JSL S.A. and its subsidiaries

Quarterly information – ITR related to the quarter ended June 30, 2018

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities Commission (CVM), prepared in accordance with the Technical Pronouncement CPC 21 (R1) – Interim Financial Reporting and the international standard IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board – IASB)



São Paulo, August 9, 2018 – JSL (B3: JSLG3 and ADR Level 1: JSLGY), Company with the broadest portfolio of logistics services in Brazil and leader in its segment in terms of net revenue, presents its results for 2Q18, which includes JSL Logística, and separately, the results of Vamos, Movida and JSL Light Vehicle Dealerships, which together make up the results of JSL Consolidated. The financial information is presented in millions of Reais, unless otherwise indicated. The Company's interim financial information is prepared in accordance with Brazilian corporate law and presented on a consolidated basis in accordance with CPC-21 (R1) Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the IASB. The comparisons refer to the revised data for 2Q18, 1Q18 and 2Q17, except where indicated.

2Q18 PERFORMANCE COMMENTS

Operating and Financial Highlights

- Consolidated Net Revenue of R$1.9 billion (+6.9% YoY);
- **Consolidated Net Revenue** from **Services** of **R$1.5 billion (+12.2% YoY)**;
- **EBITDA** of **R$391.2 million (+28.3% YoY)** and **EBITDA Margin** of **25.7% (+3.3 p.p. YoY)**, despite the national truck drivers' strike, which negatively impacted JSL Logística's EBITDA by approximately R$10 million, highlighting the benefits of diversification of services by sector and activity, based on long term contracts;
- **Net Income of R$49.4 million**, an **increase of 255%** in the annual comparison;
- Net Capex of R$468 million, affected by investments directed to **contracts with higher profitability and cash generation**, such as heavy asset rentals in Vamos and fleet management in Movida and CS Brasil, as well as the less favorable dynamics in the sale of light vehicles;
- **Acquisition of additional participation in Vamos**, now owning 100% of its shares;
- Approval of the subscription and payment, in a minimum amount of R$200.3 million for the **capital increase of Movida**, in a preventive way to allow Movida to continue executing its business plan in the vehicle rentals market, even considering a scenario of political and economic instability;
- **Second quarter of superior results**.

	JSL - Consolidated					
Financial Statements (R$ million)	**2Q17**	**1Q18**	**2Q18**	**Chg. 2Q18x2Q17**	**Chg. 2Q18x1Q18**	**LTM[1]**
Gross Revenue	**2,028.4**	**2,194.3**	**2,207.8**	**8.8%**	**0.6%**	**8,704.6**
Net Revenue	**1,813.4**	**1,936.8**	**1,938.2**	**6.9%**	**0.1%**	**7,648.1**
Logistics	972.6	952.7	976.3	0.4%	2.5%	3,809.2
Vamos	175.1	229.1	239.5	36.8%	4.5%	969.5
Movida	573.4	604.2	609.9	6.4%	0.9%	2,442.5
Ligh Vehicle Dealerships	137.9	162.3	162.9	18.1%	0.4%	635.7
Intercompany Elimination	(45.6)	(11.5)	(50.4)	10.5%	-	(208.8)
Net Revenue from Services	**1,358.0**	**1,512.6**	**1,523.2**	**12.2%**	**0.7%**	**5,886.4**
Net Revenue of Asset Sales	**455.4**	**424.2**	**415.0**	**-8.9%**	**-2.2%**	**1,761.7**
EBITDA	**304.8**	**353.9**	**391.2**	**28.3%**	**10.5%**	**1,415.8**
Margin *	22.4%	23.4%	25.7%	+3.3 p.p.	+2.3 p.p.	24.1%
Net Result	**13.9**	**25.1**	**49.4**	**255.4%**	**96.8%**	**97.1**
Margin	0.8%	1.3%	2.5%	+1.7 p.p.	+1.2 p.p.	1.3%

* Calculated on net revenue from services

[1] Considers 2017 last 6 months of Borgato

DISCLAIMER: A partir de 01 de janeiro de 2018, o Grupo JSL adotou o CPC 47 / IFRS 15 e o CPC 48 / IFRS 9 em suas demonstrações financeiras contábeis. Em adição, no 1T17, a conta de Outras Receitas (Despesas) Operacionais havia sido impactada pela receita não-recorrente da venda secundária de ações da Movida, posteriormente revertida no 3T17 para o adequado lançamento no Patrimônio Líquido. Portanto, os valores correspondentes relativos aos períodos passados (1T17, 4T17 e últimos 12 meses) estão exibidos de maneira Proforma para fins de comparabilidade ao longo deste material. Nenhuma das alterações incorre na reapresentação das demonstrações financeiras já publicadas.

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JSLG3 NOVO MERCADO BM&FBOVESPA

I. Corporate Structure

JSL began 2018 with its business units organized in independent, but synergetic companies as highlighted below:



2Q18 LTM[1] (R$ million)	JSL LOGÍSTICA / CSBRASIL	VAMOS	Original Concessionárias	movida aluguel de carros	JSL CONSOLIDATED
Market Position	#1 Logistics Services Company in Latin America	#1 Rental and Sales Company for Trucks and Mach. & Equip. in LatAm	Sinergy with the Group's Asset Sales	#2 RAC Company in Brazil	--
Net Revenue	3,809	969	636	2,443	7,648
EBITDA	596	403	30	390	1,416
Net Debt	1,723	782	(36)	1,199	6,416
Assets	2,045	1,361	32	3,005	6,443
Service Portfolio	• Dedicated services • Charter services • Cargo transportation • Public fleet management • Urban passenger mobility • Urban cleaning • New businesses	• Truck, machinery and equipment rental; • Truck, machinery and equipment dealership network. • Sale and Leasing of used heavy vehicles	• Light vehicles dealership • Insurance brokerage	• Rent-a-car • Light vehicles fleet management • Sale of used light vehicles	• Broad service portfolio with high synergy among businesses

[1] Proforma includes 2H17 results for Borgato

II. Comments from Management – JSL Consolidated

The second quarter of 2018 brought us additional challenges due to the national truck drivers' strike in May, which impacted a portion of JSL's operations, given the utilization of third party truck drivers, utilization of main highways and interruption of fuel supply. However, we point out that after the strike, which lasted 10 days, our services were fully normalized, and part of the volumes were recovered during the month of June. We quantified the impact of EBITDA at JSL Logística to have been R$10 million in the quarter.

Even with this atypical scenario, we continued to observe the trend of gradual improvement in results for all the companies of the JSL group. We recorded Consolidated Net Revenue of R$1.9 billion in 2Q18, a 6.9% growth YoY, due to our diversified performance in various services, clients and sectors of the economy. We believe this improvement will continue during the second half of 2018 and we are prepared to capture market opportunities and strengthen the profitability of existing operations.

We emphasize, once again, our confidence in the potential for development, growth and return of the companies within the JSL Group:

- ✓ We now own 100% to the total capital of Grupo Vamos after acquiring the remaining 9% stake from the ex-shareholders of Sociedades Borgato;
- ✓ We also approved the capital increase subscription and payment in Movida, with a minimum amount of R$200.3 million, in a preventive way to allow Movida to continue executing its business plan in the vehicle rentals market, even considering a scenario of political and economic instability;

Consolidated EBITDA totaled R$391.2 million in 2Q18 (+28.3% YoY) and EBITDA Margin reached 25.7%, an increase of 3.3 p.p. YoY, despite the impacts from the national truck drivers' strike. This result demonstrates the benefits of being a diversified service logistics and rental company with long-term contracts, ensuring revenue resilience and cash generation. In addition, we highlight the operational improvement of Movida, with a record occupancy rate in the RAC and the selective growth strategy in the fleet management, allowing a dilution of the fixed costs of the already installed operating platform. Consolidated EBITDA grew by 10.5% QoQ when compared to 1Q18.

- **JSL Logística:** EBITDA of R$149.8 million (+3.8% YoY), with EBITDA Margin of 16.9% in 2Q18. This increase was mainly due to non-recurrent PIS/COFINS credits in 2Q18, which offset the negative impact of the national truck drivers' strike in May.
- **Vamos:** EBITDA of R$115.6 million (+34.9% YoY), with EBITDA Margin of 51.9% in 2Q18. This growth is due to consolidation opportunities in the country's heavy vehicles rental market, given the lack of subsidized financing lines and the gradual return of economic growth.
- **Movida:** EBITDA of R$118.2 million (+65.3% YoY), with EBITDA Margin of 42.9% in 2Q18. The increase in EBITDA during the period was mainly due to the focus on execution, continuous development and maturity of the processes, which have brought important improvements in expenses with theft, damaged cars and delinquencies.

Net Capex totaled R$468 million in 2Q18, due to less favorable sales dynamics of light vehicles as well as the increase of investments that were mainly directed towards businesses with greater profitability, as heavy vehicle rentals at Vamos and fleet management at Movida and CS Brasil. In view of the ongoing challenging scenario for the sale of light vehicles expected for the year and Net Capex of R$823 million in 1H18, we reduced our vehicle purchase schedule for the upcoming months at Movida.

Net Financial Expenses totaled R$167.8 million in 2Q18, lower than the R$169.5 million recorded in 1Q18. We emphasize, however, that Net Financial Expenses are still impacted by the cash carry cost, which remains strong.

Consolidated Net Income totaled R$49.4 million in 2Q18, versus a net income of R$13.9 million in 2Q17, which represents an increase of 255% in the annual comparison. The evolution of results was supported by better operational performance in all business units, given the focus on improving returns, as well as benefits from non-recurrent PIS/COFINS credits, which offset the negative impact of the truckers' strike occurred in May.

III. Logística

In 2018, we began a new development cycle of the group, which will be fostered by the organization of our activities in independent and synergic companies. Thus, we disclose the main financial information for Vamos separately, which is not consolidated in JSL Logística as of 1Q18.

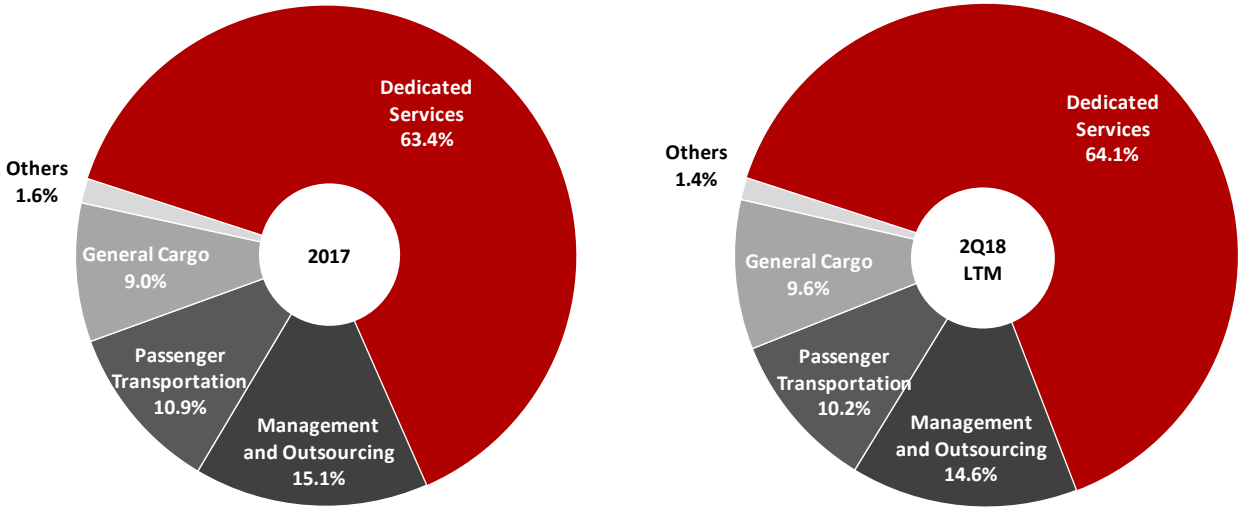
Gross Revenue

In 2Q18, Total Gross Revenue reached R$1.2 billion (+2.8% YoY), with a Gross Revenue from Services of R$1.1 billion (+3.9% YoY) and a Gross Revenue from Sale of Assets of R$92.7 million (-7.7% YoY).

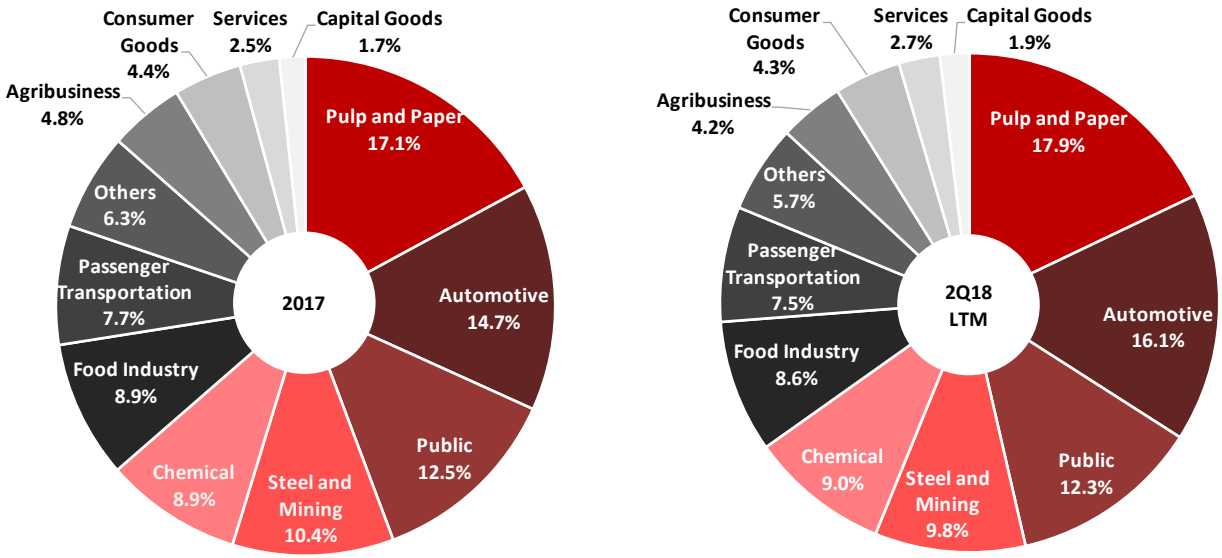
When compared to 1Q18, Total Gross Revenue increased by (+1.9% QoQ). Gross Revenue from Services remained stable (-0.2% QoQ), and the Gross Revenue from Sale of Assets increased 34.9% QoQ.

	JSL - Logística								
Gross Revenue (R$ million)	2Q17	1Q18	2Q18	Chg. 2Q18x2Q17	Chg. 2Q18x1Q18	1H17	1H18	Chg. 1H18x1H17	LTM
Gross Revenue	**1,128.1**	**1,137.9**	**1,160.0**	**2.8%**	**1.9%**	**2,171.8**	**2,297.9**	**5.8%**	**4,573.5**
Revenue from Services	1,027.7	1,069.2	1,067.3	3.9%	-0.2%	1,982.2	2,136.5	7.8%	4,275.6
Revenue from Sale of Assets	100.4	68.7	92.7	-7.7%	34.9%	189.6	161.4	-14.9%	297.9

Breakdown of Gross Revenue from Services by Business Line



Breakdown of Gross Revenue from Services by Economic Sector



RSC – Revenue from Same Contracts

The Gross Revenue from Same Contracts (RSC) totaled R$992.1 million in 2Q18 (+1.9% YoY), in which we highlight the Dedicated Services line (+R$25.4 million, or +4.0% YoY). Despite the lower volumes resulting from the national truck drivers' strike in May, JSL Logística also recorded same contract growth in the General Cargo segment (+4.8 million, or +6.1% YoY), given a partial recovery of volumes during the month of June in several contracts.

RSC (R$ million)	1Q17	1Q18	Chg. 1Q17x1Q18	1H17	1H18	Chg. 1H17x1H18
Gross Revenue from Services	**973.9**	**992.1**	**1.9%**	**1,805.1**	**1,901.3**	**5.3%**
Dedicated Services	630.1	655.5	4.0%	1,123.8	1,217.7	8.4%
Management and Outsourcing (Vehic./Mach./Equip.)*	140.1	132.9	-5.1%	284.6	279.4	-1.8%
Passenger Transportation	107.5	105.0	-2.3%	211.2	206.8	-2.1%
General Cargo transportation	78.9	83.7	6.1%	155.6	168.1	8.0%
Others	17.3	15.1	-12.7%	30.0	29.3	-2.1%

* With adition of services

Net Revenue

In 2Q18, JSL Logística recorded a Total Net Revenue of R$976.3 million (+0.4% YoY). Net Revenue from Services reached R$886.7 million (+1.4% YoY), while Net Revenue from Sale of Assets totaled R$89.7 million (-8.8% YoY).

When compared to 1Q18, Total Net Revenue increased by 2.5% QoQ. Net Revenue from Services remained stable (+0.2% QoQ), while Net Revenue from Sale of Assets grew by 32.5% QoQ.

	JSL - Logística								
Net Revenue (R$ million)	2Q17	1Q18	2Q18	Chg. 2Q18x2Q17	Chg. 2Q18x1Q18	1H17	1H18	Chg. 1H18x1H17	LTM
Net Revenue	**972.6**	**952.7**	**976.3**	**0.4%**	**2.5%**	**1,862.9**	**1,929.0**	**3.5%**	**3,809.2**
Net Revenue from Services	874.3	885.0	886.7	1.4%	0.2%	1,677.7	1,771.7	5.6%	3,520.1
Net Revenue from Sale of Assets	98.4	67.7	89.7	-8.8%	32.5%	185.2	157.4	-15.0%	289.2

Costs

In 2Q18, Costs of Services totaled R$783.4 million, a growth of 3.3% YoY, higher than the growth in Net Revenue from Services of +1.4% YoY in the same period. Due to the impacts of the national truck driver's strike, the lower volumes led to a lower dilution of operational fixed costs during the quarter.

When compared to 1Q18, Costs of Services also increased (+3.3% QoQ), to a higher level when compared to the Net Revenue from Services (+0.2% QoQ), due to the lower dilution of fixed costs caused by the national truck drivers' strike.

	JSL - Logística								
Costs (R$ million)	2Q17	1Q18	2Q18	Chg. 2Q18x2Q17	Chg. 2Q18x1Q18	1H17	1H18	Chg. 1H18x1H17	LTM
Cost of Services	**(758.3)**	**(758.7)**	**(783.4)**	**3.3%**	**3.3%**	**(1,464.0)**	**(1,542.2)**	**5.3%**	**(3,058.1)**
Personnel	(256.8)	(245.0)	(263.2)	2.5%	7.4%	(486.7)	(508.2)	4.4%	(1,026.9)
Independent contractors / third parties	(219.8)	(246.2)	(240.5)	9.4%	-2.3%	(414.1)	(486.8)	17.6%	(973.5)
Fuel and lubricants	(57.7)	(54.6)	(60.5)	4.9%	10.8%	(108.9)	(115.1)	5.7%	(226.8)
Parts / tires / maintenance	(66.6)	(77.8)	(78.8)	18.3%	1.3%	(137.9)	(156.6)	13.6%	(297.7)
Depreciation	(75.1)	(71.4)	(69.9)	-6.9%	-2.1%	(152.6)	(141.3)	-7.4%	(290.3)
Others	(82.2)	(63.8)	(70.4)	-14.4%	10.3%	(163.7)	(134.2)	-18.0%	(242.9)
Costs of Sales of Assets	**(98.4)**	**(66.0)**	**(89.1)**	**-9.5%**	**35.0%**	**(185.0)**	**(155.1)**	**-16.2%**	**(283.9)**
Sale of Assets used to provide services	(98.4)	(66.0)	(89.1)	-9.5%	35.0%	(185.0)	(155.1)	-16.2%	(283.9)
Total	**(856.6)**	**(824.8)**	**(872.5)**	**1.9%**	**5.8%**	**(1,649.0)**	**(1,697.2)**	**2.9%**	**(3,342.0)**
Total (as % of Total Net Revenue)	**88.1%**	**86.6%**	**89.4%**	**+1.3 p.p.**	**+2.8 p.p.**	**88.5%**	**88.0%**	**-0.5 p.p.**	**87.7%**

Gross Profit

In 2Q18, Total Gross Profit reached R$103.8 million (-10.5% YoY), while Gross Margin stood at 10.6%, a 1.3 p.p. drop in the annual comparison, mainly due to the lower volumes caused by the strike and lower dilution of fixed costs, as previously mentioned.

When compared to 1Q18, Total Gross Profit decreased (-18.8% YoY), while Gross Margin fell by +2.8 p.p. in the quarterly comparison.

	JSL - Logística								
Gross Profit (R$ million)	**2Q17**	**1Q18**	**2Q18**	**Chg. 2Q18x2Q17**	**Chg. 2Q18x1Q18**	**1H17**	**1H18**	**Chg. 1H18x1H17**	**LTM**
Gross Profit from Services	**116.0**	**126.3**	**103.2**	**-11.0%**	**-18.3%**	**213.7**	**229.5**	**7.4%**	**462.0**
Gross Margin from Services (% of Net Revenue from Services)	13.3%	14.3%	11.6%	-1.7 p.p.	-2.7 p.p.	12.7%	13.0%	+0.3 p.p.	13.1%
Gross Profit from Sale of Assets	**(0.0)**	**1.7**	**0.6**	**-**	**-64.7%**	**0.2**	**2.3**	**-**	**5.3**
Gross Margin from Sale of Assets (% of Net Revenue from Sale of Assets)	0.0%	2.5%	0.7%	+0.7 p.p.	-1.8 p.p.	0.1%	1.5%	+1.4 p.p.	1.8%
Total Gross Profit	**116.0**	**127.9**	**103.8**	**-10.5%**	**-18.8%**	**213.9**	**231.8**	**8.4%**	**467.3**
Gross Margin (% of Total Net Revenue)	11.9%	13.4%	10.6%	-1.3 p.p.	-2.8 p.p.	11.5%	12.0%	+0.5 p.p.	12.3%

Operating Expenses before the Financial Result

Operating Expenses totaled R$28.0 million in 2Q18 (-45.6% YoY), while Net Revenue from Services grew 1.4% YoY. There was a positive impact of R$14.1 million on Other Operating Revenues (Expenses), mainly due to non-recurrent PIS/COFINS credits. In addition, the Other Administrative Expenses were positively impacted by the reversal of Allowance for Doubtful Accounts by approximately R$5 million in the quarter.

On a quarterly comparison, Operating Expenses fell 53.7%, while Net Revenue from Services remained stable (+0.2% QoQ). This improvement was sustained by the non-recurrent credits of PIS/COFINS and the reversal of Allowance for Doubtful Accounts in the quarter.

	JSL - Logística								
Operating Expenses before Financial Results (R$ million)	**2Q17[1]**	**1Q18**	**2Q18**	**Chg. 2Q18x2Q17**	**Chg. 2Q18x1Q18**	**1H17**	**1H18**	**Chg. 1H18x1H17**	**LTM**
Administrative and Sales Expenses	**(51.2)**	**(51.9)**	**(41.3)**	**-19.3%**	**-20.4%**	**(108.3)**	**(93.1)**	**-14.0%**	**(197.7)**
Personnel	(24.2)	(21.2)	(19.9)	-17.8%	-6.1%	(45.7)	(41.1)	-10.1%	(86.1)
Services Rendered	(11.2)	(10.0)	(15.1)	34.8%	51.0%	(22.4)	(25.1)	12.1%	(41.8)
Communication, advertising and marketing	(1.3)	(1.0)	(1.0)	-23.1%	0.0%	(2.2)	(2.0)	-9.1%	(3.7)
Third-party properties rental	(5.1)	(3.4)	(3.0)	-41.2%	-11.8%	(10.1)	(6.3)	-37.6%	(16.2)
Depreciation	(4.6)	(4.6)	(4.1)	-10.9%	-10.9%	(9.9)	(8.7)	-12.1%	(17.7)
Others	(4.8)	(11.7)	1.8	-137.5%	-115.4%	(18.0)	(9.9)	-45.0%	(32.1)
Tax Expenses	**(1.0)**	**(4.2)**	**(1.4)**	**40.0%**	**-66.7%**	**(2.3)**	**(5.6)**	**143.5%**	**(10.0)**
Other Operating Revenues (Expenses)	**0.7**	**(4.0)**	**14.1**	**-**	**-**	**(0.9)**	**10.0**	**-**	**27.9**
Equity in Subsidiaries	**-**	**(0.4)**	**0.6**	**-**	**-**	**-**	**0.2**	**-**	**0.2**
Total	**(51.5)**	**(60.5)**	**(28.0)**	**-45.6%**	**-53.7%**	**(111.4)**	**(88.5)**	**-20.6%**	**(179.5)**
Total (as % of Total Net Revenue from services)	**5.9%**	**6.8%**	**3.2%**	**-2.7 p.p.**	**-3.6 p.p.**	**6.6%**	**5.0%**	**-1.6 p.p.**	**5.1%**

[1] Adjusted with R$ 16.9 million of revenue from the secondary sale of Movida shares recorded in Other Operating Revenues (Expenses) in 1Q17 and reversed in 3Q17

EBIT, EBITDA and EBITDA-A

In 2Q18, EBITDA totaled R$149.8 million (+3.8% YoY), while the EBITDA margin was 16.9%, +0.4 p.p., higher than in 2Q17, despite the truckers' strike in May, which impacted about R$10 million of Logística's EBITDA. On the other hand, EBITDA for the quarter was benefited by non-recurrent PIS/COFINS credits.

In relation to 1Q18, EBITDA increased by 4.5%, while EBITDA Margin increased by 0.7 p.p.

	JSL - Logística								
EBIT, EBITDA and EBITDA-A (R$ million)	**2Q17[1]**	**1Q18**	**2Q18**	**Chg. 2Q18x2Q17**	**Chg. 2Q18x1Q18**	**1H17**	**1H18**	**Chg. 1H18x1H17**	**LTM**
EBIT	**64.5**	**67.4**	**75.9**	**17.7%**	**12.6%**	**102.5**	**143.3**	**39.8%**	**287.7**
*Margin **	7.4%	7.6%	8.6%	+1.2 p.p.	+1.0 p.p.	6.1%	8.1%	+2.0 p.p.	8.2%
EBITDA	**144.3**	**143.4**	**149.8**	**3.8%**	**4.5%**	**264.9**	**293.3**	**10.7%**	**595.7**
*Margin **	16.5%	16.2%	16.9%	+0.4 p.p.	+0.7 p.p.	15.8%	16.6%	+0.8 p.p.	16.9%
EBITDA-A	**242.6**	**209.5**	**238.9**	**-1.5%**	**14.0%**	**449.9**	**448.4**	**-0.3%**	**879.6**
Margin	24.9%	22.0%	24.5%	-0.4 p.p.	+2.5 p.p.	24.2%	23.2%	-1.0 p.p.	23.1%

* Calculated on net revenue from services
[1] Adjusted with R$ 16.9 million of revenue from the secondary sale of Movida shares recorded in Other Operating Revenues (Expenses) in 1Q17 and reversed in 3Q17

Investments

In 2Q18, Total Investments in JSL Logística totaled R$228.0 million, of which 85.4% was allocated towards the expansion of new businesses. The investments were distributed among light vehicles (79.7%), trucks (13.9%), buses (3.0%), machinery and equipment (0.3%) and others (3.1%).

Total Capex reached R$135.3 million in 2Q18, versus R$12.9 million in 2Q17. The increase in Total Capex is mainly explained by investments in light vehicles which will be used in Fleet Management and Outsourcing activities at CS Brasil.

	JSL - Logística								
Capex (R$ million)	**2Q17**	**1Q18**	**2Q18**	**Chg. 2Q18x2Q17**	**Chg. 2Q18x1Q18**	**1H17**	**1H18**	**Chg. 1H18x1H17**	**LTM**
Gross capex by nature	**113.3**	**139.6**	**228.0**	**101.2%**	**63.3%**	**210.3**	**367.6**	**74.8%**	**549.2**
Expansion	49.1	95.2	194.7	-	104.5%	117.7	290.0	146.4%	417.5
Maintenance	64.1	44.3	33.3	-48.0%	-24.8%	92.7	77.7	-16.2%	131.7
Others	-	-	-	-	-	-	-	-	-
Gross capex by type	**113.3**	**139.6**	**228.0**	**101.2%**	**63.3%**	**210.3**	**367.6**	**74.8%**	**549.2**
Trucks	57.9	28.8	31.6	-45.4%	9.7%	82.4	60.4	-26.7%	134.4
Machinery and Equipment	6.8	17.9	0.8	-88.2%	-95.5%	7.5	18.7	149.3%	31.8
Light Vehicles	44.1	80.2	181.7	-	126.6%	106.3	261.9	146.4%	346.4
Bus	2.1	8.5	6.8	-	-20.0%	8.8	15.3	73.9%	18.2
Others	2.3	4.3	7.1	-	65.1%	5.3	11.4	115.1%	18.3
Usual sale of assets	**(100.4)**	**(68.7)**	**(92.7)**	**-7.7%**	**34.9%**	**(189.6)**	**(161.4)**	**-14.9%**	**(297.9)**
Maintenance	(94.7)	(52.0)	(66.3)	-30.0%	27.5%	(161.4)	(118.3)	-26.7%	(218.1)
End of contract	(0.8)	(19.9)	(15.6)	-	-21.6%	(26.3)	(35.5)	35.0%	(56.2)
Exchange of operational scope	(2.6)	(2.0)	(2.9)	11.5%	45.0%	(5.5)	(5.0)	-9.1%	(19.5)
Cancellations and sales return	(2.3)	5.2	(7.9)	-	-	3.5	(2.6)	-174.3%	(4.2)
Total net capex	**12.9**	**70.9**	**135.3**	**-**	**90.8%**	**20.8**	**206.2**	**-**	**251.2**

IV. Vamos



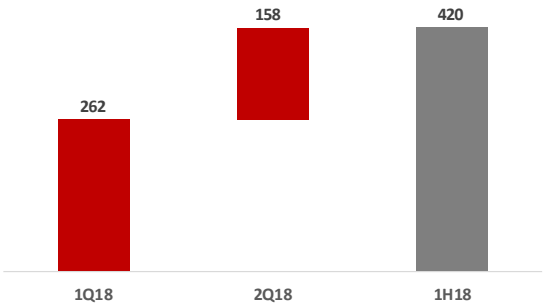
RENTAL	DEALERSHIP NETWORK AND ASSET SALES
- Vamos' core business - Outsourcing of truck fleet, machinery and equipment - Total fleet: 9,995 vehicles with average age of 2.9 years - 5,702 trucks (2.9 years) - 2,409 machinery and equipment items (3.4 years) - 1,505 utility pick-up vehicles (1.6 years) - 379 busses (4.2 years)	- Largest chain of truck, machinery and equipment retail stores in Brazil - Chain of own stores, with 41 stores: - 14 VW MAN - 15 Valtra - 3 DAF - 9 exclusive used vehicles stores - Located in 9 states in Brazil

Vamos, the largest rental and commercialization company for trucks, machinery and equipment in Brazil, with approximately 10,000 assets and a network of 41 own stores, which sell 100% of its assets (new and used), was not affected by the truckers' strike in May, given the long-term nature of the rental contracts (5 years) with top-tier customers, which guarantee resilience of revenue, cash generation and contracted revenue for future growth.

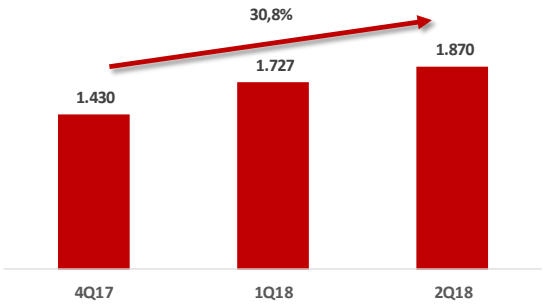
In 2Q18, Vamos recorded a Net Revenue of R$239.5 million, representing a growth of 36.8% YoY and 4.5% QoQ. On an annual comparison, the increase is mostly explained by organic growth, already driven by Vamos' positioning to capture the gradual return of the economy and also by the consolidation of Borgato, whose acquisition was completed in December 2017. On a quarterly comparison, we highlight the growth in rental activities (+14.9% QoQ), which has been increasing significantly. On an YTD basis, 90 rental contracts were signed, increasing future contracted revenues by R$599 million, which together with previous agreements represent a record pipeline of contracted revenues of R$1.9 billion at the end of 2Q18, a growth of +30.8% in relation to the end of the year, as shown in the following chart.

We are convinced of the growth potential of the Rental business, which benefits from a significant reduction in the subsidy on the financing of trucks and heavy machinery. In line with this outlook, we recently increased the commercial team of Vamos, with the intention of accelerating even more the growth of the business.

Contracted Assets (R$ million)



Contracted Revenues Pipeline (R$ million)



Net Revenue from Asset Sales totaled R$16.7 million as a consequence of 224 assets sold in 2Q18, demonstrating Vamos's expertise to manage the turnover of its assets.

EBITDA totaled R$115.6 million (+34.9% YoY and +10.3% QoQ) and service EBITDA Margin reached 51.9%, up by 2.0 p.p. versus the first quarter. The EBITDA of the rental business reached R$110.9 million, representing an EBITDA Margin of 86.6% in the quarter.

It is worth highlighting that the 9.3% decrease in Net Financial Expenses, on a quarterly comparison, is due to the liability management carried out during the first half of 2018 aimed at renegotiating the debts incorporated in the acquisition of Borgato.

Finally, Net Income totaled R$35.2 million in 2Q18 (+22.6% YoY and +25.3% QoQ), a record result since the company's creation in 2015, while the return on equity (ROE) reached 18.4% in 2T18, a growth over the 1Q18 ROE, totaling 16.8% in 1H18.

	Vamos								
Financial Information (R$ million)	**2Q17**	**1Q18**	**2Q18**	**Chg. 2Q18x2Q17**	**Chg. 2Q18x1Q18**	**1H17**	**1H18**	**Chg. 1H18x1H17**	**LTM**
Gross Revenue	**199.5**	**254.5**	**274.6**	**37.6%**	**7.9%**	**384.1**	**529.1**	**37.8%**	**931.2**
Net Revenue	**175.1**	**229.1**	**239.5**	**36.8%**	**4.5%**	**337.3**	**468.6**	**38.9%**	**830.0**
Net Revenue from Services	**162.6**	**209.7**	**222.8**	**37.0%**	**6.2%**	**305.6**	**432.6**	**41.6%**	**759.8**
Rental	97.4	111.5	128.1	31.5%	14.9%	185.7	239.5	29.0%	433.5
Dealerships	59.4	91.0	87.2	46.8%	-4.2%	109.7	178.2	62.4%	297.7
Used Vehicles	5.8	7.3	7.6	31.0%	4.1%	10.2	14.8	45.1%	28.6
Net Revenue from Sale of Assets	**12.5**	**19.3**	**16.7**	**33.6%**	**-13.5%**	**31.7**	**36.0**	**13.6%**	**70.2**
EBIT	**55.2**	**59.2**	**64.3**	**16.5%**	**8.6%**	**104.3**	**123.6**	**18.5%**	**204.1**
Margin	31.5%	25.9%	26.9%	-4.6 p.p.	+1.0 p.p.	30.9%	26.4%	-4.5 p.p.	24.6%
Rental EBITDA	**82.2**	**98.6**	**110.9**	**34.9%**	**12.5%**	**159.2**	**209.5**	**31.6%**	**359.1**
Margin on Rental revenue	84.4%	88.5%	86.6%	+2.2 p.p.	-1.9 p.p.	85.8%	87.5%	+1.7 p.p.	82.8%
EBITDA	**85.7**	**104.8**	**115.6**	**34.9%**	**10.3%**	**162.5**	**220.4**	**35.6%**	**367.9**
Margin on Net Revenue from Services	52.7%	49.9%	51.9%	-0.8 p.p.	+2.0 p.p.	53.2%	50.9%	-2.3 p.p.	48.4%
Net Income	**28.7**	**28.1**	**35.2**	**22.6%**	**25.3%**	**55.2**	**63.3**	**14.7%**	**104.8**
Margin	16.4%	12.3%	14.7%	-1.7 p.p.	+2.4 p.p.	18.1%	14.6%	-3.5 p.p.	12.6%

In 2Q18, Vamos' Total Capex was R$126.2 million, being allocated towards new business in the rental segment. The investments were distributed among trucks (25.7%), machinery and equipment (64.5%), and utility vehicles (9.8%).

Net Capex totaled R$110.0 million in 2Q18, versus R$36.6 million in 2Q17. The increase is mainly explained by investments in the expansion of new businesses, in line with Vamos' growth strategy.

	Vamos								
Capex (R$ million)	**2Q17**	**1Q18**	**2Q18**	**Chg. 2Q18x2Q17**	**Chg. 2Q18x1Q18**	**1H17**	**1H18**	**Chg. 1H18x1H17**	**LTM**
Gross capex by nature	**50.3**	**122.3**	**126.2**	**150.9%**	**3.2%**	**133.2**	**248.5**	**86.6%**	**297.7**
Expansion	49.4	80.6	119.6	142.1%	48.4%	128.3	200.2	56.0%	246.1
Maintenance	0.9	41.7	6.6	-	-84.2%	4.9	48.3	-	51.6
Gross capex by type	**50.3**	**122.3**	**126.2**	**150.9%**	**3.2%**	**133.2**	**248.5**	**86.6%**	**297.7**
Trucks	10.5	65.5	32.4	-	-50.5%	31.7	97.9	-	127.6
Machinery and Equipment	35.1	53.2	81.4	131.9%	53.0%	88.3	134.6	52.4%	135.3
Utility vehicles									
Buses	-	-	-	-	-	2.9	-	-100.0%	2.1
Usual sale of assets	**(13.7)**	**(20.4)**	**(17.0)**	**24.1%**	**-16.7%**	**(33.9)**	**(37.4)**	**10.3%**	**(72.0)**
Total net capex	**36.6**	**101.9**	**109.2**	**198.4%**	**7.2%**	**99.3**	**211.0**	**112.5%**	**225.7**

V. Movida

Throughout the 2Q18, Movida presented significant operational improvements, in addition to its continuous liability management process. The Company finished the quarter with R$1.1 billion in cash and lengthened its debt profile, with two debentures issued, totaling R$700 million. Together with these initiatives, Movida announced on August 7 a new rollover of debt amounting to R$400 million, with final maturity in 2021. Considering the lack of visibility for the political-economic scenario in Brazil, the Company announced a capital increase of up to R$312 million, with R$200 million guaranteed by JSL S.A., reinforcing in a preventive way its capital structure.

On the operational side, among other actions, Movida is strengthening its team, hiring directors dedicated to the areas of Seminovos, Fleet Management and Outsourcing, IT and Yield Management.

In 2Q18, Movida recorded Net Revenue of R$609.9 million (+6.4% YoY and 0.9% QoQ).

In **RAC**, the company recorded a 20% YoY increase in daily rentals, reaching 3.3 million in 2Q18, with a record utilization rate of 77.4% (+3.1 p.p. YoY), even in a quarter with lower seasonality and affected by the truck drivers' strike in May. Movida recently launched a new application tool with features such as selfie login and prepayment options. These new features increased volume downloads by 13% and brought clients closer through this direct channel, leading to consecutive record sales through the platform.

In **GTF,** total fleet reached 21.7 thousand vehicles in the quarter, with the operational fleet increasing 44% YoY. Daily rental volumes expanded by 38.4% versus the previous year. Movida continues to execute a more efficient management and has been structuring its businesses to the new operation level, in line with its selected growth strategy.

In **Seminovos**, a total of 8.7 thousand vehicles were sold, of which over 50% to the retail market. The Movida Seminovos brand consolidated itself during the quarter and was the most sought-after brand online, with a 47% share of total searches according to Google Trends. Movida remains committed with the acceleration and transformation of its businesses, seeking to approach different target audiences with a consistent and structured plan which is already in execution.

EBITDA reached R$118.2 million, (+65.3% YoY and 15.5% QoQ) and EBITDA Margin stood at 42.9%. In addition to the operational improvements, the result of Movida was impacted by a non-recurrent PIS/COFINS credit of approximately R$17 million. Excluding this effect, EBITDA Margin would have been 36.5% in 2Q18, mainly due to: (i) optimization of sales channels and segments; (ii) gains in scale and dilution of costs and expenses; and (iii) improvement in default levels and loss claim ratios.

Net Income reached R$39.9 million, with Net Margin of 14.5%, demonstrating profitability gains in the period.

	Movida								
Financial Information (R$ million)	**2Q17[1]**	**1Q18**	**2Q18**	**Chg. 2Q18x2Q17**	**Chg. 2Q18x1Q18**	**1H17**	**1H18**	**Chg. 1H18x1H17**	**LTM**
Gross Revenue	**600.4**	**650.2**	**650.3**	**8.3%**	**0.0%**	**1,226.0**	**1,300.5**	**6.1%**	**2,594.9**
RAC	194.3	231.7	226.6	16.6%	-2.2%	395.7	458.3	15.8%	899.2
GTF	55.9	81.9	88.8	58.9%	8.4%	110.2	170.8	55.0%	291.9
Used Vehicles	350.2	336.5	335.0	-4.3%	-0.4%	720.1	671.5	-6.7%	1,403.7
Net Revenue	**573.4**	**604.2**	**609.9**	**6.4%**	**0.9%**	**1,173.1**	**1,214.0**	**3.5%**	**2,442.5**
Net Revenue from Services	223.7	268.0	275.6	23.2%	2.8%	453.9	543.6	19.8%	1,041.2
Net Revenue from Sale of Assets	349.7	336.1	334.3	-4.4%	-0.5%	719.1	670.4	-6.8%	1,401.3
EBIT	**53.3**	**83.3**	**98.2**	**84.2%**	**17.9%**	**121.0**	**181.5**	**50.0%**	**312.6**
Margin on net revenue from services	23.8%	31.1%	35.6%	+11.8 p.p.	+4.5 p.p.	26.6%	33.4%	+6.8 p.p.	30.0%
EBITDA	**71.5**	**102.3**	**118.2**	**65.3%**	**15.5%**	**156.6**	**220.5**	**40.8%**	**390.2**
Margin on net revenue from services	32.0%	38.2%	42.9%	+10.9 p.p.	+4.7 p.p.	34.5%	40.6%	+6.1 p.p.	16.0%
Net Income	**11.1**	**26.9**	**39.9**	**-**	**48.3%**	**31.8**	**66.8**	**110.1%**	**100.7**
Margin on net revenue from services	5.0%	10.0%	14.5%	+9.5 p.p.	+4.5 p.p.	7.0%	12.3%	+5.3 p.p.	9.7%

[1] Proforma with adjustments according to the adoption of IFRS 15 and IFRS 9

Movida's Total Investments in 2Q18 reached R$531.4 million (-12.9% YoY), of which 99% where allocated to the purchase of vehicles. The investments in fleet were distributed among renewals (80.2%) and expansion (19.8%). Net Capex reached R$196.5 million in 2Q18, versus R$260.0 million in 2T17.

In 1H18, Net Capex reached R$378.0 million, reflecting the commercial improvements at GTF, with the addition of approximately 3 thousand vehicles. In view of the expected ongoing challenging scenario for the sale of light vehicles for the year, which already impacted Net Capex during the first semester, Movida reduced the vehicle purchase schedule for the upcoming quarters.

At the end of 2Q18, Movida had a fleet of 81,295 vehicles, 186 RAC stores and 60 Used Vehicles stores.

	Movida								
Capex (R$ million)	**2Q17**	**1Q18**	**2Q18**	**Chg. 2Q18x2Q17**	**Chg. 2Q18x1Q18**	**1H17**	**1H18**	**Chg. 1H18x1H17**	**LTM**
Fleet	**605.4**	**512.3**	**522.8**	**-13.6%**	**2.0%**	**1,038.6**	**1,035.1**	**-0.3%**	**2,071.0**
RAC	**561.7**	**378.3**	**436.2**	**-22.3%**	**15.3%**	**952.6**	**814.5**	**-14.5%**	**1,604.3**
Expansion	206.7	44.0	28.0	-86.5%	-36.4%	233.6	72.0	-69.2%	81.5
Maintenance	354.9	334.3	408.2	15.0%	22.1%	719.0	742.5	3.3%	1,522.8
GTF	**43.7**	**134.0**	**86.7**	**98.4%**	**-35.3%**	**86.0**	**220.7**	**156.6%**	**466.7**
Expansion	36.4	91.7	75.6	107.7%	-17.6%	74.7	167.3	124.0%	356.4
Maintenance	7.2	42.3	11.1	54.2%	-73.8%	11.4	53.4	-	110.3
Stores	**0.7**	**2.6**	**2.7**	**-**	**3.8%**	**1.6**	**5.3**	**-**	**7.3**
New	0.0	0.1	1.7	-	-	0.1	1.8	-	2.2
Former	0.6	2.5	1.0	66.7%	-60.0%	1.5	3.5	133.3%	5.1
Others	**4.2**	**3.2**	**5.9**	**40.5%**	**84.4%**	**5.7**	**9.1**	**59.6%**	**14.6**
Total Gross Capex	**610.2**	**518.1**	**531.4**	**-12.9%**	**2.6%**	**1,045.8**	**1,049.5**	**0.4%**	**2,092.9**
Sale of Assets	**(350.2)**	**(336.3)**	**(335.0)**	**-4.3%**	**-0.4%**	**(720.1)**	**(671.5)**	**-6.7%**	**(1,403.7)**
Total Net Capex	**260.0**	**181.8**	**196.5**	**-24.4%**	**8.1%**	**325.7**	**378.0**	**16.1%**	**689.1**

For more detailed information, please go to http://ri.movida.com.br.

VI. Original Concessionárias

In continuity to the corporate reorganization process, the Concessionárias de Veículos Leves unit was renamed Original Concessionárias in 2Q18, mainly aimed at strengthening the group's identity.

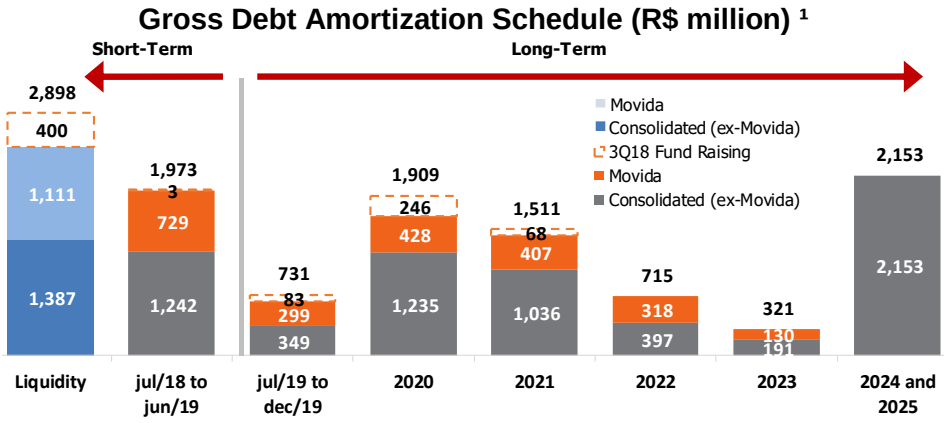
During the quarter, Original Concessionárias recorded a Total Net Revenue of R$162.9 million (+18.1% YoY and 0.4% QoQ), sustained by the increase in average ticket of new vehicles. Total Gross Profit reached R$26.1 million (+2.4% YoY and +2.8% QoQ) with gross margin of 16.0%, down by 2.5 p.p. versus 2Q17, mainly impacted by the national truck driver's strike, which resulted in lower sale volumes for new vehicles in the period, albeit stable on a quarterly comparison.

EBITDA reached R$7.9 million, versus R$2.2 million in 2Q17 and R$3.1 million in 1Q18. We highlight that EBITDA was positively impacted by the one-off tax credits in 2Q18, recorded as Other Operating Revenues and Expenses, in the amount of R$2.8 million.

	Original Concessionárias								
Financial Information (R$ million)	**2Q17**	**1Q18**	**2Q18**	**Chg. 2Q18x2Q17**	**Chg. 2Q18x1Q18**	**1H17**	**1H18**	**Chg. 1H18x1H17**	**LTM**
Total Net Revenue	**137.9**	**162.3**	**162.9**	**18.1%**	**0.4%**	**287.2**	**325.2**	**13.2%**	**635.7**
Light Vehicles	112.2	139.6	139.2	24.1%	-0.3%	235.2	278.8	18.5%	545.5
Direct Sales	5.1	2.3	3.3	-35.3%	43.5%	8.7	5.6	-35.6%	10.9
F&I	3.9	4.1	5.2	33.3%	26.8%	7.9	9.3	17.7%	18.0
Post Sales	16.7	16.3	15.3	-8.4%	-6.1%	35.4	31.5	-11.0%	61.4
Total Volume (units)	**13,249**	**6,439**	**7,745**	**-41.5%**	**20.3%**	**23,127**	**14,184**	**-38.7%**	**26,027**
Light Vehicles	3,100	3,108	3,184	2.7%	2.4%	6,545	6,292	-3.9%	12,938
Direct Sales Light Vehicles	10,149	3,331	4,561	-55.1%	36.9%	16,582	7,892	-52.4%	13,089
Gross Profit	**25.5**	**25.4**	**26.1**	**2.4%**	**2.8%**	**51.3**	**51.5**	**0.4%**	**99.3**
Margin	18.5%	15.6%	16.0%	-2.5 p.p.	+0.4 p.p.	17.9%	15.8%	-2.1 p.p.	15.6%
EBIT	**0.7**	**1.8**	**6.5**	**-**	**-**	**0.4**	**8.3**	**-**	**25.0**
Margin	0.5%	1.1%	4.0%	+3.5 p.p.	+2.9 p.p.	0.1%	2.5%	+2.4 p.p.	3.9%
EBITDA	**2.2**	**3.1**	**7.9**	**-**	**154.8%**	**3.3**	**11.0**	**-**	**30.5**
Margin	1.6%	1.9%	4.8%	+3.2 p.p.	+2.9 p.p.	1.2%	3.4%	+2.2 p.p.	4.8%

VII. Capital Structure - JSL Consolidated

We emphasize the progress of the liability management with two debentures issued by Movida that totaled R$700 million, in addition to a new rollover of debt amounting to R$400 million with final maturity in 2021 that was announced on August 7. Considering the consolidated cash position at the end of 2Q18, we will have sufficient resources to cover the debt rollover needs until the beginning of 2020, leaving the debt amortization profile more diluted and lengthened. We also highlight the fact that the company's cash position should gradually reduce over the coming periods, given the continued liability management and reduced need for available resources to cover short-term obligations.



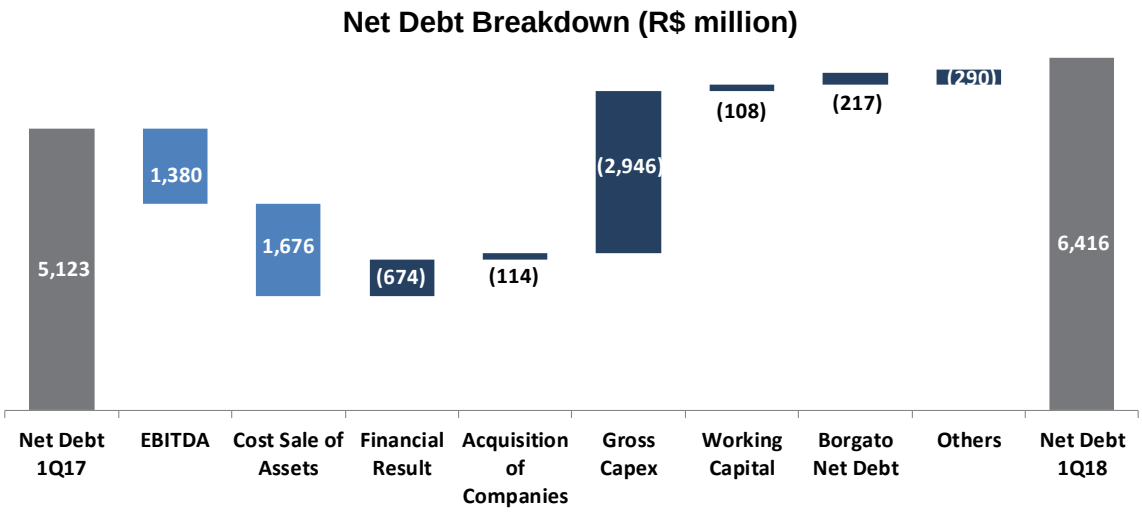
[1] Excluding the amount of R$1.842billion resulting from the entry structure of the funds from the Bonds issue, which equally impacts cash and gross debt.

Net Debt totaled R$6.4 billion in June 2018, while the average cost of gross debt fell from 9.2% in 2Q17 to 8.8% in 2Q18. Despite the reduction in the average cost of gross debt in the annual comparison, mainly due to the drop in the SELIC rate, we highlight that the average cost of net debt will continue to be negatively impacted in 1H18 given the cash carry cost.

The breakdown of Net Debt at the end of 2Q18 was 71.8% pegged to the CDI, 22.9% to fixed rates, 3.7% to the TJLP, 1.4% to the SELIC and 0.2% to the IPCA.

Indebtedness (R$ million)	03/31/2017	12/31/2017	03/31/2018	06/30/2018
Cash and Investments [1]	**1,442.9**	**1,896.7**	**2,271.0**	**2,497.8**
Cash and Investments - Book value	-	2,438.8	3,839.7	4,340.1
Credit note	-	(542.2)	(1,568.6)	(1,842.3)
Gross debt [1]	**6,303.5**	**7,618.6**	**8,253.7**	**8,913.4**
Gross debt - Book value	-	8,160.7	9,822.4	10,755.7
NCE (export credit note)	-	(542.2)	(1,568.6)	(1,842.3)
Borrowings [1]	3,861.6	5,250.4	5,966.3	6,383.7
Local Bonds	1,549.6	2,015.5	2,014.5	2,610.2
Finance lease payable	327.2	212.8	210.1	188.2
Confirming payable	565.2	248.1	139.5	4.0
Debt Swap MTM [2]	-	(108.3)	(76.7)	(272.9)
Net Debt	**4,860.6**	**5,721.9**	**5,982.7**	**6,415.6**
Average Cost of Net Debt (p.a.)	**13.0%**	**11.2%**	**10.5%**	**10.1%**
Average Cost of Gross Debt (p.a.)	**12.7%**	**9.7%**	**9.2%**	**8.8%**

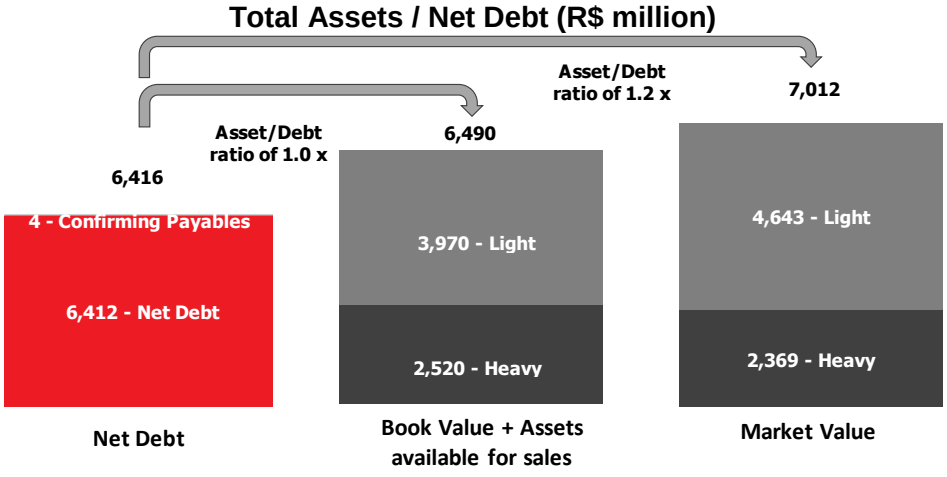
[1] Excluding the amount of R$1.842 billion resulting from the entry structure of the funds from the Bonds issue, which equally impacts cash and gross debt.
[2] Breakdown as of 2Q17.



Financial Result

In 2Q18, Net Financial Expenses totaled R$167.8 million, versus R$169.5 million in the 1Q18. The R$1.7 million variation QoQ is mainly explained by the decrease in interest rates, which reduced the consolidated Net Financial Expenses versus 1Q18, despite the increase in Net Debt during the period.

	JSL - Consolidated								
Financial Result (R$ million)	**2Q17**	**1Q18**	**2Q18**	**Chg. 2Q18x2Q17**	**Chg. 2Q18x1Q18**	**1H17**	**1H18**	**Chg. 1H18x1H17**	**LTM**
Financial Revenues	47.1	67.5	404.9	-	-	90.5	472.3	-	596.1
Financial Expenses	(190.3)	(241.9)	(209.1)	9.9%	-13.6%	(403.2)	(451.1)	11.9%	(942.8)
Derivatives Result	7.7	31.7	220.8	-	-	(7.5)	252.4	-	273.3
Net Exchange Variation	(17.6)	(26.7)	(584.3)	-	-	(13.5)	(611.0)	-	(600.7)
Total	**(153.1)**	**(169.5)**	**(167.8)**	**9.6%**	**-1.0%**	**(333.8)**	**(337.3)**	**1.0%**	**(674.1)**



Leverage Indicators

Leverage Indicators	06/30/2017	09/30/2017	12/31/2017	06/30/2018	03/31/2018	Covenants
Net Debt / EBITDA-A	1.9x	1.9x	1.9x	2.0x	2.1x	Max 3.5x
Net Debt / EBITDA[1]	4.6x	4.6x	4.4x	4.4x	4.5x	Max 4.75x
EBITDA-A / Net interest expenses	4.2x	4.5x	4.8x	4.9x	5.0x	Min 2.0x

[1] Considers EBITDA of R$ 35.5 million for 2H17 of Borgato and R$ 16.9 million of revenue from the secondary sale of Movida shares in 1Q17 that was reversed in 3Q17

The ratio between Net Debt and EBITDA reached 4.5x in June 2018, due to the increase in Net Capex, pressured by the challenges faced in selling used vehicles and by the additional acquisition participation in Vamos. If we disregard both effects, the leverage ratio would have remained stable at the 4.4x level.

In turn, the Net Debt to EBITDA-A ratio reached 2.1x in June 2018, versus 1.9x in June 2017 and 2.0x in March 2018.

VIII. EBITDA, Cash Flow, ROIC and Capex - JSL Consolidated

	JSL - Consolidated								
EBITDA Reconciliation (R$ million)	2Q17	1Q18	2Q18	Chg. 2Q18x2Q17	Chg. 2Q18x1Q18	1H17	1H18	Chg. 1H18x1H17	LTM
Net Result	13.9	25.1	49.4	-	96.8%	6.9	74.5	-	84.3
Financial Result	153.1	169.5	167.8	9.6%	-1.0%	333.8	337.3	1.0%	674.1
Income tax and Social contribution	7.6	17.1	27.9	-	63.2%	5.1	45.0	-	57.1
Depreciation / Amortization	130.2	142.2	146.1	12.2%	2.7%	266.0	288.3	8.4%	548.0
Adjustment of revenue from the sale of Movida's shares	(16.9)	-	-	-	-	(16.9)	-	0.0%	16.9
EBITDA	**287.9**	**353.9**	**391.2**	**35.9%**	**10.5%**	**594.9**	**745.1**	**25.2%**	**1,380.4**
Costs of Sales of Assets	437.0	401.7	412.6	-5.6%	2.7%	875.7	814.2	-7.0%	1,676.1
EBITDA-A	**724.9**	**755.6**	**803.8**	**10.9%**	**6.4%**	**1,470.7**	**1,559.3**	**6.0%**	**3,056.5**

Cash Flow Summary[1] (R$ million)	2Q17	1Q18	2Q18	Chg. 2Q18x2Q17	Chg. 2Q18x1Q18	1H17	1H18	Chg. 1H18x1H17	LTM
Income before tax	**21.5**	**42.2**	**77.3**	**-**	**83.2%**	**12.0**	**119.5**	**-**	**141.4**
Depreciation and Amortization	124.0	141.7	146.5	18.1%	3.4%	259.9	288.3	10.9%	554.1
Cost of Sale of Assets[2]	437.0	401.7	412.6	-5.6%	2.7%	875.7	814.3	-7.0%	1,676.1
Other Non-cash adjustments	186.2	233.0	649.9	-	178.9%	452.2	882.9	95.2%	1,359.2
Accounts receivables, Inventory and Suppliers	(102.9)	(71.9)	22.4	-121.8%	-131.2%	(112.0)	(49.5)	-55.8%	(99.0)
Other Assets and Liabilities	149.7	(1.2)	72.4	-51.6%	-	(31.8)	71.2	-	59.9
Paid interest	(338.1)	(128.4)	(109.8)	-67.5%	-14.5%	(476.6)	(238.2)	-50.0%	(398.3)
Operating Cash Generation	**477.5**	**617.1**	**1,271.4**	**166.3%**	**106.0%**	**979.6**	**1,888.4**	**92.8%**	**3,293.5**
Increase in Fixed Assets	(542.9)	(701.8)	(1,046.1)	92.7%	49.1%	(1,040.2)	(1,748.0)	68.0%	(3,717.5)
Secondary offering of shares of investees (Movida)	-	21.2	(21.2)	-	-	-	-	-	(61.0)
Capital contribution and repurchase of shares of investees	(53.0)	-	-	-100.0%	-	(53.0)	-	-100.0%	53.0
Payment in the companies aquisitions	-	(33.3)	33.3	-	-	-	-	-	(113.9)
Other Investments[4]	(1.8)	(2.5)	(4.1)	127.8%	64.0%	(2.9)	(6.6)	127.6%	6.9
Investments Net Cash	**(120.2)**	**(99.5)**	**233.3**	**-**	**-**	**(116.5)**	**133.9**	**-**	**(539.1)**
Increase (Decrease) in Capital	(66.9)	-	-	-100.0%	-	500.3	-	-100.0%	(10.0)
Payment in the companies aquisitions	61.0	-	-	-100.0%	-	61.0	-	-100.0%	-
Payment of liabilities and financial lease	(75.3)	-	-	-100.0%	-	(75.3)	-	-100.0%	75.3
Payment in the companies aquisitions	(57.3)	-	(103.6)	80.8%	-	(57.3)	(103.6)	80.8%	-
Income received from derivatives	(17.0)	(4.1)	(33.0)	94.1%	-	(28.8)	(37.1)	28.8%	(80.8)
Dividends + Interest on Capital	-	-	-	-	-	-	-	-	-
Assignment of receivables	-	-	(3.0)	-	-	-	(3.0)	-	27.2
Loan and Financing	740.6	1,512.5	446.1	-39.8%	-70.5%	578.3	1,958.6	-	3,011.2
(Purchasing) / Selling Treasury Shares	(0.0)	-	(5.5)	-	-	3.0	(5.5)	-	(5.1)
Increase (Decrease) in Cash and Financial Investments	**465.0**	**1,408.9**	**534.4**	**14.9%**	**-62.1%**	**864.7**	**1,943.3**	**124.7%**	**2,478.7**

[1] Considers as cash the balance of financial investments classified as current assets (securities)

[2] Non-cash cost

[3] Pursuant to IFRS, variations in cash in the 'increase in fixed assets' line in the cash flow statement comprise only the amounts actually disbursed by the Company. These acquisitions made with restricted financing are not reflected in the cash flow statement when they are contracted. However, as this financing is amortized, the respective cash disbursements are reflected in the loans and financing line

[4] Intangible assets, merger of subisidiary and business combination

JSL Consolidated presented cash generation of R$1.2 billion before the expansion in 2Q18 (last 12 months). The investment in maintenance totaled R$1.8 billion, while the investment in expansion was R$1.1 billion, mainly reflecting the growth of the fleet in Movida, Vamos and CS Brasil in the last twelve months. The Free Cash Flow to the Firm totaled R$93 million for the period.

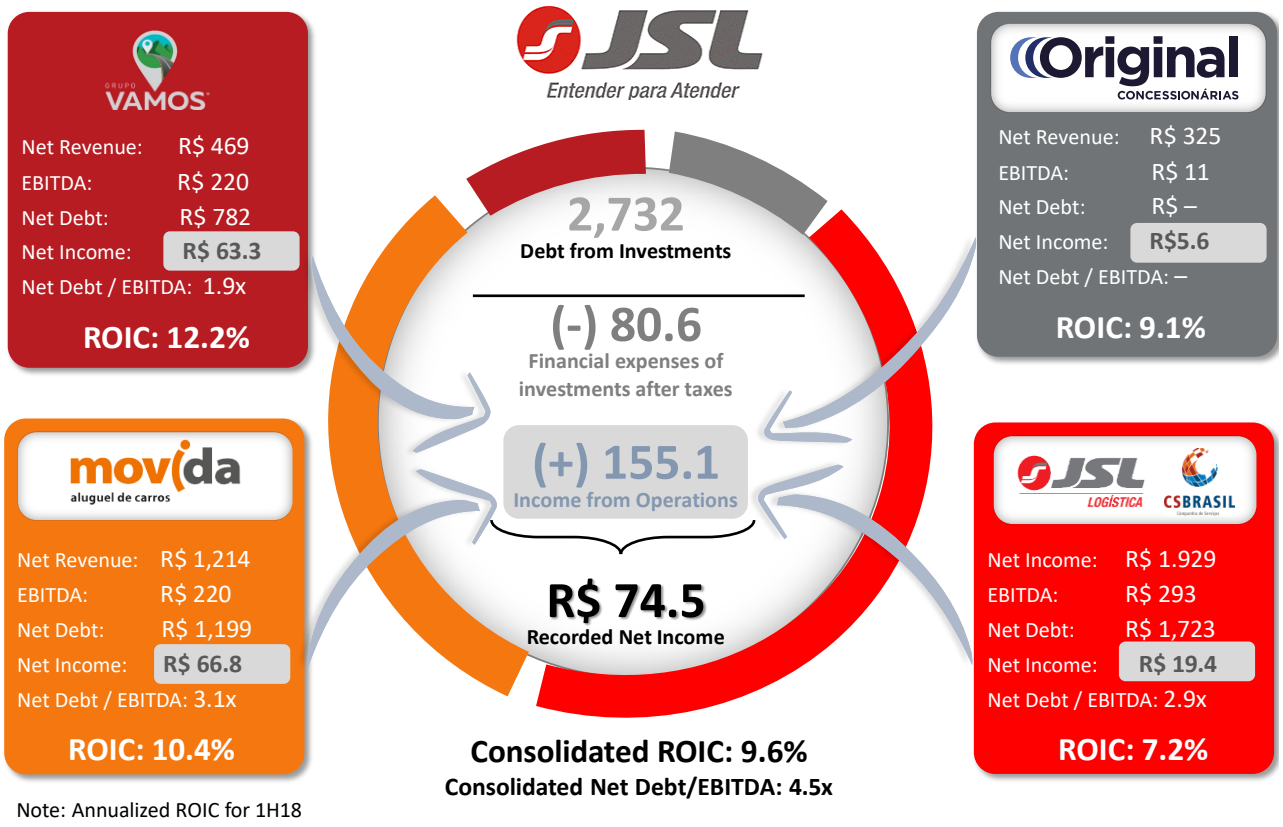
JSL Consolidated ex-Movida generated cash before investments in expansion of R$1.3 billion in 2Q18 (last 12 months) and R$646 million of Free Cash Flow to Firm after the expansion capex of R$651 million. This result continues to show the resilience of the cash generation of JSL ex-Movida (Logistica+Vamos+Original).

	JSL - Consolidated			Consolidated ex-Movida (JSL Logística)		
Free Cash Flow to Firm (R$ million)	**2016**	**2017**	**2Q18 LTM**	**2016**	**2017**	**2Q18 LTM**
EBITDA	**1,061**	**1,230**	**1,380**	**792**	**904**	**990**
Non-cash Asset and Investment Impairments	105	-	-	105	-	-
EBITDA adj. by Impairments	**1,166**	**1,230**	**1,380**	**897**	**904**	**990**
Book Value of Assets Sold (Non-cash Cost of Assets Sales)	1,289	1,738	1,676	316	361	347
Maintenance Capex	(1,105)	(1,753)	(1,844)	(199)	(171)	(206)
Change in Working Capital and Taxes Paid (*)	406	(191)	(16)	45	(143)	166
Cash Generated before Expansion Capex	**1,756**	**1,024**	**1,197**	**1,058**	**951**	**1,297**
Expansion Capex	(1,382)	(927)	(1,104)	(548)	(420)	(651)
Free Cash Flow to Firm	**374**	**97**	**93**	**510**	**531**	**646**

* Ajuste no capital de giro e impostos devido ao impacto negativo de R$75 million (2017) e R$23 million (2Q18 UDM) da reclassificação de atividades de leasing de imobilizado para contas a receber, devido à alteração das normas contábeis para as IFRS na JSL Leasing.

	JSL - Consolidated								
Capex (R$ million)	**2Q17**	**1Q18**	**2Q18**	**Chg. 2Q18x2Q17**	**Chg. 2Q18x1Q18**	**1H17**	**1H18**	**Chg. 1H18x1H17**	**LTM**
Gross capex by nature	**782.2**	**781.6**	**887.1**	**13.4%**	**13.5%**	**1,400.5**	**1,668.8**	**19.2%**	**2,947.8**
Expansion	341.8	311.6	419.6	22.8%	34.7%	554.3	731.3	31.9%	1,103.7
Maintenance	436.2	466.8	461.6	5.8%	-1.1%	840.5	928.4	10.5%	1,829.5
Others	4.2	3.2	5.9	40.5%	84.4%	5.7	9.1	59.6%	14.6
Usual sale of assets	**(459.2)**	**(426.7)**	**(419.0)**	**-8.8%**	**-1.8%**	**(923.2)**	**(845.7)**	**-8.4%**	**(1,752.5)**
Total net capex	**322.9**	**354.9**	**468.1**	**45.0%**	**31.9%**	**477.3**	**823.1**	**72.4%**	**1,195.3**

Profitability Breakdown – JSL Group (1H18 YTD – R$ million)



Note: Annualized ROIC for 1H18

IX. Stock Market

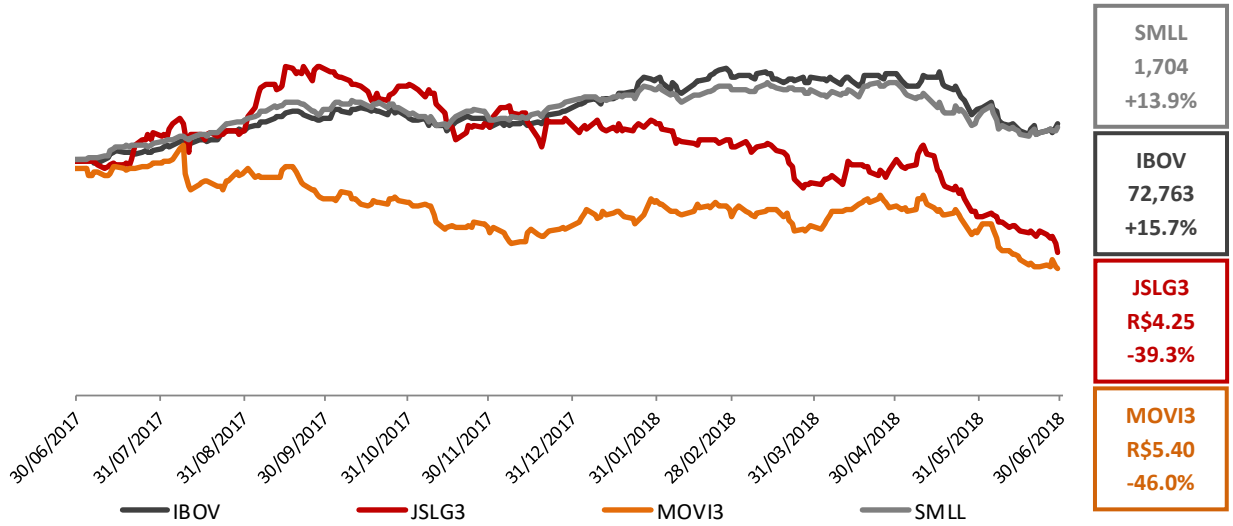
Share Performance

JSL's shares are listed on the B3's Novo Mercado segment and are included in the Special Corporate Governance Stock Index (IGC) and the Special Tag Along Stock Index (ITAG). JSLG3 has been part of B3's Small Cap Index (SMLL) since January 2013.

On June 30, 2018, JSLG3's shares were priced at R$4.25.

On June 30, 2018, the Company had a total of 202,500,000 shares, of which 202,077,032 were outstanding and 422,968 were held in treasury.

JSLG3 vs. MOVI3 vs. IBOV and SMLL11 (03/30/2017 to 06/30/2018 – Base 100)



JSL S.A. and its subsidiaries

Quarterly information – ITR related to the quarter ended June 30, 2018

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities Commission (CVM), prepared in accordance with the Technical Pronouncement CPC 21 (R1) – Interim Financial Reporting and the international standard IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board – IASB)

		Parent company		Consolidated	
Assets	**Note**	**6/30/2018[1]**	**12/31/2017**	**6/30/2018[1]**	**12/31/2017**
Current			**(Reclassified note 2.8)**		
Cash and cash equivalents	5	135,505	116,487	775,212	714,734
Marketable securities	6	687,959	380,680	3,559,399	1,718,520
Derivative financial instruments	4.6	21,393	-	21,393	-
Trade receivables	7	615,836	637,969	1,287,807	1,211,836
Inventories	8	33,766	25,757	249,111	246,147
Taxes recoverable	9	75,317	43,332	177,624	125,015
Income tax and social contribution recoverable	10	56,309	56,295	103,790	97,196
Prepaid expenses		12,242	4,016	75,320	18,673
Related parties	27	107,146	64,669	-	-
Dividends receivable	28.4	42,087	29,847	-	-
Assets available-for-sale (fleet renewal)	11	65,423	70,866	406,385	313,390
Advances to third parties		14,207	26,087	41,948	27,687
Other credits		3,354	4,165	15,135	15,263
Total current assets		**1,870,544**	**1,460,170**	**6,713,124**	**4,488,461**
Non-current					
Marketable securities	6	-	-	5,466	5,584
Derivative financial instruments	4.6	252,679	108,252	252,679	108,252
Trade receivables	7	12,333	25,905	107,511	120,603
Taxes recoverable	9	45,909	40,115	71,191	61,930
Income tax and social contribution recoverable	10	20,370	20,245	20,597	20,307
Judicial deposits	25	42,312	41,574	64,490	62,335
Deferred income tax and social contribution	26.1	-	-	67,887	60,626
Related parties	27	20,023	11,650	152	188
Fund for capitalization of authorized vehicle dealerships	12	-	-	40,327	39,692
Other credits		983	932	4,007	3,634
Total long-term assets		**394,609**	**248,673**	**634,307**	**483,151**
Investments	13	2,732,242	2,485,702	1,241	979
Property and equipment	14	1,388,455	1,432,578	6,443,097	6,056,614
Intangible assets	15	250,673	253,344	470,712	471,719
Total noncurrent assets		**4,765,979**	**4,420,297**	**7,549,357**	**7,012,463**
Total assets		**6,636,523**	**5,880,467**	**14,262,481**	**11,500,924**

[1] The amounts at June 30, 2018 reflect the impacts of the adoption of CPC 48 / IFRS 9 - Financial instruments and CPC 47 / IFRS 15 - Revenue from Contracts with Customers, and the balance sheet as at December 31, 2017 is not being restated. Note 2.2 presents the effects of the first-time adoption of CPC 48 / IFRS 9 and CPC 47 / IFRS 15 on January 1, 2018.

The accompanying notes are an integral part of this interim financial information.

		Parent company		Consolidated	
Liabilities	**Note**	**6/30/2018**[1]	**12/31/2017**	**6/30/2018**[1]	**12/31/2017**
Current					
Trade payables	16	48,334	41,489	903,025	878,274
Floor plan vehicles	17	-	-	83,201	72,051
Suppliers financing - car makers	18	-	3,467	4,037	248,148
Borrowings and financing	19	950,870	504,130	1,588,091	982,697
Debentures	20	300,362	267,830	327,620	284,417
Finance leases payable	21	37,025	41,588	105,870	142,329
Assignment of receivables	22	-	-	6,043	6,043
Labor liabilities	23	143,703	119,202	257,020	211,652
Income tax and social contribution payable		7,380	-	24,347	8,907
Tax liabilities	24	28,955	31,764	65,630	76,093
Related parties	27	18,945	21,978	1,573	553
Advances from customers		6,414	3,484	46,937	50,844
Other accounts payable		55,608	21,435	231,396	167,680
Total current liabilities		**1,597,596**	**1,056,367**	**3,644,790**	**3,129,688**
Non-current					
Borrowings and financing	19	3,041,602	2,540,541	6,637,928	4,809,871
Debentures	20	1,187,576	1,333,049	2,282,620	1,731,065
Finance leases payable	21	41,275	47,151	82,369	70,448
Assignment of receivables	22	-	-	21,150	24,171
Derivative financial instruments	4.6	-	-	1,217	-
Tax liabilities	24	841	841	1,399	1,705
Provision for judicial and administrative litigation	25	50,249	51,254	69,873	71,463
Deferred income tax and social contribution	26.1	25,566	70,897	288,754	288,893
Other accounts payable		149,332	93,579	217,311	184,300
Total noncurrent liabilities		**4,496,441**	**4,137,312**	**9,602,621**	**7,181,916**
Equity					
Share capital	28.1	660,395	660,395	660,395	660,395
Capital reserve	28.2	24,557	21,961	24,557	21,961
Treasury shares	28.3	(103,925)	(460)	(103,925)	(460)
Equity valuation adjustments	28.5	128,707	82,621	128,707	82,621
Other comprehensive income		(130,536)	(5,400)	(130,536)	(5,400)
Accumulated losses		(36,712)	(72,329)	(36,712)	(72,329)
Equity attributable to the owners of the Company		**542,486**	**686,788**	**542,486**	**686,788**
Noncontrolling interests	28.6	-	-	472,584	502,532
Total equity		**542,486**	**686,788**	**1,015,070**	**1,189,320**
Total liabilities and equity		**6,636,523**	**5,880,467**	**14,262,481**	**11,500,924**

(1) The amounts at June 30, 2018 reflect the impacts of the adoption of CPC 48 / IFRS 9 - Financial instruments and CPC 47 / IFRS 15 - Revenue from Contracts with Customers, and the balance sheet as at December 31, 2017 is not being restated. Note 2.2 presents the effects of the first-time adoption of CPC 48 / IFRS 9 and CPC 47 / IFRS 15 on January 1, 2018.

The accompanying notes are an integral part of this interim financial information.

JSL S.A. and its subsidiaries

Statements of income (loss)

Periods ended June 30, 2018 and 2017

In thousands of Brazilian reais, except earnings (loss) per share

	Note	Parent company				Consolidated			
		4/01 to 6/30/2018 (1)	6/30/2018(1)	4/01 to 6/30/2017 (Reclassified note 2.8)	6/30/2017 (Reclassified note 2.8)	4/01 to 6/30/2018 (1)	6/30/2018(1)	4/01 to 6/30/2017 (Reclassified note 2.8)	6/30/2017 (Reclassified note 2.8)
Net revenue from services rendered, rental and sale of assets used in services rendered	31	**745,153**	**1,466,064**	**721,517**	**1,380,498**	**1,938,222**	**3,875,035**	**1,820,008**	**3,568,414**
(-) Cost of sales, rentals and services rendered	32	(623,598)	(1,219,665)	(558,379)	(1,090,895)	(1,103,152)	(2,218,781)	(1,014,198)	(1,962,664)
(-) Cost of sales of demobilized assets	32	(49,248)	(74,993)	(35,260)	(79,857)	(412,586)	(814,249)	(437,000)	(875,745)
		(672,846)	**(1,294,658)**	**(593,639)**	**(1,170,752)**	**(1,515,738)**	**(3,033,030)**	**(1,451,198)**	**(2,838,409)**
(=) Gross profit		**72,307**	**171,406**	**127,878**	**209,746**	**422,484**	**842,005**	**368,810**	**730,005**
General and administrative expenses	32	(31,791)	(64,546)	(29,701)	(61,298)	(114,679)	(235,897)	(106,188)	(242,681)
Selling expenses	32	(2,640)	(10,035)	(5,942)	(18,031)	(62,919)	(128,558)	(78,278)	(121,425)
Other operating (expenses) income, net	32	18,134	11,416	(43,085)	(23,767)	(416)	(20,907)	(9,745)	(20,085)
Equity in the results of investees	13.1	79,578	126,939	50,301	90,524	614	175	-	-
(=) Profit before finance income, costs and taxes		**135,588**	**235,180**	**99,451**	**197,174**	**245,084**	**456,818**	**174,599**	**345,814**
Finance income	33	63,581	91,299	4,849	33,184	404,864	472,318	38,392	85,778
Finance costs	33	(173,176)	(301,749)	(114,683)	(277,231)	(572,661)	(809,634)	(191,473)	(419,559)
(=) Profit (loss) before income tax and social contribution		**25,993**	**24,730**	**(10,383)**	**(46,873)**	**77,287**	**119,502**	**21,518**	**12,033**
Income tax and social contribution - current	26.3	(7,380)	(7,380)	-	-	(15,153)	(25,814)	(17,823)	(24,879)
Income tax and social contribution - deferred	26.3	14,702	29,542	20,440	46,268	(12,711)	(19,173)	10,195	19,774
Total income tax and social contribution		**7,322**	**22,162**	**20,440**	**46,268**	**(27,864)**	**(44,987)**	**(7,628)**	**(5,105)**
(=) Net profit (loss) for the period		**33,315**	**46,892**	**10,057**	**(605)**	**49,423**	**74,515**	**13,890**	**6,928**
Attributable to:									
Owners of the Company		33,315	46,892	10,057	(605)	33,315	46,892	10,057	(605)
Non-controlling interests		-	-	-	-	16,108	27,623	3,833	7,533
(=) Basic earnings (loss) per share (in Reais)	34		-		-		0.2326		(0.0030)
(=) Diluted earnings (loss) per share (in Reais)	34		-		-		0.2275		(0.0030)

(1) The amounts at June 30, 2018 reflect the impacts of the adoption of CPC 48 / IFRS 9 - Financial instruments and CPC 47 / IFRS 15 - Revenue from Contracts with Customers, and the period ended June 30, 2017 is not being restated. Note 2.2 presents the effects of the first-time adoption of CPC 48 / IFRS 9 and CPC 47 / IFRS 15 on January 1, 2018.

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JSL S.A. and its subsidiaries

Statements of comprehensive income (loss)

Periods ended June 30, 2018 and 2017

In thousands of Brazilian reais

	Parent company				Consolidated			
	4/01 to 6/30/2018 [1]	6/30/2018[1]	4/01 to 6/30/2017	6/30/2017	4/01 to 6/30/2018 [1]	6/30/2018[1]	4/01 to 6/30/2017	6/30/2017
Net profit (loss) for the period	**33,315**	**46,892**	**10,057**	**(605)**	**49,423**	**74,515**	**13,892**	**6,928**
Losses on cash flow hedge	(58,610)	(125,919)	-	-	(58,610)	(125,919)	-	-
Income tax and social contribution on cash flow hedge	19,927	42,812	-	-	19,927	42,812	-	-
Unrealized losses on debt instruments measured at fair value through other comprehensive income	(33,965)	(42,029)	-	-	(33,965)	(42,029)	-	-
Total other comprehensive income (loss)	**(72,648)**	**(125,136)**	**-**	**-**	**(72,648)**	**(125,136)**	**-**	**-**
Comprehensive income (loss) for the period	**(39,333)**	**(78,244)**	**10,057**	**(605)**	**(23,225)**	**(50,621)**	**13,892**	**6,928**
Attributable to:								
Owners of the Company	(39,333)	(78,244)	10,057	(605)	(39,333)	(78,244)	10,057	(605)
Non-controlling interests	-	-	-	-	16,108	27,623	3,835	7,533

(1) The amounts at June 30, 2018 reflect the impacts of the adoption of CPC 48 / IFRS 9 - Financial instruments and CPC 47 / IFRS 15 - Revenue from Contracts with Customers, and the period ended June 30, 2017 is not being restated. Note 2.2 presents the effects of the first-time adoption of CPC 48 / IFRS 9 and CPC 47 / IFRS 15 on January 1, 2018.

The accompanying notes are an integral part of this interim financial information.

JSL S.A. and its subsidiaries

Statements of changes in equity

Periods ended June 30, 2018 and 2017

In thousands of Brazilian reais

	Notes	Capital reserve				Profit reserves	Other comprehensive income (loss)							
		Share capital	Share- based payments	Government grant reserve	Treasury shares	Accumulated losses	Losses on cash flow hedge	Unrealized losses on financial investments at fair value through other comprehensive income	Total other comprehensive income (loss)	Equity valuation adjustments	Total equity of owners of the Company	Non-controlling interests	Total equity
Balances at December 31, 2016		**660,395**	**11,078**	**2,982**	**(3,741)**	**(66,359)**	**-**	**-**	**-**	**4,634**	**608,989**	**-**	**608,989**
Share-based payments	28.2	-	(1,106)	-	-	-	-	-	-	-	**(1,106)**	-	**(1,106)**
Repurchase of shares	28.3	-	-	-	2,953	-	-	-	-	-	2,953	-	2,953
Gain on equity interests in subsidiaries		-	-	-	-	-	-	-	-	67,454	67,454	-	67,454
Net profit (loss) for the period		-	-	-	-	(605)	-	-	-	-	(605)	7,533	(6,928)
Noncontrolling interests		-	-	-	-	-	-	-	-	-	-	424,020	424,020
Balances at June 30, 2017		**660,395**	**9,972**	**2,982**	**(788)**	**(66,964)**	**-**	**-**	**-**	**72,088**	**677,685**	**431,553**	**1,109,238**
Balances at December 31, 2017		**660,395**	**15,751**	**6,210**	**(460)**	**(72,329)**	**(937)**	**(4,463)**	**(5,400)**	**82,621**	**686,788**	**502,532**	**1,189,320**
Changes with the first-time application of IFRS 9 and 15 (1)		-	-	-	-	(12,580)	-	-	-	-	(12,580)	(5,256)	(17,836)
Restated balances at January 1, 2018		**660,395**	**15,751**	**6,210**	**(460)**	**(84,909)**	**(937)**	**(4,463)**	**(5,400)**	**82,621**	**674,208**	**497,276**	**1,171,484**
Share-based payments	28.2	-	2,556	-	-	-	-				2,556		2,556
Treasury shares	28.3	-	-	-	(103,465)	1,305	-	-	-	-	(102,160)	-	(102,160)
Gain on equity interests in subsidiaries		-	-	-	-	-	-	-	-	46,086	46,086	-	46,086
Net profit (loss) for the period		-	-	-	-	46,892	-	-	-	-	46,892	27,623	74,515
Government grants	28.2	-	-	40	-	-	-	-	-	-	40	-	40
Losses on cash flow hedge	4.6	-	-	-	-	-	(83,107)	-	(83,107)	-	(83,107)	-	(83,107)
Unrealized losses on debt instruments at fair value through other comprehensive income		-	-	-	-	-	-	(42,029)	(42,029)	-	(42,029)	-	(42,029)
Noncontrolling interests	28.6	-	-	-	-	-	-	-	-	-	-	(52,315)	(52,315)
Balances at June 30, 2018		**660,395**	**18,307**	**6,250**	**(103,925)**	**(36,712)**	**(84,044)**	**(46,492)**	**(130,536)**	**128,707**	**542,486**	**472,584**	**1,015,070**

(1) The amounts at June 30, 2018 reflect the impacts of the adoption of CPC 48 / IFRS 9 - Financial instruments and CPC 47 / IFRS 15 - Revenue from Contracts with Customers and the period ended and year ended June 30 and December 31, 2017 are not being restated. Note 2.2 presents the effects of the first-time adoption of CPC 48 / IFRS 9 and CPC 47 / IFRS 15, respectively on January 1, 2018.

The accompanying notes are an integral part of this interim financial information.

JSL S.A. and its subsidiaries

Statements of cash flows – indirect method

Periods ended June 30, 2018 and 2017

In thousands of Brazilian reais

	Parent company		Consolidated	
	6/30/2018	6/30/2017 (Reclassified note 2.8)	6/30/2018	6/30/2017 (Reclassified note 2.8)
Cash flows from operating activities				
(Loss) profit before income tax and social contribution	24,730	(46,873)	119,502	12,033
Adjustments to:				
Depreciation and amortization (Notes 13, 14 and 15)	98,147	119,174	288,280	259,901
Cost of sale of assets used in services rendered	74,993	79,857	814,249	875,745
Write-off of the surplus value of vehicles sold in subsidiaries	7,322	30,620	-	-
Equity in the results of investees	(126,939)	(90,524)	(175)	-
Provision for judicial and administrative litigation (Note 25)	(1,005)	2,531	(1,591)	15,045
Expected credit losses in accounts receivables (Note 7)	2,131	4,666	7,980	42,269
(Purchase) / Write-off of other assets	927	-	84,311	549
Provision for (reversal of) stolen and damaged vehicles	349	160	81,042	75,352
Secondary offering of shares of subsidiary	-	(16,894)	-	(16,894)
Adjustment to present value on assets and liabilities	(4,236)	-	(4,236)	-
Provision for inventory losses (Note 8)	(704)	(76)	4	694
Extemporaneous tax credits	(27,227)	(5,070)	(62,789)	(17,089)
Share-based payments (Note 29)	2,556	(1,106)	2,556	(1,106)
(Gain) loss on fair value of derivative financial instruments	(250,457)	7,503	(253,422)	7,503
Interest and exchange variations on borrowings and financing, finance leases, debentures and suppliers financing - car makers	538,384	266,178	1,037,214	388,822
	338,971	**350,146**	**2,112,925**	**1,642,824**
Decrease (increase) in assets				
Trade receivables	(3,686)	(16,328)	(100,568)	(182,289)
Inventories	(7,304)	249	(2,968)	(840)
Taxes recoverable	(10,691)	(3,526)	(5,965)	(11,372)
Related parties	(24,783)	125,147	1,020	(1,375)
Escrow deposits	(738)	1,641	(2,155)	181
Other credits and advances to third parties	12,641	3,320	(12,153)	(13,955)
Prepaid expenses and Fund for capitalization of authorized vehicle dealerships	(8,226)	(9,123)	(57,282)	(29,182)
(Decrease) increase in operating liabilities				
Trade payables	291	20,896	34,915	21,656
Floor plan vehicles	-	-	11,150	6,536
Labor and tax liabilities	29,072	24,240	34,599	39,822
Advances from customers	2,930	7	(3,907)	2,514
Other accounts payable	26,127	(3,149)	129,806	24,660
Related parties	(3,033)	-	36	-
Changes in current and non-current assets and liabilities	**12,600**	**143,374**	**26,528**	**(143,644)**
Cash provided by operating activities	**351,571**	**493,520**	**2,139,453**	**1,499,180**
(Investments in) redemptions of marketable securities	(307,279)	(574,079)	(1,882,790)	(892,912)
Judicial and administrative litigation paid	-	(13,494)	-	(21,278)
Income tax and social contribution paid	(5,951)	-	(12,813)	(21,792)
Interest paid on borrowings and financing, finance leases, debentures and suppliers financing - car makers	(156,314)	(254,640)	(238,199)	(476,555)
Acquisition of operational property and equipment for rental	(49,334)	(211,796)	(1,729,646)	(1,034,007)
Net cash provided by (used in) operating activities	**(167,307)**	**(560,489)**	**(1,723,995)**	**(947,364)**
Cash flows from investing activities				
Capital contribution and repurchase of shares of investees	(201,473)	(70,465)	-	(52,968)
Acquisition of property and equipment	(9,470)	(1,401)	(18,313)	(6,192)
Acquisition of intangible assets	(585)	(232)	(6,617)	(2,861)
Dividends and interest on capital received (Note 13.1)	21,044	85,964	-	-
Net cash (used in) provided by investing activities	**(190,484)**	**13,866**	**(24,930)**	**(62,021)**
Cash flows from financing activities				
Primary offering of shares of investees (IPO Movida)	-	-	-	500,289
Secondary offering of shares of investees (Movida)	-	61,046	-	61,046
Repurchase of treasury shares	(5,459)	-	(5,459)	
Payment for the acquisition of companies in prior years	(475)	(57,320)	(103,622)	(57,320)
Receipt from (payment of) assignment of receivables	33,995	-	(3,021)	-
Government grant reserve	-	2,952	-	2,952
New borrowings and financing and debentures	977,301	2,036,866	2,821,902	2,196,090
Payments of borrowings and financing, finance leases and debentures	(591,452)	(1,659,546)	(863,296)	(1,693,115)
Derivative financial instruments received	(37,101)	(28,794)	(37,101)	(28,794)
Net cash provided by (used in) financing activities	**376,809**	**355,204**	**1,809,403**	**981,148**
Net (decrease) increase in cash and cash equivalents	**19,018**	**(191,419)**	**60,478**	**(28,237)**
Cash and cash equivalents				
At the beginning of the year	116,487	318,623	714,734	585,920
At the end of the year	135,505	127,204	775,212	557,683
Net (decrease) increase in cash and cash equivalents	**19,018**	**(191,419)**	**60,478**	**(28,237)**
Main non-cash transactions				
Raising of finance leases and Finame for the acquisition of operational property and equipment	(56,655)	(76,275)	(262,777)	(224,268)
Changes in the balance of suppliers financing - car makers	3,623	(1,288)	260,836	(72,291)
Acquisitions of property and equipment to be financed	(6,554)	-	10,164	-
Consortium accounts	-	-	-	(2,545)
Capital increase with assets	-	15,751	-	-

(1) The amounts at June 30, 2018 reflect the impacts of the adoption of CPC 48 / IFRS 9 - Financial instruments and CPC 47 / IFRS 15 - Revenue from Contracts with Customers, and the period ended June 30, 2017 is not being restated. Note 2.7 presents the effects of the first-time adoption of CPC 48 / IFRS 9 and CPC 47 / IFRS 15 on January 1, 2018.

The accompanying notes are an integral part of this interim financial information.

JSL S.A. and its subsidiaries

Statements of value added

Periods ended June 30, 2018 and 2017

In thousands of Brazilian reais

	Notes	Parent company		Consolidated	
		6/30/2018[1]	6/30/2017	6/30/2018[1]	6/30/2017
Sales and services rendered	31	1,785,415	1,664,073	4,402,171	4,012,456
Expected credit losses in accounts receivables	32	(2,131)	(4,666)	(7,980)	(42,269)
Other operating income (expenses)		10,693	22,248	23,800	25,115
		1,793,977	**1,681,655**	**4,417,991**	**3,995,302**
Inputs acquired from third parties					
Cost of sales and services rendered		(822,007)	(717,840)	(1,476,172)	(1,279,601)
Materials, electricity, outsourced services and others		(34,156)	(32,683)	(812,663)	(816,417)
Impairment or recovery of assets		-	(81)	-	(81)
		937,814	**931,051**	**2,129,156**	**1,899,203**
Gross value added					
Retentions					
Depreciation and amortization	32	(98,147)	(119,174)	(288,280)	(259,901)
Net value added generated by the Company		**839,667**	**811,877**	**1,840,876**	**1,639,302**
Value added received through transfer					
Equity in the results of investees	13.1	126,939	90,524	175	-
Finance income	33	91,299	33,184	472,492	85,778
		218,238	**123,708**	**472,667**	**85,778**
Total value added to distribute		**1,057,905**	**935,585**	**2,313,543**	**1,725,080**
Distribution of value added					
Personnel and payroll charges		425,346	401,831	732,464	670,159
Federal taxes		140,907	110,541	324,909	312,109
State taxes		97,505	108,176	193,984	171,238
Municipal taxes		29,399	26,291	50,226	43,246
Interest and bank fees		301,749	277,148	809,633	408,714
Rentals		16,107	12,203	127,812	112,686
Retained earnings (losses) for the period		46,892	(605)	74,515	6,928
		1,057,905	**935,585**	**2,313,543**	**1,725,080**

[1] The amounts at June 30, 2018 reflect the impacts of the adoption of CPC 48 / IFRS 9 - Financial instruments and CPC 47 / IFRS 15 - Revenue from Contracts with Customers, and the period ended June 30, 2017 is not being restated. Note 2.2 presents the effects of the first-time adoption of CPC 48 / IFRS 9 and CPC 47 / IFRS 15 on January 1, 2018.

The accompanying notes are an integral part of this interim financial information.

1. GENERAL INFORMATION

JSL S.A. ("Company" or "parent company") is a publicly-traded corporation with its headquarters at Renato Paes de Barros Street - 1.017 – 9º floor Itaim Bibi - São Paulo, and has its shares traded on B3 (“Brasil, Bolsa e Balcão”). The Company also trades share deposit certificates on the over-the-counter market of the United States of America (USA) in order to facilitate the purchase, maintenance and sale of shares by North American investors.

The Company and its subsidiaries (collectively referred to as “JSL Group”) operate in four main segments: Transportation and logistics, Authorized vehicle dealerships of light vehicles, rentals of light vehicles (“Movida”) and rental of heavy vehicles and equipment (“Vamos”). The activities in these segments basically consist of:

i. Transportation and logistics: predominantly, road transportation of cargo, public transport, storage, collection and transportation of household, commercial or industrial waste, leasing of machinery, heavy equipment and vehicles;

ii. Authorized light vehicle dealerships: sale of light vehicles, resale of used cars, parts, machinery and accessories, providing mechanical services, bodywork and painting services, and brokerage services for automotive insurance sales;

iii. Rental of light vehicles (“Movida”): rentals of light vehicles and fleet management segments, and resale of vehicles replaced for renewal of the respective fleets, through the Movida brand stores; and

iv. Rental of heavy vehicles (“Vamos”): rental of heavy vehicles, machinery and equipment, finance and/or operating lease transactions for the purchase of vehicles and equipment, sale of new parts and accessories for auto vehicles, wholesale of new and used bus and micro-bus, sale of trucks, machinery and equipment, new and used tractors, agricultural machinery and implements and provision of agricultural services in all segments.

1.1 Repurchase of shares of Vamos

On December 22, 2017, the Company, through its subsidiary Vamos Locação de Caminhões, Máquinas e Equipamentos S.A.(“Vamos”), completed the acquisition of the total share of Borgato Maquinas S.A., Borgato Serviços Agrícolas S.A. and Borgato Caminhões S.A. ("Borgato Companies"), as disclosed in the Company's financial statements for the year ended at December 31, 2017. The consideration for the acquired interest was comprised of a portion payable in cash in installments, Escrow account, and another paid with a 9% of Vamos shares.

On June 8, 2018, the Company repurchased the shares representing the 9% interest, thus retaining 100% of Vamos shares. The total amount of this transaction was R $ 115,000, with a portion of R $ 20,807 to be paid upon delivery of 3,037,500 shares of the Company, and the remainder of the amount of R $ 94,193 repurchased by Vamos itself, accounted for as treasury shares , to be paid part with shares of the subsidiary Movida Participações S.A. in the amount of R $ 26,067, and the remainder in the amount of R $ 68,126 payable in annual installments restated by the CDI, beginning in January 2019 until 2021, installments which are recorded on Other accounts payable.

As a result of the transaction, the Company recorded changes in its shareholders' equity, reflecting the bookings in Vamos' shareholders' equity, and non-controlling interest, as disclosed in Notes 28.5 and 28.6.

Also as part of the negotiation, the amount payable for the first acquisition transaction of the Borgato Companies, destined for the escrow account, was fully released to the sellers, totaling the disbursement of R $ 103,622, as shown in the statements of cash flows for the period of six months ended June 30, 2018.

1.2 Merger of the Subsidiary Movida Gestão e Terceirização de Frotas S.A.

As approved by the General Meeting and under the terms of the protocol and rationale of merger, on April 1, 2018 the process of merger of Movida Gestão e Terceirização de Frotas S.A. into the Parent Company was completed.

The merger aims to simplify the Company's corporate structure and is expected to result in reduction of operating, administrative and financial costs. As a result of this merger, Movida Gestão e Terceirização de Frotas S.A. was legally extinguished and the parent company became its successor.

The book net assets of Movida Gestão e Terceirização de Frotas S.A. were appraised at R$ 391,601 at March 31, 2018, according to the appraisal report at book value for merger purposes. The balance of the investment and amounts receivable and payable of Movida Gestão e Terceirização de Frotas S.A. with the Company were eliminated in the merger process.

2. BASIS OF PREPARATION AND PRESENTATION OF THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

2.1 Statement of compliance (with regard to the International Financial Reporting Standards - IFRS and standards of the Accounting Pronouncements Committee - CPC)

The interim financial information was prepared in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and CPC 21 (R1) – Interim Financial Reporting and presented according to the standards issued and approved by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information - ITR.

All significant information in the interim financial information, and only this information, is being disclosed and corresponds to that used by Management in its activities.

The interim financial statements, in this case, interim financial information, have the purpose of providing an update based on the last annual full financial statements. Therefore, they are focused on new activities, events and circumstances and do not duplicate information previously disclosed, except when Management considers important the maintenance of certain information.

The issuance of the individual and consolidated interim financial information was authorized by the Board of Directors on August 9, 2018.

2.2 Changes in significant accounting policies

Except for the adoption of CPC 47 / IFRS 15 Revenue from Contracts with Customers and CPC 48 / IFRS 9 Financial Instruments, no changes of any nature occurred regarding such policies and methods of estimate calculations, and as permitted by CVM Resolution 673/11, which addresses interim financial information, Management opted not to disclose again, in details, the accounting policies adopted by the Company. Accordingly, this individual and consolidated interim financial information should be read in conjunction with the individual and consolidated annual financial statements for the year ended December 31, 2017 so that the readers can improve their understanding about the Company's financial situation and liquidity, and its capacity to generate profits and cash flows.

JSL Group adopted CPC 47 / IFRS 15 Revenue from Contracts with Customers and CPC 48 / IFRS 9 Financial Instruments as of January 1, 2018. A series of other new standards are affective as of January 1, 2018, however, without material effect on the Company's financial statements. Consequently, the balances of the period ended June 30, 2018 are being presented with the respective accounting effects of such adoption, as described in notes 2.2.1 and 2.2.2. The changes in accounting policies must also be reflected in the JSL Group's individual and consolidated financial statements for year ending December 31, 2018.

The new standard allows two transition methods:

- full retrospective (for all periods presented); and
- retrospective modified with the cumulative effect of the initial adoption recognized as an adjustment to the opening balance of retained earnings on the first-time adoption date.

The Company opted for the adoption of the retrospective modified method and, consequently, will not be required to restate the comparative balances of the previous period.

2.2.1 CPC 47 / IFRS 15 Revenue from Contracts with Customers

CPC 47 / IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces CPC 30/ IAS 18 Revenue, CPC 17 / IAS 11 Construction Contracts and related interpretations.

The Group adopted CPC 47 / IFRS 15 using the cumulative effect (without practical expedients), with the effect of initially applying this standard recognized at the date of initial application (i.e. January 1, 2018). As a result, the information presented for 2017 was not restated and, therefore, was presented as previously reported in accordance with CPC 30 / IAS 18, CPC 17 / IAS 11 and related interpretations.

In accordance with CPC 47 / IFRS 15. Revenue is recognized when the customer obtains the control of goods or services. Determine the moment of transfer of control - at a specific moment in time or over time - requires judgment. The adoption of this standard resulted in the following main changes in accounting policies:

Item	Nature, performance satisfaction and significant payment conditions	Nature of change in accounting policy
(a) Reclassification of reimbursement of damages, fuel and traffic fines	The Company and its subsidiaries receive as reimbursement from its clients, amounts to cover costs incurred with traffic fines, damages and fuel. The Company does not include a profit margin in this type of collection, not characterizing an additional performance obligation.	Considering that there is no promise of service delivery related to these reimbursements, and there is no profit margin in these collections, these reimbursements must be stated in a reducing line of the respective origin costs or expenses, since there is no additional performance obligation in this operation.
(b) Capitalization of incremental costs of obtaining a contract	The Company, through its subsidiaries, has sales commission costs deriving from contracts with customers. Currently, the Company has a policy of recognizing the costs of obtaining a contract as they incur.	CPC 47 / IFRS 15 define incremental costs as those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained, which should be capitalized if the entity expects to recover those costs, directly or indirectly. Therefore, the Company through its subsidiaries recognized these costs as a contractual asset, since it expects to recover the costs. The capitalized balance will be amortized over the period the goods and services are transferred to the customer. Similarly, certain costs to fulfill the contract, which were recorded as incurred, were capitalized and will be deferred to the extent they relate to performance obligations that are satisfied over time.
(c) Loyalty program	The Company, through its subsidiary Movida Rent a car, grants to the client future benefits of services and parts or discount coupons with commercial partners through a loyalty program. The Company acts as principal when there is the redemption of its own goods or services and as an agent when the redemption is made for products of third parties.	Under CPC 47 / IFRS 15, the loyalty program operation falls into the concept of performance obligation satisfied in a specific moment in time, since the obligation is only satisfied when the client redeems the points. In other words, until the client chooses the goods or services to be provided (by the entity or by third parties) or the points have expired, the entity cannot satisfy its performance obligation.

	The portion related to the loyalty program which is recognized at the same moment as the rental shall be deferred until the moment of its fulfillment, which is the redemption of points or when the points expire. In addition, recognizing that it is acting as an agent, regarding exchange of points for discounts in third-party companies, the Company will recognize as revenue only the portion related to the fee or commission that the entity receives from these third parties for the rendering of services.

2.2.2 CPC 48 / IFRS 9 Financial Instruments

On January 1, 2018, the JSL Group adopted for the first-time the accounting standard CPC 48 / IFRS 9 - Financial instruments. The changes in accounting policies from the first-time adoption were made prospectively (effects presented in equity). The adoption of this standard resulted in the following main changes in accounting policies:

- Financial assets: The main change introduced by CPC 48 / IFRS 9 Financial Instruments is that the criterion for classification of financial assets no longer uses the concept of Management's individual intention on each financial asset, and now classifies financial instruments based on the business model and portfolio management, as well as the analysis of contractual cash flows characteristics ("SPPI – Solely Payment of Principal and Interest"). These factors determine whether financial assets are measured at (i) amortized cost, (ii) fair value through profit or loss (FVTPL) or (iii) fair value through other comprehensive income (FVTOCI). The new standard also establishes other options to designate an instrument at fair value through profit or loss under certain conditions.

- Financial liabilities: The classification of financial liabilities remains substantially unaltered, they continue to be measured at amortized cost or at fair value through profit or loss. For liabilities measured at fair value upon initial recognition, the JSL Group will recognize the variation of credit risk attributed to its own risk in other comprehensive income, when applicable.

- Impairment: The requirements introduced by CPC 48 / IFRS 9 Financial instruments regarding impairment are applicable to financial assets measured at amortized cost, fair value through other comprehensive income, lease receivables and a few off-balance items, such as, contracts with financial guarantees. The main change of CPC 48 / IFRS 9 Financial instruments is that impairment is now measured through the concept of expected credit loss (ECI) compared to the incurred loss model (IAS 39 / CPC 38).

- *Hedge Accounting*: CPC 48 / IFRS 9 Financial Instruments provides for an approach for hedge accounting based on the Group's Risk Management, which is based more in principles than the current approach provided for in CPC 38 / IAS 39. One of the main changes in the standard is in the assessment of hedge effectiveness. CPC 38 / IAS 39 defines the percentage for calculation (80% to 125%), while the new standard establishes that management should evaluate the effectiveness conditions and percentages, bringing a qualitative approach to the process. The JSL Group adopted the hedge accounting in accordance with the new requirements of CPC 48 / IFRS 9 Financial Instruments. The new hedge accounting model improves the alignment of the Group's risk management and accounting objectives. The adoption does not change the types of hedge relationship of the JSL Group and all existing effective relationships will continue to qualify for hedge accounting in accordance with CPC 48 / IFRS 9 Financial Instruments, however, the documentation and disclosure of hedge structure were changed in compliance with the requirements of the new accounting standard, see note 4.6.

Reclassification of financial Instruments

The JSL Group assessed in detail the business models used for managing financial assets and the characteristics of contractual cash flows at the first-time adoption date and classified financial instruments according to the appropriate category of CPC 48 / IFRS 9 Financial instruments. The main impacts arising from this reclassification are the following:

	Note	At fair value through profit or loss	Fair value of hedge instruments	Available-for-sale	Loans and receivables	Total financial assets	At fair value through profit or loss - FVTPL	Fair value of hedge instruments	At fair value through other comprehensive income - FVTOCI	Amortized cost	Total financial assets
Balance at 12/31/2017 (CPC 38/IAS 39)		**1,430,424**	**22,900**	**1,074,145**	**1,371,145**	**3,898,614**	-	-	-	-	-
Maintenance in the category of asset at fair value through profit or loss	*(i)*	(1,430,424)	(22,900)	-	-	(1,453,324)	1,430,424	22,900	-	-	1,453,324
Reclassification of available-for-sale to fair value through other comprehensive income (FVOCI)	*(ii)*	-	-	(533,519)	-	(533,519)	-	-	533,519	-	533,519
Reclassification of loans and receivables to amortized cost	*(iii)*	-	-	-	(1,371,145)	(1,371,145)	-	-	-	1,371,145	1,371,145
Reclassification of available-for-sale to fair value through profit or loss	*(iv)*	-	-	(540,626)	-	(540,626)	540,626	-	-	-	540,626
Balances at 1/1/2018 (CPC48 / IFRS 9)		-	-	-	-	-	**1,971,050**	**22,900**	**533,519**	**1,371,145**	**3,898,614**

(i) Maintenance in the category of asset at fair value through profit or loss

Investments in investment funds allocated in cash and cash equivalents and marketable securities which were classified as assets at fair value through profit or loss remain in this category.

(ii) Reclassification of available-for-sale to fair value through other comprehensive income (FVOCI)

The investments in sovereign and corporate securities previously classified as “available-for-sale” and which were measured at fair value with the mark-to-market recognized in other comprehensive income, were classified in the business models whose objective is to obtain interest income and sell the assets in accordance with CPC 48 / IFRS 9 Financial Instruments, and were classified as assets at fair value through other comprehensive income (FVOCI).

(iii) Reclassification of loans and receivables to amortized cost

The balances of cash and cash equivalents, trade receivables, related parties and other assets that were previously classified as “loans and receivables” and the carrying amount was measured at the effective interest rate, were assessed the business models whose objective were to obtain return of interest and principal according to IFRS 9 / CPC 38 were classified as amortized cost.

(iv) Reclassification of available-for-sale to fair value through profit or loss

The credit linked notes (CLN) previously classified as “available-for-sale” and which were measured at fair value with the mark-to-market recognized in other comprehensive income, were measured under the business models whose objective is to obtain interest income and, in accordance with CPC 48 / IFRS 9 Financial Instruments, were reclassified as assets at fair value through profit or loss.

On the first-time adoption date, January 1, 2018, the Company's financial instruments were the following:

Consolidated

Financial asset	Balances at 12/31/2017		Balances at 1/1/2018	
	Measurement CPC 38/IAS 39	Carrying amount CPC 38/IAS 39	Measurement CPC 48/IFRS 9	Carrying amount CPC 48/IFRS 9
Cash and cash equivalents - CDB, Repo operations, Financial bills, units of funds and other	Fair value through profit or loss	695,113	Fair value through profit or loss	695,113
Securities - LFT, LTN, other securities	Fair value through profit or loss	649,959	Fair value through profit or loss	649,959
Derivatives	Fair value through profit or loss	85,352	Fair value through profit or loss	85,352
Derivatives	Fair value of hedge instruments	22,900	Fair value of hedge instruments	22,900
Sovereign and corporate securities	Available-for-sale	533,519	Fair value through other comprehensive income	533,519
CLN - Credit linked notes	Available-for-sale	540,626	Fair value through profit or loss	540,626
Cash and cash equivalents - cash and banks	Loans and receivables	19,621	Amortized cost	19,621
Trade receivables, related parties and other credits	Loans and receivables	1,351,524	Amortized cost	1,351,524
Financial liabilities	**Measurement CPC 38/IAS 39**	**Carrying amount CPC 38/IAS 39**	**Measurement CPC 48/IFRS 9**	**Carrying amount CPC 48/IFRS 9**
Borrowings and financing, debentures	Fair value through profit or loss	554,894	Fair value through profit or loss	554,894
Trade payables, floor plan vehicles, suppliers financing - car makers, borrowings and financing, debentures, finance leases payable, related parties, assignment of receivables and other payables.	Loans and receivables	9,047,153	Amortized cost	9,047,153

2.2.2.1 Non-derivative financial assets

i. Recognition date

All financial assets and liabilities are initially recognized on the trade date, that is, when the JSL Group becomes a party to the contractual provisions of the instrument. This comprises: purchases or sales of financial assets that require the delivery of the asset in a determined period due to regulation or standard of market.

ii. Classification and subsequent measurement of financial assets

The JSL Group classifies and measures its financial assets into the following measurement categories:

- Amortized cost;
- Fair value through other comprehensive income; or
- Fair value through profit or loss.

Financial investments, marketable securities and receivables - debt instruments

In the new accounting standard, except for a financial asset initially designated at fair value through profit or loss (in order to eliminate or reduce the accounting mismatch), the debt instruments should be subsequently classified at amortized cost, fair value through other comprehensive income or fair value through profit or loss based on the following items:

- The Company's business model for managing the financial assets;
- The contractual cash flow characteristics of the financial asset (also named SPPI - solely payments of principal and interest).

Business models: The business models reflect the manner in which the JSL Group manages its financial assets in order to generate cash flows. That is, based on the business models, the JSL Group determines whether the cash flows arise from the receipt of contractual cash flow or both receipt of contractual cash flow and sales. If none of these two business models are applicable, then such financial assets are classified as "other" business models and measured at fair value through profit or loss.

The factors considered by the JSL Group in determining its business models include:

- Past experience on how the contractual cash flows are collected (including the assessment of the history of sales of financial assets);
- How the performance of the business model and the financial assets held within the business models are measured and reported to key management personnel;
- The risks affecting the performance of the business models (and the financial assets held within the business model) and, specifically, how these risks are managed; and
- How the business managers are compensated (for example, whether compensation is based on the fair value of the assets managed or on the contractual cash flows received).

SPPI: The analysis of whether contractual cash flows comprise solely payment of principal and interest (SPPI test) is required if the financial asset is held within a business model in which the objective is to held assets to receive contractual cash flows or in a business model in which the objective is achieved either for the receipt of contractual cash flows or the sale of financial assets. For this, the JSL Group performs the SPPI test to assess whether the contractual cash flows of financial assets are solely payment of principal and interest on the outstanding principal amount.

In the event of identification of financial assets that cause exposure to risks and volatilities and that are inconsistent with the basic borrowing agreement, such assets are classified and measured as at fair value through profit or loss.

Subsequent measurement: The debt instruments are measured in accordance with one of the following categories:

- Amortized cost: financial assets held to collect contractual cash flows, which represent solely payment of principal and interest and which are not designated as at fair value through profit or loss, are measured at amortized cost. The carrying amount of these assets is adjusted using a provision for expected credit loss and measured in accordance with the methodology described in note 2.2.2.2. The interest income from these financial assets is included in the statement of income (loss) in line item "finance income" using the effective interest rate method.

  The "effective interest rate" is the discount rate that corresponds exactly to the initial value of the financial instrument in relation to the total estimated cash flows, of all types, over their remaining useful life. In the case of fixed rate financial instruments, the effective interest rate coincides with the contractual interest rate defined at the contracting date, plus, if applicable,

commissions and transactions costs that, due to their nature, are part of their financial return. In the case of variable rate financial instruments, the effective interest rate coincides with the return rate in effect in all commitments up to the next interest renewal reference date.

- Fair value through other comprehensive income - FVTOCI: the financial assets held to collect contractual cash flows and for sale, which represent solely payment of principal and interest and which are not designated at fair value through profit or loss, are measured at fair value through other comprehensive income. The changes in fair value are recognized in other comprehensive income in equity, except for the recognition of impairment losses, interest income and gains/losses on exchange differences that are recognized in profit or loss for the period. The interest income from these financial assets is included in the statement of income (loss) in line item “finance income” using the effective interest rate method.

- Fair value through profit or loss: the financial assets that do not meet the criteria of amortized cost or fair value through other comprehensive income, are measured at fair value through profit or loss. The gains/losses on the debt instrument that is subsequently measured at fair value through profit or loss are recognized as finance income or cost in the profit or loss for the period.

iii. Reclassification of financial assets and liabilities

The reclassifications of financial assets occur only if a business model of the JSL Group is modified, therefore reclassifications are not frequent.

In the occurrence of reclassification, this is applied prospectively (as from the reclassification date).

The financial liabilities are not reclassified.

2.2.2.2 Impairment of non-derivative financial assets

Based on the new requirements of CPC 48/IFRS 9 the impairment of the Company’s financial assets is now measured through the expected credit loss instead of the incurred loss of CPC 38/IAS 39. The expected credit loss model in the JSL Group is applicable to financial assets recorded in the classifications of (i) at amortized cost and (ii) at fair value through other comprehensive income (FVTOCI) but is not applicable to investments in equity instruments (shares) or financial assets measured at FVTPL in accordance with CPC 48/IFRS 9, the credit losses are recognized earlier than in relation to CPC 38/IAS 39.

The new impairment model has two approaches, in which the provision is measured in accordance with expected losses for 12 months or lifetime expected losses for the financial asset. The provision basis will depend on the analysis of the credit risk on initial recognition.

For trade receivables and contractual assets arising from transactions within the scope of CPC 47/IFRS 15 and that do not have a significant financing component, CPC 48/IFRS 9 allows as practical expedient the application of a simplified model, in which the expected losses are recognized for the lifetime of the financial asset.

The JSL Group uses a simplified “provision matrix” to calculate the expected losses on trade receivables, since these meet the requirements of the standard for the adoption of a simplified approach. The provision matrix is based on the percentages of historical losses over the expected life of receivables and is adjusted for specific customers in accordance with future estimates and qualitative factors, such as the debtor financial capacity, guarantees provided, renegotiations in progress, among others that are monitored, and these qualitative factors are monitored monthly by a committee, named credit and collection committee. The percentages of historical loss and changes in future estimates are reviewed at each reporting period or whenever there is a significant event that indicates a significant change in these percentages.

For expected credit losses associated to marketable securities classified as at fair value through other comprehensive income - FVTOCI and amortized cost, the methodology of impairment applied depends on the significant increase of the counterparty's credit risk. Note 4.5 (i) details how the JSL Group determines whether there was a significant increase in credit risk.

2.2.2.3 Non-derivative financial liabilities

In general, financial liabilities are measured at amortized cost, except for financial liabilities designated as hedge object in which the hedged risks are measured at fair value and the financial liabilities designated at fair value on initial recognition.

For financial liabilities measured at fair value on initial recognition, the portion corresponding to changes in credit risk of the Company (named "Debit Valuation Adjustment - DVA") is recorded in other comprehensive income (items that will not be reclassified to profit or loss).

2.2.3 Presentation of effects related to the application of new pronouncements

The effects of the adoption of CPC 47 / IFRS 15 Revenue from Contracts with Customers and CPC 48 / IFRS 9 Financial Instruments as of January 1, 2018, with impacts on the opening balance sheet as at January 1, 2018 are presented below:

	Parent company				Consolidated			
	Disclosed 12/31/2017	Adjustments adoption CPC 48 / IFRS 9	Adjustments adoption CPC 47 / IFRS 15	Amount adjusted on 1/1/2018	Disclosed 12/31/2017	Adjustments adoption CPC 48 / IFRS 9	Adjustments adoption CPC 47 / IFRS 15	Amount adjusted on 1/1/2018
ASSETS								
Cash and cash equivalents and financial investments	116,487	-	-	116,487	714,734	-	-	714,734
Trade receivables	706,955	-	-	706,955	1,434,934	-	-	1,434,934
(-) Expected credit losses in accounts receivables	*(68,986)*	(3,264)	-	(72,250)	(223,098)	(29,710)	-	(252,808)
Prepaid expenses	-	-	-	-	*18,673*	-	2,999	21,672
Other current assets	705,714	-	-	705,714	2,543,218	-	-	2,543,218
Total current assets	**1,460,170**	**(3,264)**	**-**	**1,456,906**	**4,488,461**	**(29,710)**	**2,999**	**4,461,750**
Investments	2,485,702	(10,425)	-	2,475,277	979	-	-	979
Other non-current assets	1,934,595	-	-	1,934,595	7,011,484	-	-	7,011,484
Total non-current assets	**4,420,297**	(10,425)	**-**	**4,409,872**	**7,012,463**	**-**	**-**	**7,012,463**
Total assets	**5,880,467**	(13,689)	**-**	**5,866,778**	**11,500,924**	(29,710)	2,999	**11,474,213**
LIABILITIES AND EQUITY								
Other accounts payable	21,435	-	-	21,435	167,680	-	313	167,993
Other current liabilities	1,034,932	-	-	1,034,932	2,962,008	-	-	2,962,008
Total current liabilities	**1,056,367**	**-**	**-**	**1,056,367**	**3,129,688**	**-**	**313**	**3,130,001**
Deferred income tax and social contribution	70,897	(1,110)	-	69,787	288,893	(10,101)	913	279,705
Other current and non-current liabilities	4,066,415	-	-	4,066,415	6,893,023	-	-	6,893,023
Total noncurrent liabilities	**4,137,312**	**(1,110)**	**-**	**4,136,202**	**7,181,916**	**(10,101)**	**913**	**7,172,728**
Share capital	660,395	-	-	660,395	660,395	-	-	660,395
Capital reserves	21,961	-	-	21,961	21,961	-	-	21,961
Treasury shares	(460)	-	-	(460)	(460)	-	-	(460)
Equity valuation adjustments	77,221	-	-	77,221	77,221			77,221
Profit reserve	(72,329)	(12,579)	-	(84,908)	(72,329)	(14,353)	1,773	(84,908)
Total equity	**686,788**	(12,579)	**-**	**674,209**	**686,788**	**(14,353)**	**1,773**	**674,209**
Non-controlling interests	-	-	-	-	502,532	(5,256)	-	497,276
Total liabilities and equity	**5,880,467**	**(13,689)**	**-**	**5,866,778**	**11,500,924**	**(29,710)**	**2,999**	**11,474,213**

The effects on statement of income (loss) for the year ended December 31, 2017 for presentation purposes are presented as follows:

	Consolidated		
	Disclosed 12/31/2017	**Adjustments adoption CPC 47 / IFRS 15**	**Amount adjusted on 1/1/2018**
Net revenue from services rendered and sale of assets used in services rendered	7,255,804	(66,470)	7,189,334
(-) Cost of services rendered	(4,032,052)	66,470	(3,965,582)
(-) Cost of sales of assets used in services rendered	(1,737,637)	-	(1,737,637)
	(5,769,689)	**66,470**	**(5,703,219)**
(=) Gross profit	**1,486,115**	**-**	**1,486,115**
Administrative and selling expenses	(746,102)	-	(746,102)
Other operating income (expenses), net	(35,543)	-	(35,543)
Profit before finance income and (costs)	**704,470**	**-**	**704,470**
Finance income	209,255	-	209,255
Finance costs	(880,096)	-	(880,096)
(=) Profit before income tax and social contribution	**33,929**	**-**	**33,929**
Income tax and social contribution	(17,211)	-	(17,211)
Profit for the year	**16,718**	**-**	**16,718**

2.2.4 Others standards

Others new standards come into effect as of January 1, 2018, but did not affect the presentation of the Company's interim financial information.

2.3 Statement of value added

The preparation of the individual and consolidated statements of value added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil for listed companies.

The international financial reporting standards ("IFRS") do not require the presentation of this statement. Accordingly, under the IFRS, this statement is presented as supplementary information, and not as part of the set of individual and consolidated interim financial information.

2.4 Basis of measurement

The individual and consolidated interim financial information was prepared on the historical cost basis, except for financial instruments measured at fair value through profit or loss, when applicable.

2.5 Functional and presentation currency

The interim financial information of each subsidiary included in the consolidated interim financial information is prepared based on the functional currency of each entity. The functional currency of an entity is the currency of the primary economic environment in which it operates. The JSL Group defines the functional currency of each of its subsidiaries by analyzing which currency significantly affects the sale price of its goods and services and the currency in which most of its operating and administrative costs are paid or incurred.

The individual and consolidated interim financial information is presented in Brazilian reais (R$), which is the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the dates of valuation when items are measured. Foreign exchange gains and

losses that relate to monetary assets and liabilities, indexed in a currency different than the functional currency, are presented in the statement of income (loss) as finance income (cost).

2.6 Equity interests and basis of consolidation

The consolidated interim financial information at June 30, 2018 and December 31, 2017 includes the operations of the Company and the following subsidiaries, whose interest percentages at the balance sheet date are as follows:

				% Interest	
Company	**Subsidiary**	**Headquarter country**	**Segment**	**6/30/2018**	**12/31/2017**
Medlog Prestação de Serviços de Logística S.A.	Direct	Brazil	Logistics	99.90	99.90
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda.	Direct	Brazil	Logistics	99.99	99.99
Agrolog Transportadora de Cargas em Geral Ltda. (i)	Direct	Brazil	Logistics	99.80	99.80
Riograndense Navegação Ltda. (i)	Direct	Brazil	Logistics	99.99	99.99
Quick Armazéns Gerais - Eirelli – ME	Direct	Brazil	Logistics	99.99	99.99
Quick Logística Ltda.	Direct	Brazil	Logistics	99.99	99.99
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.(ii)	Direct	Brazil	Logistics	99.99	99.99
CS Brasil Frotas Ltda.	Direct	Brazil	Logistics	99.99	99.99
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	Direct	Brazil	Logistics	99.99	99.99
Consórcio 123 (ii)	Indirect	Brazil	Logistics	33.00	33.00
Consórcio Sorocaba (ii)	Indirect	Brazil	Logistics	50.00	50.00
Servim Serviços Logísticos Ltda. (i)	Direct	Brazil	Logistics	99.99	-
Movida Participações S.A.	Direct	Brazil	Rental of vehicles	64.09	65.59
Movida Gestão e Terceirização de Frotas S.A. (iii)	Indirect	Brazil	Rental of vehicles	-	65.59
Movida Locação de Veículos S.A.	Indirect	Brazil	Rental of vehicles	64.09	65.59
Movida Locação de Veículos Premium Ltda.	Indirect	Brazil	Rental of vehicles	64.09	65.59
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A. (iv)	Direct	Brazil	VAMOS	100.00	91.00
Borgato Máquinas S.A.	Indirect	Brazil	VAMOS	99.99	99.99
Borgato Serviços Agrícolas S.A.	Indirect	Brazil	VAMOS	99.99	99.99
Borgato Caminhões S.A.	Indirect	Brazil	VAMOS	99.99	99.99
Transrio Caminhões, Ônibus, Máquinas e Motores Ltda.	Indirect	Brazil	VAMOS	99.99	99.99
JSL Holding Financeira Ltda.	Indirect	Brazil	VAMOS	99.90	99.90
JSL Leasing S.A.	Indirect	Brazil	VAMOS	99.90	99.90
Avante Veículos Ltda.	Direct	Brazil	Authorized vehicle dealerships	100.00	100.00
JSL Corretora e Administradora de Seguros Ltda.	Direct	Brazil	Authorized vehicle dealerships	100.00	100.00
Original Veículos Ltda.	Direct	Brazil	Authorized vehicle dealerships	100.00	100.00
Ponto Veículos Ltda.	Direct	Brazil	Authorized vehicle dealerships	100.00	100.00
JSL Empreendimentos Imobiliários Ltda.	Direct	Brazil	Logistics	99.99	99.99
JSL Europe	Direct	Luxembourg	Logistics	100.00	100.00
JSL Finance S.a.r.	Direct	Luxembourg	Logistics	100.00	100.00

(i) Company in pre-operational phase or dormant;

(ii) The subsidiary CS Brasil consolidates in its balance sheet, on a pro rata basis, the percentage of its investment in the following entities: Consórcio 123 (33.33%) and Consórcio Sorocaba (50%);

(iii) On April 1, 2018, a Movida Gestão e Terceirização de Frotas S.A. was merged into Movida Participações S.A. with the objective of reducing operating, administrative and financial costs. As mentioned in note 1.2,

as a result of this merger, Movida Gestão e Terceirização de Frotas S.A. was legally extinguished and Movida Participações became its successor.

(iv) As mentioned in the note 1.1, JSL S.A. acquired all of the shares issued by Vamos that had been delivered to Sociedades Borgato's shareholders, and the payment was made through shares of Movida Participações S.A., shares of JSL S.A. and money, in the total amount of R$ 68,126.

All subsidiaries and consortia were consolidated into the interim financial information of the JSL Group. Control is achieved when the company has the power to govern the financial and operating policies of such entity to obtain benefits from its activities.

When necessary, the interim financial information of subsidiaries is adjusted to bring their accounting policies into line with those defined by the JSL Group.

In JSL Group´s individual interim financial information, investments in subsidiaries and joint ventures are accounted for under the equity method of accounting. Investments disclosed in note 13 are represented by the same companies disclosed in the individual and consolidated annual financial statements for the year ended December 31, 2017, issued on March 22, 2018.

All transactions, balances, revenues and expenses between Group's companies were fully eliminated in the consolidated interim financial information.

2.7 Use of estimates and judgments

The preparation of the interim financial information amount requires the use of certain critical accounting estimates and also the exercise of judgment by the JSL Group's management in applying the accounting policies. Those areas that require a higher degree of judgment and have greater complexity, as well as the areas where assumptions and estimates are significant to the interim financial information, are disclosed in the notes below:

i) Fair value of financial instruments - Note 4;
ii) *Expected credit losses in accounts receivables - Note 4.5 (i);*
iii) Property and equipment (depreciation of vehicles, machinery and equipment, definition of residual value and estimate of losses for goods which are damaged or were involved in accidents) - Note 14;
iv) *Impairment of intangible assets - Note 15.2;*
v) Provision for judicial and administrative litigation - Note 25;
vi) Tax liabilities and deferred income tax and social contribution credits recoverable - 26.1;
vii) Share-based payment transactions - Note 29.

2.8 Restatement of comparative amounts

2.8.1 Reclassification of comparative balances

(a) Dividends receivable – parent company

The amount corresponding to dividends receivable, in the parent company, in the amount of R$ 9,856, previously presented in the balance sheet, related to the year ended December 31, 2017, was transferred from the line item related parties to dividends receivable. Additionally, all effects of such reclassifications were duly reflected in the statement of cash flows.

(b) Revenue deductions

The amounts corresponding to tolls, in the parent company and consolidated, relate to the period ended June 30, 2017, in the amount of R$ 18,671 in the parent company and R$ 19,879 in the consolidated, were transferred from the line item cost of sales, rentals and services rendered to net revenue from services rendered, rental and sale of assets used in services rendered.

(c) Breakdown of operating expenses

Without impacting the net operating expenses, in the parent company and consolidated, and in order to segregate the presentation and disclosure of the financial information and the comparability with 2018, the Company has broken down the corresponding information of the statement of income for the period ended June 30, 2018. We highlight that this refers to the segregation of accounts within the same group of accounts in the statement of income for 2017, since these were presented as such in 2018 and broken down in the same way in 2017 for comparison purposes. See note 32.

2.8.2 Error corrections

During the period ended June 30, 2018, errors were identified in the statements of cash flows of the comparative period, and for better presentation, the balances were adjusted considering the cash received in the secondary offer of shares of the subsidiary Movida in the financing activity which was previously classified in the investment activities.

3. SEGMENT INFORMATION

The JSL Group's businesses were divided into four operating segments called business units; namely: Transportation and ogistics, Authorized light vehicle dealerships, Rental of light vehicles ("Movida") and Rental of heavy vehicles ("Vamos").

The results by segment, as well as assets and liabilities, consider items directly attributed to the segment, as well as those that can reasonably be allocated to it.

The respective information is being presented based on internal managerial information used by the main decision makers of the JSL Group, as follows:

						6/30/2018
	Transportation and logistics	Authorized light vehicle dealerships	Movida	Vamos	Eliminations (i)	Consolidated
Net revenue from services rendered, rental and sale of assets used in services rendered	**1,929,035**	**325,207**	**1,214,013**	**468,601**	**(61,821)**	**3,875,035**
(-) Cost of sales, rentals and services rendered	(1,542,157)	(270,667)	(195,871)	(259,313)	49,227	(2,218,781)
(-) Cost of sales of demobilized assets	(155,089)	(3,024)	(635,512)	(33,542)	12,918	(814,249)
(=) Gross profit	**231,789**	**51,516**	**382,630**	**175,746**	**324**	**842,005**
General and administrative expenses	(85,471)	(15,012)	(94,838)	(49,157)	8.581	(235,897)
Selling expenses	(13,048)	(30,582)	(75,910)	(9,018)	-	(128,558)
Other operating income (expenses), net	(10,048)	2,359	(30,401)	5,992	(8,905)	(20,907)
Equity in the results of investees	175	-		-	-	175
(=) Profit before finance income and (costs)	**143,493**	**8,281**	**181,481**	**123,563**	**-**	**456,818**
Finance result, net						(337,316)
(=) Profit before income tax and social contribution						**119,502**
income tax and social contribution - current and deferred						(44,987)
(=) Net profit for the period						**74,515**
Attributable to:						
Owners of the Company						38,637
Non-controlling interests						27,623
Total assets per segment	9,460,252	265,815	4,766,879	2,132,942	(2,354,988)	14,270,900
Total liabilities per segment	8,883,781	104,555	3,250,519	1,487,313	(504,323)	13,211,845

(i) Eliminations of transactions between the segments.

						6/30/2017
	Transportation and logistics	**Authorized light vehicle dealerships**	**Movida**	**Vamos**	**Eliminations (i)**	**Consolidated (Reclassified note)**
Net revenue from services rendered, rental and sale of assets used in services rendered	**1,862,130**	**287,155**	**1,205,615**	**352,238**	**(158,603)**	**3,548,535**
(-) Cost of sales, rentals and services rendered	(1,456,596)	(228,357)	(205,060)	(174,205)	121,433	(1,942,785)
(-) Cost of sales of demobilized assets	(192,397)	(7,482)	(682,208)	(30,828)	37,170	(875,745)
(=) Gross profit	**213,137**	**51,316**	**318,347**	**147,205**	**-**	**730,005**
General and administrative expenses	(96,418)	(16,140)	(90,227)	(39,896)	-	(242,681)
Selling expenses	(14,548)	(31,330)	(69,488)	(6,059)	-	(121,425)
Other operating income (expenses), net	16,517	(3,479)	(37,673)	4,550	-	(20,085)
(=) Profit before finance income and (costs)	**118,688**	**367**	**120,959**	**105,800**	**-**	**345,814**
Finance result, net						(333,781)
(=) Profit before income tax and social contribution						**12,033**
income tax and social contribution - current and deferred						(5,105)
(=) Net profit for the period						**6,928**
Attributable to:						
Owners of the Company						(605)
Non-controlling interests						7,533
Total assets per segment	7,159,603	270,934	4,006,469	2.114,228	(2,050,310)	11,500,924
Total liabilities per segment	6,553,258	110,925	2,721,630	1.360,706	(434,915)	10,311,604

(i) Eliminations of transactions between the segments.

The period ended June 30, 2017 is being restated to reflect the current segments of the JSL Group.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments used by the Company and its subsidiaries are restricted to cash and cash equivalents, marketable securities, derivative financial instruments, trade receivables, other credits, trade payables, floor plan vehicles, suppliers financing - car makers, borrowings and financing, debentures, finance leases payable, assignment of receivables, other accounts payable and payables to related parties negotiated under normal market conditions and recognized in the interim financial information. These instruments are managed pursuant to operating strategies aiming at liquidity, profitability and risk minimization.

4.1 Financial instruments by category

Financial instruments are classified into the following categories:

	Consolidated				
	6/30/2018				
Assets, as per balance sheet	**Assets at fair value through profit or loss**	**Fair value of hedge instruments**	**Assets at fair value through other comprehensive income - FVOCI (i)**	**Amortized cost**	**Total**
Cash and cash equivalents	755,110	-	-	20,102	775,212
Marketable securities	2,969,179	-	595,686	-	3,564,865
Derivative financial instruments	96,966	177,106	-	-	274,072
Trade receivables	-	-	-	1,395,318	1,395,318
Related parties	-	-	-	152	152
Other credits	-	-	-	19,142	19,142
	3,821,255	**177,106**	**595,686**	**1,434,714**	**6,028,761**

Liabilities, as per balance sheet	**Liabilities at fair value through profit or loss**	**Amortized cost**	**Total**
Trade payables	-	903,025	903,025
Floor plan vehicles	-	83,201	83,201
Suppliers financing - car makers	-	4,037	4,037
Borrowings and financing	117,834	8,108,185	8,226,019
Debentures	358,742	2,251,498	2,610,240
Finance leases payable	-	188,239	188,239
Derivative financial instruments	1,217	-	1,217
Assignment of receivables	-	27,193	27,193
Related parties	-	1,573	1,573
Other accounts payable	-	448,708	448,708
	477,793	**12,015,659**	**12,493,452**

The year ended December 31, 2017 is presented in note 2.2.2.

(i) The mark to market of securities classified as at FVOCI in the negative amount of R$ 42,029 is recorded in other comprehensive income (loss).

4.2 Fair value of financial assets and liabilities

A comparison by accounting category of the carrying amount and fair value of the JSL Group's financial instruments, is shown below:

	Consolidated			
	Carrying amount		Fair value	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Financial assets				
Cash and cash equivalents	775,212	714,734	775,212	714,734
Marketable securities	3,564,865	1,724,204	3,564,865	1,724,204
Derivative financial instruments	274,072	108,252	274,072	108,252
Trade receivables	1,395,318	1,332,439	1,395,318	1,332,439
Related parties	152	188	152	188
Other credits	19,142	18,897	19,142	18,897
Total	**6,028,761**	**3,898,614**	**6,028,761**	**3,898,614**
Financial liabilities				
Trade payables	903,025	878,274	903,025	878,274
Floor plan vehicles	83,201	72,051	83,201	72,051
Suppliers financing - car makers	4,037	248,148	4,037	248,148
Borrowings and financing	8,226,019	5,792,567	8,209,757	5,783,127
Debentures	2,610,240	2,015,483	2,591,077	1,989,649
Finance leases payable	188,239	212,777	188,239	212,771
Derivative financial instruments	1,217	-	1,217	-
Assignment of receivables	27,193	30,214	27,193	30,214
Related parties	1,573	553	1,573	553
Other accounts payable	448,708	351,980	448,708	351,980
Total	**12,493,452**	**9,602,047**	**12,458,027**	**9,566,767**

The fair value of the debt was calculated based on the current price of each of the JSL Group's debt instruments in a way so that, by replacing them, the JSL Group will have the same cash flow characteristics and remaining

periods as it would under the original transaction. Specifically, for the Finame agreements at fixed the fair value was calculated on a marking-to-market basis.

The curve used in the calculation of the fair value of the agreements indexed to the CDI at June 30, 2018 was as follows:

Interest curve – Brazil

Vertex	1M	6M	1Y	2Y	3Y	5Y	10Y
Rate (p.a.) - %	6.41%	6.82%	7.59%	8.79%	9.72%	10.99%	12.07%

Source: B3 ("Brasil, Bolsa e Balcão") on 6/30/2018

The fair values of financial assets and liabilities are measured in accordance with the following categories:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities. In this category are included the investments in investment funds, such as Financial Treasury Bills ("LFT"), National Treasury Bills ("LTN"), Units of Funds and other securities, as well as the sovereign and corporate securities;

Level 2 - Quoted prices in active markets for similar instruments, observable prices for identical or similar instruments in non-active markets and valuation models for unobservable inputs. This category includes the bank deposit certificates (CDB), Repo operations, Financial Bills, Credit linked notes (CLN), derivatives, borrowings and financing and debentures.

Level 3 - Instruments with unobservable significant inputs. The Company has no instruments classified in this category.

The table below presents the general classification of financial instruments assets and liabilities, according to the fair value hierarchy.

	Consolidated					
			6/30/2018			12/31/2017
	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets at fair value through profit or loss						
Cash and cash equivalents						
Bank deposit certificates ("CDB")	-	301,090	301,090	-	313,906	313,906
Repo operations	-	182,546	182,546	-	181,860	181,860
Financial bills	-	120,838	120,838	-	99,734	99,734
Units of other funds	102,357	-	102,357	74,194	-	74,194
Others	48,279	-	48,279	25,419	-	25,419
Marketable securities						
Financial Treasury Bills ("LFT")	264,987	-	264,987	317,490	-	317,490
National Treasury Bills ("LTN")	224,052	-	224,052	324,929	-	324,929
CLN - Credit linked notes	-	1,839,697	1,839,697	-	540,626	540,626
Units of funds	634,977	-	634,977			
Foreign securities	5,466	-	5,466	7,540	-	7,540
Derivative financial instruments						
Swap	-	96,966	96,966	-	85,352	108,252
	1,280,118	**2,541,137**	**3,821,255**	**716,613**	**1,254,437**	**1,993,950**
Assets at fair value through other comprehensive income - FVOCI						
Marketable securities						
Sovereign securities (in USD)	356,564	-	356,564	319,677	-	319,677
Corporate securities (in USD)	239,122	-	239,122	213,842	-	213,842
	595,686	**-**	**595,686**	**533,519**	**-**	**533,519**
Fair value of hedge instruments						
Swap	-	177,106	177,106	-	22,900	-
	1,875,804	**2,718,243**	**4,594,047**	**1,250,132**	**1,277,337**	**2,527,469**
Liabilities at fair value through profit or loss						
Derivative financial instruments						
Swap	-	1,217	1,217	-	-	-
Borrowings and financing	-	117,834	117,834	-	199,951	-
Debentures	-	358,742	358,742	-	354,943	-
	-	**477,793**	**477,793**	**-**	**554,894**	**-**

4.3 Liability designated at fair value

In order to protect against the risk of exchange variations, the Company contracted derivative financial instruments (swap), at the same notional amounts and maturities, exchanging the index of the debt from dollar to reais. To eliminate a possible accounting mismatch due to the measurement and recognition of the derivative and the borrowing, the Company chose to designate the borrowings at fair value through profit or loss (fair value option).

With the adoption of CPC 38/IFRS 9 Financial Instruments, the component of the changes in fair value related to the Company' credit risk, is recognized in other comprehensive income (OCI). The amounts recognized in OCI will not be reclassified to statement of income (loss), but can be reclassified to retained earnings or accumulated losses when realized. The changes in the fair value related to market risk are recognized in statement of income (loss).

The Company uses as criteria to define the changes in the fair value attributable to credit risk, determining first the changes in market conditions that give rise to the risk, and following, deducing these changes in the total fair value of liabilities. The market conditions that give rise to the market risk include changes in reference interest rates.

4.4 Sensitivity analysis

The JSL Group's management conducted a study of the potential impact of variations in interest rates on the amounts of financial investments, borrowings and financing, including debentures, finance leases payable and suppliers financing - car makers. The debt was divided into three parts: debts subject to CDI, debts subject to TJLP and debts subject to IPCA and SELIC, which could have different movements according to the inherent rate.

This study estimated a probable scenario of CDI rate of 6.39%, based on the future interest rate curve of B3 ("Brasil, Bolsa e Balcão"), proportionally impacting on the JSL Group's debt and financial investments pegged to IPCA, TJPL and SELIC.

The following sensitivity analysis of financial instruments was prepared according to CVM Instruction No. 475/2008, to show the balances of the main financial assets and liabilities, taking into consideration a probable scenario (Scenario I), with stresses of 25% (Scenario II) and 50% (Scenario III) for the floating rate agreements.

Operation	Exposure	Rate	Probable rate	Scenario I probable	Scenario II + 25%	Scenario III + 50%
Cash and cash equivalents	775,110	98.37% of CDI	6.30%	48,832	36,624	24,416
Marketable securities	826,001	SELIC	7,00%	57,820	43,365	28,910
		Total assets		**106,652**	**79,989**	**53,326**
Borrowings, financing and debentures	7,223,923	CDI + 2.17%	8.58%	(775,151)	(968,938)	(1,162,726)
Finance leases payable	188,239	CDI + 3.2%	9.61%	(18,097)	(22,621)	(27,145)
		Total CDI liabilities		**(793,248)**	**(991,559)**	**(1,189,871)**
Borrowings and financing	10,044	IPCA	7.23%	(726)	(908)	(1,089)
Borrowings and financing	240,738	TJLP	9.64%	(23,213)	(29,016)	(34,819)
Borrowings and financing	92,633	SELIC	7,00%	(6,484)	(8,105)	(9,726)
		Total IPCA / TJLP liabilities		**(30,423)**	**(38,029)**	**(45,634)**
Total impact on the sensitive finance costs				**(717,019)**	**(949,599)**	**(1,182,179)**
Debts at fixed rates						
Marketable securities	2,738,865	FIXED RATE	7,00%	191,721	191,721	191,721
Borrowings, financing and debentures	3,268,921	FIXED RATE	8.89%	(290,607)	(290,607)	(290,607)
Suppliers financing - car makers	4,037	FIXED RATE	10.24%	(413)	(413)	(413)
Total impact of finance costs on the statement of income (loss)				**(816,318)**	**(1,048,898)**	**(1,281,478)**

The objective of this sensitivity analysis is to measure the impact of changes in market variables on the JSL Group's financial instruments, assuming that all other market factors remain constant, showing the impact on the JSL Group's finance income and costs. Such amounts may differ from those stated upon their settlement due to the estimates used in their preparation.

4.5 Financial risk management

The main non-derivative financial liabilities of the JSL Group refer to trade payables, floor plan vehicles, suppliers financing - car makers, borrowings and financing, debentures, finance leases payable, assignment of receivables and other accounts payable. The primary purpose underlying these financial liabilities is to foster the operations. The JSL Group has trade receivables, other credits and demand and short-term deposits arising directly from its operations. The JSL Group is exposed to market, credit, and liquidity risk.

Management monitors the management of these risks supported in this activity by a Financial Committee, which advises in the assessment of the financial risks according a governance structure appropriate for the JSL Group. Management, supported by the Financial Committee, recommends actions to the Board of Directors so that the activities that result in financial risks to the JSL Group are governed by appropriate practices and procedures.

It is the responsibility of the Board of Directors to authorize transactions involving any kind of derivative financial instrument, which is defined as any agreements that generate financial assets and liabilities, regardless of the market in which they are traded or listed, the amounts of which are subject to fluctuations.

The JSL Group has a policy of not entering into derivative transactions for speculative purposes. These transactions are used only for protection against fluctuations related to market risks.

i. *Credit risk*

Credit risk involves the potential default of a counterparty to an agreement or financial instrument, resulting in financial loss. The JSL Group is exposed to credit risk on accounts of its operations (especially with regard to its accounts receivable) and investment activities, including investments at banks and other financial institutions, and other financial instruments.

- Trade receivables

As mentioned in note 2.2.2.2., the JSL Group uses a simplified provision matrix to calculate the expected losses on its trade receivables. The provision matrix is based on the historical percentages of loss

observed and is adjusted for specific customers in accordance with the future estimates and qualitative factors observed by the Collection and Credit Committee.

The JSL Group write-offs its financial assets when there is no reasonable expectation of recovery. The JSL Group determines the write-off of a receivable after 12 or 24 months overdue, according to the recoverability study of each company of the JSL Group. The receivables written-off by the Company continue in the process of collection to recover the amount receivable. When there are recoveries, these are recognized as income from credit recovery in the statement of income (loss) for the period.

- Cash and cash equivalents, financial investments and marketable securities

Credit risk associated with balances at banks and financial institutions is managed by the JSL Group's treasury area in accordance with the guidelines approved by the Financial Committee and the Board of Directors. Surpluses are deposited only in approved institutions and in compliance with the limits set for each, in order to minimize risk concentration.

The JSL Group determines the credit risk of a debt instrument based on the analysis of the history of payments, current financial and macroeconomic conditions of the counterparty and the evaluation of rating agencies when applicable, thus assessing each receivable individually.

The maximum period considered in the expected credit loss is the maximum contractual period during which the Company is exposed to the credit risk.

Expected credit losses are estimated weighted by the likelihood of credit losses. Credit losses are measured at present value based on all cash deficits (that is, the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Expected credit losses are discounted by the effective interest rate of the financial asset.

- Impairment presentation

The provision for impairment of financial assets measured at amortized cost is deduced from the gross carrying amount of the assets.
For debt instruments measured at FVOCI, the provision for losses is recognized in OCI instead of reducing the asset's carrying amount.

Impairment losses related to the trade receivables and other credits, including contractual assets, are presented separately in the statement of income (loss) and OCI.

The impairment losses on other financial assets are presented in "finance costs", similarly to the presentation under CPC38/IAS39, when applicable.

ii. Market risk

Market risks involve potential fluctuations in the fair value of future cash flows derived from a given financial instrument in response to variations in its market prices. Market prices typically involve three types of risk: interest rate risk, exchange rate risk and price risk, the last of which can be broken down further into commodities, stocks, or other price-related risks.

The JSL Group's financial instruments affected by market risk include cash and cash equivalents, marketable securities, borrowings and financing, finance leases payable, assignment of receivables and debentures, and are basically subject to interest rate risk.

- Interest rate risk

  Interest rate risk involves potential fluctuation in the fair value of the future cash flows derived from a given financial instrument in response to variations in market interest rates. The JSL Group's exposure to risk associated with market interest rate fluctuations relates primarily to JSL Group's cash and cash equivalents and marketable securities, borrowings and financing, debentures and finance leases payable, subject to interest rates. The sensitivity analysis is presented in the item 4.4.

- Foreign exchange rate risk

  The JSL Group obtained borrowings indexed to exchange rate changes. All these instruments were hedged against exchange rate changes by swap instruments, exchanging indexation to exchange rate for interest indexed to a percentage of the CDI and financial investments in foreign currency at the same amount. Therefore, the JSL Group is not exposed to foreign exchange losses.

iii. Liquidity risk

The JSL Group monitors risks associated with funding shortages on an ongoing basis through a recurring liquidity planning tool.

The JSL Group's purpose is to maintain in its assets balance of cash and highly-liquid investments and maintain flexibility through the use of bank loans and the ability to raise funds through capital markets, in order to ensure its liquidity and operational continuity. The JSL Group contracts medium-term indebtedness to secure short-term liquidity, analyzing payment schedules, charges and cash flows.

Presented below are the contractual maturities of financial liabilities, including the interest payment.

					Consolidated
	Carrying amount	Contractual flow	Up to 1 year	1-2 years	3-8 years
Financial liabilities					
Trade payables	903,025	903,025	903,025	-	-
Floor plan vehicles	83,201	83,201	83,201	-	-
Suppliers financing - car makers	4,037	4,037	4,037	-	-
Borrowings and financing	8,226,019	10,772,073	2,002,911	1,413,771	7,355,391
Debentures	2,610,240	3,162,432	506,316	943,719	1,712,397
Derivative financial instruments - Swap	1,217	1,217	-	1,217	-
Assignment of receivables	27,193	36,069	8,015	14,027	14,027
Finance leases payable	188,239	201,685	114,498	48,187	39,000
Related parties	1,573	1,573	1,573	-	-
Other accounts payable	448,708	457,375	232,996	192,475	31,904
Total	**12,493,452**	**15,622,687**	**3,856,572**	**2,613,396**	**9,152,719**

4.6 Derivative financial instruments

The JSL Group uses derivative financial instruments solely with the purpose of hedging against market risks. In accordance with the JSL Group's policy, the operations that may adversely affect the JSL Group's statement of income (loss) or cash flows will be hedged, due to the risks involved. When the JSL Group carries out transactions that involve unwanted exposure, senior Management will assess the need to contract financial instruments with the objective to hedge and mitigate the risks to which it is exposed.

At June 30, 2018, the JSL Group has derivative financial instruments (swap agreements) that were classified as cash flow hedge, and applied the hedge accounting pursuant to CPC 48/ IFRS 9 – Financial Instruments, as shown in the movement at the end of this note. The cash flow hedge consists in providing a hedge against variations in cash flows attributable to a specific risk associated to a recognized asset or liability or a highly probable forecast transaction that may affect the result.

The relationship between the hedging instrument and the hedged item, as well as the risk management policies and objectives, were documented at the beginning of the transaction. The prospective and retrospective effectiveness tests are also properly documented, confirming that the designated derivatives are effective in offsetting the changes in the fair value of the hedged items.

The effective portion of the changes in the fair value of derivatives designated and qualifying as cash flow hedge is recognized as a component of "other comprehensive income (loss)", net of the respective income tax. As at June 30, 2018, the negative variation was R$ 83,107. The gain or loss relating to the ineffective portion, when determined, is recognized immediately in statement of income (loss). During the period ended June 30, 2018, no gain or loss on the ineffective portion was recognized.

The amounts accumulated in "other comprehensive income (loss)", net of taxes, are reclassified to the statement of income (loss) for the periods when the hedged item affects statement of income (loss) (for example, when the settlement of the hedged item occurs).

The JSL Group has other derivative financial instruments (swap agreements) that were not elected for the application of the hedge accounting pursuant to CPC 48 / IFRS 9 – Financial Instruments, the resulting gains and losses of which arising from changes in the fair value of these transactions are recognized in the statement of income (loss). During the periods ended June 30, 2018 and 2017, the gains on swap transactions were R$ 250,457 (loss of R$ 7,503 in 2017) in the parent company, and gains of R$ 253,422 (loss of R$ 7,503 in 2017) consolidated. These expenses set over against on the underlying hedged instruments. See the impact on the result in Note 33.

The outstanding contracts at June 30, 2018 are the following:

								Consolidated	
								Balance of the hedged debt at 6/30/2018	
Company	Instrument	Derivative instrument type	Operation	Notional amount	Maturity	Hedge index	Average rate	Amortized cost	Fair value
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 40,000	07/2024	FIXED RATE + EXCHANGE RATE	156.50% CDI	159,496	159,496
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 60,000	07/2024	FIXED RATE + EXCHANGE RATE	149.59% CDI	238,443	238,443
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 60,000	07/2024	FIXED RATE + EXCHANGE RATE	152.26% CDI	238,443	238,443
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 60,000	07/2024	FIXED RATE + EXCHANGE RATE	153.90% CDI	238,404	238,404
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 75,000	07/2024	FIXED RATE + EXCHANGE RATE	152.50% CDI	298,005	298,005
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 50,000	07/2024	FIXED RATE + EXCHANGE RATE	151.65% CDI	198,670	198,670
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 50,000	07/2024	FIXED RATE + EXCHANGE RATE	150.65% CDI	198,670	198,670
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 68,500	07/2024	FIXED RATE + EXCHANGE RATE	149.45% CDI	272,164	272,164
JSL	Swap agreement	Fair value option	SWAP IPCA X CDI	R$ 115,089	07/2020	IPCA + FIXED RATE	108.85% CDI	144,385	147,173
JSL	Swap agreement	Fair value option	SWAP IPCA X CDI	R$ 98,723	07/2020	IPCA + FIXED RATE	108.85% CDI	122,882	125,261
JSL	Swap agreement	Fair value option	SWAP IPCA X CDI	R$ 71,751	06/2021	IPCA + FIXED RATE	CDI + 2.53%	91,475	93,816
JSL	Swap agreement	Fair value option	SWAP USD X CDI	USD 30,000	03/2019	FIXED RATE + EXCHANGE RATE	CDI + 1.95%	115,563	115,206
Vamos	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 40,000	05/2021	FIXED RATE + EXCHANGE RATE	130.15% CDI	155,024	155,024
							Total	**2,471,624**	**2,478,775**

The outstanding balances are as follows:

						Parent company
		6/30/2018				12/31/2017
Operation	**Notional amount**	**Assets**	**Liabilities**	**Notional amount**	**Assets**	**Liabilities**
Swap – USD x DI	USD 493,500	198,499	-	USD 220,000	34,670	-
Swap – IPCA x DI	R$ 285,563	75,573	-	R$ 285,563	73,582	-
Total		**274,072**	**-**		**108,252**	**-**
Current		21,393	-			-
Non-current		252,679	-		108,252	-
Total		**274,072**	**-**		**108,252**	-

		Consolidated				
		6/30/2018				12/31/2017
Operation	**Notional amount**	**Assets**	**Liabilities**	**Notional amount**	**Assets**	**Liabilities**
Swap – USD x DI	USD 533,500	198,499	1,217	USD 220,000	34,670	-
Swap – IPCA x DI	R$ 285,563	75,573	-	R$ 285,563	73,582	-
Total		**274,072**	**1,217**		**108,252**	**-**
Current		31,393	-			-
Non-current		252,679	1,217		108,252	-
Total		**274,072**	**1,217**		**108,252**	-

5. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	6/30/2018	**12/31/2017**	**6/30/2018**	**12/31/2017**
Cash	293	340	2,792	1,900
Banks	2,001	4,045	17,310	17,721
Total cash and banks	**2,294**	**4,385**	**20,102**	**19,621**
Bank deposit certificates (“CDB”)	45,853	29,875	301,090	313,906
Repo operations	14,203	63,637	182,546	181,860
Financial bills	55,768	2,135	120,838	99,734
Units of funds	1,708	2,550	102,357	74,194
Other	15,679	13,905	48,279	25,419
Total financial investments	**133,211**	**112,102**	**755,110**	**695,113**
Total	**135,505**	**116,487**	**775,212**	**714,734**

The financial investments are immediately redeemable, and held for the daily management of the JSL Group’s cash. The fair values are similar to the balances at amortized cost for these transactions in the period ended June 30, 2018 and year ended December 31, 2017.

During the six-month period ended June 30, 2018, the average income of these investments was 98.63% of the CDI, equivalent to 0.53% p.m., while for the year ended December 31, 2017 the average income was 100.8% of the CDI, equivalent to 0.80% p.m.

6. MARKETABLE SECURITIES

	Parent company		Consolidated	
Transactions	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**
Exclusive funds				
Financial Treasury Bills (“LFT”)	70,451	24,642	264,987	317,490
National Treasury Bills (“LTN”)	80,955	50,683	224,052	324,929
Units of funds	237,201	-	634,977	-
Sundry	-	-	5,466	7,540
Foreign securities				
Sovereign securities (in USD)	-	-	356,564	319,677
Corporate securities (in USD)	-	-	239,122	213,842
Credit linked note (“CLN”)	-	-	1,839,697	540,626
Debentures	299,352	305,355	-	-
Total	**687,959**	**380,680**	**3,564,865**	**1,724,104**
Current assets	687,959	380,680	3,559,399	1,718,520
Non-current assets	-	-	5,466	5,584
Total	**687,959**	**380,680**	**3,564,865**	**1,724,104**

The average income of government securities allocated to exclusive funds is defined at fixed and floating rates, based on the variation of the daily SELIC rate. The average income for the six-month period ended June 30, 2018 was 0.53% p.m. (December 31, 2017 – 0.80% p.m.). These funds are managed by first tier financial institutions with low credit risk. The average income disclosed are net of management fee and commission.

Corporate securities are debt securities issued by Brazilian companies such as bonds, notes and others that have weighted risk rating “BB” in global scale. Sovereign securities are debt securities issued by the Brazilian government or by entities controlled by the government. These securities are naturally hedged by the respective

amount of the debt in USD, as disclosed in Note 19. The remuneration from these securities is defined based on the coupon of each issuance and on the yield rate at the acquisition date. The weighted average income for the year ended June 30, 2018 was 6.19% p.a.

Debentures are debt securities issued by the Subsidiary Movida Participações S.A., which are eliminated in consolidation, the remuneration of these operations is CDI + 1.93% p.a. and mature on September 24, 2018.

7. TRADE RECEIVABLES

	Parent company		Consolidated	
Description	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**
Receivables from services and rentals	453,941	477,994	1,013,644	991,922
Commission on sales of used vehicles	-	-	59,977	43,099
Receivables from credit cards (i)	-	-	42,208	6,860
Leases receivable (ii)		-	113,231	74,433
Unbilled revenue from services rendered and rental (iii)	187,311	208,504	307,403	312,283
Intercompany receivables	29,268	13,494	-	-
Other accounts receivable	32,030	32,868	119,643	126,937
(-) Expected credit losses in accounts receivables	(74,381)	(68,986)	(260,788)	(223,098)
Total	**628,169**	**663,874**	**1,395,318**	**1,332,439**
Current assets	615,836	637,969	1,287,807	1,211,836
Non-current assets	12,333	25,905	107,511	120,603
Total	**628,169**	**663,874**	**1,395,318**	**1,332,439**

(i) Refer to sales made by Movida and Authorized vehicle dealerships, and paid by the client through credit cards.

(ii) Refers to balances receivable related to finance leases agreements that are allocated mainly to Borgato Máquinas S.A. and JSL Leasing.

(iii) In the parent company comprises any shipping orders used, issued and recognized as revenue for the period not yet invoiced to the client, and logistics and fleet management services in progress, recognized based on the measurements and rentals. Unbilled revenue (Consolidated) also refers to car rental agreements where the provision of service is in progress at the end of the month and will be invoiced in the subsequent period, in accordance with the date established in the agreement. In this case, the unbilled revenue is measured in proportion to the days of rental.

7.1 Aging list and expected credit losses in accounts receivables

	Parent company		Consolidated	
	6/30/2018	**12/31/2017**	**6/30/2018**	**12/31/2017**
Falling due	**544,289**	**576,383**	**1,142,048**	**1,079,792**
Overdue for up to 30 days	40,447	43,999	88,777	80,423
Overdue from 31 to 91 days	29,326	18,771	64,101	55,665
Overdue from 91 to 180 days	12,477	18,330	50,398	55,324
Overdue from 181 to 365 days	18,739	11,075	62,496	62,452
Overdue for more than 365 days	57,272	64,302	248,286	221,881
Total overdue	**158,261**	**156,477**	**514,058**	**475,745**
(-) Expected credit losses in accounts receivables	(74,381)	(68,986)	(260,788)	(223,098)
Total	**628,169**	**663,874**	**1,395,318**	**1,332,439**

The changes in the expected credit losses in accounts receivables are shown below:

	Parent company	Consolidated
At December 31, 2016	**(60,501)**	**(147,343)**
(-) Additions	(18,991)	(122,175)
(+) Write-offs or reversal	10,506	61,493
(+) Additions due to business combination	-	(15,073)
At December 31, 2017	**(68,986)**	**(223,098)**
Remeasurement (CPC 48 / IFRS 9)	(3,264)	(29,710)
At January 1, 2018	**(72,250)**	**(252,808)**
(-) Additions	(17,832)	(60,918)
(+) Write-offs or reversal	15,701	52,938

At June 30, 2018	**(74,381)**	**(260,788)**

The expected credit losses in accounts receivables were computed considering the assumptions described in note 4.5 (i).

8. INVENTORIES

	Parent company		Consolidated	
Description	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**
New vehicles	-	-	93,082	83,371
Used vehicles	-	-	45,124	47,913
Parts for resale	-	-	69,897	82,386
Materials for use and consumption	39,806	32,501	50,654	41,997
Other	-	-	574	696
(-) Estimated losses of inventories (i)	(6,040)	(6,744)	(10,220)	(10,216)
Total	**33,766**	**25,757**	**249,111**	**246,147**

(i) The provision for impairment of inventories refers to materials for use and consumption and parts for resale.

The changes in estimated losses on impairment of inventories are shown below:

	Parent company	Consolidated
At December 31, 2016	**(5,802)**	**(8,888)**
(-) Additions	(4,547)	(7,644)
(+) Write-offs	3,605	6,316
At December 31, 2017	**(6,744)**	**(10,216)**
(-) Additions	(2,193)	(3,478)
(+) Write-offs	2,897	3,474
At June 30, 2018	**(6,040)**	**(10,220)**

9. TAXES RECOVERABLE

	Parent company		Consolidated	
Description	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**
IRRF	20,977	1,869	33,488	12,376
ICMS	17,909	17,654	41,183	40,762
INSS	55,503	51,664	72,766	68,760
PIS and COFINS	24,886	10,408	95,823	60,186
ISS	-	-	2,693	2,442
Others	1,951	1,852	2,862	2,419
Total	**121,226**	**83,447**	**248,815**	**186,945**
Current assets	75,317	43,332	177,624	125,015
Non-current assets	45,909	40,115	71,191	61,930
Total	**121,226**	**83,447**	**248,815**	**186,945**

10. INCOME TAX AND SOCIAL CONTRIBUTION RECOVERABLE

Refers to Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) to offset for withholdings, advances made during the year 2018 and balances of prepayments remaining from prior years, as follows:

	Parent company		Consolidated	
	6/30/2018	**12/31/2017**	**6/30/2018**	**12/31/2017**
Current assets	56,309	56,295	103,790	97,196
Non-current assets (i)	20,370	20,245	20,597	20,307
Total	**76,679**	**76,540**	**124,387**	**117,503**

(i) (i) Refer to PERD/COMPs with objection of compliance, which will be analyzed by the tax authority.

11. ASSETS AVAILABLE-FOR-SALE (FLEET RENEWAL)

As a result of the fleet renewal process, certain assets (vehicles, machinery and equipment) of the JSL Group were made available-for-sale, in the parent company totaling R$ 65,423 (at December 31, 2017 - R$ 70,866) and in the consolidated totaling R$ 406,385 (at December 31, 2017 - R$ 313,390). This account includes assets that were recorded as property and equipment and that, as a result of their replacement, are available for immediate sale.

Amounts are presented at the lower of the residual value, which is the acquisition cost less depreciation accumulated until the date when assets were made available-for-sale, and their fair value less the estimated cost to sell the asset. These assets are available for immediate sale in their present condition, and are thus very likely to be sold in one year or less.

Following the demand, such as in periods of high seasonality, vehicles, machinery and equipment may again be directed for use in operations. When this occurs, the assets are returned to the base of property and equipment and their depreciation is again recorded.

The movements in assets available-for-sale in the year ended December 31, 2017 are presented in the individual and consolidated annual financial statements for that year, disclosed on March 22, 2018.

The changes in the six-month period ended June 30, 2018 are shown below:

	Parent company			Consolidated		
	Vehicles	Machinery and equipment	Total	Vehicles	Machinery and equipment	Total
Cost or valuation:						
At December 31, 2017	**111,274**	**25,791**	**137,065**	**362,253**	**81,608**	**443,861**
Assets transferred from property and equipment	106,534	19,773	126,307	1,050,890	45,628	1,096,518
Assets written-off due to sale	(122,483)	(16,841)	(139,324)	(956,149)	(25,412)	(981,561)
At June 30, 2018	**95,325**	**28,723**	**124,048**	**456,994**	**101,824**	**558,818**
Accumulated depreciation:						
At December 31, 2017	**(43,444)**	**(22,755)**	**(66,199)**	**(74,411)**	**(56,060)**	**(130,471)**
Assets transferred from property and equipment	(42,743)	(14,014)	(56,757)	(157,986)	(31,288)	(189,274)
Assets written-off due to sale	52,324	12,007	64,331	148,893	18,419	167,312
At June 30, 2018	**(33,863)**	**(24,762)**	**(58,625)**	**(83,504)**	**(68,929)**	**(152,433)**
Net value:						
At December 31, 2017	**67,830**	**3,036**	**70,866**	**287,842**	**25,548**	**313,390**
At June 30, 2018	**61,462**	**3,961**	**65,423**	**373,490**	**32,895**	**406,385**

12. FUNDS FOR CAPITALIZATION OF AUTHORIZED VEHICLE DEALERSHIPS

The Fund for Capitalization of Authorized Vehicle Dealerships corresponding to the payments made by the Company's subsidiaries, that operate authorized vehicle dealerships, to the Credit Guarantee Fund with car makers. These are percentage values of the cost of acquiring vehicles retained by car makers, deposited in funds managed by financial institutions linked to them, on behalf of subsidiaries. These funds are used as guarantees of vehicle credit lines and the contribution amounts exceeding the contribution targets established on an annual basis can be withdrawn. In the consolidated, the balance at June 30, 2018 is R$ 40,327, and at December 31, 2017 the balance was R$ 39,692.

13. INVESTMENTS

These investments are accounted for under the equity method of accounting, based on the financial information of the investees for the period ended June 30, 2018, as follows:

						Parent company		Consolidated
Investments	**Equity at 6/30/2018**	**Interest %**	**Equity in the results of investees**	**Asset balance 6/30/2018**	**Negative equity 6/30/2018 (ii)**	**12/31/2017**	**Asset balance 6/30/2018**	**12/31/2017**
Mogipasses	18,443	99.99980	956	18,443	-	17,487	-	-
Yolanda	24,257	99.99998	522	24,257	-	24,596	-	-
JSL Empreendimentos Imobiliários	5,438	99.99999	(688)	5,438	-	6,126	-	-
CS Brasil	534,101	99.99998	29,307	534,101	-	518,284	-	-
Vamos	645,629	100.00000	55,225	645,629	-	610,967	-	-
Medlog	746	99.99999	291	746	-	453	-	-
Quick Logística	24,509	99.99999	(4,120)	24,509	-	28,313	-	-
Quick Armazéns	5,121	99.99999	(200)	5,121	-	5,321	-	-
CS Brasil Frotas	240,598	99.99999	6,698	240,598	-	236,320	-	-
Movida	1,516,363	64.09050	43,449	1,043,777	-	842,733	-	-
JSL Europe	(9,731)	99.99999	1,355	-	(9,731)	-	-	-
JSL Finance	(63,364)	99.99999	(10,922)	-	(63,364)	-	-	-
Original Veículos	104,318	100.00000	1,247	104,318	-	103,055	-	-
Ponto Veículos	29,732	100.00000	1,524	29,732	-	28,204	-	-
Avante Veículos	19,588	100.00000	229	19,588	-	19,409	-	-
JSL Corretora e Administradora de Seguros Ltda.	7,624	100.00000	2,073	7,624	-	5,550	-	-
Servim Serviços Logísticos	4	99.99999	(7)	4	-	-	-	-
Gain on the acquisition of Quick Logística		-	-	21,876	-	32,403	-	-
Goodwill on the acquisition of businesses (i)		-	-	6,481	-	6,481		-
BRT Sorocaba Concessionárias		-	-	-	-	-	1,241	979
Total permanent investments			**126,939**	**2,732,242**	**(73,095)**	**2,485,702**	**1,241**	**979**

(i) Goodwill arising on the acquisition of companies and businesses, classified as investment in the parent company, in accordance with CPC 18 (R2) - Investments in associates and joint ventures (IFRS 10).

(ii) Balances related to losses on investments in subsidiaries that were reclassified to the group of “Other accounts payable”.

13.1 Changes in investments

													Parent company
Investments	**12/31/2017**	**Remeasurement IFRS 9 and 15**	**At 1/1/2018**	**Investment acquisition (iv)**	**Repurchase of shares 28.3**	**Reduction / Disposal of investment**	**Equity in the results of investees**	**Realization of surplus value of assets (ii)**	**Amortization of surplus value (iii)**	**Gain/ (Loss) on equity interests in subsidiaries**	**Dividends and interest on capital**	**Other changes (iii)**	**6/30/2018**
Mogipasses	17,487	-	17,487	-	-	-	956	-	-	-	-	-	18,443
Yolanda	24,596	(861)	23,735	-	-	-	522	-	-	-	-	-	24,257
JSL Empreendimentos Imobiliários	6,126	-	6,126	-	-	-	(688)	-	-	-	-	-	5,438
CS Brasil	518,284	-	518,284	-	-	-	29,307	-	-	-	(13,637)	147	534,101
Vamos	610,967	170	611,137	20,807	(94,193)	-	55,225	-	-	66,228	(9,640)	(3,935)	645,629
Medlog	453	-	453	-	-	-	291	-	-	-	-	-	745
Quick Logística	28,313	315	28,628	-	-	-	(4,120)	-	-	-	-	-	24,509
Quick Armazéns	5,321	-	5,321	-	-	-	(200)	-	-	-	-	-	5,121
CS Brasil Frotas	236,320	-	236,320	-	-	-	6,698	-	-	-	(2,420)	-	240,598
Movida	842,733	(10,050)	832,683	200,320	(5,459)	(19,502)	43,449	-	-	3	(7,588)	(5,586)	1,043,779
Original Veículos	103,055	-	103,055	-	-	-	1,247	-	-	-	-	16	104,318
Ponto Veículos	28,204	-	28,204	-	-	-	1,524	-	-	-	-	4	29,732
Avante Veículos	19,409	-	19,409	-	-	-	229	-	-	-	-	(50)	19,588
JSL Corretora e Administradora de Seguros Ltda.	5,550	-	5,550	-	-	-	2,073	-	-	-	-	-	7,623
Servim Serviços Logísticos	-	-	-	11	-	-	(7)	-	-	-	-	-	4
Gain on the acquisition of Quick Logística	32,403	-	32,403	-	-	-	-	(7,322)	(3,205)	-	-	-	21,876
Goodwill authorized vehicle dealerships	6,481	-	6,481	-	-	-		-	-	-	-		6,481
Total investments	**2,485,702**	**(10,426)**	**2,475,277**	**221,138**	**(99,652)**	**(19,502)**	**136,506**	**(7,322)**	**(3,205)**	**66,231**	**(33,285)**	**(9,404)**	**2,732,242**
Provisions for investment losses													
JSL Europe	(12,228)	-	(12,228)	1,142		-	1,355	-	-	-	-	-	(9,731)
JSL Finance	(10,411)	-	(10,411)	-		-	(10,922)	-	-	-	-	(42,029)	(63,362)
Total permanent investments	**2,463,063**	**(10,426)**	**2,452,638**	**222,280**	**(99,652)**	**(19,502)**	**126,939**	**(7,322)**	**(3,205)**	**66,231**	**(33,285)**	**(51,433)**	**2,659,149**

(i) Refers to the realization of the purchase price allocation due to sale of the asset;

(ii) Refers to added value amortization balance of assets acquired on the acquisition of subsidiaries;

(iii) Refers to the effect of equity in the capital reserve balances in subsidiaries, deriving from the share-based payment plans and the mark to market of investments classified as fair value through other comprehensive income, which were recognized in the equity of the subsidiary JSL Finance, Vamos and Movida.

(iv) Refers to the repurchase of shares of Vamos, made by JSL and in the subsidiary Movida there was a capital increase through the subscription of shares, as mentioned in note 1.1

(v) Refers to the reduction of investments related to Vamos shares repurchase, as mentioned in note 1.1.

13.2 Balance of assets and liabilities and results of investees and subsidiaries

The share of assets, liabilities and statement of income (loss) in subsidiaries for the period ended June 30, 2018, included in the consolidated interim financial information, is presented below:

	6/30/2018							
	Parent company							
	Current asset	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenue	Costs and expenses	Net profit (loss) for the period
Yolanda	5,759	26,579	7,777	304	24,257	8,062	(7,540)	522
Vamos	150,248	1,589,895	299,207	795,307	645,629	192,642	(133,114)	59,528
Medlog	1,910	16	1,180	-	746	3,719	(3,426)	293
Mogipasses	43,857	307	7,292	18,429	18,443	1,291	(335)	956
CS Brasil	350,111	501,375	211,950	105,435	534,101	368,660	(339,353)	29,307
Quick Logística	37,938	26,086	28,813	10,702	24,509	56,621	(60,741)	(4,120)
Quick Armazéns	1,802	3,335	16	-	5,121	2	(202)	(200)
CS Brasil Frotas	87,942	231,783	57,737	21,390	240,598	52,008	(45,310)	6,698
JSL Empreendimentos Imobiliários	305	10,140	5,007	-	5,438	103	(791)	(688)
Movida	1,703,686	3,063,193	1,567,774	1,673,878	1,516,360	1,236,093	(1,169,324)	66,769
JSL Europe	1,840,062	659,127	89,161	2,419,759	(9,731)	92,917	(91,562)	1,355
JSL Finance	595,763	-	-	659,127	(63,364)	29,327	(40,249)	(10,922)
Original Veículos	108,396	66,546	65,427	5,197	104,318	241,739	(240,492)	1,247
Ponto Veículos	32,561	18,742	20,090	1,481	29,732	59,146	(57,622)	1,524
Avante Veículos	26,527	5,570	11,930	579	19,588	24,119	(23,890)	229
JSL Corretora e Administradora de Seguros Ltda.	8,391	18	768	17	7,624	4,036	(1,963)	2,073
Servim Serviços Logísticos	11	-	7	-	4	-	(7)	(7)

14. PROPERTY AND EQUIPMENT

The changes in property and equipment for the year ended December 31, 2017 are presented in the individual and consolidated annual financial statements for that year, issued on March 22, 2018.

The changes for period ended June 30, 2018 are shown below:

								Parent company
	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Others	Construction in progress	Total
Cost:								
At December 31, 2017	**1,323,915**	**388,810**	**180,547**	**16,352**	**25,279**	**189,265**	**7,728**	**2,131,896**
Additions	90,288	18,633	268	3,224	819	40	5,119	118,391
Transfers	(456)	171	20	(10)	570	(274)	(20)	-
Transfers to available-for-sale assets	(106,534)	(19,773)	-	-	-	-	-	(126,307)
Assets written-off and others (i)	(495)	(25)	(2,856)	(221)	(22)	(24)	-	(3,643)
At June 30, 2018	**1,306,718**	**387,816**	**177,979**	**19,345**	**26,646**	**189,007**	**12,827**	**2,120,337**
Accumulated depreciation:								
At December 31, 2017	**(391,550)**	**(194,846)**	**(44,580)**	**(12,017)**	**(11,520)**	**(44,805)**	**-**	**(699,318)**
Depreciation expense for the period	(55,586)	(22,006)	(4,625)	(1,195)	(1,248)	(7,026)	-	(91,686)
Transfers	228	23	-	-	(380)	129	-	-
Transfers to available-for-sale assets	42,743	14,014	-	-	-	-	-	56,757
Assets written-off and others (i)	62	-	2,211	72	3	17	-	2,365
At June 30, 2018	**(404,103)**	**(202,815)**	**(46,994)**	**(13,140)**	**(13,145)**	**(51,685)**	**-**	**(731,882)**
Net value:								
At December 31, 2017	**932,365**	**193,964**	**135,967**	**4,335**	**13,759**	**144,460**	**7,728**	**1,432,578**
At June 30, 2018	**902,615**	**185,001**	**130,984**	**6,205**	**13,501**	**137,322**	**12,827**	**1,388,455**
Average depreciation rates (%) - for the period:								
Light	10.3%	-	-	-	-	-	-	
Heavy	9.1%	12.1%	-	-	-	-	-	
Others	-	-	5.2%	13.4%	9.6%	7.4%	-	

											Consolidated
	Vehicles	Vehicles in progress	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Buildings	Others	Lands	Construction in progress	Total
Cost:											
At December 31, 2017	**5,628,526**	**67,912**	**1,061,062**	**357,000**	**37,998**	**50,027**	**16,451**	**220,669**	**15,917**	**11,128**	**7,466,690**
Additions	1,509,927	56,064	155,432	536	3,968	2,080	1	98	-	11,630	1,739,736
Transfers	(9,082)	(39)	14,591	(3,329)	(10)	(481)	4,355	(5,545)	-	(460)	-
Transfers to available-for-sale assets	(1,050,890)	-	(45,628)	-	-	-	-	-	-	-	(1,096,518)
Assets written-off and others (i)	(91,360)	(73,891)	(291)	(2,864)	(221)	(24)	-	(481)	-	-	(169,132)
At June 30, 2018	**5,987,121**	**50,046**	**1,185,166**	**351,343**	**41,735**	**51,602**	**20,807**	**214,741**	**15,917**	**22,298**	**7,940,776**
Accumulated depreciation:											
At December 31, 2017	**(779,750)**	**-**	**(410,047)**	**(110,636)**	**(28,887)**	**(22,562)**	**(4,351)**	**(53,843)**	**-**	**-**	**(1,410,076)**
Depreciation expense for the period	(197,044)	-	(56,584)	(15,453)	(2,136)	(2,408)	(1,102)	(7,596)	-	-	(282,323)
Transfers	313	-	(381)	740	-	96	(897)	129	-	-	-
Transfers to available-for-sale assets	157,986	-	31,288	-	-	-	-	-	-	-	189,274
Assets written-off and others (i)	2,283	-	151	2,216	72	3	-	721	-	-	5,446
At June 30, 2018	**(816,212)**	**-**	**(435,573)**	**(123,133)**	**(30,951)**	**(24,871)**	**(6,350)**	**(60,589)**	**-**	**-**	**(1,497,679)**
Net value:											
At December 31, 2017	**4,848,776**	**67,912**	**651,015**	**246,364**	**9,111**	**27,465**	**12,100**	**166,826**	**15,917**	**11,128**	**6,056,614**
At June 30, 2018	**5,170,909**	**50,046**	**749,593**	**228,210**	**10,784**	**26,731**	**14,457**	**154,152**	**15,917**	**22,298**	**6,443,097**
Average depreciation rates (%)											
Light	4.76%	-	-	-	-	-	-	-	-	-	
Heavy	8.56%	-	10.84%								
Others	-	-	-	8.79%	10.23%	9.34%	10.59%	7.14%	-	-	

(i) Refers mainly to write-offs due to damages and damaged assets amounting to R$ 349 in the parent company and R$ 81,042 in the consolidated.

14.1 Lease of property and equipment items

A portion of the assets were acquired by the JSL Group by means of a finance lease, and substantially include vehicles, machinery and equipment. These balances are part of property and equipment, according to the following:

	Parent company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Cost - capitalized finance leases	68,805	117,638	208,105	269,658
Accumulated depreciation	(14,112)	(22,015)	(27,003)	(40,663)
Net balance	**54,693**	**95,623**	**181,102**	**228,995**

15. INTANGIBLE ASSETS

The changes in intangible assets for the year ended December 31, 2017 are presented in the individual and consolidated annual financial statements for that year, issued on March 22, 2018.

The changes in the parent company for the six-month period ended June 30, 2018 are shown below:

	Parent company			
	Goodwill	Software	Others	Total
Cost:				
At December 31, 2017	**232,609**	**47,458**	**1,157**	**281,224**
Additions	-	585	-	585
At June 30, 2018	**232,609**	**48,043**	**1,157**	**281,809**
Accumulated amortization:				
At December 31, 2017	**-**	**(27,572)**	**(308)**	**(27,880)**
Amortization expenses in the period	-	(3,245)	(11)	(3,256)
At June 30, 2018	**-**	**(30,817)**	**(319)**	**(31,136)**
Net value:				
At December 31, 2017	**232,609**	**19,886**	**849**	**253,344**
At June 30, 2018	**232,609**	**17,226**	**838**	**250,673**
Average amortization rates (%)	-	11.4%	10.0%	

The changes in the consolidated for the six-month period ended June 30, 2018 are shown below:

	Consolidated					
	Goodwill	Non-compete agreement and customer lists	Software	Commercial fund (i)	Other (ii)	Total
Cost:						
At December 31, 2017	**336,377**	**54,904**	**60,980**	**46,178**	**22,837**	**521,276**
Additions	-	-	6,595	-	22	6,617
Write-offs	-	-	(1,378)	-	(289)	(1,667)
At June 30, 2018	**336,377**	**54,904**	**66,197**	**46,178**	**22,570**	**526,226**
Accumulated amortization:						
At December 31, 2017	**-**	**(8,395)**	**(33,160)**	**(3,720)**	**(4,282)**	**(49,557)**
Amortization expenses in the period	-	(2,190)	(3,736)	-	(31)	(5,957)
At June 30, 2018	**-**	**(10,585)**	**(36,896)**	**(3,720)**	**(4,313)**	**(55,514)**
Net value:						
At December 31, 2017	**336,377**	**46,509**	**27,820**	**42,458**	**18,555**	**471,719**
At June 30, 2018	**336,377**	**44,319**	**29,301**	**42,458**	**18,257**	**470,712**
Average annual amortization rates (%)	**-**	20.0%	11.3%	-	10.0%	

(i) Refers to amounts paid on the acquisition of points of sale used for Movida stores and vehicle dealerships without definite useful lives.

(ii) Mainly composed of concession right to provide urban transportation services acquired in 2008, with 12-year term, and right of concession to provide urban transportation services in the city of Sorocaba-SP acquired on June 16, 2011 with eight-year term and client portfolio identified in business combinations.

15.1 Impairment test

The impairment test of assets with indefinite useful life is performed once a year or when there are indications of impairment of some of the cash-generating units. For the period ended June 30, 2018, Management has concluded that there are no indicators of impairment in their cash-generating units. Intangible assets were last tested for impairment for the year ended December 31, 2017 as presented in the individual and consolidated annual financial statements issued on March 22, 2018.

16. TRADE PAYABLES

	Parent company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Car makers	8,149	2,887	687,567	675,321
Parts and maintenance	13,695	10,663	27,321	16,969
Suppliers of machinery and vehicles	3,745	2,453	58,544	80,954
Inventory	9,148	7,388	14,602	13,200
Contracted services	6,605	11,659	10,494	14,984
Property leasing	2,893	2,622	6,432	4,039
Others	4,099	3,817	98,065	72,807
Total	**48,334**	**41,489**	**903,025**	**878,274**

17. *FLOOR PLAN VEHICLES*

Part of the purchases of new vehicles for the segment of authorized vehicle dealerships are paid with extended term under the program to finance the inventory of new and used vehicles and automobile parts Floor Plan Vehicles, with revolving credit facilities made available by financial institutions, and with the agreement of car makers. These programs generally have an initial period during which they are interest-free and maturities ranging from 150 to 180 days after the invoice issuance, subject to interest of up to 100% of the CDI plus interest of up to 0.5% p.m. after the grace period, which is usually of 180 days. The balance presented at June 30, 2018 is R$ 83,201 (R$ 72,051 at December 31, 2017).

18. SUPPLIERS FINANCING - CAR MAKERS

								Parent company
Type	**Monthly rate (%)**	**Maturity**	**6/30/2018**	**New borrowings**	**Amortization**	**Interest paid**	**Interest**	**12/31/2017**
In local currency								
Suppliers financing - car makers	-	-	-	-	(3,623)	(328)	484	3,467

								Consolidated
Type	**Monthly rate (%)**	**Maturity**	**6/30/2018**	**New borrowings**	**Amortization**	**Interest paid**	**Interest**	**12/31/2017**
In local currency								
Suppliers financing - car makers	0.82%	8/31/2018	4,037	-	(260,836)	(1,951)	18,676	248,148

The Company and its subsidiaries have entered into “suppliers financing” agreements with financial institutions to manage the amounts to be paid for purchase of vehicles to car makers. Through this operation, suppliers transfer the right to receive payment of bills for vehicles sales to the financial institutions.

The agreements signed with the financial institutions are not guaranteed by the assets (vehicles) linked to the guaranteed operations.

19. BORROWINGS AND FINANCING

Parent company

Type	Annual average rate (%)	Average rate structure (%)	Maturity	6/30/2018 Current	6/30/2018 Non-current	6/30/2018 Total	Changes: New borrowings	Changes: Amortization	Changes: Interest paid	Changes: Interest	Changes: Exchange rate changes	12/31/2017 Current	12/31/2017 Non-current	12/31/2017 Total
In local currency														
CCB (i)	8.86%	CDI + 2.47% p.a.	Mar/2023	160,261	837,617	997,879	-	(53,011)	(45,326)	45,397	-	126,875	923,944	1,050,819
CRA (ii)	7.17%	CDI + 0.8% p.a.	Jun/2020	230,893	132,566	363,458	-	(97,541)	(16,859)	16,866	-	95,697	365,296	460,993
Finame (iii)	4.87%	Fixed rate	Jan/2025	52,688	209,306	261,994	19,887	(77,467)	(6,558)	6,476	-	63,035	256,621	319,656
Finame (iii)	9.92%	TJLP / SELIC	Jun/2023	13,126	47,694	60,820	25,827	(12,154)	(2,379)	2,676	-	15,667	31,183	46,850
NCE (iv)	9.59%	CDI + 3.2% p.a.	May/2019	302,801	-	302,801	-	(59,992)	(17,057)	15,566	-	64,284	300,000	364,284
FINEM (v)	7.76%	TJLP / IPCA	Jun/2021	13,936	14,050	27,986	-	(8,304)	(1,859)	1,548	-	16,516	20,085	36,601
FNO	3.49%	Fixed rate	Jan/2024	1,869	8,473	10,342	-	(924)	(191)	188	-	1,872	9,397	11,269
Others	7.39%	Fixed rate	Jan/2019	1,954	-	1,954	-	(2,363)	(33)	9	-	4,325	16	4,341
				777,528	**1,249,706**	**2,027,234**	**45,714**	**(311,756)**	**(90,262)**	**88,725**	**-**	**388,271**	**1,906,542**	**2,294,813**
In foreign currency														
NCE (iv)	USD + 7.75%	USD + 7.75%	Jul/2024	55,508	1,786,787	1,842,295	977,301	-	(15,214)	57,461	280,582	12,885	529,280	542,165
International credit (4131) - USD (x)	USD + 3.73%	USD + 3.73%	Mar/2019	117,834	-	117,834	-	(102,166)	(2,868)	5,421	17,496	100,711	99,240	199,951
International credit (4131) - USD (x)	7.60%	Fixed rate	Apr/2021	-	5,109	5,109	-	(3,847)	(324)	210	1,328	2,263	5,479	7,742
				173,342	**1,791,896**	**1,965,238**	**977,301**	**(106,013)**	**(18,406)**	**63,092**	**299,406**	**115,859**	**633,999**	**749,858**
				950,870	**3,041,602**	**3,992,472**	**1,023,015**	**(417,769)**	**(108,668)**	**151,816**	**299,406**	**504,130**	**2,540,541**	**3,044,671**

Consolidated

Type	Annual average rate (%)	Average rate structure (%)	Maturity	6/30/2018 Current	6/30/2018 Non-current	6/30/2018 Total	Changes: New borrowings	Changes: Amortization	Changes: Interest paid	Changes: Interest	Changes: Exchange rate changes	12/31/2017 Current	12/31/2017 Non-current	12/31/2017 Total
In local currency														
CCB (i)	8.66%	CDI + 2.27% p.a.	Aug/2025	186,159	1,188,754	1,374,913	16,500	(78,303)	(60,046)	60,746	-	176,785	1,259,229	1,436,014
CRA (ii)	7.17%	CDI + 0.8% p.a.	Jun/2020	230,893	132,566	363,458	-	(97,541)	(16,859)	16,866	-	95,697	365,296	460,993
Finame (iii)	6.08%	Fixed rate	Jan/2025	135,375	528,928	664,303	144,739	(142,024)	(14,243)	15,189	-	150,816	509,825	660,641
Finame (iii)	10.07%	TLP / SELIC	Jul/2022	95,614	219,817	315,431	64,866	(118,539)	(14,549)	17,544	-	107,494	258,616	366,110
NCE (iv)	9.59%	CDI + 3.2% p.a.	May/2019	302,801	-	302,801	-	(59,992)	(17,057)	15,566	-	64,284	300,000	364,284
FINEM (v)	7.76%	TJLP / IPCA	Jun/2021	13,935	14,050	27,986	-	(8,304)	(1,858)	1,548	-	16,516	20,085	36,601
FNO	3.49%	Fixed rate	Jan/2024	1,869	8,473	10,342	-	(924)	(191)	188	-	1,872	9,397	11,269
NP (vi)	7.32%	CDI + 0.9 %	Dec/2019	326,767	130,590	457,357	-	390	260	16,257	-	159,852	280,599	440,451
FNE (viii)	8.66%	Fixed rate	Jun/2021	43,931	87,595	131,526	-	(25,801)	(5,271)	5,928	-	51,309	105,361	156,670
Working capital (CDC) (viii)	7.96%	Fixed rate	Jan/2023	36	427	463	-	(10,078)	(1,087)	456	-	3,025	8,148	11,173
Others	7.39%	Fixed rate	Jan/2019	2,790	-	2,790	-	(3,350)	(48)	22	-	6,150	16	6,166
				1,340,169	**2,311,200**	**3,651,369**	**226,105**	**(544,466)**	**(130,949)**	**150,310**	**-**	**833,800**	**3,116,572**	**3,950,372**
In foreign currency						-								
Senior Notes "Bond" (ix)	7.75%	USD + 7.75%	Jul/2024	74,556	2,379,832	2,454,388	977,301		(9,824)	71,072	323,501	33,038	1,059,300	1,092,338
NCE (iv)	7.75%	USD + 7.75%	Jul/2024	55,508	1,786,787	1,842,295	977,301	-	(15,214)	57,461	280,582	12,885	529,280	542,165
International credit (4131) - USD (x)	5.93%	USD + 5.93%	Mar/2021	117,858	155,000	272,858	150,800	(86,792)	(2,868)	6,214	5,554	100,711	99,240	199,951
International credit (4131) - USD (x)	7.60%	Fixed rate	Apr/2021	-	5,109	5,109	-	(3,847)	(324)	210	1,328	2,263	5,479	7,742
				247,922	**4,326,728**	**4,574,650**	**2,105,402**	**(90,639)**	**(28.2306)**	**134,957**	**610,965**	**148,897**	**1,693,299**	**1,842,196**
				1,588,091	**6,637,928**	**8,226,019**	**2,331,507**	**(635,105)**	**(159,179)**	**285,265**	**610,965**	**982,697**	**4,809,871**	**5,792,568**

(i) CCBs are Bank Credit Bills raised with financial institutions for financing the working capital and the purchase of vehicles, machinery and equipment used in operations. These are comprised of several agreements, part of which include an average annual interest rate calculated based on the variation of the Interbank Deposit Certificate - CDI, plus average spread of 2.47% p.a. in the parent company and 2.27% in the consolidated. These agreements have varying maturities, either quarterly or semi-annually until March 2023 in the parent company and until August 2025 in the Consolidated and have covenants, including the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization and cost of sales of demobilized assets (EBITDA-A).

(ii) CRAs are Agribusiness Receivables Certificates issued for raising funds to finance the agribusiness sector chain. These transactions were raised with average interest rates of 0.8% p.a. plus the CDI variation and with periodic maturities until June 2020. These transactions have covenants, including the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization and cost of sales of demobilized assets (EBITDA-A).

(iii) FINAME are financing for investments in vehicles, machinery and equipment used in operations. Part of the agreements have long-term floating rates ("TJLP") or the SELIC rate and part have average fixed interest rates of 4.87% p.a. in the parent company and 6.08% p.a. in the Consolidated. They comprise various agreements with varying maturities until January 2025. New agreements are signed on a monthly basis, related to the purchase of new assets under the normal fleet renewal process. These financing agreements do not have covenants.

(iv) NCEs in local currency are Export Credit Notes issued to be fully used in the payment of costs, expenses, investments, refinancing of debt for financing the activities of support and complement to export operations and fundamental export operations, which are related to service agreements with our clients. These notes in local currency have average annual interest rate of 3.2%, plus the variation of the Interbank Deposit Certificate - CDI rate and have periodic maturities until May 2019. NCE transactions in foreign currency were raised at the average rate of 9.59% p.a. and have periodic maturities until 2024. *The exchange rate changes on these transactions are hedged by swap agreements.* These operations have covenants, including the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization (EBITDA).

(v) FINEM are financing for investments in infrastructure raised for the construction, renovation and installation of operating sites. The agreements have long-term floating rates ("TJLP" and "IPCA"), and fixed rates, which total an average rate of 7.76% p.a. and have maturities until March 2021. These transactions do not have covenants.

(vi) Promissory notes refer to written promise to pay signed by the subsidiaries Movida Participações S.A. and Movida GTF to the subscriber. These transactions were raised with average interest rates of 0.9% p.a. plus the Interbank Deposit Certificate - CDI variation and with have maturity until December 2019. These operations have covenants, including the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization (EBITDA).

(vii) *FNEs refer to transactions of the Constitutional Fund for Financing the Northeast.* These transactions are subject to an average interest rate of 8.66% and have maturities until June 2021. These transactions do not have covenants.

(viii) Working capital (CDC) refer to short-term transactions used to manage the Group's cash. These transactions are subject to an average interest rate of 7.96% p.a. and maturity until January 2023. These transactions have covenants for the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization (EBITDA).

(ix) Senior Notes "Bond" refer to debt bonds issued by the subsidiary JSL Europe in the international market, with maturity on July 26, 2024 and semi-annual payment of interest of 7.75% p.a., beginning on January 26, 2018. On January 8, 2018 the parent company made a "Retap" offering in the amount of U$ 300,000 (three hundred million dollars) keeping the same characteristics from the original issuance. These bonds were issued with a 6.75% rate p.a., where the company recognized a gain in the amount of R$ 49,400, related to the balancing in the original rate of 7.75% p.a., this gain will be recognized in the statement of income (loss) over the maturity of the transaction. These operations have covenants, including the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization (EBITDA). The balance payable is indexed to the US dollar ("USD" or "dollar") is naturally hedged by financial investments in the same amount also indexed to the dollar.

(x) International Credit: refer to borrowing transactions with foreign institutions. These agreements are subject in part to average fixed interest rates of 7.60% and part to the variation of dollar plus 5.93% p.a. and have maturities until April 2021. These transactions have covenants for the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization (EBITDA).

All commitments described in the contracts were complied with at June 30, 2018, including maintaining financial indexes as shown below:

Covenant	Limits	12 months ended 6/30/2018	12 months ended 12/31/2017
Net debt/ Added EBITDA	Less than 3.5	2.12	1.93
Added EBITDA/ Finance costs, net	Greater than 2	5.00	4.70
Net debt / Adjusted EBITDA	Less than 4.75	4.53	4.35

Net debt: means the total balance of short and long-term borrowings and financing in the name of JSL Group, including debentures and any other debt securities, after deducting: (a) cash and short-term financial investments, namely investments with daily liquidity maturing within 360 days; and (b) borrowings arranged under the program for financing inventories of new and used vehicles, locally made or imported, and automotive parts, under revolving credit facilities from financial institutions linked to the car makers.

Adjusted EBITDA: means earnings before interest, taxes, depreciation, amortization, impairment of assets and equity in subsidiaries, plus impairment losses.

Added EBITDA: means earnings before interest, taxes, depreciation, amortization, impairment of assets and equity accounting, plus cost of sale of demobilized assets, calculated over the last 12 months.

Net finance costs: means borrowing costs plus monetary adjustments, less income from financial investments, all relating to the items described in the above definition of "Net debt", calculated on an accrual basis over the last 12 months.

19.1 Amortization schedule:

Amortization schedules for the parent company and consolidated are presented below, by year of maturity:

		6/30/2018			
		Parent company		Consolidated	
	Maturity of installments	Total	%	Total	%
Total current liabilities	**Until June 2019**	**950,870**	**24%**	**1,588,091**	**19%**
	July to December 2019	112,162	3%	412,597	5%
	2020	447,213	11%	855,459	10%
	2021	304,155	8%	620,995	8%
	2022	292,948	7%	402,657	5%

	2023	88,301	2%	133,624	2%
	2024	1,794,860	45%	4,210,633	51%
	2025	1,963	0%	1,963	0%
Total non-current liabilities		**3,041,602**	**76%**	**6,637,928**	**81%**
Total		**3,992,472**	**100%**	**8,226,019**	**100%**

19.2 Guarantees and bank guarantees

At June 30, 2018, the Company and its subsidiaries have certain guarantees for the borrowing and financing transactions as follows:

- FINAME and finance leases - guaranteed by the respected financed vehicles and equipment;

- FINEM, FNE, FNO, Tax Execution – bank guarantees;

- CCBs – assignment of trade notes of R$ 31,000; pledge of 10% of the shares of CS Brasil Frotas Ltda.

The other transactions do not have any guarantees.

20. DEBENTURES

											Parent company
			6/30/2018			Changes			12/31/2017		
Type	Annual average rate (%)	Maturity	Current	Non-current	Total	Amortization	Interest paid	Interest	Current	Non-current	Total
In local currency											
6th issuance	7.6%	Jul/2020	139,646	296,672	436,318	-	(10,476)	22,514	133,226	291,053	424,279
8th issuance	7.9%	Jun/2021	154,126	144,871	298,997	(153,630)	(19)	28,301	127,709	296,637	424,346
10th issuance	8.1%	Mar/2021	6,590	349,855	356,445	-	(15,448)	15,755	6,895	349,243	356,138
11th issuance	8.0%	06/2021	-	396,178	396,178	-	(15,785)	15,846	-	396,116	396,116
			300,362	**1,187,576**	**1,487,938**	**(153,630)**	**(41,728)**	**82,416**	**267,830**	**1,333,049**	**1,600,879**

												Consolidated
			6/30/2018			Changes				12/31/2017		
Type	Annual average rate (%)	Maturity	Current	Non-current	Total	New borrowings	Amortization	Interest paid	Interest	Current	Non-current	Total
In local currency												
6th issuance	7.6%	Jul/2020	139,646	296,672	436,318	-	-	(10,476)	22,514	133,226	291,052	424,279
8th issuance	7.9%	Jun/2021	154,126	144,871	298,997	-	(153,630)	(19)	28,301	127,709	296,637	424,346
10th issuance	8.1%	Mar/2021	6,590	349,855	356,445	-	-	(15,448)	15,755	6,895	349,243	356,138
11th issuance	8.0%	Jun/2021	-	396,178	396,178	-	-	(15,785)	15,846	-	396,117	396,117
1st issuance - Movida GTF	8.3%	Sep/2018	6,706	-	6,706	-	-	(307)	6,327	686	-	686
1st issuance - Movida Locação de Veículos Ltda.	8.4%	Mar/2023	3,996	248,698	252,694	250,000	(1,557)	-	4,250	-	-	-
1st issuance - Movida Participações	8.6%	Jul/2022	14,363	398,656	413,019	-	-	(18,184)	17,286	15,901	398,016	413,917
2nd issuance – Movida Participações	8.3%	Jun/2023	2,193	447,690	449,883	450,000	(2,378)	-	2,262	-	-	-
			327,620	**2,282,620**	**2,610,240**	**700,000**	**(157,565)**	**(60,219)**	**112,541**	**284,417**	**1,731,065**	**2,015,483**

The characteristics of the debentures are presented in the table below:

Description	6th issuance	8th issuance	10th issuance	11th issuance	1st issuance Movida GTF S.A.	1st issuance Movida RAC	1st issuance Movida Participações	2nd issuance Movida Participações
a. Identification of process by nature								
Financial institution	*BTG Pactual*	*Votorantim*	*Brasil*	*Brasil*	*CEF*	*Bradesco*	*Bradesco*	*Banco Bradesco Investimento S.A.*
1st series amount	90,749	31,187	352,000	400,000	150,000	250,000	150,000	138,250
2nd series amount	13,678	63,468	-	-	-	-	250,000	-
3rd series amount	72,797	118,201	-	-	-	-	-	-
Financial institution	*Caixa Geral*	*Bradesco (former HSBC)*	-	-	*Bradesco (former HSBC)*	*Banco Bradesco Investimento S.A.*	-	*Banco Bradesco Investimento S.A.*
1st series amount	1,000	52,394	-	-	150,000	-	-	-
2nd series amount	23,870	6,283	-	-	-	-	-	84,500
3rd series amount	40,234	30,873	-	-	-	-	-	-
Financial institution	*Santander*	*Santander*	-	-	-	-	-.	*Banco Bradesco BBI*
1st series amount	54,480	81,594	-	-	-	-	-	-
2nd series amount	19,074	2,000	-	-	-	-	-	97,200
3rd series amount	4,189	14,000	-	-	-	-	-	-
Financial institution	*Votorantim*	-	-	-	-	-	-	*Banco Bradesco BBI*
1st series amount	6,200	-	-	-	-	-	-	-
2nd series amount	5,850	-	-	-	-	-	-	-
3rd series amount	67,879	-	-	-	-	-	-	130,250
Total	400,000	400,000	352,000	400,000	300,000	250,000	400,000	450,000
Total received in checking account	401,910	400,390	352,000	400,000	300,000	250,000	400,000	450,000
Issuance	7/15/2013	6/15/2014	3/20/2017	6/20/2017	9/29/2015	4/13/2018	7/4/2017	6/7/2018
Funding	7/30 and 7/31/2013 and 8/1/2013	6/18/2014	3/29/2017	6/30/2017	10/29/2015	4/13/2018	7/27/2017	6/7/2018
Maturity	7/15/2020	6/15/2021	3/20/2021	6/20/2021	9/24/2018	3/29/2023	7/15/2020 and 7/15/2022	6/7/2023
Type	Unsecured	Unsecured	Unsecured	Floating	Unsecured	Unsecured	Unsecured	Unsecured
Identification of the asset with CETIP	JSML16/26/36	JSML 18/28/38	JSML 10	JSML A1	JSLO 11	MVLV11	MOVI 11/21	MOVI 12/22/32
b. Transaction costs incurred	**(914)**	**(71)**	**(87)**	**(99)**	**(114)**	**(113)**	**(111)**	**(72)**
c. Premiums								
Additional due to settlement	7/30 and 7/31/2013 and 8/1/2013	N.A.	N.A.	N.A.	N.A.	N.A	N.A.	N.A.
Amount of settlement	1,910	390	-	-	-	-	-	-
d. Effective interest rate p.a. %								
1st series	CDI + 1.80%	116% CDI	127.5% CDI	127.50% CDI	CDI + 1.93%	CDI + 2.00%	CDI + 1.55%	CDI + 1.60%
2nd series	CDI + 2.20%	IPCA + 8.0%	-	-	-	-	CDI + 2.70%	CDI + 2.20%
3rd series	IPCA + 7.5%	118.5% CDI	-	-	-	-	-	CDI + +1.90%
e. Amount of costs and premiums to be apportioned until maturity	**716**	**419**	**1,225**	**1,607**	**299**	**253**	**404**	**404**

The Debentures issued by the JSL Group are all simple debentures, non- unsecured, except for the 11th issuance that was issued as debentures of the floating guarantee type. All debentures have clauses of maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization, plus cost of sale of demobilized assets, calculated over the last 12 months (EBITDA-A).

All commitments described in the contracts were complied with at June 30, 2018, including maintaining financial indexes as shown below:

Covenant	Limits	12 months ended 6/30/2018	12 months ended 12/31/2017
Net debt/ Added EBITDA	Less than 3.5	2.12	1.93
Added EBITDA/ Finance costs, net	Greater than 2	5,0	4.70

Net debt: means the total balance of short and long-term borrowings and financing in the name of JSL S.A., including debentures and any other debt securities, after deducting: (a) cash and short-term financial investments, namely investments with daily liquidity maturing within 360 days; and (b) borrowings arranged under the program for financing inventories of new and used vehicles, locally made or imported, and automotive parts, under revolving credit facilities from financial institutions linked to the car makers.

Added EBITDA: means earnings before interest, taxes, depreciation, amortization, impairment of assets and equity accounting, plus cost of sale of assets used in services rendered, calculated over the last 12 months.

Net finance costs: means borrowing costs plus monetary adjustments, less income from financial investments, all relating to the items described in the above definition of "Net debt", calculated on an accrual basis over the last 12 months.

For the11th issuance of debentures of the JSL Group, there is the requirement to maintain at least 125% of the debt balance, amount equivalent to assets free of burden and debt.

The repayment schedule of debentures is as follows:

				6/30/2018	
		Parent company		Consolidated	
	Maturity of installments	Total	%	Total	%
Total current liabilities	Until June 2019	**300,362**	**20%**	**327,620**	**13%**
	July to December 2019	143,015	10%	217,078	8%
	2020	595,316	40%	763,741	29%
	2021	449,245	30%	806,346	31%
	2022	-	0%	309,909	12%
	2023 onward	-	0%	185,546	7%
Total non-current liabilities		**1,187,576**	**80%**	**2,282,620**	**87%**
Total		**1,487,938**	**100%**	**2,610,240**	**100%**

21. FINANCE LEASES PAYABLE

Finance leases contracts under Finame leasing and finance leases for the acquisition of vehicles and assets of the JSL Group's operating activity have annual post and pre-fixed charges, and are distributed as follows:

												Parent company		
				6/30/2018			Changes				12/31/2017			
Type	Annual average rate (%)	Average rate structure (%)	Maturity	Current	Non-current	Total	New borrowings	Amortization	Interest paid	Interest	Current	Non-current	Total
In local currency													
Finance leases	9.88%	Floating rate	Mar/2023	37,025	41,275	78,300	10,941	(20,052)	(5,590)	4,262	41,588	47,151	88,739
				37,025	**41,275**	**78,300**	**10,941**	**(20,052)**	**(5,590)**	**4,262**	**41,588**	**47,151**	**88,739**

												Consolidated		
				6/30/2018			Changes				12/31/2017			
Type	Annual average rate (%)	Average rate structure (%)	Maturity	Current	Non-current	Total	New borrowings	Amortization	Interest paid	Interest	Current	Non-current	Total
In local currency													
Finance leases	9.61%	Floating rate	Mar/2023	105,870	82,369	188,239	53,172	(70,626)	(16,850)	9,765	142,329	70,448	212,777
				105,870	**82,369**	**188,239**	**53,172**	**(70,626)**	**(16,850)**	**9,765**	**142,329**	**70,448**	**212,777**

21.1 Amortization schedule:

Amortization schedules for the parent company and consolidated are presented below, by year of maturity:

					6/30/2018
		Parent company		Consolidated	
	Maturity of installments	Total	%	Total	%
Total current liabilities	**Until June 2019**	**37,025**	**47%**	**105,870**	**56%**
	July to December 2019	9,856	13%	18,765	10%
	2020	24,243	31%	43,376	23%
	2021	2,816	4%	15,733	8%
	2022	4,360	6%	4,495	2%
Total non-current liabilities		**41,275**	**53%**	**82,369**	**44%**
Total		**78,300**	**100%**	**188,239**	**100%**

22. ASSIGNMENT OF RECEIVABLES

In 2017, the subsidiary Vamos assigned part of its future receivables arising from rental agreements and related services. The assignment included agreements whose assets for rental were delivered, with proper acknowledgment of the rental and service rendered by the customer. Vamos will be responsible for operating the collection of these receivables; however, there is no regressive claim or co-obligation for the receivables, and it will not be responsible for the solvency of the contracting customer. The future value of the portfolio assigned was R$ 40,077 and the amount received by Vamos was R$ 30,214, and the interest paid will be recognized as finance costs in statement of income (loss) over the agreement period. This transaction has a period of 60 months, with maturity in December 2022. The balances recorded at June 30, 2018 are as follows:

	Consolidated	
	6/30/2018	12/31/2017
Sale of receivables	36,069	40,077
Interest to be recognized	(8,876)	(9,863)
Total	**27,193**	**30,214**
Total current	6,043	6,043
Total non-current	21,150	24,171
Total	**27,193**	**30,214**

23. LABOR LIABILITIES

	Parent company		Consolidated	
Description	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**
Salaries	36,033	37,679	67,066	67,547
INSS	27,369	22,603	44,516	37,780
FGTS	3,202	4,494	5,284	7,379
Provision for vacation, 13th salary, charges and bonuses	76,865	54,208	137,878	96,905
Others	234	218	2,276	2,041
Total	**143,703**	**119,202**	**257,020**	**211,652**

24. TAX LIABILITIES

	Parent company		Consolidated	
Description	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**
PIS and COFINS	15,956	16,297	34,913	36,230
ICMS	11,025	11,752	17,549	18,068
ISS	-	401	-	2,980
IRRF	2,253	3,569	7,366	14,880
Others	562	586	7,201	5,640
Total	**29,796**	**32,605**	**67,029**	**77,798**
Current liabilities	28,955	31,764	65,630	76,093
Non-current liabilities	841	841	1,399	1,705
Total	**29,796**	**32,605**	**67,029**	**77,798**

25. PROVISION FOR JUDICIAL AND ADMINISTRATIVE LITIGATION AND JUDICIAL DEPOSITS

The Company and its subsidiaries, in the normal course of their business, present judicial deposits and civil, tax and labor litigation in an administrative and judicial forum, and judicial deposits and blockages made in guarantee of these litigations. Based on the opinion of its legal advisors, provisions were recorded to cover probable losses related to these litigations and are presented net of their respective judicial deposits as shown below:

	Parent company				Consolidated			
	Escrow deposits		Provisions		Escrow deposits		Provisions	
	06/30/018	**12/31/2017**	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**
Labor	23,078	21,645	34,690	35,477	41,030	38,354	48,858	51,431
Civil	10,214	11,147	14,798	15,016	12,676	13,564	20,214	19,231
Tax	9,020	8,782	761	761	10,784	10,417	801	801
	42,312	**41,574**	**50,249**	**51,254**	**64,490**	**62,335**	**69,873**	**71,463**

25.1 Judicial deposits

Judicial deposits refer to amounts deposited in an account or legal freezes on the Company's checking accounts, ruled by the court, as guarantee for any payment required, or amounts deposited in court account to replace tax payments or payables that are being challenged in the court.

25.2 Provision for judicial and administrative litigation

The Company and its subsidiaries, in the normal course of their business, are parties to civil, administrative, tax, social security and labor lawsuits.

The Company classifies the risks of loss on lawsuits as "probable", "possible" or "remote". The provision recognized in relation to these lawsuits is determined by the Company's Management, based on the analysis of its legal counsel, and reasonably reflect the estimated probable losses.

The Company's Management believes that the provision for tax, civil and labor risks is sufficient to cover any losses on administrative and judicial litigation, as shown below.

The changes in provision for judicial and administrative litigation for the six-month period ended June 30, 2018 are presented below:

	Parent company			
	Labor	**Civil**	**Tax**	**Total**
At December 31, 2017	**35,477**	**15,016**	**761**	**51,254**
Additions	5,019	433	-	5,452
Reversal	(5,806)	(651)	-	(6,457)
At June 30, 2018	**34,690**	**14,798**	**761**	**50,249**

	Consolidated			
	Labor	**Civil**	**Tax**	**Total**
At December 31, 2017	**51,431**	**19,231**	**801**	**71,463**
Additions	7,216	3,389	-	10,605
Reversal	(9,789)	(2,407)	-	(12,196)
At June 30, 2018	**48,858**	**20,213**	**801**	**69,873**

Labor

The provision for labor lawsuits was recognized to cover losses on lawsuits claiming labor related indemnities filed by former employees of the JSL Group.

Civil

The provision for civil lawsuits is related to indemnity claims for damages due to several reasons against the companies of the JSL Group, and also annulment actions and claims for breach of contract.

Tax

The provision for tax lawsuits refers to administrative and judicial proceedings filed by the Company and its subsidiaries against certain tax assessment notices issued in tax audits against the disallowance of PERDCOMP, and other lawsuits filed to challenge the legality of certain taxes charged.

25.3 Possible losses not provided for in the balance sheet

At June 30, 2018, the Company and its subsidiaries were parties to tax, civil and labor lawsuits in progress (judicial and administrative) with losses considered possible by management and its legal advisors, as shown in the table below:

	Parent company		Consolidated	
	6/30/2018	**12/31/2017**	**6/30/2018**	**12/31/2017**
Labor	136,753	130,001	160,540	153,540
Civil	84,492	29,815	113,133	102,424
Tax	162,989	145,246	172,706	150,820
Total	**384,234**	**305,062**	**446,379**	**406,784**

Labor

The labor lawsuits are related to claims for labor-related indemnities filed by former employees of the JSL Group.

Civil

The civil lawsuits are related to claims for indemnity related to damages for several reasons against the companies of the JSL Group, and also annulment actions and claims for breach of contract.

Tax

The main natures of lawsuits are the following: (i) challenges related to alleged non-payment of ICMS; (ii) challenges of part of PIS and COFINS credits that comprise the negative balance presented in PER/DCOMP (Electronic Request for Refund/Tax Offset Return); (iii) challenges related to tax credits of IRPJ, CSLL, PIS and COFINS; (iv) challenges related to the offset of IRPJ and CSLL credits and (v) challenge related to the recognition of ICMS credits.

	Parent company		Consolidated	
	6/30/2018	**12/31/2017**	**6/30/2018**	**12/31/2017**
IRPJ/CSLL	96,211	78,769	98,065	80,326
ICMS	23,713	24,299	29,001	26,602
INSS	7,767	7,295	7,918	7,295
PER/DCOMP	12,171	12,171	12,858	12,858
PIS/COFINS	14,923	14,520	15,437	14,859
Other	8,204	8,192	9,427	8,880
Total	**162,989**	**145,246**	**172,706**	**150,820**

26. INCOME TAX AND SOCIAL CONTRIBUTION

26.1 Deferred income tax and social contribution

Deferred income tax (IRPJ) and social contribution on net income (CSLL) assets and liabilities were calculated based on the balances of tax losses and temporary differences for income tax and social contribution that are deductible or taxable in the future.

The origins are comprised as follows:

	Parent company		Consolidated	
Description	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**
Tax credits				
Tax loss and social contribution tax loss	73,673	74,401	181,535	182,616
Provision for judicial and administrative litigation	24,788	24,357	47,535	45,092
Expected credit losses in accounts receivables	12,559	10,724	52,253	46,428
Other provisions	26,430	24,368	40,816	31,322
Gain on disposal of investment	-	5,742	-	5,742
Fair value of cash flow hedge	33,926	-	33,985	-
Provision for transaction costs related to issuance of shares	5,513	5,080	5,712	5,079
Surplus value	21,485	18,015	21,485	18,015
Provision for adjustment to market value and obsolescence	2,053	2,293	4,186	3,556
Total tax credits - gross	**200,427**	**164,980**	**387,507**	**337,850**
Tax debits				
Present value adjustment	(4,465)	(5,740)	(4,413)	(5,230)
Gain on bargain purchase	(10,829)	(10,829)	(10,829)	(10,829)
Deferred net income from sales to public authorities	(1,287)	(1,295)	(29,327)	(27,236)
Swap	(7,292)	(2,322)	(9,380)	(2,322)
Fair value of cash flow hedge	-	(7,786)	-	(7,786)
Accounting vs. tax depreciation	(80,927)	(108,810)	(383,841)	(358,666)
Property and equipment - finance leases	(3,265)	(3,343)	(52,883)	(58,583)
Gains on Interest in subsidiaries	(62,507)	(43,770)	(61,610)	(42,894)
Realization of goodwill	(55,421)	(51,982)	(56,091)	(52,571)
Total tax debts - gross	**(225,993)**	**(235,877)**	**(608,374)**	**(566,117)**
Total tax debts, net	**(25,566)**	**(70,897)**	**(220,867)**	**(228,267)**
Deferred tax assets	-	-	67,887	60,626
Deferred tax liabilities	(25,566)	(70,897)	(288,754)	(288,893)
Total tax debts, net	**(25,566)**	**(70,897)**	**(220,867)**	**(228,267)**

The movements in deferred tax assets are as follows:

	Parent company	Consolidated
Net balance of deferred income tax at December 31, 2017	**(70,897)**	**(228,267)**
Deferred income tax and social contribution recognized in the statement of income (loss)	29,542	(19,173)
Deferred income tax and social contribution recognized in the statement of comprehensive income (loss)	42,812	42,812
Deferred income tax and social contribution arising from new IFRS	1,110	10,101
Deferred income tax and social contribution arising from gains/losses on equity interests in subsidiaries	(26,710)	(26,710)
Deferred income tax and social contribution arising from other changes	(1,423)	370
Net balance of deferred income tax at June 30, 2018	**(25,566)**	**(220,867)**

26.2 Estimated realization schedule

Deferred tax assets arising from temporary differences will be used as the respective differences are settled or realized.

Tax losses can be carried forward indefinitely and, at June 30, 2018 and December 31, 2017 deferred income tax and social contribution were recognized for all tax loss carryforwards.

In estimating the realization of deferred tax assets, Management considers its budget and strategic plan based on the estimated realization schedule of assets and liabilities that gave rise to them, and in earnings projections for the subsequent years.

26.3 Reconciliation of income tax and social contribution (expense) credit

Current amounts are calculated based on the current rates levied on taxable profit before income tax and social contribution, as adjusted by respective additions, deductions and offsets allowed by the prevailing legislation:

	Parent company		Consolidated	
Description	**6/30/2018**	**6/30/2017**	**6/30/2018**	**6/30/2017**
Profit (Loss) before income tax and social contribution	**24,731**	**(46,873)**	**119,502**	**12,033**
Statutory rates	34%	34%	34%	34%
Income tax and social contribution calculated at the standard rates	**(8,408)**	**15,937**	**(40,631)**	**(4,091)**
Permanent (additions) exclusions				
Equity in the results of investees	43,159	30,778	60	-
Tax incentives - Workers Meal Program ("PAT")	30	-	184	260
Interest on capital remuneration	(11,317)	-	1,530	-
Nondeductible expenses	(1,302)	(447)	(2,306)	(4,582)
Unrecognized tax assets on tax losses abroad	-	-	(3,824)	-
Other (additions) deductions	-	-	-	3,308
Income tax and social contribution calculated	**22,162**	**46,268**	**(44,987)**	**(5,105)**
Current	(7,380)	-	(25,814)	(24,879)
Deferred	29,542	46,268	(19,173)	19,774
Income tax and social contribution on results	**22,162**	**46,268**	**(44,987)**	**(5,105)**
Effective rate	89.61%	(98.71%)	(37.64%)	(42.42%)

The Company's and its subsidiaries' income tax returns are open to review by tax authorities for five years from the filing of the return. As a result of these reviews, additional taxes and penalties may arise, which would be subject to interest. However, Management believes that all taxes have either been properly paid or provided for.

27. RELATED PARTIES

27.1 Related-party balances (assets and liabilities)

In the table below, the line items trade receivables, other credits, accounts payable and advances from customers include the balances receivable and payable of intercompany transactions of the JSL Group that are eliminated in consolidation:

										Parent company
Assets	**Marketable securities**		**Other credits and advances**		**Trade receivables**		**Related parties**			
	6/30/2018	**12/31/2017**	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**	**Relationship**	**Specification**
Related parties										
Consórcio Unileste	-	-	-	-	-	-	-	49	Joint venture	Loan
Consórcio Sorocaba	-	-	8	-	-	-	-	-	Joint venture	Reimbursement of expenses
Simpar S/A	-	-	-	-	-	-	82	-	Parent company	Reimbursement of expenses
Instituto Júlio Simões	-	-	-	-	-	-	67	67	Related parties	CSA / Reimbursement of expenses
Medlog Prestação de Serviços de Logística S.A.	-	-	-	-	-	-	119	10	Subsidiary	Reimbursement of expenses
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda.	-	-	-	-	-	-	4,507	3,836	Subsidiary	Operating lease / CSA
Movida Locação de Veículos S.A.	-	-	-	-	-	-	3,886	3,045	Subsidiary	Sale of assets / Operating lease / Reimbursement of Expenses / CSA / Assignment of receivables
Movida Gestão e Terceirização de Frotas S.A.	-	-	-	128	-	-	-	781	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / CSA
Movida Locação de Veículos Premium Ltda.	-	-	-	-	-	-	10	-	Subsidiary	CSA / Reimbursement of expenses
Quick Logística Ltda.	-	-	-	-	-	-	25,055	18,841	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / CSA
Original Veículos Ltda.	-	-	2,890	-	-	-	8,306	5,984	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / Loan
Ponto Veículos Ltda.	-	-	1,530	-	-	-	38	5	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / Loan
Avante Veículos Ltda.	-	-	850	-	-	-	2,305	14	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / Loan
JSL Corretora e Administradora Seguros	-	-	-	-	-	-	17	18	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / Loan
Transrio Caminhões, Ônibus, Máquinas e Motores Ltda.	-	-	-	83	-	-	1,667	1,696	Subsidiary	Reimbursement of expenses / CSA
Ciclus Ambiental do Brasil S.A.	-	-	-	-	29,211	9,318	-	-	Related parties	Operating lease
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda	-	-	4,420	-	-	-	159	2,586	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / CSA
CS Brasil Frotas Ltda.	-	-	2,057	-	-	-	833	39	Subsidiary	Reimbursement of expenses / CSA
Movida Participações S.A.	299.352	305,355	6,446	121	-	-	34,816	112	Subsidiary	Reimbursement of expenses / CSA / Debentures
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A.	-	-	23,894	-	-	4,173	30,326	29,064	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / CSA
JSL Empreendimentos Imobiliários Ltda.	-	-	-	-	-	-	5,000	5,001	Subsidiary	Sale of assets (Property) / CSA
JSL Arrendamento Mercantil S.A.	-	-	-	16,126	35	3	209	238	Subsidiary	Reimbursement of expenses / JSL Card
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	-	-	-	-	-	-	18	17	Subsidiary	Reimbursement of expenses / CSA
JSL Europe	-	-	-	-	-	-	7,022	4,908	Subsidiary	Reimbursement of expenses
Quick Armazéns Gerais Ltda.	-	-	-	-	-	-	5	8	Subsidiary	Reimbursement of expenses / CSA
Borgato Serviços Agrícolas S.A.	-	-	-	-	-	-	400	-	Subsidiary	Reimbursement of expenses
Borgato Máquinas S.A.	-	-	-	-	4	-	2,321	-	Subsidiary	Reimbursement of expenses
Borgato Caminhões S.A.	-	-	-	-	-	-	1	-	Subsidiary	Reimbursement of expenses
Total	**299,352**	**305,355**	**42,087**	**16,458**	**29,258**	**13,494**	**127,169**	**76,319**		
Current	299,352	305,355	42,087	16,458	29,258	13,494	107,146	64,669		
Non-current	-	-	-	-	-	-	20,023	11,650		
Total	**299,352**	**305,355**	**42,087**	**16,458**	**29,258**	**13,494**	**127,169**	**76,319**		

	Parent company					
	Other accounts payables and advances		Related parties			
Liabilities	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**	**Relationship**	**Specification**
Related parties						
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda.	-	213	-	-	Subsidiary	Operating lease
Movida Locações de Veículos Ltda.	20	-	-	110	Subsidiary	Reimbursement of expenses / Operating lease / CSA
Movida Gestão e Terceirização de Frotas S.A.	-	406	-	478	Subsidiary	Reimbursement of expenses / Operating lease / CSA
Quick Logística	137	118	-	-	Subsidiary	Reimbursement of expenses / Operating lease / CSA
Original Veículos Ltda.	-	11	388	273	Subsidiary	Reimbursement of expenses / Discounts on the purchase of vehicles
Avante Veículos Ltda.	20	-	1	-	Subsidiary	Reimbursement of expenses
Ponto Veículos Ltda.	-	-	7	-	Subsidiary	Reimbursement of expenses
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda	-	337	11,139	13,697	Subsidiary	Reimbursement of expenses / Operating lease / CSA
JSL Leasing S.A.	-	-	6,645	7,365	Subsidiary	Reimbursement of expenses
Vamos Locação de Caminhões, Maq. e Equip. S.A.	-	56	-	-	Subsidiary	Reimbursement of expenses / Operating lease / CSA
Transrio Caminhões, Ônibus, Máquinas e Motores Ltda.	20	-	122	-	Subsidiary	Reimbursement of expenses
Borgato Caminhões S.A.	3	-	-	-	Subsidiary	Reimbursement of expenses
Quick Armazéns Gerais Ltda.	-	6	-	-	Subsidiary	Reimbursement of expenses
JSL Corretora e Administradora Seguros	-	-	2	-	Subsidiary	Reimbursement of expenses
Instituto Júlio Simões	-	-	-	3	Related parties	Reimbursement of expenses
Ribeira Imóveis	-	-	589	-	Related parties	Reimbursement of expenses
Others (i)	-	-	52	52	Subsidiaries	Services rendered
Total	**200**	**1,147**	**18,945**	**21,978**		

(i) Refers to tax consulting services rendered by a tax law firm where members of the board of directors and the supervisory board are partners.

(ii) In June 2018, Movida effected the assignment of part of its future receivables arising from lease agreements and the provision of services with third parties. Movida will be responsible for the operation of the collection of these credit rights and for the transfer of the amounts received to JSL S.A., however there is no return and co-obligation for the rights, and will not be responsible for the solvency of the contracting client. The amount of the loan portfolio was R $ 51,696, the amount received by Movida and transferred to JSL until the period ended June 30, 2018 was R $ 17,701 and the balance on June 30, 2018 was R $ 33,995. The interest received in the amount of R $ 1,446 is being appropriated as financial income in the result for the average term of the contracts that is of 4 months and with average rate of 8.73% a.a..

Amounts corresponding to agreements with related parties are subject to contractual charges of 100% of the CDI rate plus 2.5% p.a., which are recognized in the finance results of the respective entities.

The administrative services center is used by Management to share the corporate expenses between members of the JSL Group by reimbursement of expenses. In the table below are the balances of intercompany transactions that are not eliminated in consolidation:

				Consolidated
Assets	**Related parties**			
	6/30/2018	**12/31/2017**	**Relationship**	**Specification**
Related parties				
Consórcio 123	1	2	Joint venture	CSA / Reimbursement of Expenses
Instituto Julio Simões	68	68	Related parties	Loan
Simpar S/A	83	-	Parent company	Reimbursement of expenses
Other	-	118	Associate	Reimbursement of expenses / Operating lease / CSA
Total	**152**	**188**		

Liabilities	**Related parties**					
	6/30/2018	**12/31/2017**	**Relationship**	**Specification**	**Effectiveness**	**Limit**
Related parties						
São José Passes	498	498	Associate	Reimbursement of expenses		
Instituto Julio Simões	-	3	Related parties	Loan	12/31/2017	2,000
Ribeira Imóveis	1,023	-	Related parties	Reimbursement of expenses / Leases		
Others (i)	52	52	Related parties	Services rendered		
Total	**1,573**	**553**				

(i) Refers to tax consulting services rendered by a tax law firm where members of the board of directors and the supervisory board are partners.

27.2 Related-party transactions with effects on the statement of income (loss) for the period

The table below presents the results from transactions between the JSL Group companies:

Results	Services rendered		Contracted services		Fleet sale		Fleet purchase		General and administrative expenses		Other operating income/ expenses		Finance income		Finance costs	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Balances eliminated:																
Consolidated																
JSL S.A.	7,185	38,371	(10,151)	(9,594)	12,197	10,621	(12,837)	-	(25)	-	1,277	-	2,943	-	-	-
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda	376	3,982	(9,587)	(26,313)	1,718	1,576	(2,678)	-	-	-	-	-	50	-	-	-
CS Brasil Frotas Ltda.	-	-	(6)	-	4,414	-	-	-	-	-	-	-	-	-	(50)	-
Movida Gestão e Terceirização de Frotas S.A.	-	7,090		(35,608)	-	12,344	-	-	-	-	-	-	-	-	-	-
Movida Participações S.A.	1,883	-	(78,557)		1,167	-	(464)	-	-	-	-	-	-	-	-	-
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A.	19,984	17,694	(13,387)	-	1,485	2,630	(846)	-	(2)	-	-	-	-	-	(9)	-
Transrio Caminhões, Ônibus, Máquinas e Motores Ltda.	2,536	-	(17)	-	-	-	-	-	(2)	-	-	-	-	-	-	-
Avante Veículos Ltda.	570	-	(806)	-	-	-	-	-	-	-	-	-	-	-	-	-
Original Veículos Ltda.	2,709	-	(1,616)	-	-	-	-	-	-	-	-	-	-	-	(48)	-
Ponto Veículos Ltda.	1,605	-	(1,970)	-	-	-	-	-	-	-	-	-	-	-	(126)	-
JSL Investimentos em Concessionárias e Lojas de Veículos, Máquinas, e Equipamentos S.A.	-	10,019	-	(61,684)	-	-	-	-	-	-	-	-	-	-	-	-
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda.	-	-	-	(1,268)	-	-	-	-	(1,277)	-	-	-	-	-	-	-
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	643	732	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movida Locações de Veículos Ltda. (ii)	72,302	70,399	(1,247)	-	9,056	-	(9,056)	-	-	-	-	-	-	-	-	-
Movida Locação de Veículos Premium Ltda.	-	-	(1,200)	-	1,099	-	(1,099)	-	-	-	-	-	-	-	-	-
JSL Arrendamento Mercantil S.A.	3,201	2,735	(16)	-	-	-	-	-	-	-	-	-	-	-	(3,453)	-
JSL Empreendimentos Imobiliários Ltda.	114	114	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quick Logística Ltda.	-	91	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JSL Holding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JSL Corretora e Administradora Seguros	-	-	-	-	-	-	-	-	(176)	-	-	-	-	-	-	-
Borgato Máquinas S.A.	8,645	-	-	-	1,856	-	-	-	-	-	-	-	6	-	(1,637)	-
Borgato Caminhões S.A.	-	-	(2,795)	-	-	-	-	-	-	-	1,700	-	-	-	-	-
Borgato Serviços Agrícolas S.A.	-	-	(1,400)	-	650	-	(1,856)	-	-	-	-	-	3	-	-	-
JSL Europe	-	-	-	-	-	-	-	-	-	-	-	-	12,072	-	-	-
JSL Finance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,072)	-
JSL Holding	-	-	-	-	-	-	-	-	-	-	-	-	2,468	-	-	-
Quick Logística Ltda.	-	-	(1,639)	-	-	-	(3,438)	-	-	-	-	-	71	-	(146)	-
Quick Armazéns Gerais Ltda.	-	-	(225)	-	-	-	-	-	-	-	-	-	-	-	(71)	-
Medlog Prestação de Serviços de Logística S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**121,753**	**151,227**	**(124,619)**	**(134,467)**	**33,642**	**27,171**	**(32,274)**	**-**	**(1,482)**	**-**	**2,977**	**-**	**17,613**	**-**	**(17,613)**	**-**
Balances not eliminated:																
Ciclus	9,264	46,950	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ribeira Imóveis	-	-	(8,276)	(17,091)	-	-	-	-	-	-	-	-	-	-	-	-
Others (i)	-	-	(1,197)	(921)	-	-	-	-	-	-	-	-	-	-	-	-
Total	**131,017**	198,177	**(134,092)**	**(152,479)**	**33,642**	**27,171**	**(32,274)**	**-**	**(1,482)**	**-**	**2,977**	**-**	**17,613**	**-**	**(17,613)**	**-**

(i) Refers to tax consulting services rendered by a tax law firm where members of the board of directors and the supervisory board are partners.

27.3 Transactions or relationships with shareholders related to property leasing

The JLS Group has operating and administrative lease agreements for properties with the associate Ribeira Imóveis Ltda. The rent amount recognized in statement of income (loss) for the period ended June 30, 2018 was R$ 8,276 (June 30, 2017 - R$ 17,091). The agreements have conditions in line with market values and have maturities until 2023.

27.4 Administrative services center

In order to better apportion common expenses between the companies that use corporate services, the JSL Group conducts studies of expenses attributable to the entities that share the same structure and back office. For the period ended June 30, 2018, the amount related to recovery of expenses in the parent company was R$ 10,559 (June 30, 2017 - R$ 9,934). The Administrative services center does not charge management fees nor applies profitability margin on services rendered. Only the costs are shared.

27.5 Management compensation

For the six-month period ended June 30, 2018, the compensation of key management personnel was R$ 15,044 (R$ 14,315 in 2017), including social charges. This amount was recognized in line item “general and administrative expenses”. Except for the share-based payment plan, as disclosed in note 29, management does not have post-retirement benefits or any other long-term benefits.

The managers are included in the JSL Group's share-based compensation plan. During the quarter ended June 30, 2018 and 2017, there were no grant and exercise of stock options by the managers.

The compensation limit approved by the Shareholders’ Meeting in 2018 was R$ 21,000, plus payroll charges.

28. EQUITY

28.1 Share capital

The Company's fully subscribed and paid-in capital at June 30, 2018 and December 31, 2017 is R$ 676,614, divided into 202,500,000 registered common shares, with no par value, less the transaction costs incurred in the process of IPO in the amount of R$ 16,219, totaling R$ 660,395.

The Company is authorized to increase its capital up to R$ 2,000,000, excluding the shares already issued, without any amendment to its bylaws and according to the decision of the Board of Directors, which is responsible for the establishment of issuance conditions, including price, term and payment conditions, and the approval by the Fiscal Council.

28.2 Capital reserves

i. *Share-based payments*

The JSL Group has a stock option plan under which subscription rights are allocated to the Management and employees of the JSL Group. The amounts related to the vesting period are recognized in income or loss for the year against capital reserves. Any cancellations of grants are reversed against the same reserves in accordance with CPC 10 (R1) - Share-based payment.

Until June 30, 2018, the amount of R$ 18,307 was recognized in capital reserves (R$ 15,751 at December 31, 2017).

ii. *Government grants*

The JSL Group through its subsidiary Quick Logística is entitled to a tax benefit grant related to the value-added tax on sales and services (ICMS) in the State of Goiás. At June 30, 2018, the accumulated amount is R$ 6,250 (2017 - R$ 6,210).

28.3 Treasury shares

One June 30, 2018, the Company and its subsidiaries have a balance of R$ 103,925 in treasury shares. In the six month period ended June 30, 2018, R$ 103,465 of its own shares were repurchased by its subsidiaries, and Movida repurchased 1,053,500 of its shares and the subsidiary Vamos 24,553,895 of its shares.

28.4 Interest on capital and distribution of dividends

Pursuant to the Company's Bylaws, shareholders are entitled to annual mandatory dividends equal to or higher than 25% of the Company's annual profit, as adjusted by the following additions or deductions:

i. 5% allocated to the legal reserve; and

ii. an amount allocated to the contingency reserve and the reversal of the same reserves set up in prior years. A portion of the profit can also be retained based on a capital budget of a statutory profit reserve called "investment reserve."

The amount to be distributed is approved at the Annual General Meeting ("AGM") that also approves Management accounts related to the prior year, based on the proposal submitted by the Executive Board and approved by the Board of Directors. Dividends are distributed in accordance with the resolution of this AGM, held in the first four months of each year. The Company's Bylaws also allow for the distribution of quarterly dividends, which can be included in the mandatory dividend.

Interest on capital is calculated on equity accounts, except for the unrealized revaluation reserves, even if capitalized, by applying the variation of the long-term interest rate (TJLP) for the period. The payment is contingent to the existence of profit for the year, before the deduction of interest on capital or retained earnings and earnings reserve.

For the purposes of the interim financial information, interest on capital is shown as an allocation of profit directly in equity.

At June 30, 2018, the parent company has a balance of R$ 42,087 (2017 – R$ 29,847) related to dividends receivable from its subsidiaries.

28.5 Equity valuation adjustments

In June 30, 2018, the company has the amount of R$ 68,499 related an equity valuation adjustments, due the items described below:

i. *Deemed cost*

The JSL Group, in the acquisition of the operations of the company Transportadora Grande ABC Ltda. on December 29, 2011, and using the option allowed by Law 11683/07, made the recognition of the assets of that company at their deemed cost. The surplus value of R$ 4,634 was recognized in the equity adjustments account.

ii. *Gain on interests in subsidiaries - IPO of subsidiary Movida Participações S.A.*

As mentioned in note 1, on February 8, 2017, the subsidiary Movida concluded its Initial Public Offering (IPO). As a result of this offering, the primary distribution of 71,460,674 and secondary distribution of 6,741,573 registered common shares with no par value were carried out, all free and clear of any liens or charges.

As a result of the subscription and payment of the new shares, the JSL Group recorded equity adjustments of R$ 49,564, net of taxes, reflecting capital gain without losing control in Movida.

As a result of the partial disposal of the investment in the secondary distribution, the JSL Group recorded equity adjustments of R$ 11,151, net of taxes, since it continued holding the control of the investee.

iii. *Gain on interests in subsidiary - Borgato*

In 2017 Vamos acquired the total shares of the Borgato Companies and part of the payment was made with 9% of the Vamos shares, and this transaction generated a capital gain of R$ 30,951,net of taxes, R$ 17,212 recorded in Equity Adjustments, in the period ended December 31, 2017, due to the revaluation of the shares.During the period ended June 30, 2018 was recorded the complement of gain in the amount R$ 13,679.

iv. *Repurchase of shares – Vamos*

During the period ended June 30, 2018, the Company repurchased the shares of Vamos held by non-controlling shareholders, as described in Note 1.1. As a result of this transaction, the Company recorded a loss on equity interests in subsidiaries of R$ 32,407.

28.6 Noncontrolling interests

The JSL Group treats transactions with non-controlling interests as transactions with owners of the Group's assets. For non-controlling interests, the difference between any consideration paid and the acquired portion of the book value of the subsidiary's net assets is recorded in equity.

During the period ended June 30, 2018, the Company made the repurchase of 9% of shares of Vamos, belonging to noncontrolling shareholders, equivalent to R$ 66,130, and part of the amount paid was shares of its subsidiary Movida in the amount of R$ 19,502, plus the noncontrolling interest of that subsidiary.

29. SHARE-BASED COMPENSATION PLANS

The share-based compensation plans are managed by the Board of Directors, and establish: (i) the criteria for granting stock options to Management, employees in executive positions and individuals providing services to the JSL Group for each category of eligible professionals, defined freely based on the Election of the Stock Option Plan Beneficiaries; (ii) the number of shares to be acquired in the exercise of the options; and (iii) the condition for exercise is based on the maintenance of employment of the professionals eligible at the JSL Group during the vesting period.

Plans are calculated based on the share average quote at B3 (Brasil, Bolsa e Balcão), weighted by the trading volume over the past 30 trading sessions preceding the year of the date of concession, except for the second lot of Plan II which is calculated based on the last balance sheet approved by the JSL Group, which shall be restated according to the variation of 100% of the CDI, as from the grant date up to the date on which the beneficiary pays the exercise price to the JSL Group.

The fair value of the options is estimated on the grant date, based on the Black-Scholes model for option pricing, which considers the history of quotations and volatility, the terms and conditions of the grant.

The options granted in the current plans may be exercised according to the summary below:

Plan	Grant year	Number of options	Tranche	Exercise price	Option's fair value (i)	Vesting period	Exercise period
II	2012	164,868	1	8.41	4.70	8/31/2012 to 3/31/2015	04/2015 to 06/2020
II	2012	164,868	2	8.41	5.37	8/31/2012 to 3/31/2016	04/2015 to 06/2020
II	2012	363,894	3	8.41	5.94	8/31/2012 to 3/31/2017	04/2015 to 06/2020
III	2013	168,558	1	12.89	6.70	5/9/2013 to 4/1/2016	04/2014 to 06/2020
III	2013	168,558	2	12.89	7.66	5/9/2013 to 4/1/2017	04/2014 to 06/2020
III	2013	337,119	3	12.89	8.50	5/9/2013 to 4/1/2018	04/2014 to 06/2020
IV	2014	132,426	1	15.55	7.68	6/23/2014 to 4/1/2017	04/2017 to 06/2019
IV	2014	132,426	2	15.55	8.57	6/23/2014 to 4/1/2018	04/2017 to 06/2019
IV	2014	264,853	3	15.55	9.35	6/23/2014 to 4/1/2019	04/2017 to 06/2019
V	2015	216,915	1	11.93	6.91	4/1/2015 to 4/1/2018	04/2018 to 06/2020
V	2015	216,915	2	11.93	6.91	4/1/2015 to 4/1/2019	04/2018 to 06/2020
V	2015	433,830	3	11.93	6.91	4/1/2015 to 4/1/2020	04/2018 to 06/2020
VI	2016	295,150	1	8.36	4.98	6/27/2016 to 4/1/2019	04/2019 to 06/2020
VI	2016	295,150	2	8.36	5.62	6/27/2016 to 4/1/2020	04/2019 to 06/2020
VI	2016	590,301	3	8.36	6.17	6/27/2016 to 4/1/2021	04/2019 to 06/2020
VII	2017	249,493	1	9.03	2.02	4/1/2017 to 4/1/2020	04/2020 to 06/2022
VII	2017	249,493	2	9.03	2.55	4/1/2017 to 4/1/2021	04/2020 to 06/2022
VII	2017	498,989	3	9.03	3.02	4/1/2017 to 4/1/2022	04/2020 to 06/2022

(i) Refers to the option's fair value at the grant date.

At June 30, 2018, the accumulated capital reserve balance related to "share-based payment" in equity is R$ 18,307 (R$ 15,751 at December 31, 2017). In statement of income (loss) for the period ended June 30, 2018, an expense was recognized R$ 2,556 in the parent company and consolidated (R$ 1,106 at June 30, 2017 in the parent company and consolidated).

Movement during the period

The following table sets forth the quantity and weighted average exercise price and the movement of stock options during the period:

	Consolidated
Number of options outstanding at 12/31/2017	**4,519,870**
Canceled - 2018	
January 2018	(3,513)
Number of options outstanding at 6/30/2018	**4,516,357**

(i) The options canceled are related to shares granted to terminated employees of the JSL Group. As provided for in the "stock option plan" - plan I and II, the unvested options on the termination date automatically lose their rights.

30. INSURANCE COVERAGE

The Company and its subsidiaries have insurance coverage at amounts deemed sufficient by Management to cover potential risks related to their assets and/or responsibilities. The insurance coverage can be summarized as follows:

i. *Cargo transport - vehicles*

Vehicle transportation operations are insured directly by the customers. For all other cases, the contracted insurance coverage varies according to the value of the vehicles transported;

ii. *Cargo transport - products*

Insurance coverage contracted for possible damage or losses in transit varies according to the value of the cargo transported: Effective between July 2017 and July 2018, this has an indemnity limit per trip of US$ 900 (equivalent to R$3,500), damage coverage and maximum guarantee per trip of US$ 180 (equivalent to R$ 700).

iii. *Fleet*

The Company and its subsidiaries take out insurance for their fleet as required by contract and for coverage of third-party damage, however for the most part self-insure their fleet in view of the high cost against the premium benefit.

iv. *Third-party property liability*

The insurance on third-party property is presented as follows:

		Consolidated
Insured services	**Effectiveness**	**Amount secured**
Fire, lightning and explosion	12/2016 to 11/2018	79,000
Electrical damage	12/2016 to 11/2018	1,000
Windstorms, hurricanes, cyclones, tornados, hailstorms and vehicle impacts	12/2016 to 11/2018	3,000
Broken glass	12/2016 to 11/2018	10
Landslides	12/2016 to 11/2018	60
Aggravated theft	12/2016 to 11/2018	500
Stationary equipment	12/2016 to 11/2018	500
Mobile equipment	12/2016 to 11/2018	570
Civil liability - operations	12/2016 to 11/2018	1,520
Loss of profit	12/2016 to 11/2018	600
Theft of assets inside an establishment	12/2016 to 11/2018	30
Theft of assets in transit	12/2016 to 11/2018	10
Lease payment or loss	12/2016 to 11/2018	900
Cargo transportation	12/2016 to 11/2018	350
Third-party merchandise	12/2016 to 11/2018	175,285
Total coverage		**263,335**

v. *v. Insurance for guarantees of public obligations*

The JSL Group has insurance for guarantees of public obligations with insurance companies through its subsidiary CS Brasil at June 30, 2018, as shown below:

Beneficiary	**Guarantee**	**Location (State)**	**Insured amount**	**Effectiveness**
Agencies linked to the Government of the State of São Paulo	Vehicle rental / management with maintenance	São Paulo	14,655	5/28/2013 to 12/25/2018
Agencies linked to the Government of the State of Rio de Janeiro	Vehicle rental / management with maintenance	Rio de Janeiro	10,397	6/3/2013 to 7/14/2019
Agencies linked to the Government of the State of Minas Gerais	Vehicle rental / management with maintenance	Minas Gerais	3,877	12/22/2015 to 2/1/2022
Agencies linked to the Government of the State of Paraná	Vehicle rental / management with maintenance	Paraná	3,002	12/8/2017 to 12/14/2020
Agencies linked to the Government of the State of Goiás	Vehicle rental / management with maintenance	Goiás	2,018	9/18/2015 to 10/7/2018
Agencies linked to the Government of the State of Mato Grosso	Vehicle rental / management with maintenance	Mato Grosso	2,000	11/6/2012 to 12/18/2018
Agencies linked to the Government of the State of Bahia	Vehicle rental / management with maintenance	Bahia	1,289	5/29/2015 to 1/18/2019
Agencies linked to the Government of the State of Pernambuco	Vehicle rental / management with maintenance	Pernambuco	930	12/9/2013 to 2/2/2019
Agencies linked to the Government of the State of Piauí	Vehicle rental / management with maintenance	Piauí	835	5/12/2016 to 9/20/2018
Agencies linked to the Government of the State of Santa Catarina	Vehicle rental / management with maintenance	Santa Catarina	208	11/7/2016 to 12/10/2019

31. NET REVENUE FROM SERVICES RENDERED, RENTAL AND SALE OF ASSETS USED IN SERVICES RENDERED

	Parent company		Consolidated	
	6/30/2018	6/30/2017 (Reclassified note 2.8)	6/30/2018	6/30/2017 (Reclassified note 2.8)
Rental and services rendered revenue	1,708,105	1,570,692	3,093,441	2,664,515
Revenue from sale of vehicles and parts (i)	-	-	463,032	424,726
Revenue from sale of assets (ii)	77,310	93,381	845,698	923,215
Gross revenue	**1,785,415**	**1,664,073**	**4,402,171**	**4,012,456**
(-) Revenue deductions				
Taxes on sales	(263,377)	(246,558)	(420,874)	(379,467)
Returns	(30,982)	(18,337)	(59,006)	(41,792)
Others	(24,992)	(18,680)	(47,256)	(22,783)
Total net revenue	**1,466,064**	**1,380,498**	**3,875,035**	**3,568,414**

(i) Refers to revenue from sales of vehicles and parts by the segment of authorized vehicle dealerships;

(ii) Refers to revenue from sale of vehicles, machinery and equipment used in operations, which are sold in the fleet renewal process and assets intended to rental.

Taxes levied on sales consist primarily of the ICMS (rates from 7% to 19%), municipal taxes on services (rates from 2% to 5%), PIS (rates from 0.65% to 1.65%) and COFINS (rates from 3% to 7.6%).

32. EXPENSES BY NATURE

The JSL Group's statements of income (loss) are presented by function. Expenses by nature are as follows:

	Parent company		Consolidated	
	6/30/2018	6/30/2017 (Reclassified note 2.8)	6/30/2018	6/30/2017 (Reclassified note 2.8)
Cost of sales of new vehicles	-	-	(244,758)	(145,578)
Cost of sales of used vehicles	-	-	(121,879)	(124,104)
Fleet costs / expenses	(21,163)	(43,748)	(80,030)	(99,630)
Costs of sales of assets used in services rendered	(74,993)	(79,857)	(814,249)	(875,745)
Cost of sales of parts	-	-	(46,730)	(42,319)
Personnel	(425,336)	(396,993)	(732,464)	(661,705)
Related and third parties	(455,542)	(381,336)	(486,951)	(414,143)
Depreciation and amortization	(98,147)	(119,174)	(288,280)	(259,901)
Parts, tires and maintenance	(122,415)	(105,107)	(212,193)	(205,626)
Fuels and lubricants	(72,318)	(65,397)	(122,206)	(119,400)
Reversal (provision) for judicial and administrative litigation	1,005	(2,531)	1,590	(15,045)
Advertising and publicity	(672)	(784)	(3,016)	(2,756)
Service rendering	(45,244)	(45,771)	(113,922)	(97,053)
Expected credit losses in accounts receivables	(2,131)	(4,666)	(7,980)	(42,269)
Court-ordered indemnities	(7,496)	(4,839)	(12,076)	(8,454)
Electric power	(8,806)	(7,667)	(13,041)	(11,923)
Packaging material	(6,104)	(4,757)	(6,106)	(4,921)
Communication	(931)	(951)	(20,189)	(17,009)
Travel, meals and accommodation	(1,916)	(2,168)	(5,811)	(4,013)
Property leasing	(19,980)	(17,940)	(80,153)	(56,011)
Rent of vehicles, machinery and equipment	(16,107)	(12,203)	(17,949)	(9,108)
Result in the sale of damaged vehicles (iii)	358	354	(38,147)	(49,294)
Recovery of PIS and COFINS (ii)	64,118	60,151	139,249	116,645
Extemporaneous tax credits (iiiii)	27,227	5,070	62,789	17,089
Tax expenses	(4,255)	(1,378)	(8,955)	(5,968)
Other costs	(66,975)	(42,156)	(144,935)	(84,359)
	(1,357,823)	**(1,273,848)**	**(3,418,392)**	**(3,222,600)**
Cost of sales, rentals and services rendered	(1,219,665)	(1,090,895)	(2,218,781)	(1,962,664)
Cost of sales of demobilized assets	(74,993)	(79,857)	(814,249)	(875,745)
Administrative expenses (i)	(64,546)	(61,298)	(235,897)	(242,681)
Selling expenses (i)	(10,035)	(18,031)	(128,558)	(121,425)
Other operating expenses	(31,888)	(49,247)	(123,763)	(52,821)
Other operating income	43,304	25,480	102,856	32,736
	(1,357,823)	**(1,273,848)**	**(3,418,392)**	**(3,222,600)**

(i) In order to improve the presentation and disclosure of financial information and comparability with 2018, the Company reclassified in the period ended June 30, 2017 the amounts of R$ 79,329 and R$ 364,106, parent and consolidated, respectively, previously presented in heading administrative and commercial expenses.

(ii) At the parent company, the amount of R$ 27,227 (5,070 on June 30, 3017) is composed R$ 3,219 (5,070 on June 30,2017) of INSS funds and R$ 24,008 is composed of PIS and COFINS. In the consolidated the amount of R$ 62,789 (R$ 17,089 on June 30, 2017) consists of R$ 5,552 (R$ 9,720 on June 30, 2017) of INSS funds and R$ 57,237 (R$ 7,369 on June 30, 2017) of PIS and COFINS credits.

(iii) Refers to the cost of damaged vehicles written off, net of the respective amount recovered per sale, in the amount of R$ 763 and R$ 96,111 (R$ 5,233 and R$ 92,148 on June 30, 2017), parent company and consolidated, respectively.

33. FINANCE INCOME (COSTS)

	Parent company		Consolidated	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Finance costs				
Debt service costs				
Interest on borrowings and financing and debentures	(234,232)	(237,983)	(397,806)	(306,496)
Interest and bank fees on finance leases	(4,262)	(10,771)	(9,765)	(20,400)
Interest on suppliers financing – car maker	(484)	(1,009)	(18,676)	(45,290)
Exchange rate changes	(299,406)	(8,913)	(610,965)	(9,133)
Results on swap operations, net	250,457	(7,503)	252,422	(7,503)
Other interest	(5,626)	31	(6,852)	(3,764)
Total debt service costs	**(293,553)**	**(266,148)**	**(791,642)**	**(392,586)**
Other finance costs	(8,196)	(11,083)	(17,992)	(26,973)
Total finance costs	**(301,749)**	**(277,231)**	**(809,634)**	**(419,559)**
Finance income				
Financial investments	47,580	23,034	142,476	62,749
Monetary variation income	37,788	8,727	38,429	12,679
Exchange rate changes	-	-	270,304	-
Other finance income	2,618	859	11,796	5,546
Interest received	3,313	564	9,313	4,804
Total finance income	**91,299**	**33,184**	**472,318**	**85,778**
Finance result, net	**(210,450)**	**(244,047)**	**(337,316)**	**(333,781)**

34. EARNINGS (LOSS) PER SHARE

34.1 Basic

Basic and diluted earnings (loss) per share are calculated by dividing the profit (loss) attributable to shareholders of the JSL Group by the weighted average number of outstanding common shares during the year, excluding common shares repurchased by the JSL Group and held as treasury shares.

The calculation of basic earnings (loss) per share is presented below:

	Consolidated	
	6/30/2018	6/30/2017
Numerator:		
Net profit (loss) the year attributable to owners of the Company	46,892	(605)
Denominator:		
Weighted average number of outstanding shares	201,583,834	201,583,834
Basic earnings (loss) per share - R$	**0.2326**	**(0.0030)**

34.2 Diluted

Diluted earnings (loss) per share are calculated by adjusting the weighted average number of outstanding common shares for presume the conversion of all potential common shares with dilutive effects.

The JSL Group has a category of common shares which could potentially cause dilution: stock options. In the case of stock options, the number of shares that could be purchased at fair value is determined (fair value being the annual average market price for the JSL Group shares), based on the monetary value of the subscription rights for outstanding options. The number of shares calculated as mentioned before is compared with the number of shares outstanding, assuming that all the options are exercised.

(a) Diluted

	6/30/2018	6/30/2017
Net profit (loss) the period attributable to owners of the Company	46,892	(605)
Net profit (loss) used to determine diluted profit (loss) per share	46,892	(605)
Weighted average number of outstanding shares	201,583,834	201,583,834
Adjustments for:		
Stock options (weighted)	4,517,319	-
Weighted average of number of shares to diluted earnings (loss) per share	206,101,153	201,583,834
Basic earnings (loss) per share - R$	**0.2275**	**(0.0030)**

Diluted earnings are calculated considering the number of potential shares (share option). However, due to the loss reported in period ended June 30, 2017, the number of potential shares (share option) have a non-diluting effect and, consequently, are not considered in the calculation of loss per diluted share.

35. OPERATING LEASES

35.1 Group as lessee

The JSL Group has lease agreements for its branch offices and stores signed with third parties. After analyzing these agreements, Management concluded that they qualify as operating leases.

These lease agreements are effective from 1 to 15 years, automatically renewable as per the agreement, for an additional indefinite period. The lease amount is equivalent to a fixed monthly installment, adjusted for inflation annually based on an index specified in the agreement, in general the General Market Price Index (IGPM).

At June 30, 2018, the operating lease expenses totaled R$ 80,153 (R$ 31,087 at June 30, 2017).

35.2 Group as lessor

The Group has service agreements classified as operating leases, with maturities until 2027. These agreements normally have periods from 1 to 10 years, with the option of renewal after this period. The lease receipts are remeasured by inflation indexes, to reflect the market values.

36. SUPPLEMENTAL INFORMATION TO THE STATEMENT OF CASH FLOWS

The statements of cash flows, under the indirect method, are prepared and presented in accordance with the accounting pronouncement CPC03 (R2) – Statement of cash flows (IAS 7).

The JSL Group made acquisitions of vehicles for renewal and expansion of its fleet, part of these vehicles does not affect cash because they are financed. These acquisitions without cash outflow effect are as follows:

	Parent company		Consolidated	
	6/30/2018	**6/30/2017**	**6/30/2018**	**6/30/2017**
Total additions to property and equipment	118,391	213,197	1,739,736	1,400,265
Addition leasing and Finame for the acquisition of property and equipment	(56,655)	76,275	(262,777)	(224,268)
Changes in the balance of suppliers financing - car makers	3,623	1,288	260,836	(72,291)
Changes in the balance of trade payables for property and equipment and car makers	(6,554)	-	10,164	-
Consortium accounts	-	-	-	(2,545)
	58,804	**290,760**	**1,747,959**	**1,101,161**
Cash flow statements				
Operating property and equipment	49,334	289,359	1,729,646	1,094,969
Property and equipment for investment	9,470	1,401	18,313	6,192
Total additions to property and equipment	**58,804**	**290,760**	**1,747,959**	**1,101,161**

37. SUBSEQUENT EVENTS

The 2nd (second) issue of commercial promissory notes

On August 6, 2018, the Company's Board of Directors approved the second (second) issuance of commercial promissory notes, in up to 18 (eighteen) series, in the total amount of up to R$ 400.000. The Commercial Notes will be publicy distributed with restricted distribution efforts and will be entitled to interest of 100% of the daily average DI rates per year, plus a surcharge or spread to be defined in the respective cartouches, varying between 1.25% and 1.60%, with maturity dates between 180 and 1080 days, are subject to the same commitment clauses of financial indicators mentioned in note 19

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Statement of Fiscal Council

JSL S.A.
PUBLICLY-HELD COMPANY

CNPJ/MF n° 52.548.435/0001-79
NIRE 35.300.362.683

STATEMENT OF FISCAL COUNCIL

The Fiscal Council of JSL S.A ("Company"), in the exercise of the competence provided for in article 163 of Law 6.404/76, at a meeting held on this date, after examining the Interim Financial Information for the six-month period ended June 30, 2018, concludes, based on the examinations made and considering also the Independent Auditors' Report, unanimously, that these documents adequately reflect the Company's financial condition.

São Paulo, August 8, 2018.

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Luiz Augusto Marques Paes

_____
Luciano Douglas Colauto

_____
Rafael Ferraz Dias de Moraes

Statement of the Executive Board on the Financial Statements

STATEMENT OF EXECUTIVE BOARD ON INTERIM FINANCIAL INFORMATION

In accordance with item VI of article 25 of CVM Instruction 480 of December 7, 2009, the Executive Board declares that it reviewed, discussed and agreed to the interim financial information of the Company for the period ended June 30, 2018, authorizing the conclusion on this date.

São Paulo, August 9, 2018.

Fernando Antonio Simões
Chief Executive Officer

Denys Marc Ferrez
Chief Administrative, Financial and Investors' Relations Officer

Samir Moises Gilio Ferreira
Controller Director

Statement of the Executive Board on the Independent Auditors' Report

STATEMENT OF THE EXECUTIVE BOARD ON THE INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE INTERIM FINANCIAL INFORMATION

In accordance with item V of article 25 of CVM Instruction 480 of December 7, 2009, the Executive Board declares that reviewed, discussed and agreed with the conclusions expressed on the Independent Auditors' Report on review of the interim financial information of the Company, for the period June 30, 2018 issued on this date.

São Paulo, August 9, 2018.

Fernando Antonio Simões
Chief Executive Officer

Denys Marc Ferrez
Chief Administrative, Financial and Investors' Relations Officer

Samir Moises Gilio Ferreira
Controller Director