Marcopolo S.A.

Quarterly Information at 6/30/2017 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) – June 30, 2017 - MARCOPOLO SA

Contents

(A free translation of the original in Portuguese)

Company Information / Capital Composition

Number of shares (units)	Current quarter 6/30/2017
Paid-up capital	
Common shares	341,625,744
Preferred shares	583,570,265
Total	925,196,009
Treasury shares	
Common shares	-
Preferred shares	4,878,049
Total	4,878,049

Parent Company Financial Statements / Balance Sheet - Assets

(Thousands of Reais)

1 – Account Code	2 – Account Description	Current quarter 6/30/2017	Previous year 12/31/2016
1	Total assets	3,417,990	3,411,545
1.01	Current assets	1,788,407	1,892,263
1.01.01	Cash and cash equivalents	803,333	916,995
1.01.02	Short-term investments	248,027	227,905
1.01.02.01	Short-term investments valued at Fair Value	248,027	227,905
1.01.02.01.01	Marketable Securities	248,027	227,905
1.01.03	Accounts Receivable	376,881	430,715
1.01.03.01	Trade accounts receivable	376,881	430,715
1.01.04	Inventory	235,893	212,116
1.01.06	Recoverable Taxes	96,641	86,262
1.01.06.01	Current taxes recoverable	96,641	86,262
1.01.08	Other current assets	27,632	18,270
1.01.08.03	Other	27,632	18,270
1.02	Noncurrent Assets	1,629,583	1,519,282
1.02.01	Long-term Assets	76,338	85,751
1.02.01.01	Short-term investments valued at Fair Value	19,823	24,966
1.02.01.01.02	Available-for-sale securities	19,823	24,966
1.02.01.03	Accounts Receivable	13,429	9,208
1.02.01.03.02	Other Accounts Receivable	13,429	9,208
1.02.01.06	Deferred taxes	43,086	51,577
1.02.01.06.01	Deferred income tax and social contribution	43,086	51,577
1.02.02	Investments	1,336,317	1,219,929
1.02.02.01	Equity interests	1,336,317	1,219,929
1.02.02.01.01	Interests in Associated Companies	25,698	22,216
1.02.02.01.02	Interests in subsidiaries	1,219,539	1,108,839
1.02.02.01.03	Interests in Joint Ventures	91,080	88,874
1.02.03	Property, plant and equipment	213,548	209,571
1.02.03.01	Property, plant and equipment in operation	213,548	209,571
1.02.04	Intangible assets	3,380	4,031
1.02.04.01	Intangible assets	3,380	4,031

Parent Company Financial Statements / Balance Sheet - Liabilities and Equity

(Thousands of Reais)

1 – Account Code	2 – Account Description	Current quarter 6/30/2017	Previous year 12/31/2016
2	Total liabilities	3,417,990	3,411,545
2.01	Current liabilities	822,949	810,664
2.01.01	Social and labor obligations	60,302	96,152
2.01.01.02	Labor obligations	60,302	96,152
2.01.02	Trade payables	204,789	173,278
2.01.02.01	Domestic Trade payables	196,270	168,734
2.01.02.02	Foreign Trade payables	8,519	4,544
2.01.03	Tax obligations	17,334	22,099
2.01.03.01	Federal tax liabilities	16,998	21,463
2.01.03.01.01	Income taxes and contribuitions payable	16,998	21,463
2.01.03.02	State tax liabilities	287	591
2.01.03.03	Municipal tax liabilities	49	45
2.01.04	Loans and Financing	435,732	397,879
2.01.04.01	Loans and Financing	435,732	397,879
2.01.04.01.01	In local currency	264,046	224,332
2.01.04.01.02	Foreign currency	171,686	173,547
2.01.05	Other obligations	104,792	121,256
2.01.05.02	Other	104,792	121,256
2.01.05.02.04	Advances from customers	25,094	20,546
2.01.05.02.05	Representatives on commission	24,394	28,181
2.01.05.02.06	D&O profit shares	2,000	7,915
2.01.05.02.07	Other current accounts payable	53,304	64,614
2.02	Non current liabilities	719,519	764,472
2.02.01	Loans and financing	680,561	734,178
2.02.01.01	Loans and financing	680,561	734,178
2.02.01.01.01	In local currency	586,439	654,705
2.02.01.01.02	Foreign currency	94,122	79,473
2.02.04	Provisions	38,958	30,294
2.02.04.01	Tax, welfare and civil contingencies	38,958	30,294
2.02.04.01.01	Tax provisions	15,629	14,973
2.02.04.01.02	Social security and labor provisions	23,329	15,321
2.03	Shareholders' equity	1,875,522	1,836,409
2.03.01	Realized capital	1,264,622	1,264,622
2.03.02	Capital reserves	6,843	6,982
2.03.02.04	Granted Options	(5,176)	(5,037)
2.03.02.07	Goodwil on share issuance	12,019	12,019
2.03.04	Profit reserves	480,331	479,998
2.03.04.01	Legal reserve	49,330	49,330
2.03.04.02	Statutory reserve	453,625	453,625
2.03.04.09	Treasury shares	(22,624)	(22,957)
2.03.05	Retained earnings/accumulated losses	22,352	-
2.03.06	Equity valuation adjustments	106,410	84,807
2.03.08	Other comprehensive income	(5,036)	

(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 quarter 4/1/2017 to 6/30/2017	Accrued value of the current year 1/1/2017 to 6/30/2017	Accrued value of the current quarter 4/1/2016 to 6/30/2016	Accrued value of the prior year 1/1/2016 to 6/30/2016
3.01	Revenue from goods sold and services provided	444,488	723,544	435,671	706,693
3.02	Cost of goods and/or services sold	(364,635)	(620,157)	(365,568)	(613,063)
3.03	Gross profit	79,853	103,387	70,103	93,630
3.04	Operating (expenses) income	(48,766)	(90,231)	(43,129)	(84,525)
3.04.01	Sales expenses	(27,510)	(47,160)	(24,743)	(38,497)
3.04.02	General and administrative expenses	(22,215)	(44,190)	(22,604)	(41,592)
3.04.05	Other operating expenses	(17,701)	(34,430)	(6,998)	(18,460)
3.04.06	Equity in net income of subsidiaries	18,660	35,549	11,216	14,024
3.05	Net income (loss) from operations	31,087	13,156	26,974	9,105
3.06	Financial Income/loss	(346)	16,908	31,359	63,767
3.06.01	Financial revenue	59,030	145,539	188,958	317,332
3.06.02	Financial expenses	(59,376)	(128,631)	(157,599)	(253,565)
3.07	Profit before income tax and social contribution	30,741	30,064	58,333	72,872
3.08	Income taxes and social contribution	(8,512)	(7,712)	(15,429)	(21,116)
3.08.01	Current	(2,165)	779	(15,723)	(14,642)
3.08.02	Deferred charges	(6,347)	(8,491)	294	(6,474)
3.09	Net income from continued operations	22,229	22,352	42,904	51,756
3.11	Net income/loss for the period	22,229	22,352	42,904	51,756
3.99	Earnings per share - (reais/share)			-	-
3.99.01	Basic earnings per share			-	-
3.99.01.01	Common	0.02439	0.02452	0.04810	0.05803
3.99.01.02	Preferred	0.02439	0.02452	0.04810	0.05803
3.99.02	Diluted earnings per share			-	-
3.99.02.01	Common	0.02426	0.02439	0.04835	0.05771
3.99.02.02	Preferred	0.02426	0.02439	0.04835	0.05771

Parent Company Financial Statements / Statement of Comprehensive Income

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current quarter 4/1/2017 to 6/30/2017	Accrued value of the current year 1/1/2017 to 6/30/2017	Accrued value of the current quarter 4/1/2016 to 6/30/2016	Accrued value of the prior year 1/1/2016 to 6/30/2016
4.01	Net income for the period	22,229	22,352	42,904	51,756
4.02	Other comprehensive income/loss	22,422	16,567	(97,264)	(165,735)
4.02.01	Exchange variance on foreign investments	27,458	21,603	(97,264)	(165,735)
4.02.04	Participation in the comprehensive income of subsidiary	(5,036)	(5,036)	-	-
4.03	Comprehensive income for the period	44,651	38,919	(54,360)	(113,979)

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 1/1/2017 to 6/30/2017	Accrued value of the prior year 1/1/2016 to 6/30/2016
6.01	Cash flows from operating activities	17,458	118,331
6.01.01	Cash flows from operating activities	40,990	(16,143)
6.01.01.01	Net income for the year	22,352	51,756
6.01.01.02	Depreciation and amortization	9,808	11,014
6.01.01.03	Earnings on disposal of investments, property, plant and equipment and intangible assets	138	421
6.01.01.04	Equity in net income of subsidiaries	(35,549)	(14,024)
6.01.01.05	Allowance for doubtful accounts	2,397	19
6.01.01.06	Current and deferred income tax and social contribution	7,712	21,116
6.01.01.07	Interest and exchange variance appropriated	34,132	(86,445)
6.01.02	Changes in assets and liabilities	(23,532)	134,474
6.01.02.01	(Increase) decrease in trade accounts receivable	51,437	136,401
6.01.02.02	(Increase) decrease in inventories	(23,777)	886
6.01.02.03	(Increase) decrease in other accounts receivable	(15,471)	5,663
6.01.02.04	(Increase) decrease in assets stated at fai value	(11,105)	(13,676)
6.01.02.05	Increase (decrease) in trade payables	31,511	20,607
6.01.02.07	Increase (decrease) in other accounts and provisions	(56,906)	(765)
6.01.02.08	Income taxes paid	779	(14,642)
6.02	Cash flow from investment activities	(77,544)	(75,525)
6.02.01	Investments	(110,430)	(73,735)
6.02.02	Dividends from subsidiaries, jointly-controlled entities and associates	46,158	1,135
6.02.03	Purchases of property, plant and equipment	(13,672)	(2,682)
6.02.04	Purchases of intangible assets	(64)	(243)
6.02.05	Receipt on sale of property, plant and equipment	464	0
6.03	Cash flow from financing activities	(53,576)	(372,758)
6.03.02	Loans secured from unrelated parties	131,461	21,082
6.03.03	Payment of loans – principal	(149,603)	(368,415)
6.03.04	Payment of loans – interest	(35,628)	(27,227)
6.03.06	Treasury shares	194	1,802
6.05	Increase (decrease) in cash and cash equivalents	(113,662)	(329,952)
6.05.01	Opening balance of cash and cash equivalents	916,995	923,243
6.05.02	Closing balance of cash and cash equivalents	803,333	593,291

Parent Company Financial Statements /Statement of Changes in Equity / 1/1/2017 to 6/30/2017

(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	1,264,622	(15,975)	502,955	-	84,807	1,836,409
5.03	Adjusted opening balances	1,264,622	(15,975)	502,955	-	84,807	1,836,409
5.04	Capital transactions with partners	-	194	-	-	-	194
5.04.04	Treasury shares acquired	-	194	-	-	-	194
5.05	Total comprehensive income/loss	-	-	-	22,352	16,567	38,919
5.05.01	Net income for the period	-	-	-	22,352	-	22,352
5.05.02	Other comprehensive income/loss	-	-	-	-	16,567	16,567
5.05.02.03	Equity in the comprehensive income of subsidiaries and affiliates	-	-	-	-	(5,036)	(5,036)
5.05.02.04	Translation adjustments in the period	-	-	-	-	21,603	21,603
5.07	Closing balances	1,264,622	(15,781)	502,955	22,352	101,374	1,875,522

Parent Company Financial Statements /Statement of Changes in Equity / 1/1/2016 to 6/30/2016

(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
5.04.05	Treasury stock sold	-	1,802	-	-	-	1,802
5.05	Total comprehensive income/loss	-	-	-	51,756	(165,735)	(113,979)
5.05.01	Net income for the period	-	-	-	51,756	-	51,576
5.05.02	Other comprehensive income/loss	-	-	-	-	(165,735)	(165,735)
5.05.02.04	Translation adjustments in the period	-	-	-	-	(165,735)	(165,735)
5.07	Closing balances	1,200,000	(27,994)	401,999	51,756	90,147	1,715,908

(A free translation of the original in Portuguese)

Parent Company Financial Statements / Statement of Value Added

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current year 1/1/2017 to 6/30/2017	Accrued value of the prior year 1/1/2016 to 6/30/2016
7.01	Revenue	795,344	787,621
7.01.01	Sales of goods, products and services	796,758	784,560
7.01.02	Other revenue	983	3,080
7.01.04	Allowance/(reversal of allowance) for doubtful accounts	(2,397)	(19)
7.02	Consumables acquired from third parties	(547,904)	(593,869)
7.02.01	Cost of goods and services sold	(442,249)	(511,168)
7.02.02	Materials, energy, outsourced services and other	(70,242)	(61,161)
7.02.03	Loss/recovery of assets	(35,413)	(21,540)
7.03	Gross value added	247,440	193,752
7.04	Retentions	(9,808)	(11,014)
7.04.01	Depreciation, amortization and depletion	(9,808)	(11,014)
7.05	Net added value produced	237,632	182,738
7.06	Transferred added value	181,088	331,356
7.06.01	Equity in net income of subsidiaries	35,549	14,024
7.06.02	Financial revenue	145,539	317,332
7.07	Total added value to be distributed	418,720	514,094
7.08	Distribution of added value	418,720	514,094
7.08.01	Personnel	209,159	197,383
7.08.01.01	Direct remuneration	155,956	161,199
7.08.01.02	Benefits	32,164	23,181
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	21,039	13,003
7.08.02	Taxes, duties and contributions	54,482	7,852
7.08.02.01	Federal	138,783	24,807
7.08.02.02	State	(121,269)	(17,459)
7.08.02.03	Municipal	36,968	504
7.08.03	Interest expenses	132,727	257,103
7.08.03.01	Interest	128,631	253,565
7.08.03.02	Rent	4,096	3,538
7.08.04	Interest earnings	22,352	51,756
7.08.04.03	Retained earnings / loss for the period	22,352	51,756

(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 6/30/2017	Previous year 12/31/2016
1	Total assets	4,755,816	4,968,269
1.01	Current assets	2,871,886	3,056,738
1.01.01	Cash and cash equivalents	1,004,646	1,209,459
1.01.02	Short-term investments	248,209	230,649
1.01.02.01	Short-term investments valued at Fair Value	248,209	230,649
1.01.02.01.01	Marketable Securities	248,209	230,649
1.01.03	Accounts Receivable	826,549	900,816
1.01.03.01	Trade accounts receivable	826,549	900,816
1.01.04	Inventory	502,313	472,057
1.01.06	Recoverable Taxes	175,376	164,033
1.01.06.01	Current taxes recoverable	175,376	164,033
1.01.08	Other current assets	114,793	79,724
1.01.08.03	Other	114,793	79,724
1.02	Noncurrent Assets	1,883,930	1,911,531
1.02.01	Long-term Assets	559,323	610,558
1.02.01.01	Short-term investments valued at Fair Value	19,340	18,817
1.02.01.01.02	Available-for-sale securities	19,340	18,817
1.02.01.03	Accounts Receivable	478,394	521,962
1.02.01.03.01	Trade accounts Receivable	435,540	481,643
1.02.01.03.02	Other Accounts Receivable	42,854	40,319
1.02.01.06	Deferred taxes	61,589	69,779
1.02.01.06.01	Deferred income tax and social contribution	61,589	69,779
1.02.02	Investments	396,931	358,015
1.02.02.01	Equity interests	346,223	309,074
1.02.02.01.01	Interests in Associated Companies	346,052	308,954
1.02.02.01.04	Interests in subsidiaries	171	120
1.02.02.02	Investment Properties	50,708	48,941
1.02.03	Property, plant and equipment	709,862	708,269
1.02.03.01	Property, plant and equipment in operation	709,862	708,269
1.02.04	Intangible assets	217,814	234,689
1.02.04.01	Intangible assets	217,814	234,689

(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 6/30/2017	Previous year 12/31/2016
2	Total liabilities and equity	4,755,816	4,968,269
2.01	Current liabilities	1,541,218	1,661,724
2.01.01	Social and labor obligations	93,841	127,534
2.01.01.01	Payroll obrigations	93,841	127,534
2.01.02	Trade payables	299,734	251,454
2.01.02.01	Domestic trade payables	243,312	209,270
2.01.02.02	Foreign trade payables	56,422	42,184
2.01.03	Tax obligations	44,851	105,275
2.01.03.01	Federal tax liabilities	43,669	103,792
2.01.03.01.01	Income taxes and contributions payable	43,669	103,792
2.01.03.02	State tax liabilities	1,115	1,421
2.01.03.03	Municipal tax liabilities	67	62
2.01.04	Loans and financing	886,314	925,554
2.01.04.01	Loans and financing	886,314	925,554
2.01.04.01.01	In local currency	540,835	661,949
2.01.04.01.02	Foreign currency	345,479	263,605
2.01.05	Other obligations	216,478	251,907
2.01.05.02	Other	216,478	251,907
2.01.05.02.04	Advances from customers	63,447	44,365
2.01.05.02.05	Representatives on commission	28,668	33,249
2.01.05.02.06	D&O profit shares	2,000	7,915
2.01.05.02.07	Other current accounts payable	122,363	166,378
2.02	Noncurrent liabilities	1,312,469	1,438,028
2.02.01	Loans and financing	1,262,830	1,374,172
2.02.01.01	Loans and financing	1,262,830	1,374,172
2.02.01.01.01	In local currency	1,167,854	1,293,857
2.02.01.01.02	Foreign currency	94,976	80,315
2.02.02	Other obligations	4,498	28,511
2.02.02.02	Other	4,498	28,511
2.02.02.02.03	Obligations to purchase equity interests	4,498	28,511
2.02.04	Provisions	45,141	35,345
2.02.04.01	Tax, welfare and civil contingencies	45,141	35,345
2.02.04.01.01	Tax provisions	16,116	20,091
2.02.04.01.02	Social security and labor provisions	29,025	15,254
2.03	Consolidated shareholders' equity	1,902,129	1,868,517
2.03.01	Realized capital	1,264,622	1,264,622
2.03.02	Capital reserves	6,843	6,982
2.03.02.04	Granted Options	(5,176)	(5,037)
2.03.02.07	Goodwil on share issuance	12,019	12,019
2.03.04	Profit reserves	480,331	479,998
2.03.04.01	Legal reserve	49,330	49,330
2.03.04.02	Statutory reserve	453,625	453,625
2.03.04.09	Treasury stock	(22,624)	(22,957)
2.03.05	Retained earnings/accumulated losses	22,352	-
2.03.06	Carrying Value Adjustments	106,410	84,807
2.03.08	Other comprehensive income	(5,036)	-
2.03.09	Non-controlling interests	26,607	32,108

(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 4/1/2017 to 6/30/2017	Accrued value of the current year 1/1/2017 to 6/30/2017	Accrued value of the current quarter 4/1/2016 to 6/30/2016	Accrued value of the prior year 1/1/2016 to 6/30/2016
3.01	Revenue from goods sold and services provided	740,975	1,295,607	619,740	1,048,066
3.02	Cost of goods and/or services sold	(630,666)	(1,124,251)	(517,233)	(889,385)
3.03	Gross profit	110,309	171,356	102,507	158,681
3.04	Operating (expenses) income	(74,301)	(146,995)	(67,491)	(133,455)
3.04.01	Sales expenses	(42,343)	(77,797)	(35,137)	(55,449)
3.04.02	General and administrative expenses	(41,280)	(82,149)	(39,198)	(73,183)
3.04.05	Other operating expenses	(10,578)	(30,380)	(8,558)	(26,331)
3.04.06	Equity in net income of subsidiaries	19,900	43,331	15,402	21,508
3.05	Net income (loss) from operations	36,008	24,361	35,016	25,226
3.06	Financial Income/loss	4,736	22,816	32,455	61,143
3.06.01	Financial revenue	80,586	188,703	197,952	333,414
3.06.02	Financial expenses	(75,850)	(165,887)	(165,497)	(272,271)
3.07	Profit before income tax and social contribution	40,744	47,177	67,471	86,369
3.08	Income taxes and social contribution	(14,770)	(17,980)	(24,208)	(34,340)
3.08.01	Current	(6,059)	(9,790)	(20,298)	(22,228)
3.08.02	Deferred charges	(8,711)	(8,190)	(3,910)	(12,112)
3.09	Net income from continued operations	25,974	29.197	43,263	52,029
3.11	Consolidated net income/loss for the period	25,974	29.197	43,263	52,029
3.11.01	Attributed to partners of the parent Company	22,229	22,352	42,904	51,756
3.11.02	Attributed to non-controlling interests	3,745	6,845	359	273
3.99	Earnings per share (Reais / Share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common	0.02822	0.03203	0.04850	0.05833
3.99.01.02	Preferred	0.02822	0.03203	0.04850	0.05833
3.99.02	Diluted earnings per share				
3.99.02.01	Common	0,02807	0.03186	0.04824	0.05801
3.99.02.02	Preferred	0.02807	0.03186	0.04824	0.05801

(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 4/1/2017 to 6/30/2017	Accrued value of the current year 1/1/2017 to 6/30/2017	Accrued value of the current quarter 4/1/2016 to 6/30/2016	Accrued value of the prior year 1/1/2016 to 6/30/2016
4.01	Consolidated net income for the period	25,974	29,197	43,263	52.029
4.02	Other comprehensive income/loss	11,024	4,221	(100,191)	(171,526)
4.02.01	Exchange variance on foreign investments	16,060	9,257	(100,191)	(171,526)
4.02.04	Participation in the comprehensive income of subsidiary	(5,036)	(5,036)	-	-
4.03	Consolidated comprehensive income for the period	36,998	33,418	(56,928)	(119,497)
4.03.01	Attributed to partners of the parent Company	44,651	38,919	(54,360)	(113,979)
4.03.02	Attributed to non-controlling interests	(7,653)	(5,501)	(2,568)	(5,518)

(A free translation of the original in Portuguese)

Quarterly Information (ITR) - 6/30/2017 - MARCOPOLO SA

Consolidated Financial Statements / Statement of Cash Flows - Indirect Method

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current year 1/1/2017 to 6/30/2017	Accrued value of the prior year 1/1/2016 to 6/30/2016
6.01	Cash flows from operating activities	33,144	102,944
6.01.01	Cash flows from operating activities	138,945	25,719
6.01.01.01	Net income for the year	29,197	52,029
6.01.01.02	Depreciation and amortization	23,596	22,392
6.01.01.03	Earnings on disposal of investments, property, plant and equipment and intangible assets	30,378	2,247
6.01.01.04	Equity in net income of subsidiaries	(43,331)	(21,508)
6.01.01.05	Allowance for doubtful accounts	11,993	2,748
6.01.01.06	Current and deferred income tax and social contribution	17,980	34,340
6.01.01.07	Interest and exchange variance appropriated	62,287	(66,802)
6.01.01.08	Non-controlling interests	6,845	273
6.01.02	Changes in assets and liabilities	(105,801)	77,225
6.01.02.01	(Increase) decrease in trade accounts receivable	113,098	203,978
6.01.02.02	(Increase) decrease in inventories	(24,514)	(13,079)
6.01.02.03	(Increase) decrease in other accounts receivable	(39,761)	(26,302)
6.01.02.04	(Increase) decrease in assets stated at fai value	(12,641)	(42,403)
6.01.02.05	Increase (decrease) in trade payables	45,744	6,873
6.01.02.08	Tax paid	(177,937)	(29,614)
6.02	Cash flow from investment activities	(9,790)	(22,228)
6.02.01	Investments	(15,532)	(44,542)
6.02.02	Dividends from subsidiaries, jointly-controlled entities and associates	(2,693)	-
6.02.03	Purchases of property, plant and equipment	13,925	7,333
6.02.04	Purchases of intangible assets	(26,681)	(51,475)
6.02.05	Receipt on sale of property, plant and equipment	(567)	(400)
6.03	Cash flow from financing activities	484	-
6.03.02	Loans secured from unrelated parties	(224,967)	(356,633)
6.03.03	Payment of loans – principal	267,544	229,087
6.03.04	Payment of loans – interest	(430,449)	(543,161)
6.03.06	Treasury shares	(62,256)	(44,361)
6.05	Increase (decrease) in cash and cash equivalents	194	1,802
6.05.01	Opening balance of cash and cash equivalents	2,542	(18,465)
6.05.02	Closing balance of cash and cash equivalents	(204,813)	(316,696)
		1,209,459	1,131,162
		1,004,646	814,466

Consolidated Financial Statements /Statement of Changes in Equity / 1/1/2017 to 6/30/2017

(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	1,264,622	(15,975)	502,955	-	84,807	1,836,409	32,108	1,868,517
5.03	Adjusted opening balances	1,264,622	(15,975)	502,955	-	84,807	1,836,409	32,108	1,868,517
5.04	Capital transactions with partners	-	194	-	-	-	194	-	194
5.04.05	Treasury stock sold	-	194	-	-	-	194	-	194
5.05	Total comprehensive income	-	-	-	22,352	16,567	38,919	(5,501)	33,418
5.05.01	Net income for the period	-	-	-	22,352	-	22,352	6,845	29,197
5.05.02	Other comprehensive income/loss	-	-	-	-	16,567	16,567	(12,346)	4,221
5.05.02.03	Equity in the comprehensive income of subsidiaries and affiliates	-	-		-	(5,036)	(5,036)	-	(5,036)
5.05.02.04	Translation adjustments in the period	-	-	-	-	21,603	21,603	(12,346)	9,257
5.07	Closing balances	1,264,622	(15,781)	502,955	22,352	101,374	1,875,522	26,607	1,902,129

Consolidated Financial Statements /Statement of Changes in Equity / 1/1/2016 to 6/30/2016
(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	-	-	-	51,756	(165,735)	(113,979)	(5,518)	(119,497)
5.05.01	Net income for the period	-	-	-	51,756	-	51,756	273	52,029
5.05.02	Other comprehensive income/loss	-	-	-	-	(165,735)	(165,735)	(5,791)	(171,526)
5.05.02.04	Translation adjustments in the period	-	-	-	-	(165,735)	(165,735)	(5,791)	(171,526)
5.07	Closing balances	1,200,000	(27,994)	401,999	51,756	90,147	1,715,908	28,580	1,744,488

(A free translation of the original in Portuguese)

Quarterly Information (ITR) - 6/30/2017 - MARCOPOLO SA

Consolidated Financial Statements / Statement of Value Added

(Thousands of Reais)

1 – Account Code	2 – Account Description	Accrued value of the current year 1/1/2017 to 6/30/2017	Accrued value of the prior year 1/1/2016 to 6/30/2016
7.01	Revenue	1,393,873	1,124,465
7.01.01	Sales of goods, products and services	1,399,754	1,122,126
7.01.02	Other revenue	6,112	5,087
7.01.04	Allowance/(reversal of allowance) for doubtful accounts	(11,993)	(2,748)
7.02	Consumables acquired from third parties	(995,319)	(814,060)
7.02.01	Cost of goods and services sold	(847,504)	(700,895)
7.02.02	Materials, energy, outsourced services and other	(111,323)	(81,747)
7.02.03	Loss/recovery of assets	(36,492)	(31,418)
7.03	Gross value added	398,554	310,405
7.04	Retentions	(23,596)	(22,392)
7.04.01	Depreciation, amortization and depletion	(23,596)	(22,392)
7.05	Net added value produced	374,958	288,013
7.06	Transferred added value	232,034	354,922
7.06.01	Equity in net income of subsidiaries	43,331	21,508
7.06.02	Financial revenue	188,703	333,414
7.07	Total added value to be distributed	606,992	642,935
7.08	Distribution of added value	606,992	642,935
7.08.01	Personnel	318,951	284,786
7.08.01.01	Direct remuneration	256,498	235,516
7.08.01.02	Benefits	39,263	34,789
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	23,190	14,481
7.08.02	Taxes, duties and contributions	84,142	21,311
7.08.02.01	Federal	168,607	34,762
7.08.02.02	State	(121,862)	(14,359)
7.08.02.03	Municipal	37,397	908
7.08.03	Interest expenses	174,702	284,809
7.08.03.01	Interest	165,887	272,271
7.08.03.02	Rent	8.815	12,538
7.08.04	Interest earnings	29,197	52,029
7.08.04.03	Retained earnings/loss for the period	29,197	52,029

Marcopolo S.A.

Caxias do Sul, August 7th 2017 - Marcopolo S.A. (B3: POMO3; POMO4) discloses the results of the performance in the second quarter of 2017 (2Q17) and accumulated figures (1H17). The Financial Statements are presented according to the accounting policies adopted in Brazil and the IFRS - International Financial Reporting Standards as established by IASB - International Accounting Standards Board.

HIGHLIGHTS OF THE 2nd QUARTER OF 2017

- **Net Revenue** amounted to BRL 741.0 million a 19.6% growth compared to 2Q16.
- **Gross Profit** reached BRL 110.3 million, with a 14.9% margin.
- **EBITDA** amounted to BRL 47.4 million, with a 6.4% margin.
- **Net Profit** reached BRL 26.0 million, with a 3.5% margin.
- Marcopolo's **Total Production** reached 2,860 units, with a 36.5% increase compared to 2Q16.

(BRL million and percentage variation, except where otherwise stated).

Selected Information	2Q17	2Q16	Var. %	1H17	1H16	Var. %
Net Operating Revenue	741.0	619.7	19.6	1,295.6	1,048.1	23.6
Revenue in Brazil	287.6	194.2	48.1	437.4	386.8	13.1
Exportation revenue from Brazil	263.7	248.1	6.3	467.5	346.5	34.9
Revenue in foreign countries	189.7	177.4	6.9	390.7	314.8	24.1
Gross Profit	110.3	102.5	7.6	171.4	158.7	8.0
EBITDA (1)	47.4	46.1	2.8	48.0	47.6	0.8
Net Profit	26.0	43.3	(40.0)	29.2	52.0	(43.8)
Earnings per share	0.029	0.049	(40.8)	0.032	0.059	(45.8)
Return on Invested Capital (ROIC) (2)	12.7%	4.2%	8.5pp	12.7%	4.2%	8.5pp
Return on Equity (ROE) (3)	11.6%	4.1%	7.5pp	11.6%	4.1%	7.5pp
Investments	17.5	15.4	13.6	26.8	51.9	(48.4)
Gross Margin	14.9%	16.5%	(1.6)pp	13.2%	15.1%	(1.9)pp
EBITDA Margin	6.4%	7.4%	(1.0)pp	3.7%	4.5%	(0.8)pp
Net Margin	3.5%	7.0%	(3.5)pp	2.3%	5.0%	(2.7)pp

Balance Sheet Data	30/06/17	31/03/17	Var. %
Shareholders' Equity	1,875.5	1,830.9	2.4
Cash, cash equivalents and financial investments	1,272.2	1,306.8	(2.6)
Short Term Financial Liabilities	(886.3)	(875.2)	1.3
Long Term Financial Liabilities	(1,262.8)	(1,306.9)	(3.4)
Net financial liabilities – Manufacturing segment	(348.0)	(313.6)	11.0

Notes: (1) EBITDA = Earnings before interest, taxes, depreciation and amortization; (2) ROIC (Return on Invested Capital) = EBIT of the last 12 months ÷ (inventories + customers + property, plant and equipment + intangible assets - suppliers); (3) ROE (Return on Equity) = Net Profit/Beginning Shareholders' Equity; pp = percentage points.

BRAZILIAN BUS INDUSTRY PERFORMANCE

The Brazilian bus production reached 4,045 units in 2Q17, which was a 5.2% drop compared to 2Q16. In 1H17 the production was 6,490 units, 7.8% less than the volume produced in the same period in 2016.

a) Domestic Market. The production targeted at the domestic market amounted to 2,866 units in 2Q17, which is 9.9% less than the 3,180 units produced in 2Q16. In 1H17 the production was 4,232 units, 19.2% less than the volume produced in the same period in 2016.

b) Foreign Market. Exportation amounted to 1,179 units in 2Q17, 8.4% greater than the 1,088 units exported in 2Q16. In 1H17, Exportation totaled 1,807 units, 10.0% more than the 1,643 units exported in 1H16.

BRAZILIAN BUS PRODUCTION (in units)

PRODUCTS (1)	2Q17			2Q16			Var.
	DM	FM (2)	TOTAL	DM	FM (2)	TOTAL	%
Intercity	510	716	**1,226**	454	650	**1,104**	11.1
Urbans	1,988	165	**2,153**	2,213	305	**2,518**	(14.5)
Micros	368	298	**666**	513	133	**646**	3.1
TOTAL	**2,866**	**1,179**	**4,045**	**3,180**	**1,088**	**4,268**	**(5.2)**

PRODUCTS (1)	1H17			1H16			Var.
	DM	FM (2)	TOTAL	DM	FM (2)	TOTAL	%
Intercity	721	1,356	**2,077**	848	953	**1,801**	15.3
Urbans	2,873	264	**3,137**	3,615	632	**4,247**	(26.1)
Micros	638	638	**1,276**	772	222	**994**	28.4
TOTAL	**4,232**	**2,258**	**6,490**	**5,235**	**1,807**	**7,042**	**(7.8)**

Sources: FABUS (National Bus Manufacturers Association) and SIMEFRE (Interstate Union of the Railroad and Road Material and Equipment Industry).
Notes: (1) DM = Domestic Market; FM = Foreign Market; (2) Includes exported KD (knocked down) units.

MARCOPOLO'S OPERATING AND FINANCIAL PERFORMANCE

Units Recorded in Net Revenue

In 2Q17, 2,810 units were recorded in net revenue, 1.551 of which were recorded in Brazil (55.2% of the total), and 769 units exported from Brazil (27.4%) and 490 units in foreign countries (17.4%).

TRANSACTIONS	2Q17	2Q16	Var. %	1H17	1H16	Var. %
BRAZIL:						
- Domestic Market	1,551	1,017	52.5	2,397	2,117	13.2
- Foreign market	849	683	24.3	1,536	1,036	48.3
SUBTOTAL	**2,400**	**1,700**	**41.2**	**3,933**	**3,153**	**24.7**
Exclusion exported KD's [1]	80	56	42.9	206	107	92.5
TOTAL IN BRAZIL	**2,320**	**1,644**	**41.1**	**3,727**	**3,046**	**22.4**
FOREIGN:						
- South Africa	106	79	34.2	191	158	20.9
- Australia	82	111	(26.1)	164	197	(16.8)
- Mexico	302	251	20.3	742	378	96.3
TOTAL FOREIGN	**490**	**441**	**11.1**	**1,097**	**733**	**49.7**
GRAND TOTAL	**2,810**	**2,085**	**34.8**	**4,824**	**3,779**	**27.7**

Note: [1] (Knock Down) = Partially or totally knocked down bodies.

PRODUCTION

Marcopolo's consolidated production was 2,860 units in 2Q17. In Brazil, the production reached 2,372 units in 2Q17, while in foreign countries the production was 488 units.

Marcopolo's consolidated production figures and comparison thereof with the previous year are shown in the table below:

MARCOPOLO - CONSOLIDATED WORLDWIDE PRODUCTION

TRANSACTIONS	2Q17	2Q16	Var. %	1H17	1H16	Var. %
BRAZIL: [1]						
- Domestic Market	1,620	1,033	56.8	2,435	1,827	33.3
- Foreign market	820	789	3.9	1,498	1,084	38.2
SUBTOTAL	**2,440**	**1,822**	**33.9**	**3,933**	**2,911**	**35.1**
Exclusion exported KD's [2]	68	142	(52.1)	167	154	8.4
TOTAL IN BRAZIL	**2,372**	**1,680**	**41.2**	**3,766**	**2,757**	**36.6**
FOREIGN:						
- South Africa	104	54	92.6	198	129	53.5
- Australia	82	111	(26.1)	164	197	(16.8)
- Mexico	302	251	20.3	742	378	96.3
TOTAL FOREIGN	**488**	**416**	**17.3**	**1.104**	**704**	**56.8**
GRAND TOTAL	**2,860**	**2,096**	**36.5**	**4,870**	**3,461**	**40.7**

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

MARCOPOLO – CONSOLIDATED WORLDWIDE PRODUCTION BY MODEL

PRODUCTS/MARKETS (in units)	2Q17			2Q16		
	DM	FM [1]	TOTAL	DM	FM [1]	TOTAL
Intercity	387	495	**882**	220	373	**593**
Urbans	549	444	**993**	510	497	**1,007**
Micros	258	197	**455**	46	73	**119**
SUBTOTAL	**1,194**	**1,136**	**2,330**	**776**	**943**	**1,719**
Volares [2]	426	104	**530**	257	120	**377**
TOTAL PRODUCTION	**1,620**	**1,240**	**2,860**	**1,033**	**1,063**	**2,096**

PRODUCTS/MARKETS [2] (in units)	1H17			1H16		
	DM	FM [1]	TOTAL	DM	FM [1]	TOTAL
Intercity	541	927	**1,468**	419	564	**983**
Urbans	769	973	**1,742**	920	807	**1,727**
Micros	428	344	**772**	80	97	**177**
SUBTOTAL	**1,738**	**2,244**	**3,982**	**1,419**	**1,468**	**2,887**
Volares [3]	697	191	**888**	408	166	**574**
TOTAL PRODUCTION	**2,435**	**2,435**	**4,870**	**1,827**	**1,634**	**3,461**

Notes: [1] The total FM production includes KD units (partially or fully knocked down bodies) exported, which amounted to 68 units in 2Q17 , 167 units in 1H17, 142 units in 2Q16 and 154 units in 1H16; [2] DM = Domestic Market; FM = Foreign Market; [3] The Volare production is not part of the SIMEFRE and FABUS figures or the sector production.

MARCOPOLO - PRODUCTION IN BRAZIL

PRODUCTS/MARKETS[2] (in units)	2Q17			2Q16		
	DM	FM [1]	TOTAL	DM	FM [1]	TOTAL
Intercity	387	478	**865**	220	465	**685**
Urbans	549	41	**590**	510	131	**641**
Micros	258	197	**455**	46	73	**119**
SUBTOTAL	**1,194**	**716**	**1,910**	**776**	**669**	**1,445**
Volares [3]	426	104	**530**	257	120	**377**
TOTAL PRODUCTION	**1,620**	**820**	**2,440**	**1,033**	**789**	**1,822**

PRODUCTS/MARKETS (in units)	1H17			1H16		
	DM	FM [1]	TOTAL	DM	FM [1]	TOTAL
Intercity	541	904	**1,445**	419	630	**1,049**
Urbans	769	69	**838**	920	193	**1,113**
Micros	428	344	**772**	80	95	**175**
SUBTOTAL	**1,738**	**1,317**	**3,055**	**1,419**	**918**	**2,337**
Volares [2]	697	181	**878**	408	166	**574**
TOTAL PRODUCTION	**2,435**	**1,498**	**3,933**	**1,827**	**1,084**	**2,911**

Note: See notes in the Consolidated Worldwide Production by Model table.

BRAZILIAN MARKET SHARE

Marcopolo's total market share in Brazil was 47.2% in 2Q17 against 33.9% in 2Q16, with a prominent 70.6% in the intercity segment. The market share increase took place in all models, notably intercity vehicles, both due to the recovery of the domestic market and the continuation of good export volumes. The volume of micros vehicles also contributed to such increase, mostly arising from the consolidation of Neobus’ stake.

MARKET SHARE IN BRAZILIAN PRODUCTION (%)

PRODUCTS	1Q16	2Q16	1H16	1Q17	2Q17	1H17
Intercity	52.2	62.0	58.2	68.2	70.6	69.6
Urbans	27.3	25.5	26.2	25.2	27.4	26.7
Micros	16.1	18.4	17.6	52.0	68.3	60.5
TOTAL [1]	**32.2**	**33.9**	**33.2**	**46.8**	**47.2**	**47.1**

Source: FABUS and SIMEFRE
Notes: [1] Volare is not computed for market share purposes.

NET REVENUE

Consolidated net revenue achieved BRL 741.0 million in 2Q17, against BRL 619.7 million recorded in 2Q16. In the domestic market the revenue reached BRL 287.6 million, or 38.8% of the total amount, while in the foreign market the revenue amounted to BRL 453.4 million, amounting to the remaining 61.2% of the consolidated Net Revenue. The quarter highlight was domestic income, which rose 48.1% in the quarterly comparison, mostly pushed by greater revenue of intercity vehicles with a 94.5% growth in 2Q17. The intercity vehicle production rose 75.9% in 2Q17 compared to the same period last year. The table and charts below show a net revenue breakdown by products and markets:

TOTAL CONSOLIDATED NET REVENUE

By Products and Markets (BRL million)

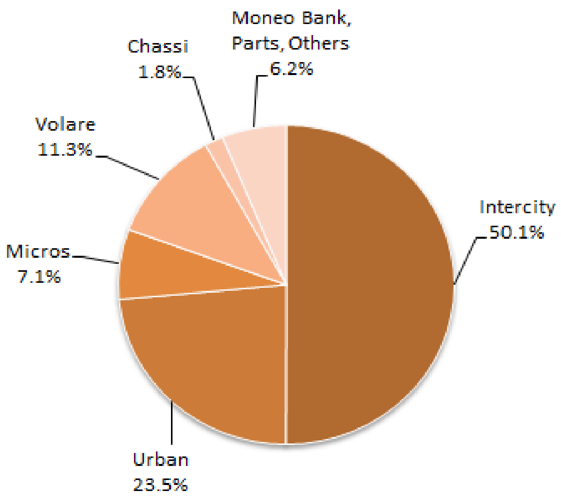
PRODUCTS/MARKETS [1]	2Q17			2Q16		
	DM	FM	TOTAL	DM	FM	TOTAL
Intercity	115.9	255.0	**370.9**	59.6	241.7	**301.3**
Urbans	61.0	112.9	**173.9**	54.6	126.3	**180.9**
Micros	22.2	30.5	**52.7**	5.7	7.7	**13.4**
Bodies subtotal	**199.1**	**398.4**	**597.5**	**119.9**	**375.7**	**495.6**
Volares [2]	64.7	19.5	**84.2**	47.3	20.8	**68.1**
Chassis	0.1	13.2	**13.3**	2.7	9.8	**12.5**
Moneo Bank	12.8	-	**12.8**	15.5	-	**15.5**
Parts and others	10.9	22.3	**33.2**	8.8	19.2	**28.0**
GRAND TOTAL	**287.6**	**453.4**	**741.0**	**194.2**	**425.5**	**619.7**

PRODUCTS/MARKETS [1]	1H17			1H16		
	DM	FM	TOTAL	DM	FM	TOTAL
Intercity	153.0	464.8	**617.8**	114.3	325.0	**439.3**
Urbans	93.6	231.1	**324.7**	113.6	243.3	**356.9**
Micros	37.2	62.9	**100.1**	9.2	11.3	**20.5**
Bodies subtotal	**283.8**	**758.8**	**1,042.6**	**237.1**	**579.6**	**816.7**
Volares [2]	109.9	33.8	**143.7**	96.4	30.5	**126.9**
Chassis	0.7	17.1	**17.8**	6.7	12.9	**19.6**
Moneo Bank	24.7	-	**24.7**	31.9	-	**31.9**
Parts and others	18.3	48.5	**66.8**	14.7	38.3	**53.0**
GRAND TOTAL	**437.4**	**858.2**	**1,295.6**	**386.8**	**661.3**	**1,048.1**

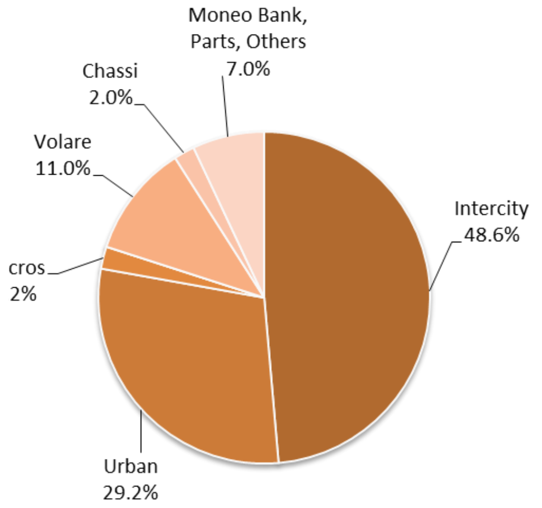
Notes: [1] DM = Domestic Market; FM = Foreign Market; [2] The Volare revenue includes chassis.

CONSOLIDATED NET REVENUE COMPOSITION (%)

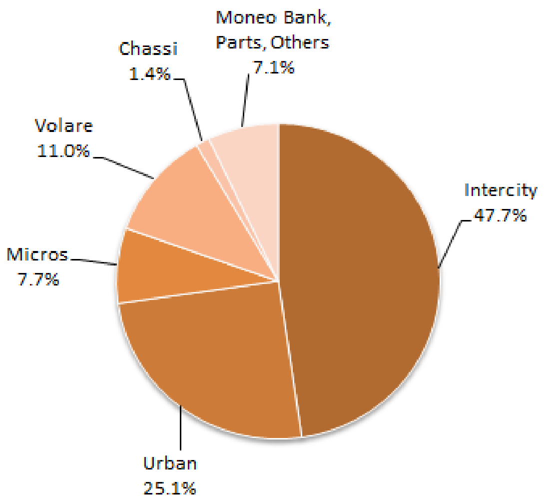
2Q17



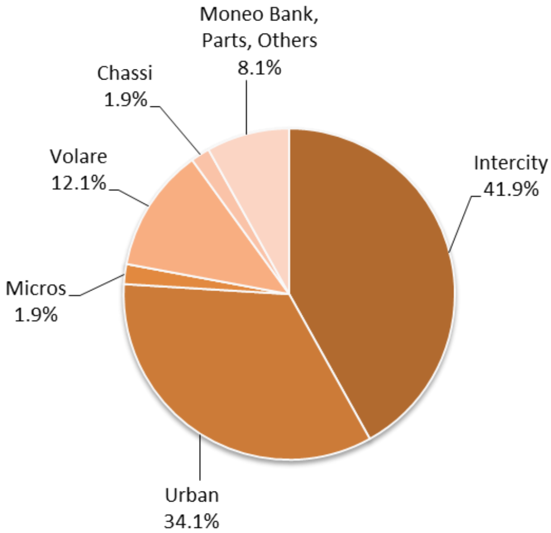
2Q16



1H17



1H16



GROSS INCOME AND MARGINS

The 2Q17 consolidated gross profit reached BRL 110.3 million, with a 14.9% margin, against BRL 102.5 million and a 16.5% margin in 2Q16. In spite of a retreat compared to 2Q16, the gross margin in 2Q17 rose 3.9 percentage points compared to 1Q17, especially helped by a greater intercity vehicle revenue in the domestic market, by exportation of greater added value products and by greater operating efficiency in the Ana Rech unit, resulting from the Company's efforts to revitalize its production system by using the LEAN principles. Without the Neobus consolidation effect, the gross margin would have been 17.1%, thus greater than the one reported in the same period last year.

SALE EXPENSES

Sale expenses totaled BRL 42.3 million in 2Q17, against BRL 35.1 million in 2Q16, amounting to 5.7% of the net revenue in both quarters. The increase in the absolute amount is mostly explained by the Neobus consolidation, by a greater expense volume with commissions as a result of a greater sales volume in the domestic market and by the constitution of an additional provision for doubtful debtors in the amount of BRL 3.8 million, BRL 2.6 million of which in Marcopolo and BRL 1.2 million in the Moneo Bank.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses amounted to BRL 41.3 million in 2Q17, or 5.5% of the net revenue, while in 2Q16 these expenses amounted to BRL 39.2 million, or 6.3% of the revenue. The reduction in the revenue value results from actions conducted by the Company seeking to reduce indirect expenses and costs.

OTHER NET OPERATING REVENUE/EXPENSES

In 2Q17, BRL 10.6 million was recorded as "Other Operating Expenses". The main expenses of this amount were BRL 5.4 million with provisions for employment claim damages, BRL 1.4 million for tax payments, BRL 1.3 million for provision for inventory losses, BRL 0.8 million for consulting services and BRL 1.7 million for other expenses.

EQUITY METHOD RESULTS

The equity method result in 2Q17 was BRL 19.9 million against BRL 15.4 million in 2Q16. The main contribution, in the amount of BRL 13.5 million, comes from New Flyer Industries. The equity method result is described in detail in Explanatory Note no. 11 to the Financial Statements.

NET FINANCIAL INCOME

The 2Q17 net financial income was BRL 4.7 million positive against BRL 32.5 million also positive in 2Q16. This result is mostly due to the financial investment yield and foreign exchange variation within the period.

EBITDA

EBITDA reached BRL 47.4 million in 2Q17, with a 6.4% margin, and was affected by "Other Operating Expenses" as explained above. Even though the EBITDA margin had a retreat compared to 2Q16, it is important to note the improvement of 6.3 percentage points compared to the 1Q17 margin, explained by the reasons mentioned for the gross margin recovery.

In 1H17, EBIDTA was affected by non-recurring costs for the Company's internal restructuring conducted in 1Q17, which totaled BRL 28.0 million and was recorded as follows:

- Gross Income and Margins: BRL 9.2 million;

- Sale Expenses: BRL 1.5 million;

- General and Administrative Expenses: BRL 3.2 million;

- Other Net Operating Expenses/Revenue: BRL 14.1 million.

Thus, the adjusted EBITDA for 1H17, excluding the non-recurring costs related to the aforementioned restructuring, would be BRL 75.9 million, with a 5.9% margin in the period.

The table below shows the accounts that make up the EBITDA:

BRL million	2Q17	2Q16	1H17	1H16
Result before Income Tax and Social Contribution	40.7	67.5	47.2	86.3
Financial Revenue	(80.6)	(198.0)	(188.7)	(333.4)
Financial expenses	75.9	165.5	165.9	272.3
Depreciation / Amortization	11.4	11.1	23.6	22.4
EBITDA	**47.4**	**46.1**	**48.0**	**47.6**

NET PROFIT

The 2Q17 consolidated net profit reached BRL 26.0 million, with a 3.5% margin, affected by "Other Operating Expenses".

FINANCIAL INDEBTEDNESS

The net financial indebtedness amounted to BRL 876.9 million on 06.30.2017 (BRL 875.2 million on 03.31.2017). BRL 528.9 million of this amount came from the financial segment (Moneo Bank) and BRL 348.0 million from the industrial segment.

It should be noted that the financial segment indebtedness comes from the consolidation of the Bank Moneo activities and must be analyzed separately, as it has different characteristics from the indebtedness arising from the Company's manufacturing activities. The financial liabilities of the Bank Moneo have a corresponding entry in the "Customers" account in the Bank's Assets. The credit risk is properly provisioned for. Since these are transfers from the FINAME, each disbursement BNDES has a corresponding entry in the customer receivables account of the Bank Moneo, both in term and rate. See Explanatory Note 27 to the Financial Statements.

On June 30th, the net financial indebtedness of the industrial segment amounted to 0.9 times the EBITDA of the last 12 months.

CASH GENERATION

In 2Q17, the operating activities generated funds in the order of BRL 56.1 million. The investment activities consumed BRL 14.7 million and the financing activities consumed BRL 70.2 million. The beginning cash balance of BRL 1,306.8

million at the end of March, by subtracting BRL 5.8 million equivalent to the difference between foreign exchange variation and variation of unavailable financial investments, it dropped to BRL 1,272.2 million at the end of the June 2017.

INVESTMENTS IN PERMANENT ASSETS

Marcopolo invested BRL 17.5 million in 2Q17, BRL 8.7 million of which was spent by the controller and BRL 6.4 million applied towards machines and equipment, BRL 2.1 million in software and computer equipment and BRL 0.2 million in other permanent assets. In controlled companies, BRL 6.6 million was invested in San Marino/Neobus, BRL 0.8 million in Volare Espírito Santo, BRL 0.6 million in Polomex and BRL 0.8 million in the other units.

STOCK MARKET

In 2Q17, 302.7 thousand transactions were completed and 339.6 million shares were traded. Transactions with shares issued by Marcopolo moved BRL 889.8 million in this period. The interest of foreign investors in Marcopolo's capital stock amounted to 53.0% of the preferred shares and 34.3% of the total capital stock on 06.30.2017. In 1H17, the preferred shares – POMO4 – appreciated 3.7% against 4.4% of IBOVESPA. The table below shows the evolution of the main stock market indicators:

INDICATORS	2Q17	2Q16	1H17	1H16
Number of transactions (thousands)	302.7	372.6	581.4	666.0
Traded Shares (million)	339.6	280.3	607.5	469.5
Traded amount (BRL million)	889.8	663.2	1.610.1	1.086.5
Market value (BRL million) [1]	2,627.6	2,152.6	2,627.6	2,152.6
Existing shares (million) [2]	925.2	896.9	925.2	896.9
Book value per share (BRL)	2.03	1.91	2.03	1.91
POMO4 quotation at the end of the period	2.84	2.40	2.84	2.40

Notes: [1] Quotation of the last transaction of the period of the Preference Book-entry share (PE), multiplied by the total existing shares (OE+PE) in the same period. [2] Out of this total, 4,878,049 preferred shares were in treasury on 06.30.2017.

ANALYSIS AND PROSPECTS

The second quarter brought important signs of improvement in the domestic markets, especially in the intercity segment, as well as maintenance of the exportation levels recorded in the same period last year. The order backlog is longer, considering the current labor size, with bodies of greater added value.

In the domestic market, the prominence was a 48.1% growth in net revenue, pushed mostly by the volume of intercity vehicles, which rose 75.9% in physical units produced in 2Q17 compared to the same period in the previous year. Exportation is still contributing the Marcopolo results, combining volumes with a mix of prime products, being supported by the integration among the Commercial, Foreign Market and International Business departments.

The Company is still focused in improving its operating performance through increased efficiency, reducing costs and optimizing plants, for greater competitiveness. The results of the revitalization efforts of the Marcopolo Solidarity Production System through the application of the LEAN concepts are already visible in the safety, quality and efficiency indicators. Additionally, the adjustment of the organizational structure and reduction of fixed costs in 1Q17 contributed to the results.

As for the intercity bus market, the accessibility regulation that would enter into force on July 1st was delayed to July 2018. On the other hand, the requirement for a reduction in the fleet's average age for interstate and international lines to 8 years until the end of 2017, 6 years in 2018 and 5 years for 2019 may increase the demand in this segment.

In the urban segment, lack of definition about fare adjustment and bidding processes still affect sale volumes and profitability. The successive drops in units produced quarterly in Brazil point to a restraining process in orders. It should be noted that Marcopolo launched a new urban bus model on May 11th named Torino S, which combines greater operating efficiency, simplified and quicker maintenance with lower costs, while maintaining the quality, comfort and safety attributes of the Torino model.

The Volare segment also shows signs of improvement in the annual comparison, with a 40.6% increase in physical units produced in 2Q17 compared to 2Q16 and 23.6% more in terms of net revenue. The Company has been seeking alternatives to improve the operation's competitiveness and profitability, which includes the transfer of the production unit from Planalto to Neobus.

In foreign units, the highlights were the controlled company Polomex and the associated companies TMML and Superpolo. In this quarter the production of the Mexican unit Polomex rose 20.3%, while the revenue was 66.0% greater in 2Q17 compared to the same period in the previous year, as a result of a mix of prime products, in spite of some uncertainties in that country's market. In the associated companies, the Indian operation of TMML gradually grows in volumes, through the expansion of the application of LEAN concepts to its productive process, while the Superpolo unit maintains a high market share in Colombia, with good volumes in this half-year period. The reduction of the Capital share of GB Polo, located in Egypt, from 49.0% to 20.0% should also be noted.

Finally, Marcopolo restates its permanent engagement in overcoming challenges imposed by a demand still below normal levels in the Brazilian market. The devotion of its employees and its international presence, either through exportation or through the work of its controlled and associated company, have contributed to sustain the Company's results, with prospects of gradual improvement in results as soon as the economical and political conditions allow it.

The 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 June 30, 2017 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;

(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 – Investments in Joint ventures – Joint operations;
- Note 8 – Allowance for doubtful accounts
- Note 17 **-** Provision for civil, labor and tax contingencies;
- Note 18 **-** Pension plan and retirement benefits for employees;
- Note 19 – 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 Australia Holdings Pty Ltd.	MP Austrália	Australian Dollar	Australia
Pologren Australia Pty Ltd.	Pologren	Australian Dollar	Australia
Volgren Australia Pty Ltd.	Volgren	Australian Dollar	Australia
Marcopolo Canada Holdings Corp.	MP Canada	Canadian Dollar	Canada
Marcopolo International Corp.	MIC	US Dollar	Virgin Islands
Marcopolo South Africa Pty Ltd.	Masa	Rand	South Africa
Marcopolo Trading S.A.	Trading	Reais	Brazil
Moneo Investimentos S.A.	Moneo	Reais	Brazil
Neobus Chile SPA	Neobus Chile	Chilean Peso	Chile
NewRoad Mexico S.A. de C.V.	NewRoad	Mexican Peso	Mexico
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	México
San Marino Ônibus e Implementos Ltda.	San Marino	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
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
New Flyer Industries Inc.	New Flyer	Canadian Dollar	Canada
Setbus Soluções Automotivas Ltda.	Setbus	Reais	Brazil
Spheros Climatização do Brasil S.A.	Spheros	Reais	Brazil
Spheros Mexico S.A. de C.V.	Spheros México	Mexican Peso	Mexico
Spheros Thermosystems Colombia 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.

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.

(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 Investment properties

Investment property is measured at cost.
Gains and losses on the disposal of an investment property (calculated as the difference between the net value received on the sale and the book value of the item) are recognized in the income statement.
When an investment property previously recognized as property, plant and equipment is sold, any amount recognized in equity valuation adjustment is transferred to retained earnings.

2.13 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, usually recognized at the amount of the related invoice.

2.14 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.

2.15 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;

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

2.16 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.

2.17 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.

2.18 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$ 120 thousand the period 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.

2.19 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.

2.20 Shareholders’ equity

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.

2.21 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.

2.22 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.

2.23. 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 January 1, 2017, and have not been applied in preparing this quarterly information. The Company is not planning to implement these standards in advance.

IFRS 9/ CPC 48 – 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 January 1, 2018. The Company is evaluating the effects that IFRS 9 will have on its financial statements and disclosures.

IFRS 15/ CPC 47 - 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 – CPC 17)
- 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 14).

(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 June 30, 2017 and December 31, 2016 the Company had assets, liabilities and forwards denominated in foreign currency in the following amounts (thousands of reais):

				Consolidated
				6/30/2017
	Trade accounts receivable	**Trade payables**	**Loans**	**Forwards**
Currency				
US Dollar	312,816	12,463	325,241	232,428
Australian Dollar	25,579	32,537	83,852	18,960
Chilean Peso	-	-	101	-
South African Rand	22,229	2,046	854	6,381
Chinese Renminbi	15	-	-	-
Novo sol	11,896	9,376	24,474	-
	372,535	56,422	434,522	257,769

	Trade accounts receivable	Trade payables	Loans	Forwards
	Consolidated			
	12/31/2016			
Currency				
US Dollar	316,507	15,458	322,577	196,797
Australian Dollar	43,023	26,677	74,243	30,480
South African Rand	20,466	49	842	5,138
Chinese Renminbi	18,787	-	15,756	-
	398,783	42,184	413,418	232,415

(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 2017, 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$ 31,827 (parent company) and R$ 100,042 (consolidated) as of June 30, 2017 (December 31, 2016 - R$ 29,430 and R$ 87,893) representing 7.8% and 7.3% respectively, of the outstanding accounts receivable balance of the parent company and consolidated (December 31, 2016 – 6.4% and 6.0%) 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			
		6/30/2017			
		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	2,143,210	2,427,955	937,319	1,268,490	222,146
Trade payables	299,734	299,734	299,734	-	-
Derivative financial liabilities					
Derivative financial instruments	5,934	5,934	5,934	-	-

		Consolidated			
		12/31/2016			
		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	2,299,234	2,616,781	978,687	1,395,853	242,241
Trade payables	251,454	251,454	251,454	-	-
Derivative financial liabilities					
Derivative financial instruments	492	492	492	-	-

(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 - %		9.00	11.25	13.50
TJLP - %		7.00	8.75	10.50
Exchange rate - USD		3.30	4.13	4.95
Exchange rate - Euro		3.70	4.63	5.55
LIBOR - %		1.55	1.94	2.33
Cost of advances on foreign exchange contracts (ACC) discount - %		4.30	5.37	6.45
	Call deposits	69,733	92,088	114,433
	Interbank transactions	94,328	108,549	122,888
	Loans and financing	(122,569)	(207,473)	(293,513)
	Forwards	3,238	(52,043)	(100,539)
	Receivables less payables	(726)	78,120	156,967
		44,004	19,241	236

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 June 30, 2017 and December 31, 2016 have been summarized below (Note 28):

	Consolidated		Industrial Segment		Financial Segment	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Total loans	2,143,210	2,299,234	1,578,698	1,645,904	564,512	653,330
Derivative financial instruments	5,934	492	5,934	492	-	-
Minus: cash and cash equivalents	(1,004,646)	(1,209,459)	(969,061)	(1,164,763)	(35,585)	(44,909)
Less: short-term investments	(266,927)	(224,151)	(266,927)	(224,151)	-	-
Less: derivative financial instruments	(622)	(6,498)	(622)	(6,498)	-	-
Net debt (A)	876,949	859,618	348,022	250,984	528,927	608,421
Total shareholders' equity (B)	1,902,129	1,868,517	1,668,058	1,636,984	234,071	231,533
Financial leverage index - % (A/B)	46	46	21	15	226	263

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 June 30, 2017 and December 31, 2016 which were fully classified in level 2:

	Consolidated	
	6/30/2017	12/31/2016
Assets		
Financial assets at fair value through profit or loss		
- Trading derivatives	622	6,498
Available-for-sale assets		
- Bank deposit certificates	247,587	224,151
	248,209	230,649
Liabilities		
Financial liabilities at fair value through profit or loss		
- Trading derivatives	5,934	492
	5,934	492

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	
	6/30/2017		12/31/2016	
Nature of assets	**Book value**	**Market value**	**Book value**	**Market value**
Loans and financing	2,143,210	2,110,951	2,299,234	2,273,390

(ii) Trade payables - Payables on the acqzuisition 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**	**6/30/2017**	**6/30/2017**	**12/31/16**	**6/30/2017**	**12/31/16**
Marcopolo					USD mil				
	BRADESCO	Sale	05/18/17	11/13/17	2,720	30	773	30	773
	SANTANDER	Sale	05/18/17	12/12/17	14,765	410	3,059	410	3,059
	SAFRA	Sale				-	1,076	-	1,076
						440	**4,908**	**440**	**4,908**
Masa					USD mil				
	STD	Purchase	06/20/17	04/16/18	1,523	14	54	14	54
	ABSA					-	45	-	45
						14	**99**	**14**	**99**
MP Austrália					CNY mil				
	CITIBANK	Purchase				-	266	-	266
					USD mil				
	WESTERN UNION	Purchase	10/28/16	12/05/17	2,457	91	472	91	472

Company	Counterparty	Position	Initial	Final	Notional value	Fair value 6/30/17	Fair value 12/31/16	Amounts 6/30/17	Amounts 12/31/16
	CITIBANK	Purchase				-	17	-	17
	CITIBANK	Purchase	10/28/16	10/10/17	SGD mil 775	27	4	27	4
	CITIBANK	Purchase	10/28/16	10/10/17	CHF mil 645	28	18	28	18
						146	**777**	**146**	**777**
San Marino					USD mil				
	Santander	Sale	06/22/17	07/14/17	800	22	-	22	-
						22	**-**	**22**	**-**
Polomex					USD mil				
	MONEX	Purchase				-	714	-	714
						-	**714**	**-**	**714**
						622	**6,498**	**622**	**6,498**

Liabilities

Company	**Counterparty**	**Position**	**Initial**	**Final**	**Notional value 6/30/2017**	**Fair value 6/30/17**	**Fair value 12/31/16**	**Amounts payable 6/30/17**	**Amounts payable 12/31/16**
Marcopolo					USD mil				
	BRADESCO	Sale	03/22/17	10/19/17	16,520	(1,219)	(182)	(1,219)	(182)
	SANTANDER	Sale	03/28/17	10/26/17	28,130	(2,513)	(250)	(2.513)	(250)
	VOTORANTIM	Sale	06/09/17	10/24/17	1,500	(20)	-	(20	-
	BBA	Sale	03/27/17	10/18/17	5,200	(554)	-	(554)	-
						(4,306)	**(432)**	**(4,306)**	**(432)**
Masa					USD mil				
	STD	Purchase	05/11/17	07/20/17	406	(28)	(1)	(28)	(1)
						(28)	**(1)**	**(28)**	**(1)**
San Marino					USD mil				
	SANTANDER	Sale	05/10/17	09/28/17	9,653	(603)	-	(603)	-
						(603)	**-**	**(603)**	**-**
Polomex					USD mil				
	MONEX	Purchase	01/25/16	09/12/17	1,232	(819)	(37)	(819)	(37)
						(819)	**(37)**	**(819)**	**(37)**
MP Austrália					USD mil				
	WESTERN UNION	Compra				-	(10)	-	(10)
					SGD mil				
	CITIBANK	Compra				-	(1)	-	(1)
					CNY mil				
	CITIBANK	Compra	11/08/16	11/08/17	15,539	(178)	(11)	(178)	(11)
						(178)	**(22)**	**(178)**	**(22)**
						(5,934)	**(492)**	**(5,934)**	**(492)**

The Company had the following gains and losses from derivatives in the periods ended at June 30, 2017 and 2016:

	Realized gains/losses			
	Interest on derivatives		Exchange variance on derivatives	
	6/30/2017	6/30/2016	6/30/2017	6/30/2016
Marcopolo	7,360	1,869	297	15,699
Ciferal	-	-	28	-
Masa	-	-	-	(210)
Polomex	-	-	(539)	-
Volare Veículos	-	(263)	-	(261)

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					
	6/30/2017			12/31/2016		
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	-	-
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 Canadá	100.00	-	-	100.00	-	-
Pologren (1)	-	100.00	-	-	75.00	25.00
Volgren (1)	-	100.00	-	-	75.00	25.00
Polomex	3.61	70.39	26.00	3.61	70.39	26.00
San Marino	100.00	-	-	100.00	-	-
Rotas do Sul (2)	-	100.00	-	-	100.00	-
San Marino México (2)	-	100.00	-	-	100.00	-
NewRoad (2)	-	100.00	-	-	100.00	-
Neobus Chile (2)	-	100.00	-	-	100.00	-
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;
(2) Consolidated in San Marino

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

I Elimination of inter-company asset and liability account balances

II Elimination of investment in the capital. reserves and retained earnings of the subsidiaries.

III 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;

IV Elimination of tax charges on unearned income and presented as deferred tax in the consolidated balance sheet. and

V Identification of minority interests in the consolidated financial information.

(b) Joint arrangement (not consolidated)

	Percentage interest			
	6/30/2017		12/31/2016	
Associated companies	**Direct**	**Indirect**	**Direct**	**Indirect**
GB Polo	49.00	-	49.00	-
Kamaz	50.00	-	50.00	-
Loma	50.00	-	50.00	-
Metalpar (1)	1.00	49.00	1.00	49.00
Metalsur (1)	-	25.50	-	25.50
Marsa (1)	-	-	-	50.00
Superpolo	20.61	29.39	20.61	29.39
TMML	49.00	-	49.00	-

(1) Consolidated in joint arrangement (not consolidated) Loma;

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

	Assets		Liabilities		Net revenue		Profit (loss)	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016	6/30/2017	6/30/2016	6/30/2017	6/30/2016
GBPolo	52,021	54,299	79,378	73,919	9,646	20,083	(3,824)	(5,829)
Kamaz	2,964	5,473	2,630	10,577	-	1,590	82	380
Loma	236,367	227,120	175,645	159,214	162,825	201,914	7,074	11,424
Superpolo	222,584	216,494	147,189	137,731	77,464	89,104	7,550	243
TMML	214,331	188,822	157,843	147,791	109,927	132,917	12,327	8,224

(c) Associates (not consolidated)

	Percentage interest			
	6/30/2017		12/31/2016	
Associated companies	Direct	Indirect	Direct	Indirect
Mercobus	40.00	-	40.00	-
New Flyer	-	10.47	-	10.81
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)	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016	6/30/2017	6/30/2016	6/30/2017	6/30/2016
Mercobus	4,595	6,989	567	1,786	3,898	3,193	1,055	810
Setbus	10,977	11,349	26,292	24,978	6,946	7,185	(1,685)	(1,367)
Spheros	110,659	82,207	46,634	31,274	90,280	84,349	11,615	9,580
WSul	9,171	12,475	1,424	1,852	10,745	7,285	1,123	(670)

7 Cash and cash equivalents, financial assets and derivatives

7.1 Cash and cash equivalents

	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Cash and banks				
Brazil	25,065	24,954	48,581	30,821
Foreign	123	138	62,159	118,441
Highly liquid marketable securities				
In Brazil (*)	778,145	891,903	890,084	1,022,078
Foreign (*)	-	-	3,822	38,119
Total cash and cash equivalents	803,333	916,995	1,004,646	1,209,459

(*) Substantially correspond to Bank Deposit Certificates - CDB remunerated at between 98% and 102% of the Interbank Deposit Certificate (CDI) rate, resulting in a weighted average of 100.1% of CDI as of June 30, 2017.

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

	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Current				
Held for trading				
Fixed-income investment funds				
Non-deliverable Forwards	440	4,908	622	6,498
Available for sale				
Bank deposit certificates (*)	247,587	222,997	247,587	224,151
	248,027	227,905	248,209	230,649
Non-current				
Available for sale				
Related-party transactions	19,823	24,966	19,340	18,817
	19,823	24,966	19,340	18,817

(*) Substantially correspond to Bank Deposit Certificates - CDB remunerated at between 100.0% and 100.3% of the Interbank Deposit Certificate (CDI) rate, resulting in a weighted average of 100.1% of CDI as of June 30, 2017.

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	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Current				
Domestic customers	139,728	178,047	234,579	250,288
Foreign customers	227,490	226,943	378,830	408,433
Related-party transactions	44,201	58,206	-	-
Interbank transactions	-	-	290,065	315,934
Adjustment to present value	(2,711)	(3,051)	(3,585)	(4,599)
Allowance for doubtful accounts	(31,827)	(29,430)	(73,340)	(69,240)
	376,881	430,715	826,549	900,816
Non-current				
Interbank transactions	-	-	458,681	500,296
Foreign customers	-	-	3,561	-
Allowance for doubtful accounts	-	-	(26,702)	(18,653)
	-	-	435,540	481,643
	376,881	430,715	1,262,089	1,382,459

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	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Amounts outstanding	305,067	310,137	1,158,545	1,242,492
Overdue:				
Up to 30 days	16,486	31,841	38,413	47,912
31 to 60 days	4,215	5,461	20,683	12,075
61 to 90 days	771	3,433	9,344	7,560
91 to 180 days	5,072	13,123	32,149	40,169
More than 181 days	79,808	99,201	106,582	124,743
Adjustment to present value	(2,711)	(3,051)	(3,585)	(4,599)
(-) Allowance for doubtful accounts	(31,827)	(29,430)	(100,042)	(87,893)
	376,881	430,715	1,262,089	1,382,459

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

	Parent Company	Consolidated
Balance at January 1, 2016	(32,572)	(77,588)
Allowance made in the period	(2,056)	(28,298)
Reversal of provision for receivables (write-off)	6,063	16,951
Exchange variance	(865)	1,042
Balance at December 31, 2016	(29,430)	(87,893)
Allowance made in the period	(2,397)	(14,525)
Reversal of provision for receivables (write-off)	-	2,556
Exchange variance	-	(180)
Balance at June 30, 2017	(31,827)	(100,042)

Accounts receivable are denominated in the following currencies:

	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Reais	149,391	203,772	889,555	983,676
Dólar Americano	227,490	226,943	312,815	316,507
Dólar Australiano	-	-	25,579	43,023
Novo Sol	-	-	15	-
Rande	-	-	22,229	20,466
Renminbi	-	-	11,896	18,787
	376,881	430,715	1,262,089	1,382,459

9 Inventories

	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Finished goods	80,791	65,475	141,939	104,192
Goods in process	45,980	40,817	115,350	116,790
Raw materials and auxiliary materials	112,340	101,316	237,248	222,404
Advances to suppliers and other	1,606	7,821	16,584	35,647
Provision for inventory losses	(4,824)	(3,313)	(8,808)	(6,976)
	235,893	212,116	502,313	472,057

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

	Parent Company	Consolidated
Balance at January 1, 2016	(857)	(7,328)
Reversal of provision	741	7,247
Allowance made in the period	(3,197)	(8,339)
Exchange variance	-	1,444
Balance at December 31, 2016	(3,313)	(6,976)
Reversal of provision	-	78
Allowance made in the period	(1,511)	(1,730)
Exchange variance	-	(180)
Balance at June 30, 2017	(4,824)	(8,808)

10 Taxes and contributions recoverable

	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Current				
Corporate Income Tax (IRPJ)	27,456	25,087	42,490	40,271
Social Contribution on Net Income (CSLL)	5,666	6,835	7,816	9,889
Excise Tax (IPI)	13,943	12,819	14,224	13,152
Value Added Tax on Sales and Services - ICMS	31,717	25,073	47,340	36,904
Social Integration Program (PIS)	1,358	1,335	5,143	4,409
Contribution for Social Security Financing (COFINS)	3,529	3,419	23,681	19,863
National Social Security Institute (INSS)	4,128	7,780	4,752	8,431
Reintegra	8,477	3,849	10,320	4,807
Value added tax (IVA)	-	-	19,223	26,234
Other	367	65	387	73
	96,641	86,262	175,376	164,033
Non-current				
Value-Added Tax on Goods and Services (ICMS)	561	444	594	5,584
Contribuição para Financiamento da Seguridade Social (COFINS)	-	-	12,656	11,231
Programa de Integração Social (PIS)	-	-	3,194	2,878
Value added tax (IVA)	-	-	658	202
	561	444	17,102	19,895
	97,202	86,706	192,478	183,928

11 Investments

	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Subsidiary	1,219,539	1,108,839	-	-
Joint subsidiaries	91,080	88,874	82,787	81,571
Associated companies	25,698	22,216	263,265	227,383
Other investments	-	-	171	120
	1,336,317	1,219,929	346,223	309,074

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

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

																	Subsidiary	
																		Total
	Apolo	Ciferal	llmot	Mac	MP Austrália	Masa	MIC	Moneo	MP Canadá	Polomex	San Marino	Syncro	Trading	Volare Veículos	Volare Comércio	Volare Peru	06/30/17	12/31/16
			(1)	(1)	(1)	(1)	(1)		(1)	(1)	(2)					(1)		
Investment data																		
Capital	3,750	20,000	50,937	10,043	57,118	7,851	4,631	100,000	178,218	29,153	250,810	4,000	3,000	176,327	11,000	708		
Adjusted shareholders' equity	3,555	143,487	93,814	7,889	50,246	55,658	1,382	234,999	289,396	97,535	145,612	5,244	6,893	142,844	4,543	1,119		
Shares or quotas held	3,250,000	499,953	50,000	1	100	100,000	1,400,000	100,000	4,925,530	3,011,659	7,478,482	1	3,450,103	19,980	999	999		
% interest	65.00	99.99	100.00	100.00	100.00	100.00	100.00	100.00	100.00	3.61	100.00	99.99	99.99	99.90	99.90	99.90		
Net income (loss) for the period	(238)	(4,177)	20,942	1,996	(1,702)	154	(159)	2,563	27,398	26,648	(18,797)	173	226	(7,719)	(240)	(204)		
Changes in the investments																		
Opening balances:																		
At equity value	2,466	147,657	106,175	5,575	53,235	52,267	1,526	232,436	246,889	4,273	116,074	5,070	6,666	122,485	4,778	1,267	1,108,839	1,197,584
Advance for future capital increase											79,810			27,927			107,737	90,000
Capital subscription	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73,734
Acquisition according to business combination																	-	32,934
Dividends received	-	-	(34,240)	-	-	-	-	-	-	(1,759)	-	-	-	-	-	-	(35,999)	(347,888)
Equity in income of associates	(155)	(4,177)	20,942	1,996	(1,702)	154	(159)	2,563	27,398	962	(18,797)	173	226	(7,711)	(240)	(204)	21,269	243,635
Accumulated translation adjustments	-	-	937	318	3,749	3,237	15	-	15,109	45	(736)	-	-	-	-	55	22,729	(142,743)
Impairment																		(6,027)
Comprehensive income of subsidiary					(5,036)												(5,036)	-
Transfer to subsidiary																	-	46,738
Exchange variance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,363)
Changes in the investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(71,765)
Closing balances:																		
At equity value	2,311	143,480	93,814	7,889	50,246	55,658	1,382	234,999	289,396	3,521	176,351	5,243	6,892	142,701	4,538	1,118	1,219,539	1,108,839

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

Joint ventures:

	GBPolo	Kamaz	Loma	Metalpar	Superpolo	TMML	Joint ventures Total 06/30/17	12/31/16
	(1)	(1)	(1),(2)	(1)	(1)	(1)		
Investment data								
Capital	17,945	8,613	19,614	9,841	14,008	87,022		
Adjusted shareholders' equity	(27,357)	334	60,722	28,800	75,395	56,488		
Shares or quotas held	4,803,922	1	15,949,948	473,995	265,763	24,500		
% interest	49.00	50.00	50.00	1.00	20.61	49.00		
Net income (loss) for the period	(3,824)	82	7,074	(200)	7,550	12,327		
Changes in the investments								
Opening balances:								
At equity value	(9,614)	(2,552)	64,404	298	16,233	20,105	88,874	172,395
Capital integralization	-	2,693	-	-	-	-	2,693	-
Dividends received	-	-	(5,770)	-	(2,291)	-	(8,061)	(1,445)
Equity in income of associates	(1,874)	41	3,537	(2)	1,556	6,040	9,298	(15,823)
Accumulated translation adjustments	(1,917)	(15)	(1,359)	(8)	41	1,534	(1,724)	(19,515)
Transfer to subsidiary	-	-	-	-	-	-	-	(46,738)
Closing balances:								
At equity value	(13,405)	167	60,812	288	15,539	27,679	91,080	88,874
Goodwill on investments	-	-	(30,451)	-	-	-	(30,451)	(30,451)
Indirect interest – Superpolo	-	-	-	-	22,158	-	22,158	23,148
At consolidated equity value	(13,405)	167	30,361	288	37,697	27,679	82,787	81,571

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

Associated companies:

	Mercobus	Spheros	Setbus	WSul	New Flyer	Coligadas Total 06/30/17	12/31/16
	(1)						
Investment data							
Capital	237	30,000	1,000	6,100	2,170,020		
Adjusted shareholders' equity	4,020	64,025	(15,315)	7,747	2,269,026		
Shares or quotas held	232	244,898	25,100	1,830,000	6,587,834		
% interest	40.00	40.00	25.10	30.00	10.47		
Net income (loss) for the period	1,055	11,615	(1,685)	1,123	259,054		
Changes in the investments							
Opening balances:							
At equity value	2,077	20,373	(3,421)	3,187		22,216	15,650
Dividends received	(898)	-	-	(1,200)		(2,098)	(1,837)
Equity in income of associates	422	4,646	(423)	337		4,982	9,857
Accumulated translation adjustments	7	591	-	-		598	(1,454)
Closing balances:							
At equity value	1,608	25,610	(3,844)	2,324		25,698	22,216
Indirect Investment - New Flyer					237,567	237,567	205,167
At equity value	1,608	25,610	(3,844)	2,324	237,567	263,265	227,383

(1) Overseas ventures.

12 Investment properties

It consists in a land of 140,000 m2 and a constructed area of 20,378,87 m2, located in Três Rios, Rio de Janeiro State and is measured at book value in the amount of R$ 50,708 thousand. The investment property is not being used in the company's operating activities and is maintained for rent or for capital appreciation. During the quarter there was no income from the property, only expenses with vigilance, insurance and electric energy. The fair value of this property is R$ 64,459 net of selling expenses, as determined by a specialized appraiser.

	Consolidado	
	6/30/17	**12/31/16**
Balance at January 1	48,941	-
Reclassification of property, plant and equipment	1,767	48,941
Balance at June 30, 2017	50,708	48,941

13 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, 2016	18,074	108,479	65,991	3,431	4,639	2,475	175	6,307	209,571
Additions	-	1,043	8,716	147	2,240	136	-	1,390	13,672
Write-offs	-	(40)	(163)	(15)	(11)	(370)	-	(3)	(602)
Transfers	-	867	866	-	-	-	-	(1,733)	-
Depreciation	-	(1,926)	(5,558)	(366)	(1,023)	(220)	-	-	(9,093)
Balances at June 30, 2017	18,074	108,423	69,852	3,197	5,845	2,021	175	5,961	213,548
Cost of property, plant and equipment	18,074	187,469	212,519	9,314	22,043	6,642	175	5,961	462,197
Accumulated depreciation	-	(79,046)	(142,667)	(6,117)	(16,198)	(4,621)	-	-	(248,649)
Residual value	18,074	108,423	69,852	3,197	5,845	2,021	175	5,961	213,548
Annual average depreciation rates - %		2.0	11.3	9.0	16.7	13.4			

(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, 2016	62,648	358,711	237,948	9,497	6,056	9,231	3,084	21,094	708,269
Foreign exchange variations	67	474	483	82	-	695	44	5	1,850
Additions	4,325	2,130	15,671	413	2,243	615	543	741	26,681
Write-offs	-	(41)	(2,128)	(43)	(11)	(3,000)	(13)	(8)	(5,244)
Transfers	508	793	8,459	-	-	-	-	(9,760)	-
Depreciation	-	(3,097)	(15,211)	(825)	(1,179)	(936)	(446)	-	(21,694)
Balances at June 30, 2017	67,548	358,970	245,222	9,124	7,109	6,605	3,212	12,072	709,862
Cost of property, plant and equipment	67,548	470,127	559,515	23,357	25,396	16,948	17,091	12,072	1,192,054
Accumulated depreciation	-	(111,157)	(314,293)	(14,233)	(18,287)	(10,343)	(13,879)	-	(482,192)
Residual value	67,548	358,970	245,222	9,124	7,109	6,605	3,212	12,072	709,862
Annual average depreciation rates - %		2.0	11.3	9.0	16.7	13.4	13.0		

Land and buildings mainly comprise plants and offices.

(c) Guarantees

As of June 30, 2017 properties with a residual book value of R$ 52,080 thousand (R$ 45,829 thousand as of December 31, 2016) are subject to a recorded guarantee for bank loans and financing.

14 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, 2016	4,006	25	4,031
Additions	64	-	64
Write-offs	-	-	-
Amortization	(711)	(4)	(715)
Balances at June 30, 2017	3,359	21	3,380
Cost of Intangible assets	50,552	338	50,890
Accumulated amortization	(47,193)	(317)	(47,510)
Residual value	3,359	21	3,380
Annual average 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, 2016	8,839	970	7,748	1,243	215,889	234,689
Foreign exchange variations	31	-	582	-	9,465	10,078
Additions	564	3	-	-	-	567
Write-offs	-	-	-	-	(25,618)	(25,618)
Transfer	-	-	-	-	-	-
Amortization	(1,431)	(4)	(330)	(137)	-	(1,902)
Balances at June 30, 2017	8,003	969	8,000	1,106	199,736	217,814
Cost of property, plant and equipment	67,479	1,286	29,027	2,214	199,736	299,742
Accumulated amortization	(59,476)	(317)	(21,027)	(1,108)	-	(81,928)
Residual value	8,003	969	8,000	1,106	199,736	217,814
Annual amortization rates - %	20.0	8.3	25.0	10.0		

Goodwill composition:

	Goodwill	
	06/30/17	12/31/16
Loma	30,451	30,451
San Marino	30,739	30,739
Pologren	90,741	109,195
New Flyer	47,805	45,504
	199,736	215,889

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

15 Related parties

(a) Related-party balances and transactions

The main asset and liability balances at June 30, 2017, 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	-	-	-	119	-	-	-	-
Ciferal	-	2	10,500	330	14,261	482	-	1
GB Polo	15,880	-	5,880	-	-	-	323	-
Kamaz	1,776	-	-	-	-	-	11	-
Ilmot	483	-	-	-	-	-	13	-
Loma	-	-	7,993	-	14,863	-	-	-
Mac	-	-	2,648	-	919	-	-	-
Masa	-	-	9,100	-	13,107	-	-	-
Moneo	-	11	-	-	-	-	1	-
Polomex	-	-	6,702	-	50,972	-	-	-
San Marino	-	-	56	-	296	-	-	-
Setbus	1,684	-	-	31	-	472	101	-
Spheros	-	-	-	3,052	-	17,334	-	-
Superpolo	-	-	2,778	-	4,445	-	-	-
Syncroparts	-	-	-	-	-	-	-	-
TMML	-	-	8,387	-	2,687	-	-	-
Trading	-	-	-	-	-	-	-	-
Volare Veículos	-	-	8,284	24	5,866	375	49	-
Volare Comércio	-	-	6,426	12	7,343	-	-	1
Volare Peru	-	-	-	-	-	-	-	-
WSul	-	-	-	969	-	3,611	-	-
Balance in 06/30/17	19,823	13	68,754	4,537	114,759	22,274	498	2
Balance in 12/31/16	24,966	20	81,186	5,682	231,023	48,636	5,998	1

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:

	6/30/2017				
	Fixed	Variable	Pension plan	Share-based payments	Total
Board of Directors and Executive Board	4,490	2,000	44	-	**6,534**
Nonexecutive officers	3,299	756	94	9	**4,158**
	7,789	2,756	138	9	**10,692**

	6/30/2016				
	Fixed	**Variable**	**Pension plan**	**Share-based payments**	**Total**
Board of Directors and Executive Board	4,314	3,123	59	82	**7,578**
Nonexecutive officers	4,594	-	123	47	**4,764**
	8,908	3,123	182	129	**12,342**

16 Loans and financing

	Average rate weighted % p.a.	**Year of Maturity**	**Parent Company 6/30/2017**	**Parent Company 12/31/2016**	**Consolidated 6/30/2017**	**Consolidated 12/31/2016**
Local currency						
FINAME	5.69	2017 to 2025	12,050	11,157	30,683	31,396
Bank loans	4.45	2017 to 2021	-	-	13,965	56,341
Interbank deposits	16.00	2017	-	-	28,559	50,485
FINEP	4.99	2017 to 2025	221,708	203,881	288,800	275,826
FDE – Development funds	3.00	2025	-	-	140,318	143,489
Fundepar - ES	-	2026	-	-	30,000	30,000
Exim	8.00	2017	-	-	23,695	31,887
Special pre-shipment financing (*)	10.64	2017 to 2018	277,473	276,509	277,473	276,509
Export prepayments - Compulsory	8.96	2017 to 2019	339,242	387,038	339,242	387,038
Foreign currency						
Advances on export contracts	4.62	2018	-	-	34,504	59,333
Export prepayments in US dollars	3.25	2018	211,627	228,558	211,627	228,558
Export prepayments - USD	3.84	2020	49,874	24,462	79,110	34,686
Financing in Rands	9.94	2017 to 2022	-	-	854	842
Financing in renminbi	5.38	2017	-	-	24,474	15,756
Financing in Australian dollars	3.42	2017	-	-	83,852	74,243
Financing in Chilean pesos	19.00	2017	-	-	101	-
Related-party transactions	CDI	-	13	20	-	-
Subtotal of local and foreign currency			1,111,987	1,131,625	1,607,257	1,696,389
Funding in the open market						
Local currency						
BNDES – Fixed-interest loans	4.47	2017 to 2024	-	-	333,007	429,156
BNDES – Fixed-interest loans	TJLP + 2.02	2017 to 2023	-	-	173,273	143,389
BNDES – Fixed-interest loans	SELIC + 2.05	2017 to 2022	-	-	29,673	30,300
Subtotal of money market funding			-	-	535,953	602,845
Subtotal of loans and financing			1,111,987	1,131,625	2,143,210	2,299,234

	Average rate weighted % p.a.	Year of Maturity	Parent Company 6/30/2017	Parent Company 12/31/2016	Consolidated 6/30/2017	Consolidated 12/31/2016
Derivative financial instruments			4,306	432	5,934	492
Total loans and financing			1,116,293	1,132,057	2,149,144	2,299,726
Current liabilities			(435,732)	(397,879)	(886,314)	(925,554)
Non-current liabilities			680,561	734,178	1,262,830	1,374,172

(*) 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	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
From 13 to 24 months	483,593	396,711	675,689	602,298
From 25 to 36 months	90,868	235,924	228,141	384,050
37 to 48 months	31,012	37,715	120,039	134,223
49 to 60 months	19,490	14,918	69,085	66,913
After 60 months	55,598	48,910	169,876	186,688
	680,561	734,178	1,262,830	1,374,172

(a) Loans and financing

The FINAME financing loans are secured by a statutory lien on the financed assets of R$ 52,080 as of June 30, 2017 (R$ 45,829 as of December 31, 2016),

The Company has secured bank loans amounting to R$ 136,206 thousand as of June 30, 2017 (R$ 190,290 thousand as of December 31, 2016). 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)	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
1 to 12 months	224,537	246,832	201,884	223,587
From 13 to 24 months	165,543	178,698	149,937	162,211
From 25 to 36 months	109,940	124,831	101,656	115,448
After 36 months	86,394	106,522	82,476	101,599
	586,414	656,883	535,953	602,845

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

17 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 June 30, 2017 and December 31, 2016, 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			
	6/30/2017		12/31/2016	
Nature	Probable	Possible	Probable	Possible
Civil	964	20,174	964	18,881
Labor	22,365	27,580	14,357	28,452
Tax	15,629	220,717	14,973	211,156
	38,958	268,471	30,294	258,489

	Consolidated			
	6/30/2017		12/31/2016	
Nature	**Probable**	**Possible**	**Probable**	**Possible**
Civil	2,023	20,616	2,007	19,323
Labor	27,002	28,257	18,084	29,011
Tax	16,116	275,000	15,254	259,377
	45,141	323,873	35,345	307,711

	Parent Company		Consolidated	
Judicial deposits	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
Civil	1,102	980	2,925	3,753
Labor	9,498	5,652	11,753	7,654
Tax	2,267	2,132	8,933	8,167
	12,867	8,764	23,611	19,574

(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	
	6/30/2017	**12/31/2016**	**6/30/2017**	**12/31/2016**
REINTEGRA–credit appropriation (i)	572	545	572	545
Special Tax Arrangement – tax credit (ii)	11,993	11,435	11,993	11,435
Other contingent liabilities of lesser amounts	3,064	2,993	3,551	3,274
	15,629	14,973	16,116	15,254

(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	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
PIS, COFINS and Social Security Fund (FINSOCIAL) - offset	7,167	6,962	7,167	6,962
COFINS – rebate application (i)	20,878	20,060	20,878	20,060
PIS, COFINS – credit	8,241	7,898	8,241	7,898
PIS – offsetting (ii)	13,762	13,074	13,762	13,074
IPI – credit	1,786	1,709	1,786	1,709
IRPJ – understated inflationary profit	2,832	2,763	2,832	2,763
IRPJ and CSLL - negative balance (iii)	16,510	15,877	16,510	15,877
IRPJ and CSLL - Overseas profits (iv)	28,019	26,885	28,019	26,885
IRPJ and CSLL – IR paid overseas	3,456	3,303	3,456	3,303
IRPJ and CSLL – Overseas profits (v)	38,176	36,169	38,176	36,169
DCP – Restatement (vi)	25,722	24,422	25,722	24,422
REINTEGRA – offsetting (vii)	14,714	14,143	14,714	14,143
ICMS – shipment of goods with a reduced tax rate to non-taxpayers (viii)	-	-	34,387	34,162
ICMS – disreputable documents (ix)	15,107	14,531	15,107	14,531
ISS – services received from third parties	5,657	5,389	5,657	5,389
INSS – services acquired from legal entities	6,652	6,422	6,652	6,422
Other contingent liabilities of lesser amounts	12,038	11,549	31,934	25,608
	220,717	211,156	275,000	259,377

(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, related to discussion abou credits DCP, referring to the monetary adjustment statement and the isolated fine applied in accordance with the declarations not homologated. The lawsuit is pending before the Regional Judgments Department.

(vii) Contingency rated as a possible defeat, related to the credit of Reintegra, due to divergence of procedure in the litigation of credit. The case is in progress before the Regional Judgments Department.

(viii) 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.

(ix) 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			
	6/30/2017		12/31/2016	
Nature	**Probable**	**Possible**	**Probable**	**Possible**
Contingency				
Tax	13,916	13,111	13,283	12,515
Social security	-	2,863	-	2,733
	13,916	15,974	13,283	15,248

(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.

18 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 June 30, 2017 was R$ 5,196 (R$ 6,043 as of June 30, 2016). 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 June 30, 2017 and December 31, 2016, 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	
	6/30/2017	**12/31/2016**	**6/30/2017**	**12/31/2016**
Present value of actuarial obligations	(249,624)	(244,008)	(252,375)	(246,707)
Fair value of the plan's assets	268,934	256,669	271,898	259,524
Surplus not subject to refund or reduction in future contributions	(19,310)	(12,661)	(19,523)	(12,817)
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 June 30, 2017.

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

	Parent Company		Consolidated	
	6/30/2017	**12/31/2016**	**6/30/2017**	**12/31/2016**
January 01	-	-	-	-
Plan participant contributions	3,957	9,713	3,999	9,825
Actuarial losses (gains)	(3,957)	(9,713)	(3,999)	(9,825)
Net annual (Expenses)/revenue recognized	-	-	-	-
June 30	-	-	-	-

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

	Parent Company		Consolidated	
	6/30/2017	**12/31/2016**	**6/30/2017**	**12/31/2016**
January 01	256,669	219,711	259,524	222,042
Sponsor contributions	3,957	9,713	3,999	9,825
Employee contributions	43	260	43	261
Benefits paid	(6,386)	(11,900)	(6,386)	(11,984)
Expected return on plan assets	14,651	38,885	14,718	39,380
June 30	268,934	256,669	271,898	259,524

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

	Parent Company		Consolidated	
	6/30/2017	**12/31/2016**	**6/30/2017**	**12/31/2016**
January 01	244,008	196,773	246,707	198,861
Actuarial (Gains) losses	(2,183)	32,227	(2,329)	32,574
Cost of current services	1,302	2,472	1,356	2,559
Financial cost	12,840	24,176	12,984	24,436
Employee contributions	43	260	43	261
Benefits paid	(6,386)	(11,900)	(6,386)	(11,984)
June 30	249,624	244,008	252,375	246,707

The amounts recognized in the statement of income are:

	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Cost of current services	1,302	2,472	1,356	2,559
Financial cost	(134)	(426)	(135)	(431)
Total included as personnel cost	1,168	2,046	1,221	2,128

The main actuarial premises at the reporting date are:

- **Economic hypotheses**

	Percentage p.a.			
	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Discount rate (*)	10.86	10.86	10.86	10.86
Expected return on plan assets	10.86	10.86	10.86	10.86
Future salary increases	7.37	7.37	7.37	7.37
Inflation	4.85	4.85	4.85	4.85

(*) The discount rate is: inflation 4,85% p.a. plus interest of 5,73% p.a. for the period ended June 30, 2017 (inflation of 4,85% p.a. plus interest of 5,73% p.a. for the financial year ended December 31, 2016),

- **Demographic hypotheses**

	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
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

(*) Table segregated by sex, constituted based on AT-2000 Basic smoothed by 10%,

19 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	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Assets				
Provision for technical assistance	17,282	19,375	18,956	21,512
Provision for commissions	24,969	28,414	26,131	30,163
Allowance for doubtful accounts	5,664	5,999	52,330	47,752
Provision for profit sharing	12,047	40,687	12,047	40,687
Provision for contingencies	38,957	30,293	67,502	52,846
Provision for inventory losses	4,824	3,313	8,508	6,256
Provision for outsourced services	10,782	10,190	10,782	10,190
Provision for contractual termination	21,443	28,823	21,443	28,823
Unrealized stocks	3,213	9,392	3,213	9,392
Adjustment to present value	1,480	1,654	1,480	1,654
Tax loss/negative social contribution base	39,954	-	39,954	-
Business combination added value	-	-	(24,413)	(24,413)
Fiscal depreciation	(33,413)	(32,067)	(33,413)	(32,067)
Exchange profit	(27,605)	(23,738)	(27,605)	(23,738)
Appropriation of (gains) losses on derivatives	3,866	(4,476)	3,866	(4,476)
Other provisions	3,261	10,100	363	16,913
Calculation basis	126,724	151,697	181,144	205,232
Statutory rate - %	34	34	34	34
Deferred income and social contribution taxes	43,086	51,577	61,589	69,779

(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	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
13 months onwards	43,086	51,577	61,589	69,779
	43,086	51,577	61,589	69,779

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

	Parent Company				Consolidated			
	04/01/17 to 06/30/17	04/01/16 to 06/30/16	06/30/17	06/30/16	04/01/17 to 06/30/17	04/01/16 to 06/30/16	06/30/17	06/30/16
Reconciliation								
Profit before income and social contribution taxes	30,741	58,333	30,064	72,872	40,744	67,471	47,177	86,369
Statutory rate - %	34	34	34	34	34	34	34	34
	10,452	19,833	10,222	24,776	13,853	22,940	16,040	29,365
Permanent additions and exclusions	(1,677)	(3,813)	(2,701)	(4,768)	-	(5,237)	-	(7,313)
Equity in net income of subsidiaries	(680)	(787)	(680)	(1,111)	(680)	(787)	(680)	(1,111)
Interest on shareholders' equity	-	-	-	-	-	-	-	-
D&O profit shares	417	196	871	2,219	1,597	7,292	2,620	13,399
IR/CS over foreign income								
Other additions (exclusions)	8,512	15,429	7,712	21,116	14,770	24,208	17,980	34,340
Income and social contribution taxes								
Current	(2,165)	(15,723)	779	(14,642)	(6,059)	(20,298)	(9,790)	(22,228)
Deferred charges	(6,347)	294	(8,491)	(6,474)	(8,711)	(3,910)	(8,190)	(12,112)
	8,512	15,429	7,712	21,116	14,770	24,208	17,980	34,340

20 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 June 30, 2017, the subscribed and paid-in capital consisted of 925,196,009 (925,196,009 as of December 31, 2016) registered shares with no par value, of which 341,625,744 are common shares and 583,570,265 are preferred shares.

Of the total subscribed capital, 309,442,779 (340,542,666 as of December 31, 2016) 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 4,878,049 preferred nominative shares, purchased at the average cost of R$ 4,6379 (in reais) per share, In the quarter 71,852 preferred nominative shares were sold, at an average weight price of R$ 2,7000 per share, generating a negative balance of R$ 139, The market value of the treasury stock as of June 30, 2017 was R$ 22,624, 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.

21 Insurance coverage

As of June 30, 2017 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**	**6/30/2017**	**12/31/2016**
Inventories and storage	Fire and other risks	952,176	878,630
Vehicles	Collision and civil liability	35,829	36,033
		988,005	914,663

22 Guarantees

As of June 30, 2017, the Company had issued endorsements/sureties of R$ 11,957 (R$ 15,965 as of December 31, 2016), 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$ 52,080 (R$ 45,829 as of December 31, 2016) submitted as collateral for bank loans and contingencies.

23 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			
	04/01/17 to 06/30/17	04/01/16 to 06/30/16	06/30/17	06/30/16	04/01/17 to 06/30/17	04/01/16 to 06/30/16	06/30/17	06/30/16
Cost of goods sold and services rendered	578	4,209	1,513	4,518	578	4,209	1,513	4,518
Sales expenses	-	956	349	1,357	-	956	349	1,357
Management expenses	-	807	315	1,140	117	979	476	1,912
	578	5,972	2,177	7,015	695	6,144	2,338	7,787

24 Revenue

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

	Parent Company				Consolidated			
	04/01/17 to 06/30/17	04/01/16 to 06/30/16	06/30/17	06/30/16	04/01/17 to 06/30/17	04/01/16 to 06/30/16	06/30/17	06/30/16
Gross sales of products and services	505,234	498,938	815,038	828,715	827,628	691,398	1,427,546	1,192,915
Sales taxes and returns	(60,746)	(63,267)	(91,494)	(122,022)	(86,653)	(71,658)	(131,939)	(144,849)
Net revenue	444,488	435,671	723,544	706,693	740,975	619,740	1,295,607	1,048,066

25 Expenses by nature

	Parent Company				Consolidated			
	04/01/17 to 06/30/17	04/01/16 to 06/30/16	06/30/17	06/30/16	04/01/17 to 06/30/17	04/01/16 to 06/30/16	06/30/17	06/30/16
Raw materials and consumables	246,500	247,745	404,148	409,978	459,471	352,160	801,051	593,608
Outsourced services and other	26,629	36,762	72,250	61,181	53,159	44,640	111,340	81,746
Direct compensation	103,928	90,256	174,211	165,201	162,075	134,887	281,651	250,267
D&O compensation	4,165	2,998	6,576	6,208	4,165	2,998	6,576	6,208
Employee profit shares	578	5,972	2,177	7,015	695	6,144	2,338	7,787
Depreciation and amortization	4,568	5,403	9,808	11,014	11,430	11,078	23,596	22,392
Private pension expenses	2,507	2,945	5,157	5,955	2,507	2,987	5,196	6,043
Other expenses	25,485	20,834	37,180	26,600	20,787	36,674	52,449	49,966
Total sales and distribution costs and expenses and administrative expenses	**414,360**	**412,915**	**711,507**	**693,152**	**714,289**	**591,568**	**1,284,197**	**1,018,017**

26 Finance income

	Parent Company				Consolidated			
	04/01/17 to 06/30/17	04/01/16 to 06/30/16	06/30/17	06/30/16	04/01/17 to 06/30/17	04/01/16 to 06/30/16	06/30/17	06/30/16
Finance income								
Interest and monetary variance earnings	664	2,306	2,755	5,000	1,009	1,435	4,229	2,475
Interest on derivatives	2,558	2,941	7,360	3,501	2,558	2,941	7,360	3,501
Income on short-term investments	25,171	24,539	54,581	53,100	28,346	28,143	60,869	59,240
Exchange variance	24,362	137,092	63,525	222,219	41,365	142,767	95,682	232,903
Exchange variance on derivatives	739	17,939	7,443	24,576	739	18,283	7,520	25,186
Present value adjustment of accounts receivable	5,536	4,141	9,875	8,936	6,569	4,383	13,043	10,109
	59,030	188,958	145,539	317,332	80,586	197,952	188,703	333,414
Finance costs								
Interest on loans and financing	(21,120)	(16,601)	(41,545)	(35,659)	(23,686)	(17,950)	(50,122)	(38,832)
Interest on derivatives	-	(16)	-	(1,632)	-	(74)	-	(1,895)
Exchange variance	(28,111)	(128,314)	(69,082)	(193,298)	(40,171)	(133,157)	(88,923)	(204,985)
Exchange variance on derivatives	(4,246)	(4,423)	(7,146)	(8,877)	(4,280)	(4,845)	(12,147)	(9,958)
Bank expenses	(782)	(1,487)	(2,213)	(4,139)	(1,597)	(2,495)	(3,864)	(5,582)
Present value adjustment of accounts payable	(5,117)	(6,758)	(8,645)	(9,960)	(6,116)	(6,976)	(10,831)	(11,019)
	(59,376)	(157,599)	(128,631)	(253,565)	(75,850)	(165,497)	(165,887)	(272,271)
Financial income, net	(346)	31,359	16,908	63,767	4,736	32,455	22,816	61,143

27 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	
	6/30/2017	6/30/2017	6/30/2017	6/30/2017
Profit attributable to Marcopolo shareholders	22,352	51,756	29,197	52,029
Weighted average number of shares issued (in thousands)	911,512	891,950	911,512	891,950
Earnings per share	0.0245	0.0580	0.0320	0.0583

(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	
	6/30/2017	**6/30/2017**	**6/30/2017**	**6/30/2017**
Profit attributable to Marcopolo shareholders	22,352	51,756	29,197	52,029
Weighted average number of shares issued (in thousands)	911,512	891,950	911,512	891,950
Adjustments:				
Exercising of share call options	4,878	4,950	4,878	4,950
Earnings per share	0.0244	0.0577	0.0319	0.0580

28 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	
	6/30/2017	**12/31/2016**	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
Assets						
Current						
Cash and cash equivalents	1,004,646	1,209,459	969,061	1,164,550	35,585	44,909
Financial assets stated at fair value through profit and loss	247,587	224,151	247,587	224,151	-	-
Derivative financial instruments	622	6,498	622	6,498	-	-
Trade receivables	826,549	900,816	540,617	587,635	285,932	313,181
Inventory	502,313	472,057	502,313	472,057	-	-
Other accounts receivable	290,169	243,757	245,832	195,542	44,337	48,215
	2,871,886	3,056,738	2,506,032	2,650,433	365,854	406,305
Non-current						
Financial assets stated at fair value through profit and loss	19,340	18,817	19,340	18,817	-	-
Trade receivables	435,540	481,643	3,561	-	431,979	481,643
Other accounts receivable	104,443	110,098	95,901	101,874	8,542	8,224
Investments	346,223	309,074	346,223	309,074	-	-
Investment Properties	50,708	48,941	50,708	48,941	-	-

	Consolidated		Industrial		Finance	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Property, plant and equipment	709,862	708,269	709,572	707,914	290	355
Goodwill and intangible assets	217,814	234,689	217,447	234,331	367	358
	1,883,930	1,911,531	1,442,752	1,420,951	441,178	490,580
Total assets	4,755,816	4,968,269	3,948,784	4,071,384	807,032	896,885
Liabilities						
Current						
Trade payables						
Loans and financing	299,734	251,454	299,734	251,454	-	-
Derivative financial instruments	880,380	925,062	649,937	650,990	230,443	274,072
Other accounts payable	5,934	492	5,934	492	-	-
	355,170	484,716	346,721	472,694	8,449	12,022
	1,541,218	1,661,724	1,302,326	1,375,630	238,892	286,094
Non-current						
Loans and financing						
Other accounts payable	1,262,830	1,374,172	928,761	994,914	334,069	379,258
	49,639	63,856	49,639	63,856	-	-
	1,312,469	1,438,028	978,400	1,058,770	334,069	379,258
Minority interests						
	26,607	32,108	26,607	32,108	-	-
Shareholders' equity attributable to controlling shareholders						
	1,875,522	1,836,409	1,641,451	1,604,876	234,071	231,533
Total liabilities						
	4,755,816	4,968,269	3,948,784	4,071,384	807,032	896,885

Statements of operations income

	Consolidated		Industrial		Finance	
	6/30/2017	**6/30/2016**	**6/30/2017**	**6/30/2016**	**6/30/2017**	**6/30/2016**
Operations						
Net revenue from sales and services	1,295,607	1,048,066	1,270,941	1,016,186	24,666	31,880
Cost of goods sold and services rendered	(1,124,251)	(889,385)	(1,124,251)	(889,385)	-	-
Gross profit	171,356	158,681	146,690	126,801	24,666	31,880
Operating revenue (expense)						
Sales expenses	(77,797)	(55,449)	(68,009)	(49,508)	(9,788)	(5,941)
Administrative expenses	(82,149)	(73,183)	(72,919)	(64,981)	(9,230)	(8,202)
Other net operating income (expenses)	(30,380)	(26,331)	(29,514)	(24,295)	(866)	(2,036)
Equity in income of associates	43,331	21,508	43,331	21,508	-	-
Operating income	24,361	25,226	19,579	9,525	4,782	15,701
Financial income						
Finance income	188,703	333,414	188,703	333,414	-	-
Finance expenses	(165,887)	(272,271)	(165,887)	(272,271)	-	-
Profit before income and social contribution taxes	47,177	86,369	42,395	70,668	4,782	15,701
Income and social contribution taxes	(17,980)	(34,340)	(15,736)	(27,194)	(2,244)	(7,146)
Net income for the period	29,197	52,029	26,659	43,474	2,538	8,555

29 Statements of cash flow by business segment – indirect method

	Consolidated		Industrial Segment		Financial Segment	
	6/30/2017	**6/30/2016**	**6/30/2017**	**6/30/2016**	**6/30/2017**	**6/30/2016**
Cash flows from operating activities						
Net income for the period	**29,197**	**52,029**	**26,659**	**43,474**	**2,538**	**8,555**
Reconciliation of income (loss) to cash provided by operating activities						
Depreciation and amortization	23,596	22,392	23,463	22,261	133	131
Gain on sale of investment assets, property, plant and equipment and intangible assets	30,378	2,247	30,377	2,245	1	2
Equity in net income of subsidiaries	(43,331)	(21,508)	(43,331)	(21,508)	-	-
Allowance for doubtful accounts	11,993	2,748	2,564	(717)	9,429	3,465
Current and deferred income and social contribution taxes	17,980	34,340	15,736	27,194	2,244	7,146
Interest and exchange variance appropriated	62,287	(66,802)	42,416	(84,721)	19,871	17,919
Minority interests	6,845	273	6,845	273	-	-

Changes in assets and liabilities						
(Increase) decrease in trade accounts receivable	113,098	203,978	45,614	172,218	67,484	31,760
(Increase) decrease in securities	(12,641)	(42,403)	(12,641)	(42,403)	-	-
(Increase) decrease in inventories	(24,514)	(13,079)	(24,514)	(13,079)	-	-
(Increase) decrease in other accounts receivable	(39,761)	(26,302)	(43,321)	(14,147)	3,560	(12,155)
Increase (decrease) in trade payables	45,744	6,873	45,744	6,873	-	-
Increase (decrease) in accounts payable and provisions	(177,937)	(29,614)	(174,682)	(29,564)	(3,255)	(50)
Cash produced by operating activities	**42,934**	**125,172**	**(59,071)**	**68,399**	**102,005**	**56,773**
Taxes on profit paid	(9,790)	(22,228)	(7,228)	(9,753)	(2,562)	(12,475)
Net cash provided by operating activities	**33,144**	**102,944**	**(66,299)**	**58,646**	**99,443**	**44,298**
Cash flows from investment activities						
Investments	(2,693)	-	(2,693)	-	-	-
Dividends from subsidiaries, joint ventures and associated companies	13,925	7,333	13,925	7,333	-	-
Additions to property, plant and equipment	(26,681)	(51,475)	(26,681)	(51,448)	-	(27)
Acquisition of intangible assets	(567)	(400)	(489)	(397)	(78)	(3)
Receipt on sale of property, plant and equipment	484	-	484	-	-	-
Net cash provided by investment activities	**(15,532)**	**(44,542)**	**(15,454)**	**(44,512)**	**(78)**	**(30)**
Cash flows from financing activities						
Treasury shares	194	1,802	194	1,802	-	-
Loans secured from unrelated parties	267,544	229,087	216,187	118,829	51,357	110,258
Payment of loans – principal	(430,449)	(543,161)	(287,672)	(414,356)	(142,777)	(128,805)
Payment of loans – interest	(62,256)	(44,361)	(44,987)	(29,330)	(17,269)	(15,031)
Net cash used in financing activities	**(224,967)**	**(356,633)**	**(116,278)**	**(323,055)**	**(108,689)**	**(33,578)**
Exchange variance on cash and cash equivalents	2,542	(18,465)	2,542	(18,465)	-	-
Net increase (decrease) in cash and cash equivalents	**(204,813)**	**(316,696)**	**(195,489)**	**(327,386)**	**(9,324)**	**10,690**
Cash and cash equivalents at beginning of period	1,209,459	1,131,162	1,164,550	1,111,998	44,909	19,164
Cash and cash equivalents at end of period	1,004,646	814,466	969,061	784,612	35,585	29,854

30 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	
	6/30/2017	**6/30/2016**
Brazil	904,963	733,320
Africa	44,968	44,001
Australia	138,774	165,395
China	24,648	25,626
Mexico	181,658	76,745
Peru	596	2,979
	1,295,607	1,048,066

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

	Consolidated	
	6/30/2017	**12/31/2016**
Brazil	736,399	735,523
Africa	13,097	12,203
Australia	109,371	128,340
Canada	47,805	45,504
China	3,880	4,111
Mexico	17,065	17,174
Peru	-	45
Uruguay	59	58
	927,676	942,958

31 Subsequent Event

On June 20, 2017, Marcopolo S.A. reduced its stake in the associated company GB Polo Bus Manufacturing SAE, located in Egypt, from 49% to 20%, by absorbing accumulated losses proportional to the reduced participation of 29%. That the transfer of shares will take place next quarter.

*   *   *

(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 June 30, 2017:

SHAREHOLDER	COMMON		PREFERRED		TOTAL	
	QUANT	%	QUANT	%	QUANT	%
Bellpart Participações Ltda	151,954,920	44,48	4,027,352	0,69	155,982,272	16,86
Paulo Pedro Bellini	132,600	0,04	4,928,551	0,84	5,061,151	0,55
Mauro Gilberto Bellini	-	0,00	3.089.857	0.53	3.089.857	0.33
James Eduardo Bellini	-	0,00	2,188,986	0,38	2,188,986	0,24
Viviane Maria Pinto Bado	32,163,544	9,41	589,119	0,10	32,752,663	3,54
Therezinha Lourdes C, Pinto	-	0,00	1,467,789	0,25	1,467,789	0,16
Vate Part, e Adm, Ltda	10.363.420	3.03	432.595	0,07	10,796,015	1,17
Davos Participações Ltda	32,000,000	9,37	1,279,999	0,22	33,279,999	3,59
Subtotal Controlling Group	**226.614.484**	**66.33**	**18.004.248**	**3.08**	**244.618.732**	**26.44**
Alaska Investimentos Ltda	56,201,800	16,45	209,400	0,04	56,411,200	6,10
Fund Petrobras Seg Soc Petros	-	0,00	83,291,100	14,27	83,291,100	9,00
T Rowe Price Funds Sicav (exterior)	-	0,00	52.419.362	8.98	52.419.362	5.67
Ações em tesouraria	-	0,00	4,878,049	0,84	4,878,049	0,53
Outros acionistas no exterior (*)	7,479,821	2.19	309,442,779	53.03	316.922.600	34.25
Outros acionistas (*)	51.329.639	15.03	115.325.327	19.76	166.654.966	18.01
TOTAL	**341,625,744**	**100,00**	**583,570,265**	**100,00**	**925,196,009**	**100,00**
PROPORTION		**36,92**		**63,08**		**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 June 30, 2017:

Table denoting quotas:

SHAREHOLDERS	QUOTAS		
	QUANT	VALOR NOMINAL	%
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 June 30, 2017:

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 June 30, 2017:

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 06/30/2017

Table denoting quotas:

SHAREHOLDERS	COMMON		PREFERRED		TOTAL	
	QUANT	%	QUANT	%	QUANT	%
Parent companies	226,614,484	66.33	18,004,248	3.09	244,618,732	26.44
Controllers' spouses	1,100,800	0.32	2,539,790	0.44	3,640,590	0.39
Executives	-	-	-	-	-	-
Board of Directors	100	0.00	351,081	0.06	351,181	0.04
Executive Board	356,000	0.10	2,639,251	0.45	2,995,251	0.32
Audit Committee (*)	504,697	0.15	798,760	0.14	1,303,457	0.14
Treasury stock	-	0.00	4,878,049	0.84	4,878,049	0.53
Other	113,049,663	33.09	554,359,086	94.99	667,408,749	72.14
TOTAL	**341,625,744**	**100.00**	**583,570,265**	**100.00**	**925,196,009**	**100.00**
Free Float in the Market	**113,049,663**	**33.09**	**554,359,086**	**94.99**	**667,408,749**	**72.14**

* 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 06/30/2016

Table denoting quotas:

SHAREHOLDERS	COMMON		PREFERRED		TOTAL	
	NUMBER	%	NUMBER	%	NUMBER	%
Parent companies	226,337,584	66.25	899,652	0.16	227,237,236	25.34
Controllers' spouses	1,100,800	0.32	1,581,456	0.28	2,682,256	0.30
Executives	-	-	-	-	-	-
Board of Directors	100	0.00	1,600	0.00	1,700	0.00
Executive Board	356,000	0.10	2,551,557	0.46	2,907,557	0.32
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	113,326,564	33.18	544,531,414	98.07	657,857,978	73.35
TOTAL	**341,625,744**	**100.00**	**555,274,340**	**100.00**	**896,900,084**	**100.00**
Free Float in the Market	**113,326,564**	**33.18**	**544,531,414**	**98.07**	**657,857,978**	**73.35**

* 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 review of quarterly information

To the Board of Directors and Stockholders
Marcopolo S.A. and subsidiaries

Introduction

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

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

Scope of review

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

Conclusion on the interim information

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

(A free translation of the original in Portuguese)

Other matters

Statements of value added

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

Audit and review of prior-year information

The Quarterly Information referred to in the first paragraph includes accounting information corresponding to results of operations, changes in equity, cash flows and value added of the three and six months periods ended June 30, 2016, obtained from the Quarterly Information from that period, and to the balance sheet of December 31, 2016, obtained from the financial statements as at December 31, 2016, presented for comparison purposes. The review of the Quarterly Information for the period ended June 30, 2016 and the audit of the financial statements for the year ended December 31, 2016 were performed by another firm of auditors, that issued a review report and audit report dated August 8, 2016 and February 21, 2017, respectively, without qualifications.

Porto Alegre, August 7, 2017.

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 “F” RS

Maurício Colombari
Contador CRC 1SP195838/O-0 "S" RS