)
7.02.02	Materials, energy, outsourced services and other	(24,418)	(30,644)
7.02.03	Loss/recovery of assets	(11,849)	(7,526)
7.03	Gross value added	72,356	135,861
7.04	Retentions	(5,611)	(5,624)
7.04.01	Depreciation, amortization and depletion	(5,611)	(5,624)
7.05	Net added value produced	66,745	130,237
7.06	Transferred added value	131,182	96,288
7.06.01	Equity in net income of subsidiaries	2,808	17,292
7.06.02	Financial revenue	128,374	78,996
7.07	Total added value to be distributed	197,927	226,525
7.08	Distribution of added value	197,927	226,525
7.08.01	Personnel	87,466	103,650
7.08.01.01	Direct remuneration	69,651	84,537
7.08.01.02	Benefits	12,557	14,341
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	5,258	4,772
7.08.02	Taxes, duties and contributions	4,901	(13,186)
7.08.02.01	Federal	6,473	(4,324)
7.08.02.02	State	(1,837)	(9,176)
7.08.02.03	Municipal	265	314
7.08.03	Interest expenses	96,708	102,404
7.08.03.01	Interest	95,966	101,235
7.08.03.02	Rent	742	1,169
7.08.04	Interest earnings	8,852	33,657
7.08.04.01	Interest on shareholders' equity	-	21,651
7.08.04.03	Retained earnings / loss for the period	8,852	12,006

(A free translation of the original in Portuguese)

Consolidated Financial Statements / Balance Sheet - Assets

(Thousands of Reais)

1 – Account Code	2 – Account Description	Current quarter 3/31/2016	Previous year 12/31/2015
1	Total assets	4,454,904	5,038,863
1.01	Current assets	2,454,619	2,988,919
1.01.01	Cash and cash equivalents	932,100	1,131,162
1.01.02	Short-term investments	100,730	186,669
1.01.02.01	Short-term investments valued at Fair Value	100,730	186,669
1.01.02.01.01	Marketable Securities	100,730	186,669
1.01.03	Accounts Receivable	785,177	1,032,600
1.01.03.01	Trade accounts receivable	785,177	1,032,600
1.01.04	Inventory	433,194	437,774
1.01.06	Recoverable Taxes	109,820	118,836
1.01.06.01	Current taxes recoverable	109,820	118,836
1.01.08	Other current assets	93,598	82,328
1.01.08.03	Other	93,598	82,328
1.02	Noncurrent Assets	2,000,285	2,049,944
1.02.01	Long-term Assets	648,341	661,878
1.02.01.01	Short-term investments valued at Fair Value	40,097	47,345
1.02.01.01.02	Available-for-sale securities	40,097	47,345
1.02.01.03	Accounts Receivable	554,310	552,397
1.02.01.03.01	Trade accounts Receivable	535,665	538,215
1.02.01.03.02	Other Accounts Receivable	18,645	14,182
1.02.01.06	Deferred taxes	53,934	62,136
1.02.01.06.01	Deferred income tax and social contribution	53,934	62,136
1.02.02	Investments	467,155	516,129
1.02.02.01	Equity interests	467,155	516,129
1.02.02.01.01	Interests in Associated Companies	467,016	515,990
1.02.02.01.04	Interests in subsidiaries	139	139
1.02.03	Property, plant and equipment	584,606	561,340
1.02.03.01	Property, plant and equipment in operation	584,606	561,340
1.02.04	Intangible assets	300,183	310,597
1.02.04.01	Intangible assets	300,183	310,597

(A free translation of the original in Portuguese)

Consolidated Financial Statements / Balance Sheet - Liabilities and Equity

(Thousands of Reais)

1 – Account Code	2 – Account Description	Current quarter 3/31/2016	Previous year 12/31/2015
2	Total liabilities and equity	4,454,904	5,038,863
2.01	Current liabilities	1,357,992	1,592,174
2.01.01	Social and labor obligations	51,798	78,803
2.01.01.01	Payroll obrigations	51,798	78,803
2.01.02	Trade payables	211,652	249,138
2.01.02.01	Domestic trade payables	153,119	193,660
2.01.02.02	Foreign trade payables	58,533	55,478
2.01.03	Tax obligations	34,909	62,817
2.01.03.01	Federal tax liabilities	32,453	60,994
2.01.03.01.01	Income taxes and contributions payable	32,453	60,994
2.01.03.02	State tax liabilities	1,602	1,495
2.01.03.03	Municipal tax liabilities	854	328
2.01.04	Loans and financing	891,061	966,060
2.01.04.01	Loans and financing	891,061	966,060
2.01.04.01.01	In local currency	382,851	692,031
2.01.04.01.02	Foreign currency	508,210	274,029
2.01.05	Other obligations	168,572	235,356
2.01.05.02	Other	168,572	235,356
2.01.05.02.04	Advances from customers	42,969	64,193
2.01.05.02.05	Representatives on commission	28,443	45,386
2.01.05.02.06	D&O profit shares	1,714	6,720
2.01.05.02.07	Other current accounts payable	95,446	119,057
2.02	Noncurrent liabilities	1,295,496	1,584,506
2.02.01	Loans and financing	1,216,731	1,509,707
2.02.01.01	Loans and financing	1,216,731	1,509,707
2.02.01.01.01	In local currency	1,172,518	1,218,096
2.02.01.01.02	Foreign currency	44,213	291,611
2.02.02	Other obligations	46,207	47,458
2.02.02.02	Other	46,207	47,458
2.02.02.02.03	Obligations to purchase equity interests	46,207	47,458
2.02.04	Provisions	32,558	27,341
2.02.04.01	Tax, welfare and civil contingencies	32,558	27,341
2.02.04.01.01	Tax provisions	14,210	13,653
2.02.04.01.02	Social security and labor provisions	18,348	13,688
2.03	Consolidated shareholders' equity	1,801,416	1,862,183
2.03.01	Realized capital	1,200,000	1,200,000
2.03.02	Capital reserves	(5,037)	(2,321)
2.03.02.07	Goodwil on share issuance	(5,037)	(2,321)
2.03.04	Profit reserves	379,042	374,524
2.03.04.01	Legal reserve	38,361	38,361
2.03.04.02	Statutory reserve	363,638	363,638
2.03.04.09	Treasury stock	(22,957)	(27,475)
2.03.05	Retained earnings/accumulated losses	8,852	-
2.03.07	Ajustes Acumulados de Conversão	187,411	255,882
2.03.09	Non-controlling interests	31,148	34,098

(A free translation of the original in Portuguese)

Consolidated Financial Statements / Statement of Income

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current quarter 1/1/2016 to 3/31/2016	Accrued value of the prior year 1/1/2015 to 3/31/2015
3.01	Revenue from goods sold and services provided	428,326	656,808
3.02	Cost of goods and/or services sold	(372,152)	(544,345)
3.03	Gross profit	56,174	112,463
3.04	Operating (expenses) income	(65,964)	(58,099)
3.04.01	Sales expenses	(20,312)	(34,671)
3.04.02	General and administrative expenses	(33,985)	(36,317)
3.04.05	Other operating expenses	(17,773)	(327)
3.04.06	Equity in net income of subsidiaries	6,106	13,216
3.05	Net income (loss) from operations	(9,790)	54,364
3.06	Financial Income/loss	28,688	(19,904)
3.06.01	Financial revenue	135,462	86,312
3.06.02	Financial expenses	(106,774)	(106,216)
3.07	Profit before income tax and social contribution	18,898	34,460
3.08	Income taxes and social contribution	(10,132)	(413)
3.08.01	Current	(1,930)	(7,027)
3.08.02	Deferred charges	(8,202)	6,614
3.09	Net income from continued operations	8,766	34,047
3.11	Consolidated net income/loss for the period	8,766	34,047
3.11.01	Attributed to partners of the parent Company	8,852	33,657
3.11.02	Attributed to non-controlling interests	(86)	390
3.99	Earnings per share (Reais / Share)	-	-
3.99.01	Basic earnings per share	-	-
3.99.01.01	Common	0.00983	0.03821
3.99.01.02	Preferred	0.00983	0.03821
3.99.02	Diluted earnings per share	-	-
3.99.02.01	Common	0.00977	0.03796
3.99.02.02	Preferred	0.00977	0.03796

(A free translation of the original in Portuguese)

Consolidated Financial Statements / Statement of Comprehensive Income

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current quarter 1/1/2016 to 3/31/2016	Accrued value of the prior year 1/1/2015 to 1/31/2015
4.01	Consolidated net income for the period	8,766	34,047
4.02	Other comprehensive income/loss	(71,335)	98,162
4.02.01	Exchange variance on foreign investments	(71,335)	100,078
4.02.02	Actuarial losses over employees benefits	-	(2,906)
4.02.03	Deferred tax income and social contribution over actuarial gains/losses	-	990
4.03	Consolidated comprehensive income for the period	(62,569)	132,209
4.03.01	Attributed to partners of the parent Company	(59,619)	127,414
4.03.02	Attributed to non-controlling interests	(2,950)	4,795

(A free translation of the original in Portuguese)

Consolidated Financial Statements / Statement of Cash Flows - Indirect Method

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current year 1/1/2016 to 1/31/2016	Accrued value of the prior year 1/1/2015 to 1/31/2015
6.01	Cash flows from operating activities	193,321	379,557
6.01.01	Cash flows from operating activities	11,306	111,554
6.01.01.01	Net income for the year	8,766	34,047
6.01.01.02	Depreciation and amortization	11,314	11,412
6.01.01.03	Earnings on disposal of investments, property, plant and equipment and intangible assets	494	534
6.01.01.04	Equity in net income of subsidiaries	(6,106)	(13,216)
6.01.01.05	Allowance for doubtful accounts	309	(1,112)
6.01.01.06	Current and deferred income tax and social contribution	10,133	413
6.01.01.07	Interest and exchange variance appropriated	(13,690)	79,086
6.01.01.08	Non-controlling interests	86	390
6.01.02	Changes in assets and liabilities	182,015	268,003
6.01.02.01	(Increase) decrease in trade accounts receivable	245,954	208,932
6.01.02.02	(Increase) decrease in inventories	(4,765)	(18,493)
6.01.02.03	(Increase) decrease in other accounts receivable	(1,341)	(18,533)
6.01.02.04	(Increase) decrease in assets stated at fai value	95,595	186,634
6.01.02.05	Increase (decrease) in trade payables	(33,486)	(46,973)
6.01.02.06	Increase (decrease) in actuarial benefits	-	2,906
6.01.02.07	Increase (decrease) in other accounts and provisions	(118,012)	(39,443)
6.01.02.08	Tax paid	(1,930)	(7,027)
6.02	Cash flow from investment activities	(34,893)	(38,889)
6.02.02	Dividends from subsidiaries, jointly-controlled entities and associates	1,572	4,497
6.02.03	Purchases of property, plant and equipment	(36,256)	(42,478)
6.02.04	Purchases of intangible assets	(209)	(908)
6.03	Cash flow from financing activities	(349,999)	(63,628)
6.03.02	Loans secured from unrelated parties	133,246	92,244
6.03.03	Payment of loans – principal	(461,830)	(91,288)
6.03.04	Payment of loans – interest	(23,217)	(18,684)
6.03.05	Payment of interest in shareholders' equity and dividends	-	(48,688)
6.03.06	Treasury shares	1,802	2,788
6.04	Foreign exchange gains/(losses) on cash equivalents	(7,491)	13,599
6.05	Increase (decrease) in cash and cash equivalents	(199,062)	290,639
6.05.01	Opening balance of cash and cash equivalents	1,131,162	642,615
6.05.02	Closing balance of cash and cash equivalents	932,100	933,254

Consolidated Financial Statements /Statement of Changes in Equity / 1/1/2016 to 3/31/2016

(Thousands of Reais)

1 – Account Code	2 – Account Description	Paid-up share capital	Capital reserves, options awarded and treasury shares	Profit reserves	Retained earnings / accumulated losses	Other comprehensive income / loss	Shareholders' equity	Non-controlling interests	Consolidated Shareholders equity
5.01	Opening balances	1,200,000	(29,796)	401,999	-	255,882	1,828,085	34,098	1,862,183
5.03	Adjusted opening balances	1,200,000	(29,796)	401,999	-	255,582	1,828,085	34,098	1,862,183
5.04	Capital transactions with partners	-	1,802	-	-	-	1,802	-	1,802
5.04.05	Treasury stock sold	-	1,802	-	-	-	1,802	-	1,802
5.05	Total comprehensive income	-	-	-	8,852	(68,471)	(59,619)	(2,950)	(62,569)
5.05.01	Net income for the period	-	-	-	8,852	-	8,852	(86)	8,766
5.05.02	Other comprehensive income/loss	-	-	-	-	(68,471)	(68,471)	(2,864)	(71,335)
5.05.02.04	Translation adjustments in the period	-	-	-	-	(68,471)	(68,471)	(2,864)	(71,335)
5.07	Closing balances	1,200,000	(27,994)	401,999	8,852	187,411	1,770,268	31,148	1,801,416

Consolidated Financial Statements /Statement of Changes in Equity / 1/1/2015 to 3/31/2015

(Thousands of Reais)

1 – Account Code	2 – Account Description	Paid-up share capital	Capital reserves, options awarded and treasury shares	Profit reserves	Retained earnings / accumulated losses	Other comprehensive income / loss	Shareholders' equity	Non-controlling interests	Consolidated Shareholders equity
5.01	Opening balances	1,200,000	(32,584)	403,469	-	76,696	1,647,581	23,430	1,671,011
5.03	Adjusted opening balances	1,200,000	(32,584)	403,469	-	76,696	1,647,581	23,430	1,671,011
5.04	Capital transactions with partners	-	2,788	(45,117)	(21,651)	-	(63,980)	-	(63,980)
5.04.05	Treasury stock sold	-	2,788	-	-	-	2,788	-	2,788
5.04.07	Interest in shareholders' equity	-	-	(45,117)	(21,651)	-	(66,768)	-	(66,768)
5.05	Total comprehensive income	-	-	-	33,657	93,757	127,414	4,795	132,209
5.05.01	Net income for the period	-	-	-	33,657	-	33,657	390	34,047
5.05.02	Other comprehensive income/loss	-	-	-	-	93,757	93,757	4,405	98,162
5.05.02.04	Translation adjustments in the period	-	-	-	-	-	93,757	4,405	98,162
5.05.02.06	Non-controlling interests from paid-up capital	-	-	-	-	-	-	-	-
5.07	Closing balances	1,200,000	(29,796)	358,352	12,006	170,453	1,711,015	28,225	1,739,240

(A free translation of the original in Portuguese)

Consolidated Financial Statements / Statement of Value Added

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current year 1/1/2016 to 3/31/2016	Accrued value of the prior year 1/1/2015 to 3/31/2015
7.01	Revenue	464,657	736,914
7.01.01	Sales of goods, products and services	463,112	728,678
7.01.02	Other revenue	1,854	7,124
7.01.04	Allowance/(reversal of allowance) for doubtful accounts	309	1,112
7.02	Consumables acquired from third parties	(334,383)	(506,551)
7.02.01	Cost of goods and services sold	(277,650)	(450,849)
7.02.02	Materials, energy, outsourced services and other	(37,106)	(48,252)
7.02.03	Loss/recovery of assets	(19,627)	(7,450)
7.03	Gross value added	130,274	230,363
7.04	Retentions	(11,314)	(11,412)
7.04.01	Depreciation, amortization and depletion	(11,314)	(11,412)
7.05	Net added value produced	118,960	218,951
7.06	Transferred added value	141,568	99,528
7.06.01	Equity in net income of subsidiaries	6,106	13,216
7.06.02	Financial revenue	135,462	86,312
7.07	Total added value to be distributed	260,528	318,479
7.08	Distribution of added value	260,528	318,479
7.08.01	Personnel	128,796	173,370
7.08.01.01	Direct remuneration	104,798	142,927
7.08.01.02	Benefits	18,491	22,152
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	5,507	8,291
7.08.02	Taxes, duties and contributions	10,705	(1,320)
7.08.02.01	Federal	8,679	3,076
7.08.02.02	State	1,490	(4,956)
7.08.02.03	Municipal	536	560
7.08.03	Interest expenses	112,261	112,382
7.08.03.01	Interest	106,774	106,216
7.08.03.02	Rent	5,487	6,166
7.08.04	Interest earnings	8,766	34,047
7.08.04.01	Interest on shareholders’ equity	-	21,651
7.08.04.03	Retained earnings/loss for the period	8,766	12,396

Caxias do Sul, May 2, 2016 - Marcopolo S.A. (BM&FBOVESPA: POMO3; POMO4) hereby announces its earnings figures for the first quarter of 2016 (1Q16). The financial information is presented in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) established by the International Accounting Standards Board (IASB).

HIGHLIGHTS OF THE 1ST QUARTER OF 2016

- **Net Revenue** amounted to R$ 428.3 million.
- **Gross Profit** totaled R$ 56.2 million with a margin of 13.1%.
- ***EBITDA*** totaled R$ 78.4 million with a margin of 8.9%.
- **Adjusted *EBITDA*** totaled R$ 21.6 million with a margin of 5.0%.
- **Net Income** totaled R$ 8.8 million with a margin of 2.1%.
- **Operating cash generation** was R$ 193.3 million.
- **Marcopolos' Total Production** was 1,365 units, of which 1,077 were made in Brazil.

(R$ million and percentage variance, unless stated otherwise).

Selected Information	**1Q16**	**1Q15**	**Change %**
Net operating revenue	428.3	656.8	(34.8)
Revenue in Brazil	192.5	360.0	(46.5)
Revenues from exports and abroad	235.8	296.8	(20.6)
Gross Profit	56.2	112.5	(50.0)
EBITDA(1)	1.5	65.8	(97.7)
Net Income	8.8	34.0	(74.1)
Earnings per Share	0.010	0.038	(73.7)
Return on Invested Capital (ROIC) (2)	4.2%	10.1%	(5.9)pp
Return on shareholders' equity (ROE) (3)	3.5%	14.1%	(10.6)pp
Investment	36.5	43.4	(15.9)
Gross Margin	13.1%	17.1%	(4.0)pp
EBITDA margin	0.4%	10.0%	(9.6)pp
Net Margin	2.1%	5.2%	(3.1)pp
Balance Sheet Data	**3/31/2016**	**12/31/2015**	**Change %**
Shareholders' Equity	1,770.3	1,828.1	(3.2)
Cash and cash equivalents and short-term investments	1,072.9	1,365.2	(21.4)
Current financial liabilities	(891.1)	(966.1)	(7.8)
Noncurrent financial liabilities	(1,216.7)	(1,509.7)	(19.4)
Net financial liabilities - Industrial Segment	(334.9)	(410.6)	(18.4)

Notes: (1)EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization; (2) ROIC (Return on Invested Capital) = EBIT of the last 12 months ÷ (inventories + trade receivables + fixed assets + intangible assets - trade payables); (3) ROE (Return on Equity) = Net Income for the last 12 months ÷ Initial Shareholders' Equity; pp = percentage points

BRAZILIAN BUS INDUSTRY PERFORMANCE

In 1Q16 Brazilian bus production was 2,774 units, a decrease of 45.0% over 1Q15.

a) Domestic Sales. Production for the domestic market was 2,055 units in 1Q16, 53.1% lower than the 4,380 units produced in 1Q15.

b) Overseas Sales. Exports totaled 719 units in 1Q16, 8.1% less than the 665 units exported in 1Q15.

BRAZILIAN BUS PRODUCTION (in units)

PRODUCTS [1]	1Q16			1Q15			Change
	DS	OS [2]	TOTAL	DS	OS [2]	TOTAL	%
Intercity	394	303	**697**	991	384	**1,375**	(49.3)
Urban	1,402	327	**1,729**	2,855	177	**3,032**	(43.0)
Micros	259	89	**348**	534	104	**638**	(45.5)
TOTAL	**2,055**	**719**	**2,774**	**4,380**	**665**	**5,045**	**(45.0)**

Sources: FABUS (National Association of Bus Manufacturers) and SIMEFRE (Interstate Syndicate of the Industrial of Rail and Road Materials and Equipment).
Notes: [1] DS = Domestic Sales; OS = Overseas Sales; [2] Includes units exported in KD (knocked down).

MARCOPOLO'S OPERATING AND FINANCIAL PERFORMANCE

Units Recorded in Net Revenue

1,634 units were recorded in net revenue in 1Q16. Of this volume, 1,342 units were recorded in Brazil representing 82.1% of the total, and 292 units abroad representing the remaining 17.9%.

OPERATIONS (in units)	1Q16	1Q15	Change %
BRAZIL:			
- Domestic Sales	1,040	2,351	(55.8)
- Overseas Sales	353	367	(3.8)
SUBTOTAL	**1,393**	**2,718**	**(48.7)**
Exclusion of exported KDs [1]	51	56	(8.9)
TOTAL IN BRAZIL	**1,342**	**2,662**	**(49.6)**
INTERNATIONAL:			
- South Africa	79	88	(10.2)
- Australia	86	103	(16.5)
- Mexico	127	364	(65.1)
TOTAL INTERNATIONAL	**292**	**555**	**(47.4)**
OVERALL TOTAL	**1,634**	**3,217**	**(49.2)**

NB: [1] KD (Knock Down) = Partially or entire dismantled bodies;

PRODUCTION YIELD

Marcopolo's consolidated production was 1,365 units in 1Q16. In Brazil production reached 1,077 units in 1Q16, 61.9% less than 1Q15, while overseas production was 288 units, 47.2% less than the production of the same period last year.

Marcopolo's consolidated production data and the respective comparison with the previous year are shown in the following table:

MARCOPOLO - CONSOLIDATED WORLDWIDE PRODUCTION

OPERATIONS (in units)	**1Q16**	**1Q15**	**Change %**
BRAZIL: [1]			
- Domestic Sales	794	2,531	(68.6)
- Overseas Sales	295	349	(15.5)
SUBTOTAL	**1,089**	**2,880**	**(62.2)**
Exclusion of exported KDs [2]	12	56	(78.6)
TOTAL IN BRAZIL	**1,077**	**2,824**	**(61.9)**
INTERNATIONAL:			
- South Africa	75	78	(3.8)
- Australia	86	103	(16.5)
- Mexico	127	364	(65.1)
TOTAL INTERNATIONAL	**288**	**545**	**(47.2)**
OVERALL TOTAL	**1,365**	**3,369**	**(59.5)**

Notes: [1] Includes production of the Volare model, as well as production from Marcopolo Rio; [2] KD (Knock Down) = Partially or totally unassembled.

MARCOPOLO - CONSOLIDATED WORLDWIDE PRODUCTION BY MODEL

PRODUCTS/MARKETS [2] (in units)	**1Q16**			**1Q15**		
	DS	**OS** [1]	**TOTAL**	**DS**	**OS** [1]	**TOTAL**
Intercity	199	191	**390**	520	231	**751**
Urban	410	310	**720**	1,112	540	**1,652**
Micros	34	24	**58**	134	31	**165**
SUBTOTAL	**643**	**525**	**1,168**	**1,766**	**802**	**2,568**
Volares [3]	151	46	**197**	765	36	**801**
TOTAL PRODUCTION	**794**	**571**	**1,365**	**2,531**	**838**	**3,369**

Notes: [1] Total production of OM includes units exported in KD (bodies partially or completely knocked down), which totaled 12 units in 1Q16 and 56 units in 1Q15; [2] DS = Domestic Sales; OS = Overseas Sales [3] The production of Volares is not part of the data from SIMEFRE and FABUS, or the sector's production.

MARCOPOLO - PRODUCTION IN BRAZIL

PRODUCTS/MARKETS [2] (in units)	**1Q16**			**1Q15**		
	DS	**OS** [1]	**TOTAL**	**DS**	**OS** [1]	**TOTAL**
Intercity	199	165	**364**	520	227	**747**
Urban	410	62	**472**	1,112	55	**1,167**
Micros	34	22	**56**	134	31	**165**
SUBTOTAL	**643**	**249**	**892**	**1,766**	**313**	**2,079**
Volares [3]	151	46	**197**	765	36	**801**
TOTAL PRODUCTION	**794**	**295**	**1,089**	**2,531**	**349**	**2,880**

NB: See notes under the Consolidated World Production by Model.

BRAZILIAN MARKET SHARE

The Company's market share in Brazil was 32.2% in 1Q16. Marcopolo's general market share was affected by selective vacations implemented at the Ana Rech plant in January and the layoff at the Marcopolo Rio plant in the course of the whole first quarter. Even if one-off changes occur in market share, Marcopolo believes that the Company's general market share will return to previous levels following normalization of production at the Ana Rech plant, especially due to the high volume of production exported, and resumption of production at Marcopolo Rio following the layoff period.

SHARE IN THE BRAZILIAN MARKET (%)

PRODUCTS [1]	1Q16	2015	4Q15	1Q15
Intercity	52.2	55.0	61.7	54.3
Urban	27.3	35.1	34.3	38.5
Micros	16.1	28.3	24.0	25.9
TOTAL [2]	**32.2**	**40.7**	**43.3**	**41.2**

Source: FABUS and SIMEFRE
Notes: [1] Includes 100% of Marcopolo Rio; (2) Volare is not included for the purposes of computing market share.

NET REVENUE

Consolidated net revenue amounted to R$ 428.3 million in 1Q16, with R$ 192.5 million or 44.9% of the total generated by domestic sales and R$ 235.8 million from overseas sales, accounting for the remaining 55.1%.

Despite the contraction in total net revenue, export revenue is set to grow gradually over the year, boosting margins and partly offsetting lower domestic revenue.

The table and graphs below show the breakdown of the net revenue by products and markets:

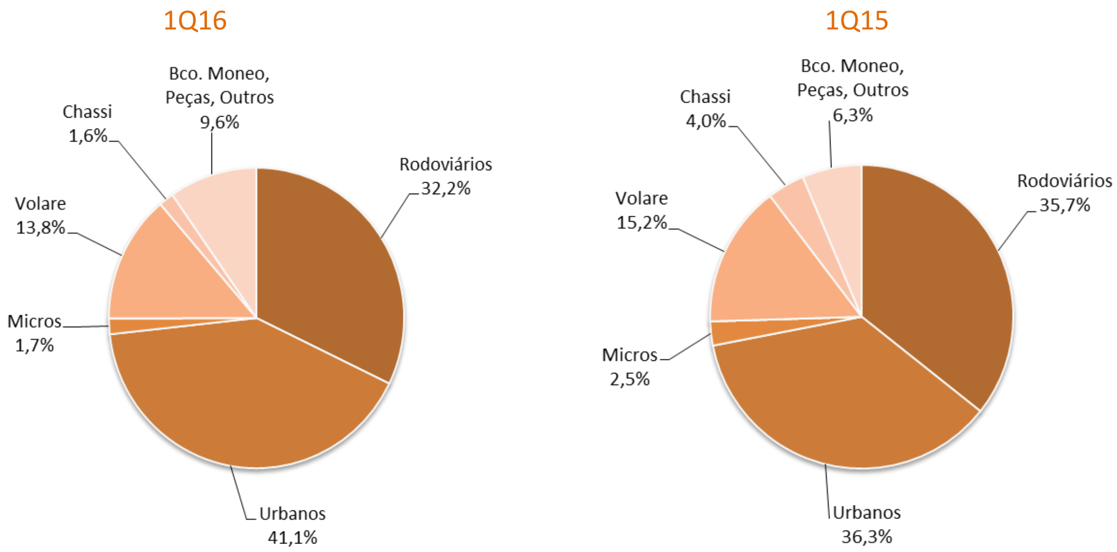
CONSOLIDATED TOTAL NET REVENUE

By Products and Markets (R$ million)

PRODUCTS/MARKETS [1]	1Q16			1Q15		
	DS	OS	TOTAL	DS	OS	TOTAL
Intercity	54.7	83.2	**137.9**	104.5	129.9	**234.4**
Urban	59.0	117.0	**176.0**	126.7	111.5	**238.2**
Micros	3.6	3.6	**7.2**	12.3	4.5	**16.8**
Subtotal bodies	**117.3**	**203.8**	**321.1**	**243.5**	**245.9**	**489.4**
Volares [2]	49.1	9.8	**58.9**	91.7	7.8	**99.5**
Chassis	3.9	3.1	**7.0**	6.5	19.7	**26.2**
Bco. Moneo Bank, Parts & Others	22.2	19.1	**41.3**	18.3	23.4	**41.7**
OVERALL TOTAL	**192.5**	**235.8**	**428.3**	**360.0**	**296.8**	**656.8**

Notes: [1] DS = Domestic Sales; OS = Overseas Sales; [2] Revenues from Volares includes the chassis.

BREAKDOWN OF CONSOLIDATED NET REVENUE (%)



GROSS PROFIT AND MARGINS

The consolidated net income in 1Q16 reached R$ 56.2 million with a margin of 13.1% versus R$ 112.5 million and a margin of 17.1% in 1Q15. This result is due to the lower sales volume, difficulties in passing through increases in domestic prices and the implementation of selective vacations at the Ana Rech plant in January, which diminished industrial efficiency. We point out that the Company also made ongoing efforts to cut costs and enhance operational efficiency. In addition to this, the gradual growth in exports over the year, especially high-added-value products like double-deckers, resumption of production at the Marcopolo Rio plant after the layoff period and one-off pass-throughs of price increases domestically should boost performance in the quarters ahead.

SELLING EXPENSES

Selling expenses totaled R$ 20.3 million in 1Q16 or 4.7% of net revenue, against R$ 34.7 million in 1Q15 or 5.3%. The decrease in absolute value was basically due to the lower volume of commission due to lower sales.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses totaled R$ 34.0 million in 1Q16, or 7.9% of net revenue, while these expenses in 1Q15 totaled R$ 36.3 million, or 5.5% of revenue. The reduction in the absolute value derived from internal restructuring of the Company's administrative departments. The larger percentage ratio was due to lower revenue.

OTHER NET OPERATING INCOME (EXPENSES)

In 1Q16 R$ 17.8 million was recorded as "Other Operating Expenses", including R$ 7.6 million of expenses and provisions for labor claims, R$ 6.7 million for the temporary suspension of employment contracts for professional qualification - layoff at the Marcopolo Rio plant and R$ 3.5 million of other expenses.

EQUITY INCOME

Equity income in 1Q16 was a positive R$ 6.1 million.The main contribution to this account came from New Flyer Industries Inc. The equity income figures can be seen in detail in Note 11 to the financial statements.

NET FINANCIAL INCOME

The net financial result in 1Q16 was income of R$ 28.7 million, versus the loss of R$ 19.9 million in 1Q15. This result is primarily explained by revenue deriving from exchange variance on the Brazilian real against the US dollar, which amounted to R$ 20.1 million, and yields on short-term investments.

EBITDA and Adjusted EBITDA

The EBITDA was R$ 1.5 million in 1Q16, with a margin of 0.4%. This result was due to the same factors cited in gross income and the item “Other Operating Expenses”. The adjusted EBITDA due to exchange variance on exports of R$ 20.1 million, including forward operations intending to hedge the orders portfolio, amounted to R$ 21.6 million in 1Q16 with a margin of 5.0%. The table below shows the accounts that make up the EBITDA:

R$ millions	1Q16	1Q15
Result before IR and CS	18.9	34.5
Financial Revenue	(135.4)	(86.3)
Financial Expenses	106.7	106.2
Depreciation / Amortization	11.3	11.4
EBITDA	**1.5**	**65.8**

NET INCOME

Consolidated net income in 1Q16 totaled R$ 8.8 million with a margin of 2.1%. In addition to the subject mentioned in EBITDA, the net income is explained by higher finance income resulting from exchange variance on liabilities denominated in US dollars.

FINANCIAL INDEBTEDNESS

The net financial debt amounted to R$ 1,034.9 million as of 3/31/2016 (R$ 1,110.6 million as of 12/31/2015). Of this total, R$ 700.0 million came from the financial sector (Banco Moneo) and R$ 334.9 million from the industrial sector.

It is important to point out that the financial sector debt derives from the consolidation of the activities of Banco Moneo and should be analyzed separately since it has different characteristics from that of the Company's industrial activities. Banco Moneo's financial liability is charged to the account "Trade accounts receivable" in the bank's assets. The credit risk is properly provisioned for. Because it is a FINAME onlending transaction, each disbursement by the National Economic and Social Development Bank - BNDES has an exact offset in the customer receivables of Banco Moneo both in terms of maturity and fixed rate. See note 27 to the Financial Statements.

As of March 31 the net financial indebtedness of the industrial segment represented 2.3x EBITDA for the last 12 months.

CASH PROVIDED BY OPERATIONS

In 1Q16, the operating activities generated cash of R$ 193.3 million. Investing activities required R$ 34.9 million and financing activities consumed R$ 350.0 million net

As a result, the opening cash balance of R$ 1,131.2 million at the end of December, less R$ 7.5 million of exchange variance on cash, contracted to R$ 932.1 million at the end of March 2016. Including short-term investments, the cash balance as of March 31 was R$ 1,072.9 million.

INVESTMENTS IN PERMANENT ASSETS

In 1Q16 Marcopolo invested R$ 36.5 million, of which R$ 1.4 million was spent by the parent company and allocated in: R$ 0.4 million in machinery and equipment and R$ 1.0 million in other fixed assets. Investments in the subsidiaries were R$ 34.1 million in Volare Espírito Santo and R$ 1.0 million in the other units.

CAPITAL MARKETS

In 1Q16, there were 293.4 thousand transactions and 189.2 million shares were traded. Trading in Marcopolo shares moved R$ 423.2 million in 1Q16. The share of foreign investors in Marcopolo's capital at 3/31/2016, totaled 59.6% of the preferred shares and 40.2% of the total capital. The following table shows the performance of the main indicators related to the capital market:

INDICATORS	1Q16	1Q15
Number of trades (thousands)	293.4	462.3
Shares traded (millions)	189.2	322.6
Trading volume (R$ million)	423.2	810.2
Market value (R$ millions) [(1)(2)]	2,143.6	2,071.8
Existing shares (million)	896.9	896.9
Book value per share (R$)	1.97	1.90
POMO4 price at end of period	2.39	2.31

Notes: [(1)] Price of the last transaction of the period for a Book Entry Preferred (PE) share multiplied by the total shares (OE+PE) from the same period; [(2)] Of this total, 4,949,901 were preferred shares in the treasury at 3/31/2016.

ANALYSIS AND OUTLOOK

As mentioned in past reports, Marcopolo remains engaged in adopting three taskforces to expedite critical activities, helping the Company overcome a historically very stagnant domestic market.The initiatives include better performance in exports and expansion of the client portfolio, measures to cut expenses and indirect costs and to increase operational efficiency by adopting LEAN concepts, in addition to enhancing working capital by reducing inventory and receivables.

One of the main highlights at the start of 2016 is the Conquest project, which projects growth in Marcopolo's exports from Brazil to both traditional markets and countries in which the Company does not have a major footing. By way of this project Marcopolo has been expanding its client portfolio and shifting a substantial part of its production to the international market. Along with the valuation of the Brazilian real to you, Conquest has bolstered the presence of Marcopolo's products, especially Latin America, Africa and the Middle East. As a consequence, the initial revenue growth target for exports in 2016 should be surpassed.

Further news was the launch of two new intercity coaches for the Mexican market, including MP 180 MX, MP 135 MX, MP 120 MX, MP 105 MX and the urban MX 60 BRS. The new Marcopolo MP coach models complete Generation 7 produced by Polomex, at the Monterrey factory. The urban models will be assembled complete at the Mexican plant and the intercity coaches will continue being exported from Brazil in knocked down or partially knocked down kits.

In the Volare segment, the Volare Cinco model was launched on April 27. The vehicle has an innovative concept and was developed to offer the main features and advantages of a van, such as agility, drivability, maneuverability, low fuel consumption and affordability, and lower levels of NVH (noise vibration harshness), whilst resembling a small coach (number of seats, comfortable seats, robustness, durability, servicing cost, visibility, post-sale assistance, resale price and brand image). Following the development of this complete product, which also includes production of the chassis, Marcopolo is entering a new market niche known as compact buses.

In relation to Marcopolo's operational performance, affected by the current economic situation and political instability of Brazil, we point out the successful release of working capital and consequent generation of operational cash by the Company in the first quarter of the year, primarily due to reducing inventory in the Volare segment and receivables from the Caminho da Escola program.

At the start of this year, the Company approved implementation of flexitime at the plants in Caxias do Sul, in addition to the temporary suspension of employment contracts for professional qualification - layoff - at the Marcopolo Rio plant, in Duque de Caxias/RJ. These measures were adopted to mitigate the impact of the crisis on the workforce and the Company’s operating income.

Despite the difficulties arising from Brazil's economic and political woes, the Company still has faith in the need for investment in urban mobility systems and renewal of the Brazilian bus fleet. It also believes that the slower demand in 2015 and the start of 2016 is due to the withholding of orders that should translate into new business as soon as Brazil's economic and political situation permits.

As per the press release made on March 31, 2016, the Board of Directors announced that Mr. Paulo Cezar da Silva Nunes had been appointed Chairman of the Board of Directors of Marcopolo in place of Mr. Mauro Gilberto Bellini. In line with the company's professionalization process, Mauro will dedicate himself to monitoring the Company's performance via the holding company Davos and the control group, also participating in the Executive Committee and Strategy and Innovation Committee, where he will continue as Chairman of the Board of Directors of Banco Moneo.Mr. Paulo Nunes has been an independent member of the Board of Directors since March 2012, in addition to a member of the Marcopolo Ethics and HR Committee. He boasts more than 40 years' experience in the automobile industry, mainly in organizational intelligence, and has held senior positions at companies such as Massey-Ferguson, Racine Hidráulica, Albarus S.A. and Dana Indústrias Ltda., where he was Officer and vice president for South America.

Management.

1 Reporting Entity

Marcopolo S.A. ("Marcopolo") is a publicly held company, having its registered office in Caxias do Sul, Rio Grande do Sul state. The Company's individual and consolidated quarterly information for the period ended March 31, 2016 embrace Marcopolo and its subsidiaries, joint ventures and investments in associated companies (referred to as "Company").

Marcopolo's core activity is the manufacturing and sale of buses, automobiles, wagons, parts, agricultural and industrial machinery, and imports and exports, and may also acquire equity interests in other companies.

Marcopolo's stock is traded under the symbols “POMO3” and “POMO4” on the São Paulo Stock Exchange – BM&FBOVESPA.

2 Description of significant accounting practices

The main accounting policies used to prepare these quarterly financial statements are as follows. These accounting policies were applied consistently to all the periods presented in this individual and consolidated quarterly information.

2.1 Basis of preparation

(a) Declaration of conformity with IFRS and CPC standards

The Company's individual and consolidated quarterly information has been prepared and is being presented in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil (BR GAAP), consisting of the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (CPC), as approved by the Brazilian Securities Commission (CVM) and the provisions of Brazilian Corporation Law.

Company Management affirms that all material information related to the financial information and that alone is being disclosed, which corresponds to that used by it in its management.

(b) Reporting basis

The individual and consolidated quarterly information has been prepared on the historical cost basis, except for the following material items recognized in the balance sheets:

- derivative financial instruments are measured at fair value;
- the non-derivative financial instruments stated at fair value through profit and loss are measured at fair value;
- available-for-sale financial assets are measured at their fair value;
- the liabilities for share-based payments settled in cash are measured at fair value;
- the benefit's net asset or liability is recognized as the fair value of the plans' assets, less the present value of the defined-benefit obligation.

(c) Use of judgment and estimates

Preparing the individual and consolidated quarterly information requires Management to make judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported values of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about judgments in applying accounting policies and uncertainties in the assumptions and estimates that pose a significant risk of an adjustment in the next financial year have been included in the following notes:

- Note 2.2 (a, ii) – Subsidiaries;
- Note 2.2 (a, iv) – Investments in Joint ventures – Joint operations;
- Note 16 - Provision for civil, labor and tax contingencies;
- Note 17 - Pension plan and retirement benefits for employees;
- Note 18 – Deferred taxes.

(d) Statement of added value

The Company prepared individual and consolidated statements of added value (DVA) in accordance with technical pronouncement CPC 09 – Statement of Added Value, which are presented as an integral part of the quarterly information in BRGAAP applicable to publicly held companies, while consisting of supplementary financial information under IFRS.

2.2 Basis of consolidation

(a) Consolidated financial statements

The following accounting policies are applied in the preparation of the consolidated quarterly information.

(i) Minority interest

The Company elected to measure the minority interest in the investee according to the proportional interest in the net assets identifiable at the acquisition date.

Changes in the Company's ownership interest in a subsidiary that do not result in loss of control are accounted for within equity.

(ii) Subsidiaries

Subsidiaries are all entities (including the specific purpose companies) over which the Company has the power to determine the financial and operating policies, and in which it generally holds over half the voting rights (voting stock). The existence and the effect of possible voting rights currently exercisable or convertible are taken into account when evaluating whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The Company uses the acquisition method to record business combinations. The amount transferred to acquire a subsidiary is the fair value of the transferred assets, liabilities incurred and equity instruments issued by the Company.

The amount transferred includes the fair value of a given asset or liability resulting from a contingent payment contract when applicable. Acquisition costs are expensed in the income statement for the year as and when incurred. The identifiable assets acquired and the liabilities and the contingent liabilities undertaken in a business combination are initially measured at fair value as of the acquisition date. The minority interest to be recognized is measured on the date of each acquisition.

Any excess amount transferred and the fair value at the acquisition date of any previous equity interest in the acquired party in relation to the fair value of the Company's interest in net identifiable assets acquired is recorded as goodwill. In acquisitions where the Company attributes fair value to minority shareholders, the goodwill determined also includes the value of any minority interest in the acquired party, and the goodwill is determined based on the Company and the minority interests. If the amount transferred is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement for the year (Note 2.11).

(iii) Transactions eliminated on consolidation

Intra-company balances and transactions, and any unrealized income and expenses arising from intra-company transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee Unrealized losses are eliminated the same way as unrealized gains, but only to the extent to which there is no evidence of impairment losses.

(iv) Investments in Joint ventures – Joint operations)

Business combinations can be classified as a joint operation or the joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement and consequently accounts for the investment by the equity income method. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement and accounts for the investment by the equity income method.

(v) Loss of control

When control is lost, the Company derecognizes the subsidiary's assets and liabilities, any noncontrolling interest and other components recorded under shareholders' equity related to this subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Company retained any interest in the former subsidiary, this interest is measured at fair value on the date the control was lost. This interest is subsequently recorded by the equity method in associated companies or at cost or fair value in an available-for-sale asset, depending on the level of influence retained.

(vi) Associated companies

Associated companies are all the entities over which the Company exercises significant influence but does not control, in which it generally holds an equity interest of between 20% and 50% of the voting rights.

Investments in associated companies are recorded by the equity income method and recognized initially at cost. The Company's investment in associated companies include the goodwill identified in the acquisition, net of any accumulated impairment loss. See Note 2.11 about impairment of nonfinancial assets, including goodwill.

The Company's interest in the profits or losses of its associated companies post-acquisition is recognized in the income statement and its interest in the changes in post-acquisition reserves is recognized in the reserves. Accrued changes post-acquisition are adjusted against the book value of the investment. When the Company's interest in the losses of an associated company is equal to or greater than its interest in that company, including any other receivables, the Company does not recognize additional losses, unless it has incurred on obligations or makes payments on behalf of the associated company.

Unrealized gains on transactions between the Company and its associated companies are eliminated in proportion to the Company's interest in the associated companies. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of associated companies have been changed where necessary to ensure consistency with the policies adopted by the Company.

If the equity interest in the associated company diminishes but significant influence is maintained, only a proportional part of the amount previously recognized in other comprehensive income shall be reclassified in the income statement, where appropriate.

Gains and losses resulting from dilutions occurring in interests in associated companies are recognized in the income statement.

2.3 Segment reporting

Operating segments are reported consistently with the internal reports provided to the main operating decision takers. The main taker of operating decisions, responsible for allocating funds and evaluating the performance of operating segments, is the Board of Directors, which is also responsible for taking the Company's strategic decisions.

2.4 Functional currency and reporting currency

The consolidated quarterly information is being presented in Reais (R$), which is Marcopolo's functional currency and the Company's reporting currency. All balances have been rounded off to the nearest thousand, except where specified otherwise.

The items included in each of Company entity's quarterly information are measured by using the currency of the main economy in which the company operates ("functional currency").

Each entity's functional currency can be seen below:

Subsidiary	Denomination	Functional currency	Country
Apolo Soluções em Plásticos Ltda.	Apolo	Reais	Brazil
Banco Moneo S.A.	Banco Moneo	Reais	Brazil
Ciferal Indústria de Ônibus Ltda.	Ciferal	Reais	Brazil
Ilmot International Corporation.	Ilmot	US Dollar	Uruguay
Marcopolo Auto Components Co.	MAC	Renminbi	China
Marcopolo Austrália Holdings Pty Ltd.	MP Austrália	Australian Dollar	Australia
Pologren Austrália Pty Ltd.	Pologren	Australian Dollar	Australia
Volgren Austrália Pty Ltd.	Volgren	Australian Dollar	Australia
Marcopolo Canadá Holdings Corp.	MP Canada	Canadian Dollar	Canada
Marcopolo International Corp.	MIC	US Dollar	Virgin Islands
Marcopolo Latinoamérica S.A.	Mapla	Argentine Peso	Argentina
Marcopolo South África Pty Ltd.	Masa	Rand	South Africa
Marcopolo Trading S.A.	Trading	Reais	Brazil
Moneo Investimentos S.A.	Moneo	Reais	Brazil
Syncroparts Comércio e Distribuição de Peças Ltda.	Syncroparts	Reais	Brazil
Polomex S.A. de C.V.	Polomex	US Dollar	Mexico
Volare Veículos Ltda.	Volare Veículos	Reais	Brazil
Volare Comércio e Distribuição de Veículos e Peças Ltda.	Volare Comércio	Reais	Brazil
Volare Del Peru S.A.C.	Volare Peru	Novo Sol	Peru

Joint subsidiaries	Denomination	Functional currency	Country
GB Polo Bus Manufacturing S.A.E.	GB Polo	Egyptian Pound	Egypt
Kamaz Marco LLC.	Kamaz	Ruble	Russia
Loma Hermosa S.A.	Loma	Argentine Peso	Argentina
Metalpar S.A.	Metalpar	Argentine Peso	Argentina
Metalsur Carrocerias S.R.L.	Metalsur	Argentine Peso	Argentina
Marcopolo Argentina S.A.	Marsa	Argentine Peso	Argentina
New Flyer Industries Inc.	New Flyer	Canadian Dollar	Canada
Rotas do Sul Logística Ltda.	Rotas do Sul	Reais	Brazil
San Marino Bus de México S.A. de C.V.	San Marino México	Mexican Peso	Mexico
San Marino Ônibus e Implementos Ltda.	San Marino	Reais	Brazil
Superpolo S.A.	Superpolo	Colombian Peso	Colombia
Tata Marcopolo Motors Limited.	TMML	Rupee	India

Associated companies	Denomination	Functional currency	Country
Mercobus S.A.C.	Mercobus	Novo Sol	Peru
MVC Componentes Plásticos Ltda.	MVC	Reais	Brazil
Setbus Soluções Automotivas Ltda.	Setbus	Reais	Brazil
Spheros Climatização do Brasil S.A.	Spheros	Reais	Brazil
Spheros México S.A. de C.V.	Spheros México	Mexican Peso	Mexico
Spheros Thermosystems Colômbia Ltda.	Spheros Colômbia	Colombian Peso	Colombia
WSul Espumas Indústria e Comércio Ltda.	WSul	Reais	Brazil

2.5 Foreign currency

(a) Foreign-currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Company's entities at exchange rates at the dates of the transactions

Monetary assets and liabilities denominated and determined in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognized in profit or loss.

However, foreign currency differences arising from the retranslation of the following items are recognized in other comprehensive income:

- available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognized in other comprehensive income are reclassified to profit or loss);

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

- qualifying cash flow hedges to the extent the hedge is effective.

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Real at exchange rates at the reporting date. The income and expenses of foreign operations are translated to the Real at exchange rates at the dates of the transactions.

Foreign currency differences arising on translation to the reporting currency are recognized in other comprehensive income and accrued in equity appraisal adjustments in shareholders' equity. However, if the subsidiary is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests.

When a foreign operation (subsidiary, associated company or joint subsidiary) is disposed the cumulative amount in the equity appraisal adjustments is reclassified to profit or loss as part of the gain or lesson disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. In any other partial disposals overseas, the portion corresponding to the sale is reclassified to profit and loss.

2.6 Financial instruments

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Company classifies non-derivative financial liabilities into the following categories: financial liabilities measured at fair value through profit or loss and other financial liabilities.

2.6.1 Non-derivative financial assets and financial liabilities - recognition and derecognition

The Company initially recognizes loans and receivables and debt instruments on the date they were originated. All other financial assets and liabilities are recognized on the trade date, which is the date that the entity becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously

2.6.2 Non-derivative financial assets - measurement

(a) Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. They are measured at fair value and changes therein, which takes into account any dividend income, are recognized in profit or loss for the period.

(b) Held-to-maturity financial assets

Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets were measured at amortized cost using the effective interest method.

(c) Loans and Receivables

Such assets were recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(e) Available-for-sale financial assets

Available-for-sale financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

2.6.3 Non-derivative financial liabilities - measurement

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognized in profit or loss for the period.

Such non-derivative financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

2.6.4 Repurchase and reissue of share capital (treasury shares)

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

2.6.5 Impairment

(a) Non-derivative financial assets (including receivables)

A financial asset not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;

- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy/judicial reorganization;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating a measurable decrease in the estimated future cash flows from a group of financial assets.

(b) Financial assets measured at amortized cost

The Company considers evidence of impairment for financial assets measured at amortized cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. The amounts are written off when the Company believes there are no reasonable prospects of recovering them. When an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(c) Assets classified as "available-for-sale"

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The reclassified loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss recognized previously in profit or loss. If the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. Impairment losses recognized in profit or loss for equity instruments classified as available-for-sale are not reversed.

(d) Investees recorded by the equity income method

Impairment of an investee valued by the equity method is measured by comparing the recoverable value of the investment against its carrying amount. An impairment loss is recognized in net income and reversed if there is a favorable change in the estimates used to determine the recoverable value.

(e) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventory and deferred income and social contribution taxes, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment.

Impairment losses are recognized in profit or loss. Recognized losses on Cash Generating Units (UGC) are initially allocated to reduce any goodwill allocated to this unit (or group of units), and then to the reduction of the book value of other assets of this unit (or group of UGCs), on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. Impairment losses for other assets are only reversed if the book value of the asset does not exceed the book value that would have been determined, net of depreciation or amortization, had the impairment not been recognized.

2.7 *Derivatives measured at fair value through profit or loss*

Derivative instruments procured do not qualify for hedge accounting. The changes in the fair value of any of the derivative instruments are immediately recognized in the income statement under "financial revenue (expenses)".

2.8 Trade accounts receivable

Trade receivables are amounts due from customers for property sold or services performed in the ordinary course of the Company's business. If collection is expected in one year or less (or other term compatible with the normal cycle of the Company's operations), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less a provision for impairment.

2.9 Inventories

Inventories are measured at the lower of cost and net realizable value. Inventory is recorded at average cost and includes expenses incurred on the acquisition of inventory, production and transformation costs and other costs incurred to bring the inventories to their current status and location. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

2.10 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at the historical cost of acquisition or construction, less accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labor;

- Any other costs to bring the asset to its location and condition necessary so it can be operated as intended by Management;

- The disassembly costs, and the restoration of the site where these assets are located; and

- Loan costs on qualifiable assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Reclassification to investment property
When the owner ceases to occupy the property and begins using it for investment purposes, the property is remeasured at fair value and reclassified as investment property. Any gain resulting from this new measurement is recognized in the income statement as and when the gain reverts to a loss due to previous impairment of a specific property, with any remaining gain recognized in other comprehensive income in the equity appraisal adjustments reserve. Any loss is immediately recognized in the income statement.

Subsequent costs
Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

Depreciation
Items of property, plant and equipment are depreciated by the straight-line method in the income statement for the year, based on the estimated useful economic life of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

	Years
Buildings	40-60
Machinery	10-15
Vehicles	5
Furniture, fixtures and equipment	5-12

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted when necessary.

2.11 Intangible assets and goodwill

(a) Goodwill

The goodwill consists of the positive difference between the amount paid or payable and the net amount of the acquired entity's assets and liabilities at fair value. Goodwill resulting from the acquisition of subsidiaries is recorded as intangible assets. If the acquirer determines goodwill, the amount should be recorded as a gain in the net income for the period, on the acquisition date. Goodwill is tested annually to check for probable impairment and recorded at cost value less accumulated impairment losses, which are not reversed. The gains and losses from selling an entity include the book value of the goodwill related to the sold entity.

The goodwill is allocated to the UGCs for impairment testing. This allocation is made to the UGCs or groups of UGCs that should benefit from the business combination generating the goodwill, duly segregated by operational segment.

(b) Registered trademarks and licenses

Registered trademarks and licenses acquired separately are stated at historic cost. Registered trademarks and licenses acquired in a business combination are recognized at fair value on the acquisition date, as they have a defined useful live and are recorded at cost value minus accumulated amortization. Amortization is calculated by the straight-line method to allocate the cost of registered trademarks and licenses over their estimated useful life of 10 to 20 years.

(c) Software

Software licenses acquired are capitalized based on costs incurred to acquire the software and render it ready for use. These costs are amortized during their estimated useful life of up to 5 years.

The costs associated with software maintenance are expensed when incurred. Development costs directly related to the design and tests of identifiable and exclusive software products, controlled by the Company are recognized as intangible assets in the following situations:

. it is technically feasible to complete the software so it is available for use;
. management intends to conclude the software and use it or sell it;

. the software can be sold or used;

. the software will generate probable future economic rewards, which can be demonstrated;

. technical and financial resources and other suitable resources are available to conclude the development and use or sell the software; and

. the expense attributable to the software during development can be measured reliably.

Costs directly attributable, which are capitalized as part of the software product, include costs incurred on employees allocated to software development and a suitable portion of the direct relevant expenses. The costs also include financing costs related to the acquisition of the software.

Other development expenses that do not meet these criteria are expensed, as and when incurred. Development costs previously recognized as expenses are not recognized as an asset in a subsequent period.

Software development costs recognized as assets are amortized during the estimated useful life, not exceeding 5 years.

(d) Research and development

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenses are only capitalized if the development costs can be measured reliably, if the product or process is technically and commercially feasible, if the future economic rewards are probable and if the Company has the intention and resources to conclude the development and use or sell the asset. The expenditure capitalized includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs. Other development expenditure is recognized in profit or loss as incurred.

Subsequent to initial recognition, capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

(e) Other intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(f) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenses, including expenses on goodwill generated internally and trademarks are recognized in the statement as and when they are incurred.

(g) Amortization

Except for goodwill, amortization is recognized in income statement by the straight line method in relation to the estimated useful lives of intangible assets, as from the date they are available for use.

2.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. (or the normal business cycle, even if it is longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method. In practice, they are usually recognized at the amount of the related invoice.

2.13 Loans and financing

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of income during the period the loans and financing are in progress, using the effective interest rate method.

Loans and financing are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.14 Determining the adjustment to present value

The items discounted to present value are:

- Trade accounts receivable consisting of the credit sale to Company clients with low credit risk. The discount rate used by Management to discount these items to present value is 100% of the monthly CDI rate for domestic clients and the market rate for advances on export contracts for offshore clients. The interest rate assigned to a sale transaction is determined upon the initial registration of the transaction and is not subsequently adjusted, and

- Accounts payable to Company suppliers for credit purchases. The Company calculates the present value the same way as it does for accounts receivable.

2.15 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

2.16 Provisions for warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and weighed against all possible results in relation to the associated probabilities.

2.17 Income and social contribution taxes

The income and social contribution taxes for the period, both current and deferred, are calculated based on the rates of 15% plus a surcharge of 10% on taxable income in excess of R$ 60 thousand for income tax and 9% on taxable income for social contribution on net income in the period, and consider the offsetting of tax loss carryforwards and negative basis of social contribution limited to 30% of the taxable income.

Income and social contribution expenses consist of current and deferred income tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(a) Income tax and social contribution expenses - current

Current tax expense is the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is recognized in the statement of financial position as tax assets or liabilities to better estimate the expected value of taxes to be paid or received, reflecting the uncertainties inherent to their calculation, if applicable. It is measured based on the rates that have been decreed by the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria have been met.

(b) Income tax and social contribution expenses - deferred

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The changes in deferred tax assets and liabilities in the period are recognized as a deferred income and social contribution tax expense. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future, and
- taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted at the reporting date.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow the manner in which the Company expects to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria have been met.

2.18 Pension and post-employment benefits

The Company recognizes its obligations related to employee benefit plans and related costs, net of plan assets, in accordance with the following practices:

(i) The cost of pension and other post-employment benefits provided to employees is actuarially determined using the projected unit credit method and management's best estimate of expected investment performance for funded plans, salary increases, retirement age of employees and expected healthcare costs. The discount rate used for determining future benefit obligations is an estimate of the interest rate in effect at the balance sheet date;

(ii) Pension plan assets are stated at market value;

(iii) Past service costs arising from plan adjustments are amortized on a straight-line basis over the remaining service period of active employees at the date of the adjustment;

(iv) Actuarial gains and losses are immediately recognized in comprehensive income for the period;

(v) A plan curtailment results from significant changes in the expected service period of active employees. A net curtailment loss is recognized when the event is probable and can be estimated, while a net curtailment gain is deferred until realized.

In accounting for pension and post-retirement benefits, several statistical and other factors that seek to anticipate future events are used to calculate plan expenses and liabilities.

These factors include discount rate assumptions, expected return on plan assets, future increases in healthcare costs, and future salary increases.

In addition, actuarial consultants also use subjective factors such as withdrawal, turnover, and mortality rates to estimate these factors. The actuarial assumptions used by the Company may differ materially from actual results due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

2.19 Capital

Common shares

Classified as shareholders' equity. Additional costs directly attributable to the issuance of shares and options are recognized as a deduction from the shareholders' equity, net of tax.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company’s option, and any dividends are discretionary. Discretionary dividends thereon are recognized as distributions within equity upon approval by the Company’s shareholders.

Minimum dividends and interest on shareholders’ equity paid to Marcopolo's stockholders are recognized as a liability in the Company's financial statements at the end of the year, pursuant to Marcopolo's bylaws. Any amount in excess of the mandatory minimum is only provisioned for on the date they are approved by the shareholders at the annual general meeting.

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of products and services in the ordinary course of the Company's activities. Operating revenue is recognized when: (i) significant risks and rewards of ownership have been transferred to the customer, (ii) recovery of the consideration is probable, (iii) the associated costs and possible return of goods can be reliably estimated, (iv) there is no ongoing involvement with the goods sold and (v) and the amount of revenue can be measured reliably. Revenue is stated net of returns, trade discounts and volume rebates and after eliminating intercompany sales.

(a) Bus sales

Revenue is not recognized until: (i) the cars have been delivered to the client; (ii) the risks of obsolescence and loss have been transferred to the client; (iii) the client has accepted the cars pursuant to the sale contract; and (iv) the acceptance terms have been agreed, or the Company has objective evidence that all acceptance criteria have been met.

Sales are recorded based on the price specified in the sale contract, and are discounted to present value.

2.21 Finance income and finance costs

The Company's finance income and finance costs comprise;

- interest revenue and expenses;
- net gain/loss on the sale of available-for-sale financial assets;
- net gains/losses on financial assets measured at fair value through profit or loss;
- net foreign currency gains and losses on financial assets and financial liabilities;
- fair value losses charged as contingent payment classified as a financial liability;
- financial asset impairment (other than accounts receivable);
- Gains/losses on hedge instruments recognized in profit or loss and;
- reclassifications of net gains previously recognized in other comprehensive income.

Interest income and expenses are recognized as they accrue in profit or loss, using the effective interest method.

The Company classifies interest on shareholders' equity received as cash flows from investment activities.

2.22. Standards, amendments and interpretations of standards

(a) Standards, amendments and interpretations of existing standards that are not yet effective:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing this quarterly information. The Company is not planning to implement these standards in advance.

IFRS 9 – Financial Instruments

Published in July 2014, IFRS 9 replaced the guidelines in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes a logical model for classification and measurement of financial instruments, a single, forward-looking ‘expected loss’ impairment model and a substantially-reformed approach to hedge accounting. The standard carries over from IAS 39 the requirements for recognition and derecognition of financial assets and financial liabilities. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. The Company is evaluating the effects that IFRS 9 will have on its financial statements and disclosures.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 requires an entity to recognize revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard will replace most of the detailed guidelines about revenue recognition currently set out in IFRS and U.S. GAAP when the new standard, is adopted. The new standard is applicable on or after January 01, 2018. The new standard may be adopted retrospectively, using a cumulative approach. The Company is evaluating the effects that IFRS 15 will have on its financial statements and disclosures.

The new standards or modifications are not expected to have a material impact on the Company's consolidated financial statements.

- Accounting for Acquisitions of Interests in Joint Operations (amendment of IFRS 11)
- Acceptable Methods of Depreciation and Amortization (amendments of CPC 27 / IAS 16 and CPC 04 / IAS 38)
- Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (amendments of CPC 36 / IFRS 10 and CPC 18 / IAS 28)
- Disclosure Initiative (Amendment of CPC 26 / IAS 1).

The Accounting Pronouncements Committee has not yet issued an accounting pronouncement or amended existing pronouncements related to all these new IFRS standards. Early adoption of these IFRS is not therefore permitted for entities that disclose their financial statements in accordance with the accounting practices adopted in Brazil.

3 Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Based on assumptions, the company makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below.

(a) Estimated impairment of goodwill

The Company is testing goodwill for impairment annually, in accordance with the accounting policy presented in Note 2.11. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 13).

(b) Income and social contribution taxes and other taxes

The Company is subject to income tax in all the countries it operates in. Significant judgment is required to determine the provision for income tax in these various countries.

4 Financial Risk Management

4.1 Risk factors

(a) Market risk

(i) Exchange rate risk
The Company's results are susceptible to currency effects as its assets and liabilities are subject to the volatility of foreign exchange rates, mainly the U.S. dollar.

As an exchange rate hedge strategy, Management uses natural hedges and maintains related assets also susceptible to exchange variance.

As of March 31, 2016 and December 31, 2015 the Company had assets, liabilities and forwards denominated in foreign currency in the following amounts (thousands of reais):

				Consolidated
				3/31/2016
	Trade accounts receivable	**Trade payables**	**Loans**	**Forwards**
Currency				
US Dollars	193,820	18,545	437,415	56,040
Australian dollars	24,376	29,050	93,485	24,345
Novo Sol	108	-	-	475
South African rand	20,332	6,238	1,019	11,110
Chinese Renminbi	15,842	4,700	21,004	-
	254,478	58,533	552,923	91,970

				Consolidated
				12/31/2015
	Trade accounts receivable	**Trade payables**	**Loans**	**Forwards**
Currency				
US Dollars	333,291	5,903	461,857	78,943
Australian dollars	34,684	28,506	79,920	32,039
Argentinean pesos	-	-	-	4,410
South African rand	11,163	13,758	624	13,151
Chinese Renminbi	25,390	7,329	22,911	-
	404,528	55,496	565,312	128,543

(ii) Interest rate risk

The results of the Company are susceptible to losses arising from fluctuations in interest rates that lead to an increase in financial expenses related to loans and financing obtained in the market, or a decrease in financial income related to financial investments. The Company continuously monitors the market interest rates in order to assess any requirement to use derivatives to protect itself against the risk of variation to these rates.

(iii)Sales and purchases price risk

Considering that exports are equivalent to 46.0% of the projected revenues for 2016, a possible volatility of foreign exchange rates represents, in fact, a price risk that may alter the results planned by management.

On the other hand, the purchases of raw materials considered as commodities represent approximately 38% of total purchases, and accordingly, the Company is subject to the effects of market price oscillations of these items.

The Company constantly monitors the price trends to mitigate these risks.

(b) Credit risk

The credit risk is administrated on a corporate basis. Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits at banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and repurchase transactions. If no independent classification exists, the credit ratings department evaluates the quality of the customer's credit, taking into account its financial position, past experience and other factors. The individual risk limits are determined based on internal or external classifications according to the limits established by the Board of Directors. The use of credit limits is monitored regularly.

The Company also has an allowance for doubtful accounts of R$ 32,076 (parent company) and R$ 76,904 (consolidated) as of March 31, 2016 (December 31, 2015 - R$ 32,572 and R$ 77,588) representing 8.0% and 5.5% respectively, of the outstanding accounts receivable balance of the parent company and consolidated (December 31, 2015 - 5.6% and 4.7%) which was recorded to cover credit risk

(c) Liquidity risk

This is a risk of the Company having insufficient liquid funds to meet its financial commitments, as a result of a time or volume mismatch between scheduled receipts and payments.

Future receipt and payment premises are established to administrate cash liquidity in local and foreign currency, which are directly monitored by the Treasury Department.

					Consolidated
					3/31/2016
					Contractual cash flow
	Carrying amount	Total	Between one and two years	Between two and five years	Over five years
Non-derivative financial liabilities					
Loans and financing	2,104,464	2,388,770	710,036	1,507,634	171,100
Trade payables	211,652	211,652	211,652	-	-
Derivative financial liabilities					
Derivative financial instruments	3,328	3,328	3,328	-	-

					Consolidated
					12/31/2015
					Contractual cash flow
	Carrying amount	Total	Between one and two years	Between two and five years	Over five years
Non-derivative financial liabilities					
Loans and financing	2,474,846	2,788,174	1,014,846	1,594,096	179,232
Trade payables	249,138	249,138	249,138	-	-
Derivative financial liabilities					
Derivative financial instruments	921	921	921	-	-

(d) Additional sensitivity analysis required by CVM

The table below denotes the sensitivity analysis of the financial instruments, which explains the risks that could generate material changes for the Company, with the most probable scenario as evaluated by management, for a period of 12 months during which the next financial statements shall be released. Two more scenarios are presented, which, if they occur, may generate adverse results for the Company: scenario II, which considers a possible deterioration of 25%; and scenario III, an extreme deterioration of 50%, in accordance with CVM Instruction 475/08.

Assumptions	Effects on results	Probable scenario (Scenario I)	(Scenario II)	(Scenario III)
CDI - %		13.25	16.56	19.88
TJLP - %		7.50	9.38	11.25
Exchange rate - USD		3.90	4.88	5.85
Exchange rate - Euro		4.00	5.00	6.00
LIBOR - %		0.80	1.00	1.20
Cost of advances on foreign exchange contracts (ACC)				
discount - %		2.25	2.81	3.37
	Call deposits	106,350	132,537	158,686
	Interbank transactions	73,029	80,044	87,059
	Loans and financing	(156,234)	(278,210)	(403,540)
	Forwards	(3,464)	(1,421)	9,709
	Receivables less payables	18,816	72,507	126,198
		38,497	5,457	(21,888)

4.2 Capital Risk Management

The Company's objectives when managing capital are to safeguard its operational continuity, in order to provide returns to stockholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to preserve the sustainability and perpetuation of its business, in addition to social and environmental concerns, the Company places emphasis on the economic and financial results, which lead to the aggregation of value to the business and return to stockholders. As from 2001, the methodology known as Value-added Management was adopted to monitor the Company's performance. This methodology focuses on operational actions which result in superior financial performance. The staff received training under this program to develop and use measurement and control tools to accomplish targets, thus enabling the simulation and analysis of the efficient management of working capital and the effects of new investments on the Company's profitability. At the same time, Marcopolo adopted the concepts of Balanced Score Card (BSC) that translates each unit's strategy into objectives, drivers, targets and action plans, which are frequently monitored and managed. The tools related to objectives include: WACC (Weighted Average Capital Cost), Net Debt/EBITDA and (Debt/Equity) Ratio. These key indicators were as follows in the past few years:

WACC - between 8% and 12% p.a.
Net Debt/EBITDA - between 1.50x and 2.50x
Debt/Equity ratio - between 25% and 80%

The financial leverage indexes as of March 31, 2016 and December 31, 2015 have been summarized below (Note 28):

	Consolidated		Industrial Segment		Financial Segment	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015	3/31/2016	12/31/2015
Total loans	2,104,464	2,474,846	1,386,468	1,755,647	717,996	719,199
Derivative financial instruments	3,328	921	3,328	921	-	-
Minus: cash and cash equivalents	(932,100)	(1,131,162)	(914,055)	(1,111,998)	(18,045)	(19,164)
Less: short-term investments	(134,892)	(232,211)	(134,892)	(232,211)	-	-
Less: derivative financial instruments	(5,935)	(1,803)	(5,935)	(1,803)	-	-
Net debt (A)	1,034,865	1,110,591	334,914	410,556	699,951	700,035
Total shareholders' equity (B)	1,770,268	1,828,085	1,539,011	1,602,208	231,257	225,877
Financial leverage index - % (A/B)	58	61	22	26	303	310

4.3 Fair value estimation

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair value. The fair value of financial liabilities for reporting purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The Company adopted CPC 40/IFRS 7 for financial instruments that are measured in the balance sheet at fair value; this requires disclosure of fair value measurements by level of the following fair value hierarchy:

- Prices quoted (unadjusted) on active markets for identical assets and liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2), and
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at March 31, 2016 and December 31, 2015 which were fully classified in level 2:

	Consolidated	
	3/31/2016	12/31/2015
Assets		
Financial assets at fair value through profit or loss		
- Fixed income investment fund	156	152
- Trading derivatives	5,935	1,803
Available-for-sale assets		
- Bank deposit certificates	94,639	184,714
	100,730	186,669
Liabilities		
Financial liabilities at fair value through profit or loss		
- Trading derivatives	3,328	921
	3,328	921

4.4 Other risk factors

At the initiative of the Board of Directors, the Company may conduct internal assessments whenever external or internal factors indicate the possibility of distortions in the financial statements, financial losses or damage to its repute have occurred. These procedures are carried out independently with or without the support of external experts, and the findings are reported to the Board of Directors.

5 Financial instruments by category

(a) Financial assets stated at fair value through profit or loss

(i) Short-term investments are classified as held for trading. The market value is recognized in the statements of financial position and

(ii) Derivatives - The derivative instruments contracted by the Company aim at protecting its transactions against the risks of foreign exchange and interest rate fluctuations, and are not used for speculative purposes

(b) Loans and receivables

(i) Cash and cash equivalents - The market values of current account balances in banks are similar to the recorded balances, considering their characteristics and maturities.

(ii) Trade accounts receivable - Accounts receivable on the sale of goods and services, and

(iii) Related-party transactions - Loans.

(c) Available-for-sale

Short-term investments - Funds held in Bank Deposit Certificates.

(d) Financial liabilities stated at fair value through profit or loss

Derivatives - The derivative instruments contracted by the Company aim at protecting its transactions against the risks of foreign exchange and interest rate fluctuations, and are not used for speculative purposes

(e) Other financial liabilities

(i) Loans and financing - The loans and financing are registered according to interest incurred. The difference between the book value and the market value, calculated in accordance with the discounted cash flow method, may be summarized as follows:

	Consolidated		Consolidated	
	3/31/2016		12/31/2015	
Nature of assets	**Book value**	**Market value**	**Book value**	**Market value**
Loans and financing	2,104,464	2,075,787	2,474,846	2,441,926

(ii) Trade payables - Payables on the acquisition of goods and services.

(f) Derivative financial instruments

The table below presents an estimate of the market value of the positions of Non-deliverable Forward (NDF) and Forward contracts. Unrealized gains and losses on derivatives are recorded in "derivative financial instruments" in assets or liabilities, with a corresponding entry to the results in the item Finance income (or costs) from exchange variance respectively.

Assets

					Notional value	Fair value		Values receivable	
Company	**Counterparty**	**Position**	**Initial**	**Final**	**3/31/2016**	**3/31/2016**	**12/31/15**	**3/31/2016**	**12/31/15**
Marcopolo					USD k				
	BRADESCO	Sale	2/22/2016	5/19/2016	6,500	2,582	288	2,582	288
	SANTANDER	Sale	2/25/2016	5/24/2016	1,500	589	41	589	41
	SAFRA	Sale	2/29/2016	5/25/2016	2,500	1,047	-	1,047	-
	HSBC	Sale	2/23/2016	5/19/2016	4,000	1,649	-	1,649	
						5,867	**329**	**5,867**	**329**
Masa					USD k				
	STD	Purchase	11/23/2015	4/15/2016	1,307	68	1,380	68	1,380
						68	**1,380**	**68**	**1,380**

MP Austrália					USD k				
	WESTERN UNION					-	4	-	4
						-	**4**	**-**	**4**
Volare Veículos					USD k				
	BBA					-	90	-	90
						-	**90**	**-**	**90**
						5,935	**1,803**	**5,935**	**1,803**

Liabilities

					Notional value	Fair value		Amounts payable	
Company	**Counterparty**	**Position**	**Initial**	**Final**	**2015**	**3/31/16**	**12/31/15**	**3/31/16**	**12/31/15**
Marcopolo					USD k				
	BBA	Purchase	1/27/2016	4/12/2016	1,249	(697)	(73)	(697)	(73)
	BRADESCO					-	(63)	-	(63)
	SANTANDER					-	(38)	-	(38)
						(697)	**(174)**	**(697)**	**(174)**
Masa					USD k				
	STD	Purchase	1/28/2016	5/16/2016	1,815	(456)	-	(456)	-
						(456)	**-**	**(456)**	**-**
MP Austrália					USD k				
	WESTERN UNION	Purchase	8/8/2015	12/6/2016	3,775	(967)	(405)	(967)	(405)
					SGD k				
	CITIBANK	Purchase	10/9/2015	10/6/2016	660	(53)	(50)	(53)	(50)
					CNY k				
	CITIBANK	Purchase	10/9/2015	9/6/2016	10,293	(352)	(14)	(352)	(14)
					CHF k				
	WESTERN UNION	Purchase	8/8/2015	6/9/2016	220	(67)	(81)	(67)	(81)
	CITIBANK	Purchase	10/9/2015	10/6/2016	720	(237)	(197)	(237)	(197)
						(1,676)	**(747)**	**(1,676)**	**(747)**
Volare Veículos					EUR thousand				
	BBA	Purchase	1/29/2016	5/2/2016	1,689	(499)	-	(499)	-
						(499)	**-**	**(499)**	**-**
						(3,328)	**(921)**	**(3,328)**	**(921)**

The Company had the following gains and losses from derivatives in the periods ended March 31, 2016 and 2015:

	Realized gains/losses			
	Interest on derivatives		Exchange variance on derivatives	
	3/31/2016	3/31/2015	3/31/2016	3/31/2015
Marcopolo	(1,056)	414	2,183	(1,725)
Masa	-	-	(210)	178
MP Austrália	-	-	-	7
Volare Veículos	(205)	-	(183)	-

6 Consolidated financial information

The consolidated financial information includes the financial statements of Marcopolo S.A. and its subsidiaries, as listed below:

(a) Subsidiaries

	Percentage interest					
	3/31/2016			12/31/2015		
Subsidiary	**Direct**	**Indirect**	**Minority interest**	**Direct**	**Indirect**	**Minority interest**
Apolo	65.00	-	35.00	65.00	-	35.00
Banco Moneo	-	100.00	-	-	100.00	-
Ciferal	99.99	0.01	-	99.99	0.01	-
Ilmot	100.00	-	-	100.00	-	-
MAC	100.00	-	-	100.00	-	-
MIC	100.00	-	-	100.00	-	-
Mapla	99.99	0.01	-	99.99	0.01	-
Masa	100.00	-	-	100.00	-	-
Trading	99.99	-	0.01	99.99	-	0.01
Moneo	100.00	-	-	100.00	-	-
MP Austrália	100.00	-	-	100.00	-	-
MP Canada	100.00	-	-	100.00	-	-
Pologren (1)	-	75.00	25.00	-	75.00	25.00
Volgren (1)	-	75.00	25.00	-	75.00	25.00
Polomex	3.61	70.39	26.00	3.61	70.39	26.00
Syncroparts	99.99	0.01	-	99.99	0.01	-
Volare Veículos	99.90	0.10	-	99.90	0.10	-
Volare Comércio	99.90	0.10	-	99.90	0.10	-
Volare Peru	99.90	0.10	-	-	-	-

(1) Consolidated in MP Australia;

The following main practices are adopted in the preparation of the consolidated financial information:

(a) Elimination of inter-company asset and liability account balances

(b) Elimination of investment in the capital, reserves and retained earnings of the subsidiaries,

(c) Elimination of intercompany income and expenses and unearned income arising from intercompany transactions. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment;

(d) Elimination of tax charges on unearned income and presented as deferred tax in the consolidated balance sheet, and

(e) Identification of minority interests in the consolidated financial information.

(b) Joint arrangement (not consolidated)

	Percentage interest			
	3/31/2016		12/31/2015	
Associated companies	**Direct**	**Indirect**	**Direct**	**Indirect**
GB Polo	49.00	-	49.00	-
Kamaz	50.00	-	50.00	-
Loma	50.00	-	50.00	-
Metalpar (1)	-	50.00	-	50.00
Metalsur (1)	-	51.00	-	51.00
Marsa (1)	-	50.00	-	50.00
New Flyer	-	19.97	-	19.99
San Marino	45.00	-	45.00	-
Rotas do Sul (2)	-	45.00	-	45.00
San Marino México (2)	-	45.00	-	45.00
Superpolo	20.61	29.39	20.61	29.39
TMML	49.00	-	49.00	-

(1) Consolidated in joint arrangement (not consolidated) Loma;
(2) Consolidated in joint arrangement (not consolidated) San Marino;

The main balances of the financial information of the direct joint ventures can be summarized as follows:

	Assets		Liabilities		Net revenue		Profit (loss)	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015	3/31/2016	3/31/2015	3/31/2016	3/31/2015
GBPolo	120,930	145,690	121,655	139,135	5,749	51,299	(6,792)	730
Kamaz	5,697	6,782	10,944	12,416	903	1,949	384	(356)
Loma	225,968	214,873	158,765	135,175	84,102	53,778	3,072	833
San Marino	425,521	416,864	377,185	356,333	91,954	82,407	(12,516)	(2,213)
Superpolo	175,625	172,207	98,529	91,430	38,554	69,671	(514)	5,234
TMML	187,463	208,492	141,903	162,739	56,678	99,033	4,022	4,418

(c) Associates (not consolidated)

Associated companies	Percentage interest 3/31/2016 Direct	3/31/2016 Indirect	12/31/2015 Direct	12/31/2015 Indirect
Mercobus	40.00	-	40.00	-
MVC	26.00	-	26.00	-
Setbus	25.10	21.96	25.10	21.96
Spheros	40.00	-	40.00	-
Spheros Colômbia (1)	-	40.00	-	40.00
Spheros México (1)	-	40.00	-	40.00
WSul	30.00	-	30.00	-

(1) Consolidated in associate (not consolidated) Spheros

The main balances of the financial information of the direct joint ventures can be summarized as follows:

	Assets		Liabilities		Net revenue		Profit (loss)	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015	3/31/2016	3/31/2015	3/31/2016	3/31/2015
Mercobus	6,820	7,189	587	1,266	1,707	1,852	753	580
MVC	-	585,053	-	584,615	-	133,922	-	7,527
Setbus	11,078	11,801	23,897	22,996	3,007	4,359	(940)	(929)
Spheros	74,801	61,700	36,448	26,452	36,344	35,009	3,480	6,130
WSul	7,395	7,685	1,586	1,422	3,049	5,163	(453)	364

7 Cash and cash equivalents, financial assets and derivatives

7.1 Cash and cash equivalents

	Parent Company		Consolidated	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015
Cash and banks				
Brazil	115,055	43,588	145,363	44,682
Foreign	570	260	65,065	128,388
Highly liquid marketable securities				
In Brazil (*)	606,653	879,395	721,672	958,092
Total cash and cash equivalents	722,278	923,243	932,100	1,131,162

(*) Substantially correspond to Bank Deposit Certificates - CDB remunerated at between 99.0% and 102.0% of the Interbank Deposit Certificate (CDI) rate, resulting in a weighted average of 100.1% of CDI as of March 31, 2016.

7.2 Financial assets at fair value through profit or loss, available-for-sale assets and derivative financial instruments

	Parent Company		Consolidated	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
Current				
Held for trading				
Fixed-income investment funds	156	152	156	152
Non-deliverable Forwards	5,867	329	5,935	1,803
Available for sale				
Bank deposit certificates (*)	94,639	184,714	94,639	184,714
	100,662	185,195	100,730	186,669
Non-current				
Available for sale				
Related-party transactions	72,728	114,878	40,097	47,345
	72,728	114,878	40,097	47,345

(*) Substantially correspond to Bank Deposit Certificates - CDB remunerated at between 100.0% and 101.0% of the Interbank Deposit Certificate (CDI) rate, resulting in a weighted average of 100.1% of CDI as of March 31, 2016.

Derivative financial instruments are classified in current assets or liabilities. The Company has no financial instruments recognized under the hedge accounting method, pursuant to IAS 39.

8 Trade accounts receivable

	Parent Company		Consolidated	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
Current				
Domestic customers	174,438	252,236	240,373	331,026
Foreign customers	180,711	290,792	264,999	416,056
Related-party transactions	49,105	44,347	-	-
Interbank transactions	-	-	348,692	357,634
Adjustment to present value	(2,296)	(3,571)	(2,466)	(4,178)
Allowance for doubtful accounts	(32,076)	(32,572)	(66,421)	(67,938)
	369,882	551,232	785,177	1,032,600

Non-current

	Parent Company		Consolidated	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015
Interbank transactions	-	-	546,148	547,865
Allowance for doubtful accounts	-	-	(10,483)	(9,650)
	-	-	535,665	538,215
	369,882	551,232	1,320,842	1,570,815

Interbank accounts refer to the financing for the acquisition of buses granted by Banco Moneo through the Government Agency for Machinery and Equipment Financing (FINAME) program.

See below the aging list of trade accounts receivable:

	Parent Company		Consolidated	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015
Amounts outstanding	233,003	351,874	1,164,537	1,308,040
Overdue:				
Up to 30 days	20,001	43,589	31,786	79,474
31 to 60 days	7,406	19,664	19,147	27,973
61 to 90 days	9,069	5,382	13,054	10,402
91 to 180 days	10,073	7,838	14,861	35,323
More than 181 days	124,702	159,028	156,827	191,369
Adjustment to present value	(2,296)	(3,571)	(2,466)	(4,178)
(-) Allowance for doubtful accounts	(32,076)	(32,572)	(76,904)	(77,588)
	369,882	551,232	1,320,842	1,570,815

The changes in the allowance for doubtful accounts are as follows:

	Parent Company	Consolidated
Balance at January 1, 201	(28,428)	(77,681)
Allowance made in the period	(3,338)	(8,314)
Reversal of provision for receivables (write-off)	1,651	14,536
Exchange variance	(2,457)	(6,129)
Balance at December 31, 2015	(32,572)	(77,588)
Allowance made in the period	(369)	(2,408)
Reversal of provision for receivables (write-off)	865	2,085
Exchange variance	-	1,007
Balance at March 31, 2016	(32,076)	(76,904)

Accounts receivable are denominated in the following currencies:

	Parent Company		Consolidated	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015
Reais	189,171	260,440	1,066,364	1,166,287
US Dollar	180,711	290,792	193,820	333,291
Australian Dollar	-	-	24,376	34,684
Rand	-	-	20,332	11,163
Renminbi	-	-	15,842	25,390
Novo Sol	-	-	108	-
	369,882	551,232	1,320,842	1,570,815

9 Inventories

	Parent Company		Consolidated	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015
Finished goods	62,289	77,974	104,623	124,782
Goods in process	39,579	31,548	84,179	68,368
Raw materials and auxiliary materials	130,915	115,230	231,400	225,370
Advances to suppliers and other	946	2,637	17,948	26,582
Provision for inventory losses	(857)	(857)	(4,956)	(7,328)
	232,872	226,532	433,194	437,774

The changes in provision for losses on inventories are as follows:

	Parent Company	Consolidated
Balance at January 1, 2015	(2,200)	(7,036)
Reversal of provision	1,973	4,833
Allowance made in the period	(630)	(3,773)
Exchange variance	-	(1,352)
Balance at December 31, 2015	(857)	(7,328)
Reversal of provision	-	2,304
Allowance made in the period	-	(194)
Exchange variance	-	262
Balance at March 31, 2016	(857)	(4,956)

10 Taxes and contributions recoverable

	Parent Company		Consolidated	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
Current				
Corporate Income Tax (IRPJ)	25,115	19,091	33,287	26,841
Social Contribution on Net Income (CSLL)	1,592	6,029	4,374	8,712
Excise Tax (IPI)	11,530	11,551	11,669	11,674
Value Added Tax on Sales and Services - ICMS	4,654	6,393	11,830	12,752
Social Integration Program (PIS)	567	1,894	2,935	3,898
Contribution for Social Security Financing (COFINS)	2,191	6,934	15,510	18,089
National Social Security Institute (INSS)	12,764	14,112	13,353	14,701
Reintegra	6,822	7,292	7,172	7,642
Value added tax (IVA)	-	-	9,444	14,003
Other	38	45	246	74
	65,273	73,341	109,820	118,386
Non-current				
Value-Added Tax on Goods and Services (ICMS)	441	629	622	842
Value added tax (IVA)	-	-	53	65
	441	629	675	907
	65,714	73,970	110,495	119,293

11 Investments

	Parent Company		Consolidated	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
Subsidiary	1,219,734	1,197,584	-	-
Joint subsidiaries	156,373	172,395	450,486	500,340
Associated companies	16,530	15,650	16,530	15,650
Other investments	-	-	139	139
	1,392,637	1,385,629	467,155	516,129

(a) Investments in subsidiaries, joint ventures and associated companies

Investments in subsidiaries, joint ventures and associated companies are presented below:
Subsidiary:

	Apolo	Ciferal	llmot	Mac	Mapla	MP Austrália	Masa	MIC	Moneo	MP Canada	Polomex	Syncro	Trading	Volare Vehicles	Volare Trade	Volare Peru	Subsidiary Total 3/31/2016	Subsidiary Total 12/31/15
			(1)	(1)	(1)	(1)	(1)	(1)		(1)	(1)					(1)		
Investment data																		
Capital	3,750	20,000	54,798	11,359	488	61,439	7,518	4,982	100,000	271,490	31,362	4,000	3,000	150,000	9,864	744		
Adjusted shareholders' equity	3,691	190,650	103,200	58	57	55,458	51,247	1,697	232,115	425,176	114,820	4,814	6,341	137,308	4,326	896		
Shares or quotas held	3,250	499,953	50,000	1	4,000	100	100,000	1,400,000	100,000	4,925,530	3,011,659	1	3,450,103	149,850	9,854	999		
% interest	65.00	99.99	100.00	100.00	99.99	100.00	100.00	100.00	100.00	100.00	3.61	99.99	99.99	99.90	99.90	99.90		
Net income (loss) for the period	(168)	(4,020)	(243)	(459)	(17)	(1,099)	1,529	(7)	5,272	10,408	(111)	92	141	(4,700)	18	152		
Changes in the investments																		
Opening balances:																		
At equity value	2,508	194,660	112,096	439	90	59,055	51,607	1,869	226,843	458,643	4,547	4,722	6,199	71,866	2,440	-	1,197,584	1,016,397
Capital subscription	-	-	-	-	-	-	-	-	-	-	-	-	-	70,000	1,864	807	72,671	39,960
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(22,675)
Equity in income of associates	(109)	(4,020)	(243)	(459)	(17)	(1,099)	1,529	(7)	5,272	10,408	(4)	92	141	(4,695)	18	152	6,959	25,288
Accumulated translation adjustments	-	-	(8,653)	78	(16)	(2,498)	(1,889)	(165)	-	(43,875)	(398)	-	-	-	-	(64)	(57,480)	172,882
Exchange variance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,419
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(46,687)
Closing balances:																		
At equity value	2,399	190,640	103,200	58	57	55,458	51,247	1,697	232,115	425,176	4,145	4,814	6,340	137,171	4,322	895	1,219,734	1,197,584

(1) Overseas ventures.

Joint ventures:

	GBPolo	Kamaz	Loma	Metalpar	San Marino	Superpolo	TMML	New Flyer	Joint ventures Total 3/31/2016	Joint ventures Total 12/31/2015
	(1)	(1)	(1),(2)	(1)	(2)	(1)	(1)	(1)		
Investment data										
Capital	39,286	2,856	23,992	120	73,689	15,278	91,308	2,105,652		
Adjusted shareholders' equity	(727)	(5,246)	67,208	32,700	48,336	77,108	45,561	1,721,719		
Shares or quotas held	4,803,922	1	15,949,948	473,995	7,478,482	265,763	24,500	11,087,834		
% interest	49.00	50.00	50.00	1.00	45.00	20.61	49.00	19.97		
Net income (loss) for the period	(6,792)	384	3,072	1,000	(12,516)	(514)	4,022	52,097		
Changes in the investments										
Opening balances:										
At equity value	3,212	(2,817)	70,301	392	62,240	16,648	22,419	-	172,395	153,908
Dividends received	-	-	-	-	-	-	-	-	-	(1,488)
Equity in income of associates	(3,328)	192	1,536	10	(5,632)	(106)	1,971	-	(5,357)	13,741
Accumulated translation adjustments	(240)	2	(7,781)	(75)	144	(650)	(2,065)	-	(10,665)	6,234
Closing balances:										
At equity value	(356)	(2,623)	64,056	327	56,752	15,892	22,325	-	156,373	172,395
Goodwill on investments	-	-	(30,451)	-	(35,002)	-	-	-	(65,453)	(65,453)
Indirect interest - Superpolo	-	-	-	-	-	22,656	-	-	22,656	23,738
Indirect interest - New Flyer	-	-	-	-	-	-	-	336,910	336,910	369,660
At consolidated equity value	(356)	(2,623)	33,605	327	21,750	38,548	22,325	336,910	450,486	500,340

(1) Overseas ventures.
(2) These balances consist of investments and goodwill.

Associated companies:

	MVC	Mercobus (1)	Spheros	Setbus	WSul	Associated companies Total 3/31/2016	Associated companies Total 12/31/2015
Investment data							
Capital	34,011	249	15,000	1,000	6,100		
Adjusted shareholders' equity	-	6,233	38,353	(12,139)	5,810		
Shares or quotas held	1	232	244,898	25	1,830,000		
% interest	26.00	40.00	40.00	25.10	30.00		
Net income (loss) for the period	-	753	3,480	(940)	(453)		
Changes in the investments							
Opening balances:							
At equity value	114	2,369	14,099	(2,811)	1,879	15,650	53,833
Dividends received	-	-	-	-	-	-	(8,355)
Equity in income of associates	(114)	301	1,392	(236)	(136)	1,207	(29,898)
Accumulated translation adjustments	-	(177)	(150)	-	-	(327)	70
Closing balances:							
At equity value	-	2,493	15,341	(3,047)	1,743	16,530	15,650

(1) Overseas venture.

12 Property, plant and equipment

(a) Summary of changes in the parent company's property, plant and equipment

	Land	Buildings and constructions	Machinery and equipment	Furniture and fixtures	Computer equipment	Vehicles	Other PPE in progress	Property, plant and equipment in in progress	Total
Balances at December 31, 2015	18,071	108,360	75,976	3,809	5,906	3,004	175	6,591	221,892
Additions	-	191	425	38	156	-	-	522	1,332
Write-offs	-	(5)	(368)	(1)	(6)	-	-	(11)	(391)
Transfers	-	63	165	1	-	-	-	(229)	-
Depreciation	-	(908)	(3,403)	(142)	(537)	(148)	-	-	(5,138)
Balances at March 31, 2016	18,071	107,701	72,795	3,705	5,519	2,856	175	6,873	217,695
Cost of property, plant and equipment	18,071	182,020	202,453	9,151	19,416	7,044	175	6,873	445,203
Accumulated depreciation	-	(74,319)	(129,658)	(5,446)	(13,897)	(4,188)	-	-	(227,508)
Residual value	18,071	107,701	72,795	3,705	5,519	2,856	175	6,873	217,695
Annual depreciation rates - %		2.0	8.3	8.3	20.0	20.0			

(b) Summary of changes in the consolidated property, plant and equipment

	Land	Buildings and constructions	Machinery and equipment	Furniture and fixtures	Computer equipment	Vehicles	Other PPE in progress	Property, plant and equipment in in progress	Total
Balances at December 31, 2015	22,927	298,870	182,428	9,075	7,640	6,972	3,490	29,938	561,340
Foreign exchange variations	(46)	(269)	(2,167)	(111)	-	(180)	(282)	-	(3,055)
Additions	-	11,081	23,846	266	136	45	92	790	36,256
Write-offs	-	(5)	(368)	(2)	(6)	-	(102)	(11)	(494)
Transfers	-	1,645	165	1	(20)	(12)	-	(1,779)	-
Depreciation	-	(1,335)	(6,486)	(310)	(636)	(472)	(202)	-	(9,441)
Balances at March 31, 2016	22,881	309,987	197,418	8,919	7,114	6,353	2,996	28,938	584,606
Cost of property, plant and equipment	22,881	404,678	435,137	19,234	22,666	14,558	13,356	28,938	961,448
Accumulated depreciation	-	(94,691)	(237,719)	(10,315)	(15,552)	(8,205)	(10,360)	-	(376,842)
Residual value	22,881	309,987	197,418	8,919	7,114	6,353	2,996	28,938	584,606
Annual depreciation rates - %		2.0	8.3	8.3	20.0	20.0	13.0		

Land and buildings mainly comprise plants and offices.

(c) Guarantees

As of March 31, 2016 properties with a residual book value of R$ 26,579 thousand (R$ 27,413 thousand as of December 31, 2015) are subject to a recorded guarantee for bank loans and financing.

13 Goodwill and intangible assets

(a) Summary of changes in the parent company's intangible assets

	Software	Registered trademarks and licenses	Total
Balances at December 31, 2015	5,538	36	5,574
Additions	86	-	86
Write-offs	-	-	-
Amortization	(470)	(3)	(473)
Balances at March 31, 2016	5,154	33	5,187
Cost of Intangible assets	50,268	338	50,606
Accumulated amortization	(45,114)	(305)	(45,419)
Residual value	5,154	33	5,187
Annual amortization rates - %	20.0	7.0	

(b) Summary of changes in goodwill and consolidated intangible assets

	Software	Registered trademarks and licenses	Customer portfolio	Other intangible assets	Goodwill	Total
Balances at December 31, 2015	9,869	36	3,073	11,033	286,586	310,597
Foreign exchange variations	(305)	-	(96)	(466)	(7,883)	(8,750)
Additions	209	-	-	-	-	209
Write-offs	-	-	-	-	-	-
Amortization	(706)	(3)	(1,164)	-	-	(1,873)
Balances at March 31, 2016	9,067	33	1,813	10,567	278,703	300,183
Cost of property, plant and equipment	57,442	338	23,422	11,310	278,703	371,215
Accumulated amortization	(48,375)	(305)	(21,609)	(743)	-	(71,032)
Residual value	9,067	33	1,813	10,567	278,703	300,183
Annual amortization rates - %	2.0	8.3	25.0	10.0		

At the end of each reporting period the Company conducts impairment tests on goodwill, or whenever there are signs that impairment may have occurred.

14 Related parties

(a) Related-party balances and transactions

The main asset and liability balances at March 31, 2016, as well as the transactions with related parties that influenced the statement of income in the period, are detailed below:

Related Parties	Asset balances of loans and current accounts	Liability balances of loans and current accounts	Trade accounts receivable	Trade payables	Sales of goods/ services	Purchases of goods/ services	Finance income	Finance expense
Apolo	-	-	-	151	-	-	-	-
Ciferal	-	1	7,466	959	7,492	1,638	-	-
GB Polo	31,396	-	4,770	-	218	-	196	-
Kamaz	1,847	-	-	-	-	-	7	-
Ilmot	486	-	-	-	-	-	5	-
Loma	-	-	1,945	-	69	-	-	-
Mac	-	-	7,828	-	1,033	-	-	-
Masa	-	-	8,533	-	6,486	-	-	-
Moneo	1	-	-	-	-	-	2	-
MVC	5,386	-	1,556	58	-	87	-	-
Polomex	-	-	7,334	-	5,112	-	-	-
San Marino	-	-	-	-	2	-	-	-
Setbus	1,417	-	-	27	-	470	-	-
Spheros	-	-	28	2,422	25	5,394	-	-
Superpolo	-	-	2,408	-	2,573	-	-	-
Syncroparts	-	-	-	-	-	-	-	-
TMML	-	-	8,778	-	295	-	-	-
Trading	-	-	-	-	-	-	-	-
Volare Veículos	32,144	-	5,084	650	1,103	-	2,063	-
Volare Comércio	-	5	9,268	520	4,051	-	38	-
Volare Peru	-	-	1,312	-	3,211	-	-	-
WSul	51	-	-	470	-	974	-	-
Balance at 3/31/2016	72,728	6	66,310	5,257	31,670	8,563	2,311	-
Balance at 12/31/2015	114,878	2	72,875	4,845	168,592	52,028	3,869	-

The loan and current account balances of companies headquartered in Brazil are subject to financial charges at the CDI interest rate, and those of companies abroad to the semi-annual Libor rate plus 3% p.a.

(b) Key management remuneration

Key management personnel include the directors, officers and members of the Executive Committee. The remuneration paid or payable is shown below:

					3/31/2016
	Fixed	**Variable**	**Pension plan**	**Share-based payments**	**Total**
Board of Directors and Executive Board	2,280	1,696	39	82	**4,097**
Nonexecutive officers	2,683	-	66	47	**2,796**
	4,963	1,696	105	129	**6,893**

	3/31/2015				
	Fixed	Variable	Pension plan	Share-based payments	Total
Board of Directors and Executive Board	2,236	1,651	47	29	**3,963**
Nonexecutive officers	2,113	1,002	63	22	**3,200**
	4,349	2,653	110	51	**7,163**

15 Loans and financing

	Average rate weighted % p.a.	Year of Maturity	Parent Company		Consolidated	
			3/31/2016	12/31/2015	3/31/2016	12/31/2015
Local currency						
FINAME	5.89	2016 to 2025	12,439	12,957	22,472	23,340
Bank loans	14.25	2016	76	74	76	143
Interbank deposits	15.30	2016	-	-	40,840	39,425
FINEP	5.67	2017 to 2025	177,085	186,365	190,270	199,549
FDE – Development funds	3.00	2025	-	-	79,574	109,574
Fundepar - ES	-	2026	-	-	30,000	-
Special pre-shipment financing (*)	8.00	2017	101,244	302,136	101,244	302,136
Export prepayments - Compulsory	8.86	2017 to 2019	413,237	556,339	413,237	556,339
Foreign currency						
Advances on export contracts	3.97	2017	17,855	-	17,855	-
Export prepayments in US dollars	2.93	2018	373,523	413,004	373,523	413,004
Export prepayments - USD	2.99	2018	44,841	48,854	44,841	48,854
Financing in Rands	9.65	2017 to 2020	-	-	564	624
Financing in renminbi	5.24	2016	-	-	21,004	22,911
Financing in Australian dollars	3.28	2016	-	-	91,808	79,173
Related-party transactions	CDI	-	6	2	-	-
Subtotal of local and foreign currency			1,140,306	1,519,731	1,427,308	1,795,072
Money market funding						
Local currency						
BNDES – Fixed-interest loans	3.85	2016 to 2024	-	-	582,322	613,321
BNDES – Floating interest loans	TJLP + 1.55	2016 to 2021	-	-	85,400	66,453
BNDES – Floating interest loans	SELIC + 1.88	2016 to 2022	-	-	9,434	-
Subtotal of money market funding			-	-	677,156	679,774
Total loans and financing			1,140,306	1,519,731	2,104,464	2,474,846
Current liabilities			(489,658)	(582,682)	(887,733)	(965,139)
Noncurrent liabilities			650,648	937,049	1,216,731	1,509,707

(*) BNDES credit facility used for producing goods for export, where the shipment must occur no later than 3 years after the initial contract.

The long-term installments have the following payment schedule:

	Parent Company		Consolidated	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015
From 13 to 24 months	386,021	577,147	588,866	800,335
From 25 to 36 months	131,153	218,705	265,884	338,985
37 to 48 months	78,539	78,617	167,027	166,868
49 to 60 months	24,872	30,408	74,954	78,170
After 60 months	30,063	32,172	120,000	125,349
	650,648	937,049	1,216,731	1,509,707

(a) Loans and financing

The FINAME financing loans are secured by a statutory lien on the financed assets of R$ 22,311 as of March 31, 2016 (R$ 22,317 as of December 31, 2015).

The Company has secured bank loans amounting to R$ 461,398 thousand as of March 31, 2016 (R$ 506,424 thousand as of December 31, 2015). Under the terms of the contract, these loans will be settled in installments over the next 3 years. However, these contracts include covenants, which are being fully performed and amongst other things trigger partial or full repayment if certain indices are not achieved. If this situation occurs, the Company reclassifies these amounts to current liabilities and takes measures to restore the contractual indices.

(b) Money market funding

Funds obtained in the money market are received by Banco Moneo from the National Bank for Economic and Social Development (BNDES) to finance FINAME loans.

The face value and the fair value of installments of money market funds are as follows:

	Face value (future)		Fair value (present)	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015
1 to 12 months	260,126	256,531	237,245	235,174
From 13 to 24 months	203,030	206,892	186,802	192,044
From 25 to 36 months	133,572	133,351	123,433	124,095
After 36 months	136,737	135,205	129,676	128,461
	733,465	731,979	677,156	679,774

The face value of loans in current liabilities approximates the fair value.

16 Provisions

(a) Contingent liabilities

The Company is a party to labor, civil, tax and other lawsuits in progress, and is disputing them at the administrative and judicial levels, which, when applicable, are supported by judicial deposits. The provisions for any losses under these proceedings are estimated and restated by Management, relying on the opinion of its independent and in-house legal advisers.

The contingencies as of March 31, 2016 and December 31, 2015, which are considered to be probable and possible losses, according to the opinion of legal counsel, are shown below. Contingencies involving probable risks of loss have been provisioned for.

	Parent Company			
	3/31/2016		12/31/2015	
Nature	**Probable**	**Possible**	**Probable**	**Possible**
Civil	964	-	964	-
Labor	15,759	21,703	11,065	16,677
Tax	13,854	128,984	13,494	125,939
	30,577	150,687	25,523	142,616

	Consolidated			
	3/31/2016		12/31/2015	
Nature	**Probable**	**Possible**	**Probable**	**Possible**
Civil	964	442	964	442
Labor	17,385	21,703	12,689	16,677
Tax	14,209	175,762	13,688	172,091
	32,558	197,907	27,341	189,210

	Parent Company		Consolidated	
Judicial deposits	**3/31/2016**	**12/31/2015**	**3/31/2016**	**12/31/2015**
Civil	4,246	980	4,246	980
Labor	3,403	2,676	4,590	3,855
Tax	1,758	1,772	7,630	7,592
	9,407	5,428	16,466	12,427

(i) Civil and labor claims

The Company is party to civil and labor lawsuits, which include claims for indemnities for work accidents and occupational diseases. None of these lawsuits involves individually significant amounts.

(ii) Tax contingencies

The Company and its subsidiaries are party to various tax lawsuits. The nature of the principal lawsuits is detailed below:

- **Probable losses - provisioned for**

	Parent Company		Consolidated	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015
REINTEGRA–credit appropriation (i)	499	484	499	484
Special Tax Arrangement – tax credit (ii)	10,478	10,171	10,478	10,171
Other contingent liabilities of lesser amounts	2,877	2,839	3,232	3,033
	13,854	13,494	14,209	13,688

(i) Contingency relating to the Reintegra credit - this contingency derives from the procedure discrepancy in the application for Reintegra credits for the 1st and 2nd quarters of 2012.

(ii) Contingency regarding the dispute of the procedures adopted to obtain tax incentives for product sales.

- **Possible losses - not provisioned for**

	Parent Company		Consolidated	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015
PIS, COFINS and Social Security Fund (FINSOCIAL) - offset	6,610	6,497	6,610	6,497
COFINS – rebate application (i)	18,558	18,207	18,558	18,207
PIS, COFINS – credit	7,172	6,992	7,172	6,992
PIS – offsetting (ii)	11,776	11,444	11,776	11,444
IPI – credit	1,819	1,825	1,819	1,825
IRPJ – understated inflationary profit	2,646	2,609	2,646	2,609
IRPJ and CSLL on exports intermediated by export companies (iii)	-	-	-	-
IRPJ and CSLL - negative balance (iv)	14,794	14,445	14,794	14,445
IRPJ and CSLL – Overseas profits (v)	24,943	24,319	24,943	24,319
IRPJ and CSLL – IR paid overseas	3,042	2,957	3,042	2,957
REINTEGRA – offsetting (vi)	13,124	12,822	13,124	12,822
ICMS – shipment of goods with a reduced tax rate to non-taxpayers (vii)	-	-	32,617	32,135
ICMS – disreputable documents (viii)	13,544	13,139	13,544	13,139
ISS – services received from third parties	4,929	4,782	4,929	4,782
INSS – services acquired from legal entities	6,027	5,901	6,027	5,901
Other contingent liabilities of lesser amounts	-	-	14,161	14,017
	128,984	125,939	175,762	172,091

(i) Contingencies rated as possible losses relating to procedures adopted by the tax inspectors for the COFINS reimbursement applications. The administrative proceeding is in progress before the federal tax authorities' judgment department.

(ii) Contingency rated as a possible loss relating to relating to amounts recorded as federal overdue liabilities due to offsetting not ratified for credits obtained in court proceedings. The process is taking place at the lower Federal Court of Caxias do Sul.

(iii) Contingency rated as a possible defeat, relating to procedures contested by the tax inspectors regarding applications for the rebate of the IRPJ and CSLL negative balance. The proceeding is in progress before the Administrative Council for Tax Appeals.

(iv) Contingency rated as a possible defeat, relating to the dispute about the overseas consolidation of indirect subsidiaries' earnings before paying tax thereon in Brazil. The proceeding is in progress before the federal tax authorities' judgment department.

(v) Contingency rated as a possible defeat, relating to the dispute about the Reintegra credit, due to discrepancy in the procedure applying for the credit. The proceeding is in progress before the Regional Judgments Department.

(vi) Contingency rated as a possible defeat, involving the subsidiary relating to ICMS disputes on sales with a reduced rate to non-taxpayers located outside the state. The proceedings in progress before the Taxpayers' Council of Rio de Janeiro state.

(vii) Contingency rated as a possible defeat, relating to ICMS disputes, due to the alleged issuance of tax documents with incorrect rates in sales to non-taxpayers located outside the state. The proceedings in progress before the Court of Appeal of São Paulo state.

(b) Contingent assets

The statement containing information about contingent assets has been detailed below, along with the chances of success, according to the legal advisers’ opinion.

	Consolidated			
	3/31/2016		12/31/2015	
Nature	**Probable**	**Possible**	**Probable**	**Possible**
Contingency				
Tax	12,199	11,494	11,851	11,166
Social security	-	2,510	-	2,438
	12,199	14,004	11,851	13,604

(i) Tax contingencies

The Company is the plaintiff in various lawsuits at the state and federal levels, in which the following matters are being disputed:

- Excise Tax - IPI.
- Social Integration Program - PIS and Tax for Social Security Financing - COFINS.
- Corporate Income Tax - IRPJ and Social Contribution on Net Income - CSLL.
- Tax on Financial Transactions - IOF and Income Tax Withheld at Source - IRRF.
- Eletrobrás Compulsory Loan.
- ICMS on materials and consumables.

(ii) Social security contingencies

- National Institute of Social Security - INSS contribution.

The Company has not only recorded contingency gains, since they are only recognized once the lawsuit has become final or the financial asset is effectively received.

17 Pension plan and retirement benefits for employees

Marcopolo is the main sponsor of Marcoprev Sociedade de Previdência Privada, a non-profit pension entity established in December 1995 with the main purpose of supplementing government social security benefits to all employees of the sponsors: Marcopolo (principal), Syncroparts, Trading, Banco Moneo and Fundação Marcopolo. The total consolidated contributions in the period ended March 31, 2016 was R$ 3,056 (R$ 3,051 as of March 31, 2015). The actuarial method for determining the plan's cost and contributions is the capitalization method. This is a mixed plan, with features that are both defined benefit, where the sponsor is solely responsible for the contributions, and defined contribution, where the sponsor and participant are responsible for the contributions on an optional basis.

As of March 31, 2016 and December 31, 2015, amounts related to post-employment benefits were determined in the annual actuarial assessment carried out by independent actuaries and were recognized in the financial statements as shown below.

The amounts recognized in the statement of financial position are as follows:

	Parent Company		Consolidated	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
Present value of actuarial obligations	(205,139)	(196,773)	(207,316)	(198,861)
Fair value of the plan’s assets	224,516	219,711	226,898	222,042
Surplus not subject to refund or reduction in future contributions	(19,377)	(22,938)	(19,582)	(23,181)
Liability to be recognized	-	-	-	-

According to the retirement plan statute and the installment recorded for the supplementary retirement plan it is not possible to reimburse the amounts, increase the benefit or reduce future contributions. Therefore, the asset originated from the plan surplus was not recorded as of March 31, 2016.

The changes over the benefit liability occurred during the period are described as follows:

	Parent Company		**Consolidated**	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
January 01	-	-	-	-
Plan participant contributions	2,429	10,165	2,460	10,298
Actuarial losses (gains)	(2,429)	(10,165)	(2,460)	(10,298)
Net annual (Expenses)/revenue recognized	-	-	-	-
December 31	-	-	-	-

Changes in the fair value of the employee benefits plan in the periods are demonstrated below:

	Parent Company		**Consolidated**	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
January 01	219,711	210,184	222,042	212,329
Sponsor contributions	2,429	10,165	2,460	10,298
Employee contributions	84	482	84	490
Benefits paid	(2,445)	(9,806)	(2,445)	(9,807)
Expected return on plan assets	4,737	8,686	4,757	8,732
December 31	224,516	219,711	226,898	222,042

Changes in the actuarial obligation in the presented periods are as follows:

	Parent Company		**Consolidated**	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
January 01	**196,773**	**205,606**	**198,861**	**207,698**
Actuarial (Gains) losses	4,065	(27,666)	4,067	(28,049)
Cost of current services	618	4,545	640	4,675
Financial cost	6,044	23,612	6,109	23,854
Employee contributions	84	482	84	490

Benefits paid	(2,445)	(9,806)	(2,445)	(9,807)
December 31	205,139	196,773	207,316	198,861

The amounts recognized in the statement of income are:

	Parent Company		**Consolidated**	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
Cost of current services	618	4,545	640	4,675
Financial cost	(107)	(706)	(108)	(715)
Total included as personnel cost	511	3,839	532	3,960

The main actuarial premises at the reporting date are:

. **Economic hypotheses**

	Percentage p.a.			
	Parent Company		**Consolidated**	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
Discount rate (*)	12.68	12.68	12.68	12.68
Expected return on plan assets	12.68	12.68	12.68	12.68
Future salary increases	7.52	7.52	7.52	7.52
Inflation	5.00	5.00	5.00	5.00

(*) The discount rate is: inflation 5.00% p.a. plus interest of 7.31 p.a. for the period ended March 31, 2016 (inflation of 5.20% p.a. plus interest of 6.23% p.a. For the financial year ended December 31, 2015).

. **Demographic hypotheses**

	Parent Company		**Consolidated**	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
Mortality table	AT 2000	AT 2000	AT 2000	AT 2000
Invalid and mortality table	RRB 1983	RRB 1983	RRB 1983	RRB 1983
Disability rate table	RRB 1944	RRB 1944	RRB 1944	RRB 1944

18 Income and social contribution taxes

(a) Deferred income and social contribution taxes

The basis for the calculation of the deferred taxes is as follows:

	Parent Company		Consolidated	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015
Assets				
Provision for technical assistance	19,722	24,214	23,868	43,390
Provision for commissions	24,915	36,864	26,282	40,923
Allowance for doubtful accounts	4,512	5,175	23,506	24,952
Provision for profit sharing	6,974	18,118	7,603	19,493
Provision for contingencies	30,576	25,523	32,558	27,341
Provision for sureties with third parties	75	75	148	146
Provision for inventory losses	857	857	4,956	7,328
Provision for outsourced services	11,895	12,231	11,895	12,231
Provision for contractual termination	12,632	13,779	12,632	13,779
Appropriation of (gains) losses on derivatives	697	(155)	697	(882)
Adjustment to present value	2,190	2,590	2,174	2,919
Fiscal depreciation	(35,343)	(32,565)	(38,996)	(45,318)
Tax loss/negative social contribution base	5,415	-	5,415	-
Other provisions	13,642	11,956	45,892	36,451
Calculation basis	98,759	118,662	158,630	182,753
Statutory rate - %	34	34	34	34
Deferred income and social contribution taxes	33,578	40,345	53,934	62,136

(b) Estimated realization of deferred tax assets

The recovery of tax credits is based on estimates of taxable income, as well as on the realization of temporary differences, in the following years:

	Parent Company		Consolidated	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015
13 months onwards	33,578	40,345	53,934	62,136
	33,578	40,345	53,934	62,136

(c) Reconciliation between the current income and social contribution tax expense

	Parent Company		Consolidated	
	3/31/2016	3/31/2015	3/31/2016	3/31/2015
Reconciliation				
Profit before income and social contribution taxes	14,539	29,418	18,898	34,460
Statutory rate - %	34	34	34	34

	4,943	10,002	6,425	11,716
Permanent additions and exclusions				
Equity in net income of subsidiaries	(955)	(5,879)	(2,076)	(4,493)
Interest on shareholders' equity	-	(7,361)	-	(7,361)
D&O profit shares	(324)	(587)	(324)	(587)
IR/CS over foreign income	2,601	-	2,601	-
Other additions (exclusions)	(578)	(414)	3,506	1,138
	5,687	(4,239)	10,132	413
Income and social contribution taxes				
Current	1,081	(3)	(1,930)	(7,027)
Deferred charges	(6,768)	4,242	(8,202)	6,614
	5,687	(4,239)	10,132	413

(i) Incentive – Industrial development program.

19 Shareholders' equity

(a) Capital

The parent company's authorized capital is 2,100,000,000 shares, consisting of 700,000,000 common shares and 1,400,000,000 preferred shares, all nominative with no par value.

As of On March 31, 2016, the subscribed and paid-in capital consisted of 896,900,084 (896,900,084 as of December 31, 2015) registered shares with no par value, of which 341,625,744 are common shares and 555,274,340 are preferred shares.

Of the total subscribed capital, 331,107,287 (327,101,649 as of December 31, 2015) preferred shares are held by stockholders abroad.

(b) Reserves

(i) Legal reserve

Constituted at the rate of 5% of the net income determined in each financial year pursuant to article 193 of Law 6404/76 up to the limit of 20% of the share capital.

(ii) Statutory reserves

Marcopolo allocated at least 25% (twenty-five percent) of the remaining balance of profit to the payment of a minimum mandatory dividend on all Marcopolo shares. The remaining balance of profit is fully appropriated to the following reserves:

. Reserve for future capital increase - to be used for future capital increases and established at 70% of the remaining balance of net income for each year, but the balance cannot exceed 60% of share capital.

- Reserve for payment of interim dividends - to be used for the payment of interim dividends in accordance with Article 33 (1) of the Company's by-laws and established at 15% of the remaining balance of net income for each year, but the balance cannot exceed 10% of share capital.

- Reserve for the purchase of own shares - to be used for the purchase of Marcopolo's own shares, to be canceled, held in treasury and/or sold, and established at 15% of the remaining balance of net income for each year, but the balance cannot exceed 10% of share capital.

(c) Treasury stock

Treasury stock comprises 4,949,901 preferred nominative shares, purchased at the average cost of R$ 4.6379 (in reais) per share. In the quarter 974,068 preferred nominative shares were sold, at an average weight price of R$ 1.8500 per share, generating a negative balance of R$ 2,715. The market value of the treasury stock as of March 31, 2016 was R$ 22,957. According to article 168 (3) of Brazilian Corporation Law and CVM Instruction No. 390/03, the shares will be utilized to grant Marcopolo managers and employees share purchase options, pursuant to the Stock Option Plan approved by the Extraordinary General Meeting held on December 22, 2005.

20 Insurance coverage

As of December 31, 2015 the Company has insurance coverage against fire and other risks to the property, plant and equipment and inventory at amounts deemed sufficient to cover any losses.

The main insurance policies cover:

		Consolidated	
Nature of assets	**Book value**	**3/31/2016**	**12/31/2015**
Inventories and storage	Fire and other risks	574,853	605,020
Buildings and contents	Fire and other risks	858,676	801,880
Vehicles	Collision and civil liability	33,929	35,714
		1,467,458	1,442,614

21 Guarantees

As of March 31, 2016, the Company had issued endorsements/sureties of R$ 18,165 (R$ 18,582 as of March 31, 2015), in connection with the financing of customers by banks, which are secured by the respective assets financed, and a residual value of financed goods amounting to R$ 26,579 (R$ 27,413 as of December 31, 2015) submitted as collateral for bank loans and contingencies.

22 Employee profit sharing

The employee profit sharing was calculated in accordance with the terms established in the Marcopolo Targets/Efficiency Program Agreement (EFIMAR).

The amounts are classified in profit or loss for the period as follows:

	Parent Company		Consolidated	
	3/31/2016	3/31/2015	3/31/2016	3/31/2015
Cost of goods sold and services rendered	309	1,552	309	1,552
Sales expenses	401	1,298	401	1,298
Management expenses	333	1,411	933	1,596
	1,043	4,261	1,643	4,446

23 Revenue

The reconciliation between gross sales and net revenue is as follows:

	Parent Company		Consolidated	
	3/31/2016	3/31/2015	3/31/2016	3/31/2015
Gross sales of products and services	329,777	503,699	501,517	785,604
Sales taxes and returns	(58,755)	(94,752)	(73,191)	(128,796)
Net revenue	271,022	408,947	428,326	656,808

24 Expenses by nature

	Parent Company		Consolidated	
	3/31/2016	3/31/2015	3/31/2016	3/31/2015
Raw materials and consumables	162,233	223,151	241,448	367,016
Outsourced services and other	24,418	30,644	37,106	48,252
Direct compensation	74,945	87,660	115,380	153,626
D&O compensation	3,210	3,956	3,210	3,956
Employee profit shares	1,043	4,261	1,643	4,446
Depreciation and amortization charges	5,611	5,624	11,314	11,412
Private pension expenses	3,010	3,001	3,056	3,051
Other expenses	5,767	12,354	13,292	23,574
Total sales and distribution costs and expenses and administrative expenses	280,237	370,651	426,449	615,333

25 Finance income

	Parent Company		Consolidated	
	3/31/2016	3/31/2015	3/31/2016	3/31/2015
Finance income				
Interest and monetary variance earnings	2,694	1,703	1,040	3,168
Interest on derivatives	560	414	560	414
Income on short-term investments	28,561	18,578	31,097	20,589
Exchange variance	85,127	52,165	90,136	53,154
Exchange variance on derivatives	6,637	277	6,903	462
Present value adjustment of accounts receivable	4,795	5,859	5,726	8,525
	128,374	78,996	135,462	86,312
Finance costs				
Interest on loans and financing	(19,058)	(15,035)	(20,882)	(17,423)
Interest on derivatives	(1,616)	-	(1,821)	-
Exchange variance	(64,984)	(78,654)	(71,828)	(79,485)
Exchange variance on derivatives	(4,454)	(2,002)	(5,113)	(2,002)
Bank expenses	(2,652)	(1,059)	(3,087)	(1,242)
Present value adjustment of accounts payable	(3,202)	(4,485)	(4,043)	(6,064)
	(95,966)	(101,235)	(106,774)	(106,216)
Financial income, net	32,408	(22,239)	28,688	(19,904)

26 Earnings per share

(a) Basic

The Company calculates basic earnings per share by dividing the net income attributable to the company's shareholders by the weighted average number of shares issued in the year, excluding the shares purchased by the company and held as treasury stock.

	Parent Company		Consolidated	
	3/31/2016	3/31/2015	3/31/2016	3/31/2015
Profit attributable to Marcopolo shareholders	8,852	33,657	8,766	34,047
Weighted average number of shares issued (in thousands)	891,950	890,976	891,950	890,976
Earnings per share	0.0099	0.0378	0.0098	0.0382

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of common and preferred shares outstanding to assume conversion of all potential common shares with dilutive effects.

The Company considers as dilution effect of common and preferred shares, the exercise of share options by employees and management. The number of shares thus calculated is compared with the number of shares issued assuming the exercise of the stock options.

	Parent Company		Consolidated	
	3/31/2016	3/31/2015	3/31/2016	3/31/2015
Profit attributable to Marcopolo shareholders	8,852	33,657	8,766	34,047
Weighted average number of shares issued (in thousands)	891,950	890,976	891,950	890,976
Adjustments:				
Exercising of share call options	4,950	5,924	4,950	5,924
Earnings per share	0.0098	0.0375	0.0097	0.0380

27 Statements of financial position and segment reporting

The industrial segment produces bus bodies and spare parts. The financial segment is responsible for financing transactions through Banco Moneo.

Statements of financial position

	Consolidated		Industrial		Finance	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015	3/31/2016	12/31/2015
Assets						
Current						
Cash and cash equivalents	932,100	1,131,162	914,055	1,111,998	18,045	19,164
Financial assets stated at fair value through profit and loss	94,795	184,866	94,795	184,866	-	-
Derivative financial instruments	5,935	1,803	5,935	1,803	-	-
Trade receivables	785,177	1,032,600	440,684	678,442	344,493	354,158
Inventory	433,194	437,774	433,194	437,774	-	-
Other accounts receivable	203,418	200,714	146,066	154,971	57,352	45,743
	2,454,619	2,988,919	2,034,729	2,569,854	419,890	419,065
Non-current						
Financial assets stated at fair value through profit and loss	40,097	47,345	40,097	47,345	-	-
Trade receivables	535,665	538,215	-	-	535,665	538,215
Other accounts receivable	72,579	76,318	71,776	74,421	803	1,897
Capital expenditure	467,155	516,129	467,155	516,129	-	-
Property, plant and equipment	584,606	561,340	584,230	560,948	376	392
Goodwill and intangible assets	300,183	310,597	299,775	310,154	408	443
	2,000,285	2,049,944	1,463,033	1,508,997	537,252	540,947
Total assets	4,454,904	5,038,863	3,497,762	4,078,851	957,142	960,012

	Consolidated		Industrial		Finance	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015	3/31/2016	12/31/2015
Liabilities						
Current						
Trade payables	211,652	249,138	211,652	249,138	-	-
Loans and financing	887,733	965,139	609,648	690,540	278,085	274,599
Derivative financial instruments	3,328	921	3,328	921	-	-
Other accounts payable	255,279	376,976	247,390	362,116	7,889	14,860
	1,357,992	1,592,174	1,072,018	1,302,715	285,974	289,459
Non-current						
Loans and financing	1,216,731	1,509,707	776,820	1,065,107	439,911	444,600
Other accounts payable	78,765	74,799	78,765	74,799	-	-
	1,295,496	1,584,506	855,585	1,139,906	439,911	444,600
Minority interests	31,148	34,098	31,148	34,098	-	-
Shareholders' equity attributable to controlling shareholders	1,770,268	1,828,085	1,539,011	1,602,132	231,257	225,953
Total liabilities	4,454,904	5,038,863	3,497,762	4,078,851	957,142	960,012

Statements of operations income

	Consolidated		Industrial		Finance	
	3/31/2016	3/31/2015	3/31/2016	3/31/2015	3/31/2016	3/31/2015
Operations						
Net revenue from sales and services	428,326	656,808	411,945	647,615	16,381	9,193
Cost of goods sold and services rendered	(372,152)	(544,345)	(372,152)	(544,345)	-	-
Gross profit	56,174	112,463	39,793	103,270	16,381	9,193
Operating revenue (expense)						
Sales expenses	(20,312)	(34,671)	(18,518)	(36,393)	(1,794)	1,722
Administrative expenses	(33,985)	(36,317)	(30,376)	(32,762)	(3,609)	(3,555)
Other net operating income (expenses)	(17,773)	(327)	(15,963)	(217)	(1,810)	(110)
Equity in income of associates	6,106	13,216	6,106	13,216	-	-
Operating income	(9,790)	54,364	(18,958)	47,114	9,168	7,250
Financial income						
Finance income	135,462	86,312	135,462	86,312	-	-
Finance expenses	(106,774)	(106,216)	(106,774)	(106,216)	-	-
Profit before income and social contribution taxes	18,898	34,460	9,730	27,210	9,168	7,250
Income and social contribution taxes	(10,132)	(413)	(6,268)	2,529	(3,864)	(2,942)
Net income for the period	8,766	34,047	3,462	29,739	5,304	4,308

28 Statements of cash flow by business segment – indirect method

	Consolidated		Industrial Segment		Financial Segment	
	3/31/2016	**3/31/2015**	**3/31/2016**	**3/31/2015**	**3/31/2016**	**3/31/2015**
Cash flows from operating activities						
Net income for the period	**8,766**	**34,047**	**3,462**	**29,739**	**5,304**	**4,308**
Reconciliation of income (loss) to cash provided by operating activities						
Depreciation and amortization	11,314	11,412	11,247	11,335	67	77
Gain on sale of investment assets, property, plant and equipment and intangible assets	494	534	494	534	-	-
Equity in net income of subsidiaries	(6,106)	(13,216)	(6,106)	(13,216)	-	-
Allowance for doubtful accounts	309	(1,112)	(1,247)	611	1,556	(1,723)
Current and deferred income and social contribution taxes	10,133	413	6,269	(2,529)	3,864	2,942
Interest and exchange variance appropriated	(13,690)	79,086	(22,277)	73,244	8,587	5,842
Minority interests	86	390	86	390	-	-
Changes in assets and liabilities						
(Increase) decrease in trade accounts receivable	245,954	208,932	235,295	190,204	10,659	18,728
(Increase) decrease in securities	95,595	186,634	95,595	186,634	-	-
(Increase) decrease in inventories	(4,765)	(18,493)	(4,765)	(18,493)	-	-
(Increase) decrease in other accounts receivable	(1,341)	(18,533)	9,174	(17,600)	(10,515)	(933)
Increase (decrease) in trade payables	(33,486)	(46,973)	(33,486)	(46,973)	-	-
Increase (decrease) in actuarial liabilities	-	2,906	-	2,877	-	29
Increase (decrease) in accounts payable and provisions	(118,012)	(39,443)	(114,684)	(35,292)	(3,328)	(4,151)
Cash produced by operating activities	**195,251**	**386,584**	**179,057**	**361,465**	**16,194**	**25,119**
Taxes on profit paid	(1,930)	(7,027)	5,577	(5,512)	(7,507)	(1,515)
Net cash provided by operating activities	**193,321**	**379,557**	**184,634**	**355,953**	**8,687**	**23,604**
Cash flows from investment activities						
Capital expenditure	-	-	-	-	-	-
Dividends from subsidiaries, joint ventures and associated companies	1,572	4,497	1,572	4,497	-	-
Additions to property, plant and equipment	(36,256)	(42,478)	(36,242)	(42,463)	(14)	(15)
Acquisition of intangible assets	(209)	(908)	(208)	(856)	(1)	(52)
Receipt on sale of property, plant and equipment	-	-	-	-	-	-
Net cash provided by investment activities	**(34,893)**	**(38,889)**	**(34,878)**	**(38,822)**	**(15)**	**(67)**
Cash flows from financing activities						
Treasury shares	1,802	2,788	1,802	2,788	-	-
Loans secured from unrelated parties	133,246	92,244	76,417	47,562	56,829	44,682
Payment of loans – principal	(461,830)	(91,288)	(401,922)	(34,892)	(59,908)	(56,396)
Payment of loans – interest	(23,217)	(18,684)	(16,505)	(14,046)	(6,712)	(4,638)
Payment of interest in shareholders' equity and dividends	-	(48,688)	-	(43,981)	-	(4,707)

	Consolidated		Industrial Segment		Financial Segment	
	3/31/2016	3/31/2015	3/31/2016	3/31/2015	3/31/2016	3/31/2015
Net cash used in financing activities	**(349,999)**	**(63,628)**	**(340,208)**	**(42,569)**	**(9,791)**	**(21,059)**
Exchange variance on cash and cash equivalents	(7,491)	13,599	(7,491)	13,599	-	-
Net increase (decrease) in cash and cash equivalents	**(199,062)**	**290,639**	**(197,943)**	**288,161**	**(1,119)**	**2,478**
Cash and cash equivalents at beginning of period	1,131,162	642,615	1,111,998	615,112	19,164	27,503
Cash and cash equivalents at end of period	932,100	933,254	914,055	903,273	18,045	29,981

29 Additional information

The industrial business segment operates in the geographic areas listed below. The financial segment operates exclusively in Brazil.

(a) Net revenue by geographic area

	Consolidated	
	3/31/2016	3/31/2015
Brazil	290,974	503,180
Africa	22,038	21,500
Australia	79,523	69,629
China	7,420	14,943
Mexico	27,614	47,556
Peru	757	-
	428,326	656,808

(b) Property, plant and equipment, goodwill and intangible assets by geographic area

	Consolidated	
	3/31/2016	12/31/2015
Brazil	608,847	581,383
Africa	12,171	12,699
Australia	153,756	162,507
Canada	86,651	88,943
China	5,362	6,098
Mexico	17,938	20,237
Uruguay	64	70
	884,789	871,937

30 Subsequent Event

As per the press release issued November 03, 2015, Marcopolo's Board of Directors has approved the signing of a non-binding letter of intent which establishes the bases and principles for a potential acquisition of L&M, the direct parent company of San Marino Ônibus Ltda. (Neobus). The Company is still waiting for the approval of the anti-trust authorities.

*   *   *

(A free translation of the original in Portuguese)

1 Shareholders os Marcopolo S.A. with over 5% of common shares and/or preferred shares, to the level of individuals, as of March 31,2016:

SHAREHOLDER	COMMON		PREFERRED		TOTAL	
	NUMBER	%	NUMBER	%	NUMBER	%
Bellpart Participações Ltda	151,954,920	44.48	-	0.00	151,954,920	16.94
Paulo Pedro Bellini	-	0.00	316,900	0.06	316,900	0.04
Viviane Maria Pinto Bado	32,163,544	9.41	7,752	0.00	32,171,296	3.59
Vate Part, e Adm, Ltda	10,324,220	3.02	-	0.00	10,324,220	1.15
Davos Participações Ltda	32,000,000	9.37	-	0.00	32,000,000	3.57
Subtotal Controlling Group	**226,442,684**	**66.28**	**324,652**	**0.06**	**226,767,336**	**25.29**
Fund, Banco Central – CENTRUS	51,922,784	15.20	-	0.00	51,922,784	5.79
José Antonio Fernandes Martins	936,524	0.27	18,675,400	3.36	19,611,924	2.19
Fund Petrobras Seg Soc Petros	-	0.00	83,291,100	15.00	83,291,100	9.29
Wellington Manag,Comp,(exterior)	-	0.00	27,815,400	5.01	27,815,400	3.10
Treasury stock	-	0.00	4,949,901	0.89	4,949,901	0.55
Other offshore shareholders (*)	29,792,524	8.72	331,107,287	59.63	360,899,811	40.24
Other shareholders (*)	32,531,228	9.52	89,110,660	16.05	121,641,828	13.55
TOTAL	**341,625,744**	**100.00**	**555,274,340**	**100.00**	**896,900,084**	**100.00**
PROPORTION		**38.09**		**61.91**		**100.00**

* There are no individual shareholders in this item with more than 5% of the common and/or preferred shares.

2 Capital Breakdown of Bellpart Participação Ltda. as of March 31, 2016:

Table denoting quotas:

SHAREHOLDERS	QUOTAS		
	NUMBERS	FACE VALUE	%
James Eduardo Bellini	95,064,957	95,064,957	41.05
Mauro Gilberto Bellini	95,064,957	95,064,957	41.05
Paulo Alexander Pacheco Bellini	41,430,086	41,430,086	17.90
TOTAL	**231,560,000**	**231,560,000**	**100.00**

3 Capital Breakdown of Davos Participação Ltda. as of March 31, 2016:

Table denoting quotas:

SHAREHOLDERS	QUOTAS		
	NUMBERS	FACE VALUE	%
Paulo Pedro Bellini	4,120,000	4,120,000	20.00
James Eduardo Bellini	4,120,000	4,120,000	20.00
Mauro Gilberto Bellini	4,120,000	4,120,000	20.00
Viviane Maria Pinto Bado	8,240,000	8,240,000	40.00
TOTAL	**20,600,000**	**20,600,000**	**100.00**

4 Capital Breakdown of Vate - Participações e Administração Ltda. as of March 31, 2016:

Table denoting quotas:

SHAREHOLDERS	QUOTAS		
	NUMBERS	FACE VALUE	%
Therezinha Lourdes Comerlato Pinto	11,851,059	11,851,059	51.00
Viviane Maria Pinto Bado	11.250,728	11,250,728	49.00
TOTAL	**23,101,787**	**23,101.787**	**100.00**

5 Quantity and features of the securities issued by the company owned by the group Controlling Shareholders, Executives, Members of the Audit Committee and free float.

Consolidated Shareholdings of Controlling Shareholders, Executives and free float. Position on 03/31/2016

Table denoting quotas:

SHAREHOLDERS	COMMON		PREFERRED		TOTAL	
	NUMBER	%	NUMBER		NUMBER	%
Parent companies	226,442,684	66.28	324,652	0.06	226,767,336	25.28
Controllers' spouses	1,111,936	0.33	987,256	0.18	2,099,192	0.23
Executives	-	-	-	-	-	-
Board of Directors	100	0.00	1,600	0.00	1,700	0.00
Executive Board	356,088	0.10	2,133,148	0.38	2,489,236	0.28
Audit Committee (*)	504,696	0.15	758,760	0.14	1,263,456	0.14
Treasury stock	-	0.00	4,949,901	0.89	4,949,901	0.55
Other	113,210,240	33.14	546,119,023	98.35	659,329,263	73.52
TOTAL	**341,625,744**	**100.00**	**555,274,340**	**100.00**	**896,900,084**	**100.00**
Ações em Circulação no Mercado	**113,210,240**	**33.14**	**546,119,023**	**98.35**	**659,329,263**	**73.52**

* Shares heald by a director and member of the Audit Committee, elected by the controlling group.

Consolidated Shareholdings of Controlling Shareholders, Executives and free float.
Position on 03/31/2015

Table denoting quotas:

SHAREHOLDERS	COMMON		PREFERRED		TOTAL	
	NUMBER	%	NUMBER	%	NUMBER	%
Parent companies	223,872,708	65.53	3,750,324	0.68	227,623,032	25.38
Controllers' spouses	1,709,480	0.50	1,688,132	0.30	3,397,612	0.38
Executives	-	-	-	-	-	-
Board of Directors	82,524	0.02	1,760,832	0.32	1,843,356	0.21
Executive Board	506,600	0.10	2,630,602	0.47	2,986,602	0.33
Audit Committee (*)	504,696	0.15	758,760	0.14	1,263,456	0.14
Treasury stock	-	0.00	5,923,969	1.07	5,923,969	0.66
Other	115,110,336	33.70	538,761,721	97.02	653,862,057	72.90
TOTAL	**341,625,744**	**100.00**	**555,274,340**	**100.00**	**896,900,084**	**100.00**
Free Float in the Market	**115,110,336**	**33.70**	**538,761,721**	**97.02**	**653,862,057**	**72.90**

* Shares heald by a director and member of the Audit Committee, elected by the controlling group.

6 The Company is bound to arbitration at the commercial Arbitration Chamber, as per arbitration clause in its bylaws.

(A free translation of the original in Portuguese)

Report on the quarterly information review

To the Board of Directors and Shareholders of
Marcopolo S.A.
Caxias do Sul - RS

Introduction

We have reviewed the interim, individual and consolidated financial statements of the company Marcopolo S.A. ("Company"), included in the Quarterly Information Form - ITR for the quarter ended March 31, 2016, which comprises the balance sheets as of March 31, 2016 and related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three month periods then ended, including the explanatory notes.

Management is responsible for preparing the interim financial statements in accordance with CPC Technical Pronouncement 21 (R1) - Interim reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, for presenting this information in due accordance with the standards issued by the Brazilian Securities Commission that apply to the preparation of Quarterly Information - ITR. Our responsibility is to express an opinion on the interim financial statements based on review.

Review scope

We conducted our review in accordance with Brazilian and international standards for reviewing interim information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily to the individuals in charge of financial and accounting matters, and applying analytical and other review procedures. A review is substantially shorter in scope than a full audit conducted in accordance with audit standards, and we cannot therefore provide an assurance that we have discovered all the significant matters that could have been identified by an audit. We are not therefore expressing an audit opinion.

Conclusion about the interim information

Our review did not detect any facts that suggest the individual and consolidated interim financial statements were not prepared, in all material aspects, in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, that applies to Quarterly Information - ITR, presented in accordance with the standards issued by the Brazilian Securities Commission - CVM.

Other matters

Statements of added value

We have also reviewed the individual and consolidated Statements of added value (DVA) for the three-month period ended March 31, 2016, prepared by Company management, the presentation of which in the interim information is required by the standards issued by the CVM - Brazilian Securities Commission applicable to the preparation of the Quarterly Information - ITR and is considered supplementary information to IFRS which does not require the publication of DVAs. These statements were subject to the audit procedures described earlier and our review did not detect any facts that suggest they have not been prepared, in all material respects, in accordance with the individual and consolidated interim financial statements.

(A free translation of the original in Portuguese)

Porto Alegre, May 02, 2016

KPMG Auditores Independentes
CRC 2SP014428/F-RS

Cristiano Jardim Seguecio
Accountant CRC SP244525/O-9-T-RS