JSL S.A. and its subsidiaries

Quarterly information – ITR related to the quarter ended September 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)



3Q18 PERFORMANCE COMMENTS

Financial and Operating Highlights
JSL Group Consolidated

- **Record Net Income of R$128.5 million YTD**; in the 3Q18 it totaled R$54,0 million, growing for the fifth consecutive quarter. The evolution of the results was sustained by better performance in all companies, with improved margins in Logistics, operational evolution of Movida and growth opportunities in Vamos;

- **Record EBITDA of R$420 million, 34.4% higher** than 3Q17, with EBITDA Margin of 24.9%;

- **Net Revenue of R$2.1 billion in 3Q18, an increase of 10.5%** compared to 3Q17, due to the resilience of our long-term contracts and diversification of services, participating in more than 16 segments of the economy;

- **We increased our stake in Movida to 70.1%** after the capital increase completed in October, at a price of R$6.26, which totaled R$312.6 million. The adjustments made in part of the processes coupled with the scale reached, even without the full maturity of the business, begins to demonstrate the potential of results in Movida;

- **JSL won for the fifth time the Transparency Trophy of ANEFAC** (National Association of Executives of Finance, Administration and Accounting) in October 2018;

- **ROIC of 10.4%, the highest profitability of the last 8 years,** which means an evolution of 2 p.p. in relation to 3Q17;

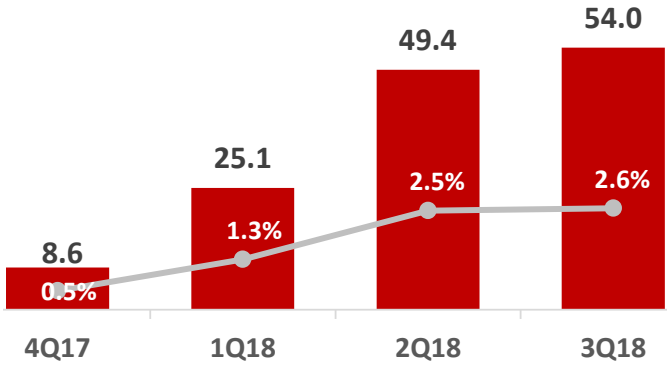
- Our companies are structured, with **focused people** and in **segments with great potential for growth**, which makes us believe that we are starting a new cycle of development connected to **differentiated results**.



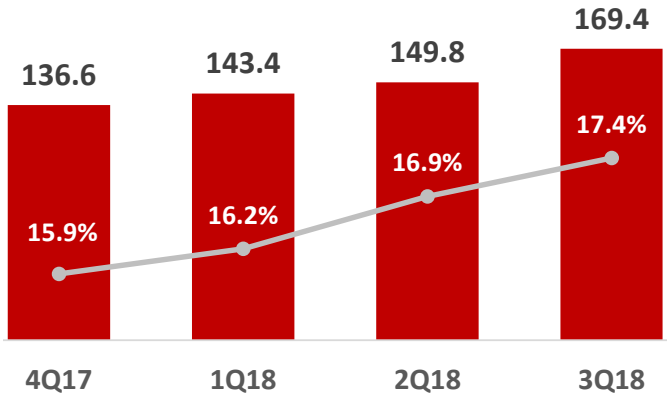
"The Group's Net Income grew for the fifth quarter in a row with expanding net margins. We work to bring even more returns compatible with our businesses. Our companies are structured, with focused people and in segments of great growth potential, which makes us believe that we started a new cycle of development connected to differentiated results."

Fernando Antonio Simões – CEO of JSL S.A.

Net Income and Net Margin



EBITDA and EBITDA Mg



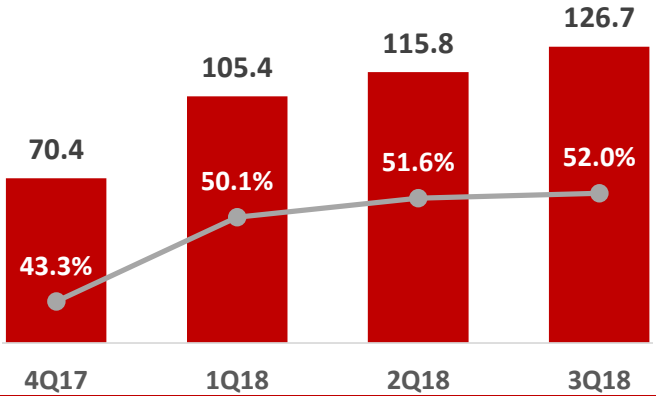
"In Logistics we have improved our margins, even operating in an extremely competitive sector that has been strongly affected by the economic recession. After adjusting our operating bases and some prices throughout the year, the EBITDA grew for the fourth quarter in a row, starting to reflect in a substantial way the discrete rise of volumes."

Adriano Thiele – COO of JSL Logística

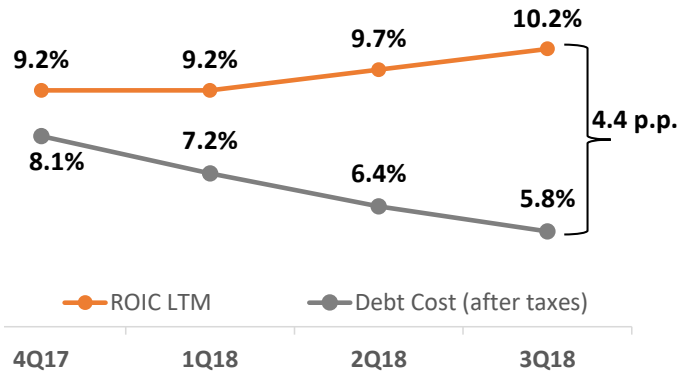
"Vamos, the leader in its business in the country, is uniquely positioned due to its portfolio of services and range of its sales and service network, delivering adequate margins with great predictability. Vamos, a strong cash generator, posted an increase in EBITDA for the fourth consecutive quarter and is ready to grow further."

Gustavo Moscatelli – CFO of Vamos

EBITDA and EBITDA Mg



ROIC over Cost of Debt



"Movida's Net Income increased for the fifth consecutive quarter. Among the highlights is the return on invested capital. The spread between ROIC and cost of debt is at the highest level in Movida's history."

Renato Franklin – CEO of Movida



I. Comments from Management

The results for the third quarter of 2018 confirm JSL's successful strategic choices over the last few years. **In the first nine months of this year we had a record net profit of R$128.5 million**, compared to R$8.1 million in the same period of the previous year. That number **is higher than all the year-end profits already reported by the company.**

The result is a consequence of the resilient strategy adopted in Logistics, the maturity of Movida's business, and the growth with adequate profitability of Vamos.

Since the IPO in April 2010, the company grew by developing all its business units by creating new platforms and transforming them into independent companies, with relevant scale, acting in markets that offer great opportunity of expansion.

The Group continues to focus on contracts with high profitability, with long-term, and top-tier customers, which will ensure the business's perpetuity.

The Group is prepared to capture the opportunities that the new growth cycle will bring.

In the quarter, consolidated Net Income increased for the fifth consecutive period, totaling R$54.0 million. The evolution of the results was sustained by better performance in all business units, with a focus on improving profitability.

We experienced operational improvement in all of the group's companies. JSL Logística continues to improve its EBITDA margin, which grew for the fourth consecutive quarter, even while operating in a sector that was highly impacted by years of economic recession. Vamos, which has a complete and unique structure in its segment, delivered another quarter of EBITDA growth and stable margins, consolidating itself as a mature and resilient business for cash generation. Movida continues to advance in its maturing process, with focus on execution. The spread between ROIC and the cost of debt is at the highest level in the company's history.

The Group's annualized ROIC reached 10.4%, its highest level in the last 8 years, as a result of all the actions described above.

II. Financial Summary – JSL Consolidated

	JSL - Consolidated					
Financial Statements (R$ million)	**3Q17**	**2Q18**	**3Q18**	**▲Y o Y**	**▲Q o Q**	**LTM[1]**
Gross Revenue	**2,113.0**	**2,207.8**	**2,354.2**	**11.4%**	**6.6%**	**8,862.4**
Net Revenue	**1,872.0**	**1,938.2**	**2,068.9**	**10.5%**	**6.7%**	**7,766.3**
Logistics	952.2	976.3	1,050.2	10.3%	7.6%	3,907.2
Vamos	185.3	241.1	269.3	45.3%	11.7%	977.1
Movida	657.2	609.9	611.5	-7.0%	0.3%	2,396.9
Original	157.1	162.9	184.4	17.4%	13.2%	663.0
Intercompany Elimination	(79.9)	(52.0)	(46.5)	-41.8%	-10.6%	(177.8)
Net Revenue from Services	**1,366.1**	**1,523.2**	**1,686.6**	**23.5%**	**10.7%**	**6,146.5**
Net Revenue of Asset Sales	**505.9**	**415.0**	**382.3**	**-24.4%**	**-7.9%**	**1,619.9**
EBITDA	**312.4**	**391.2**	**420.0**	**34.4%**	**7.4%**	**1,480.3**
Margin (% NR from Services)	22.9%	25.7%	24.9%	+2.0 p.p.	-0.8 p.p.	24.1%
Net Result	**1.1**	**49.4**	**54.0**	**-**	**9.3%**	**132.0**

[1] Considers 4Q17 of Borgato (Acquired on Dec/2017)



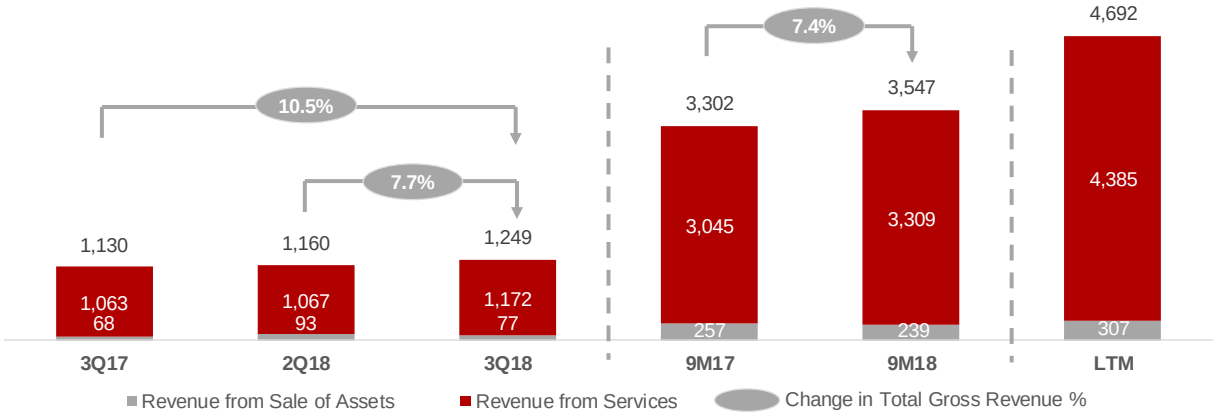
III. Logística

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, and all comparisons reflect this new organization.

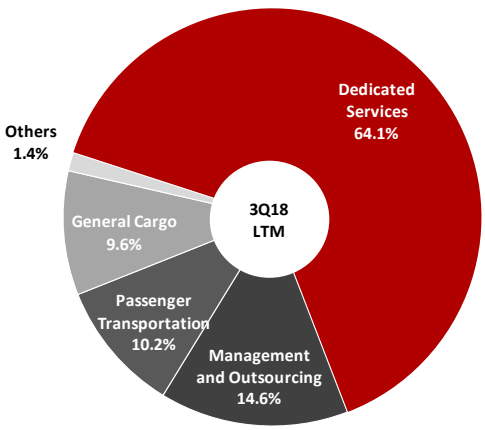
Gross Revenue

	JSL - Logística								
Gross Revenue (R$ million)	**3Q17**	**2Q18**	**3Q18**	**▲Y o Y**	**▲Q o Q**	**9M17**	**9M18**	**▲Y o Y**	**LTM**
Gross Revenue	**1,130.5**	**1,160.0**	**1,249.3**	**10.5%**	**7.7%**	**3,302.3**	**3,547.2**	**7.4%**	**4,692.4**
Revenue from Services	1,062.6	1,067.3	1,172.1	10.3%	9.8%	3,044.9	3,308.6	8.7%	4,385.1
Revenue from Sale of Assets	67.8	92.7	77.2	13.9%	-16.7%	257.4	238.6	-7.3%	307.3

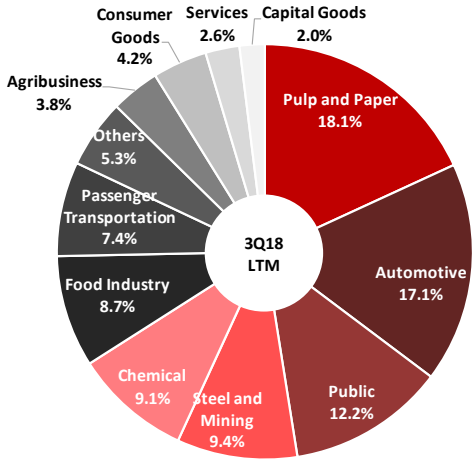
In 3Q18, Total Gross Revenue reached R$1.2 billion (+10.5% YoY), with a Gross Revenue from Services of R$1.2 billion (+10.3% YoY). Such growth during 3Q18 was mainly boosted by a discrete raise in volumes and by the readjustment of contract prices during the year, aiming for an adequate profitability, within a still adverse business environment.



Revenue Breakdown by Business Line



Revenue Breakdown by Economic Sector





RSC – Revenue from Same Contracts

RSC (R$ million)	3Q17	3Q18	▲Y o Y	9M17	9M18	▲Y o Y
Gross Revenue from Services	**1,003.7**	**1,081.9**	**7.8%**	**2,751.8**	**2,944.6**	**7.0%**
Dedicated Services	646.8	709.7	9.7%	1,726.2	1,887.1	9.3%
Management and Outsourcing (Vehic./Mach./Equip.)*	151.2	133.4	-11.8%	426.5	407.3	-4.5%
Passenger Transportation	105.6	106.3	0.6%	316.8	313.0	-1.2%
General Cargo transportation	87.1	117.9	35.4%	239.4	293.2	22.5%
Others	12.9	14.6	13.0%	42.9	44.0	2.5%

* With adition of services

The highlight of the Gross Revenue from the Same Contracts (RSC) was the increase in General Cargo and Dedicated Services in the annual comparison. In both services, as already pointed out, the growth was due to the realignment of prices implemented in the period, mainly driven by the focus on profitability.

Net Revenue

	JSL - Logística								
Net Revenue (R$ million)	**3Q17**	**2Q18**	**3Q18**	**▲Y o Y**	**▲Q o Q**	**9M17**	**9M18**	**▲Y o Y**	**LTM**
Net Revenue	**952.2**	**976.3**	**1,050.2**	**10.3%**	**7.6%**	**2,815.1**	**2,979.2**	**5.8%**	**3,907.2**
Net Revenue from Services	887.6	886.7	973.3	9.7%	9.8%	2,565.3	2,745.0	7.0%	3,605.8
Net Revenue from Sale of Assets	64.6	89.7	76.8	18.9%	-14.4%	249.8	234.2	-6.2%	301.4

Costs

	JSL - Logística								
Costs (R$ million)	**3Q17**	**2Q18**	**3Q18**	**▲ Y-o-Y**	**▲ Q-o-Q**	**9M17**	**9M18**	**▲Y o Y**	**LTM**
Cost of Services	**(762.3)**	**(783.4)**	**(817.9)**	**7.3%**	**4.4%**	**(2,226.3)**	**(2,360.1)**	**6.0%**	**(3,113.7)**
Personnel	(256.2)	(263.2)	(264.4)	3.2%	0.5%	(743.0)	(772.6)	4.0%	(1,035.1)
Independent contractors / third parties	(233.7)	(240.5)	(263.7)	12.8%	9.6%	(647.9)	(750.5)	15.8%	(1,003.4)
Fuel and lubricants	(55.2)	(60.5)	(65.0)	17.8%	7.4%	(164.1)	(180.2)	9.8%	(236.7)
Parts / tires / maintenance	(70.1)	(78.8)	(86.9)	24.0%	10.3%	(208.0)	(243.5)	17.1%	(314.5)
Depreciation	(76.3)	(69.9)	(74.2)	-2.8%	6.2%	(228.8)	(215.5)	-5.8%	(288.2)
Others	(70.8)	(70.4)	(63.7)	-10.0%	-9.5%	(234.5)	(197.9)	-15.6%	(235.8)
Costs of Sales of Assets	**(62.3)**	**(89.1)**	**(81.9)**	**31.5%**	**-8.1%**	**(247.3)**	**(237.0)**	**-4.2%**	**(303.5)**
Sale of Assets	(62.3)	(89.1)	(81.9)	31.5%	-8.1%	(247.3)	(237.0)	-4.2%	(303.5)
Total	**(824.6)**	**(872.5)**	**(899.8)**	**9.1%**	**3.1%**	**(2,473.6)**	**(2,597.1)**	**5.0%**	**(3,417.2)**
Total (as % of Total Net Revenue)	**86.6%**	**89.4%**	**85.7%**	**-0.9 p.p.**	**-3.7 p.p.**	**87.9%**	**87.2%**	**-0.7 p.p.**	**87.5%**

In 3Q18, Costs of Services totaled R$817.9 million, a growth of 7.3% YoY, lower than the Net Revenue from Services growth of 9.7% YoY. The composition of Costs of Services reflects the adjusts made in the operational bases and the management of asset light contracts, in which there is a greater predominance of subcontracting. In this regard, there was a 3.2% YoY growth in Personnel and a 12.8% YoY growth in Independent Contractors and Third Parties in such a way that the sum of both lines represented a 7.8% YoY growth, still lower than the growth in Net Revenue from Services.



Gross Profit

Gross Profit (R$ million)	JSL - Logística								
	3Q17	2Q18	3Q18	▲Y o Y	▲Q o Q	9M17	9M18	▲Y o Y	LTM
Gross Profit from Services	**125.3**	**103.2**	**155.4**	**24.0%**	**50.6%**	**339.0**	**384.9**	**13.5%**	**492.1**
Margin (% NR from Services)	14.1%	11.6%	16.0%	+1.9 p.p.	+4.4 p.p.	13.2%	14.0%	+0.8 p.p.	13.6%
Gross Profit from Sale of Assets	**2.3**	**0.6**	**(5.1)**	**-**	**-**	**2.5**	**(2.8)**	**-**	**(2.1)**
Margin (% NR from Sale of Assets)	3.5%	0.7%	-6.6%	-10.1 p.p.	-7.3 p.p.	1.0%	-1.2%	-2.2 p.p.	-0.7%
Total Gross Profit	**127.6**	**103.8**	**150.3**	**17.8%**	**44.8%**	**341.5**	**382.1**	**11.9%**	**490.0**
Margin (% Total NR)	13.4%	10.6%	14.3%	+0.9 p.p.	+3.7 p.p.	12.1%	12.8%	+0.7 p.p.	12.5%

In 3Q18, Total Gross Profit reached R$150.3 million (+17.8% YoY), while Gross Margin stood at 14.3%, representing an increase by 0.9 p.p. in the annual comparison, mainly due to the normalization of prices along this year and the still incipient improvement in volumes, besides the operational adjustments of costs, as previously mentioned, which contributed to a better margin in the quarterly and annual comparison.

Operating Expenses before the Financial Result

Operating Expenses (R$ million)	JSL - Logística								
	3Q17	2Q18	3Q18	▲Y o Y	▲Q o Q	9M17	9M18	▲Y o Y	LTM
Administrative and Sales Expenses	(50.6)	(41.3)	(55.1)	8.9%	33.4%	(158.9)	(148.2)	-6.7%	(202.1)
Tax Expenses	(3.0)	(1.4)	(1.0)	-66.7%	-28.6%	(5.3)	(6.6)	24.5%	(8.0)
Other Operating Expenses	(5.9)	14.1	(3.7)	-37.3%	-126.2%	10.1	6.3	-37.6%	13.2
Equity in Subsidiaries	-	0.6	0.6	-	0.0%	-	0.8	-	0.8
Total	**(59.5)**	**(28.0)**	**(59.2)**	**-0.5%**	**111.4%**	**(154.1)**	**(147.7)**	**-4.2%**	**(196.1)**
Total (as % of Total Net Revenue fro	**6.7%**	**3.2%**	**6.1%**	**-0.6 p.p.**	**+2.9 p.p.**	**6.0%**	**5.4%**	**-0.6 p.p.**	**5.4%**

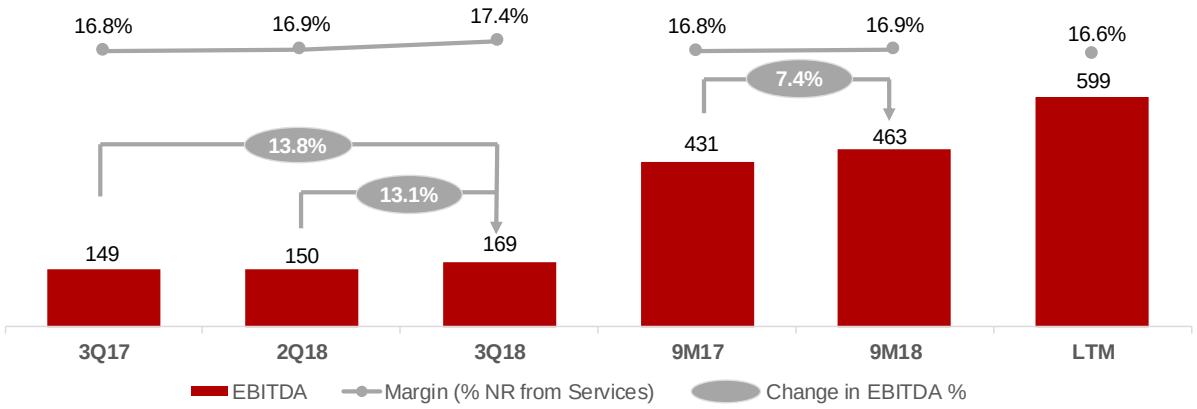
Operating Expenses fell 0.5% YoY, while Net Revenue from Services increased 9.7% YoY. The combination of higher revenue growth and control of operating expenses brought a greater dilution of expenses in 3Q18 when compared to the same period of the previous year.

We highlight that in 2Q18, the Operating Expenses were positively impacted by one-off PIS/COFINS credits and the reversal of Allowances for Doubtful Accounts, which makes it difficult to compare the results with 3Q18. There was a positive impact of R$14.1 million in the Other Operating Revenue (Expenses) line in 2Q18, mainly due to the non-recurrent PIS/COFINS credit.

EBIT, EBITDA and EBITDA-A

EBIT, EBITDA & EBITDA-A (R$ million)	JSL - Logística								
	3Q17	2Q18	3Q18	▲Y o Y	▲Q o Q	9M17	9M18	▲Y o Y	LTM
EBIT	**68.1**	**75.9**	**91.1**	**33.8%**	**20.0%**	**187.4**	**234.4**	**25.1%**	**293.9**
Margin (% NR from Services)	7.7%	8.6%	9.4%	+1.7 p.p.	+0.8 p.p.	7.3%	8.5%	+1.2 p.p.	8.2%
EBITDA	**148.9**	**149.8**	**169.4**	**13.8%**	**13.1%**	**430.7**	**462.7**	**7.4%**	**599.4**
Margin (% NR from Services)	16.8%	16.9%	17.4%	+0.6 p.p.	+0.5 p.p.	16.8%	16.9%	+0.1 p.p.	16.6%
EBITDA-A	**211.3**	**238.9**	**251.4**	**19.0%**	**5.2%**	**678.0**	**699.7**	**3.2%**	**902.8**
Margin (% Total NR)	22.2%	24.5%	23.9%	+1.7 p.p.	-0.6 p.p.	24.1%	23.5%	-0.6 p.p.	23.1%

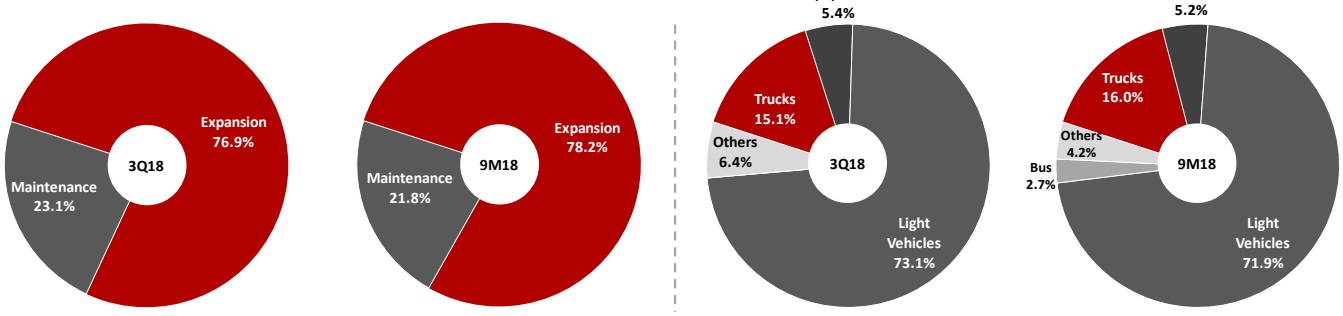
In 3Q18, EBITDA reached R$169.4 million (+13.8% YoY) while EBITDA Margin came in at 17.4% (+0.6 p.p. YoY), evidencing the dilution of costs and expenses and the operational improvement in the period.



Investments

	JSL - Logística								
Capex (R$ million)	**3Q17**	**2Q18**	**3Q18**	**▲Y o Y**	**▲Q o Q**	**9M17**	**9M18**	**▲Y o Y**	**LTM**
Gross capex by nature	**88.1**	**228.0**	**194.8**	**121.1%**	**-14.6%**	**461.1**	**562.5**	**22.0%**	**655.9**
Expansion	59.9	194.7	149.8	150.1%	-23.1%	357.6	439.8	23.0%	507.4
Maintenance	28.2	33.3	45.0	59.6%	35.1%	103.5	122.7	18.6%	148.6
Others	-	-	-	-	-	-	-	-	-
Gross capex by type	**88.1**	**228.0**	**194.8**	**121.1%**	**-14.6%**	**461.1**	**562.5**	**22.0%**	**655.9**
Trucks	34.1	31.6	29.5	-13.5%	-6.6%	100.4	89.9	-10.5%	129.8
Machinery and Equipment	7.4	0.8	10.6	43.2%	-	24.4	29.3	20.1%	35.0
Light Vehicles	40.8	181.7	142.9	-	-21.4%	305.6	404.8	32.5%	448.5
Bus	2.6	6.8	-	-100.0%	-100.0%	15.5	15.3	-1.3%	15.5
Others	3.1	7.1	12.0	-	69.0%	15.2	23.3	53.3%	27.2
Usual sale of assets	**(67.8)**	**(92.7)**	**(77.2)**	**13.9%**	**-16.7%**	**(257.4)**	**(238.6)**	**-7.3%**	**(307.3)**
Maintenance	(51.4)	(66.3)	(61.2)	19.1%	-7.7%	(212.8)	(179.6)	-15.6%	(227.9)
End of contract	(16.7)	(15.6)	(16.8)	0.6%	7.7%	(43.0)	(52.3)	21.6%	(56.2)
Exchange of operational scope	(7.3)	(2.9)	(3.0)	-58.9%	3.4%	(12.8)	(8.0)	-37.5%	(15.2)
Cancellations and sales return	7.6	(7.9)	3.9	-48.7%	-149.4%	11.2	1.2	-89.3%	(7.9)
Total net capex	**20.3**	**135.3**	**117.7**	**-**	**-13.0%**	**203.7**	**323.9**	**59.0%**	**348.7**

In 3Q18, Net Capex totaled R$117.7 million in 3Q18, versus R$20.3 million in 3Q17 and R$135.3 million in 2Q18. The investments carried out are focused on Fleet Management and Outsourcing activities in CS Brasil, narrowing the focus on mixed capital companies with its own cash flow and long-term contracts.





IV. Vamos

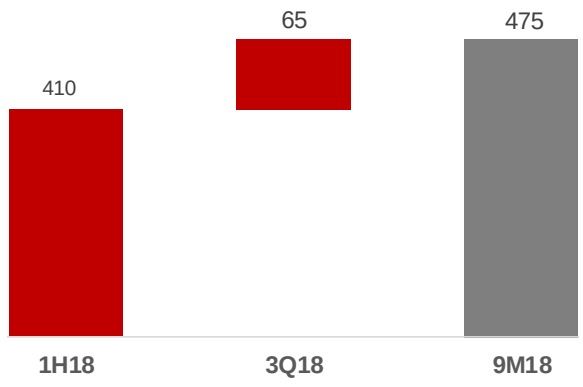
Financial Information (R$ million)	Vamos								
	3Q17	2Q18	3Q18	▲Y o Y	▲Q o Q	9M17	9M18	▲Y o Y	LTM
Gross Revenue	**207.4**	**270.3**	**301.6**	**45.4%**	**11.6%**	**591.5**	**826.8**	**39.8%**	**1,021.5**
Net Revenue	**185.3**	**241.1**	**269.3**	**45.3%**	**11.7%**	**522.6**	**740.3**	**41.7%**	**916.3**
Net Revenue from Services	**164.8**	**224.4**	**243.7**	**47.9%**	**8.6%**	**470.4**	**678.6**	**44.3%**	**841.0**
Rental	96.9	127.8	135.8	40.1%	6.3%	282.6	375.5	32.9%	472.5
Dealerships	61.6	89.0	99.5	61.5%	11.8%	171.3	279.9	63.4%	337.9
Used Vehicles	6.3	7.6	8.4	33.3%	10.5%	16.6	23.2	39.8%	30.6
Net Revenue from Sale of Assets	**20.6**	**16.7**	**25.6**	**24.3%**	**53.3%**	**52.2**	**61.7**	**18.2%**	**75.3**
EBIT	**44.2**	**64.5**	**66.9**	**51.4%**	**3.7%**	**148.4**	**191.2**	**28.8%**	**227.6**
Margin	23.8%	26.7%	24.8%	+1.0 p.p.	-1.9 p.p.	28.4%	25.8%	-2.6 p.p.	24.8%
Rental EBITDA	**77.1**	**111.1**	**112.3**	**45.7%**	**1.1%**	**236.3**	**322.2**	**36.4%**	**394.7**
Margin (% NR from Rental)	79.5%	86.9%	82.7%	+3.2 p.p.	-4.2 p.p.	83.6%	85.8%	+2.2 p.p.	83.5%
EBITDA	**76.3**	**115.8**	**126.7**	**66.1%**	**9.4%**	**238.8**	**347.9**	**45.7%**	**418.3**
Margin (% NR from Services)	46.3%	51.6%	52.0%	+5.7 p.p.	+0.4 p.p.	50.8%	51.3%	+0.5 p.p.	49.7%
Net Income	**20.8**	**35.2**	**36.5**	**75.5%**	**3.7%**	**76.0**	**99.6**	**31.1%**	**120.3**
Margin	11.2%	14.6%	13.5%	+2.3 p.p.	-1.1 p.p.	16.2%	14.7%	-1.5 p.p.	13.1%

Vamos, the largest rental and commercialization company for trucks, machinery and equipment in Brazil, which has a complete and unique structure in its segment, with approximately 11,000 assets and a network of 40 own stores, which sell 100% of its assets (new and used), including a network of authorized truck dealerships and a network of dealerships of machines and equipment. The long-term nature of the rental contracts (5 years average) with top-tier customers guarantees revenue resilience, cash generation with low volatility and predictability of future revenues.

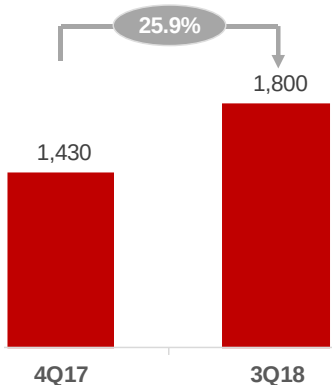
In 3Q18, Vamos recorded a Total Net Revenue of R$269.3 million (+45.3% YoY), with highlights to Net Rental Revenue of R$135.8 million (+40.1% YoY). The increase is explained by the consolidation of Borgato, whose acquisition was concluded in December 2017, in addition to an organic growth in Net Rental Revenue in the annual comparison, despite the still adverse macroeconomic scenario.

On a quarterly comparison, we highlight the growth of the dealership business (+11.8% QoQ) and the rental business (+6.3% QoQ), which has been expanding significantly in consecutive quarters. Year to date, a total of 112 rental contracts were signed, increasing the backlog of contracted revenues by R$665 million, which together with previous agreements represent a future contracted revenue of R$1.8 billion at the end of 3Q18 (+25.9% versus 4Q17). We highlight that the balance of the backlog until 3Q18 is equivalent to 3.8 years of rental revenues, based on the accumulated revenue for the last twelve months.

Contracted Assets



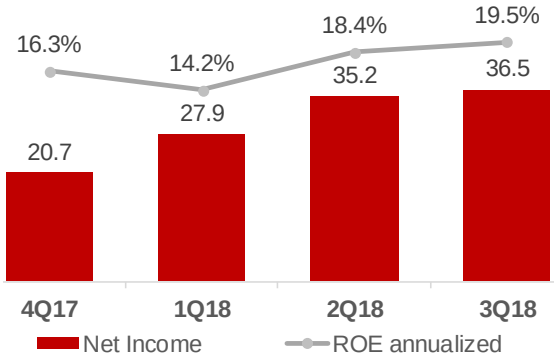
Revenue Backlog



Net Revenue from Asset Sales totaled R$25.6 million, a significant 53.3% growth versus 2Q18. The total amount of assets sold in the quarter totaled 368, already reaching the mark of 818 YTD, demonstrating Vamos' expertise to manage the turnover of its assets.

Vamos' consolidated EBITDA reached R$126.7 million, a significant growth of 66.1% YoY and service EBITDA Margin stood 52.0%, a 5.7 p.p. growth versus 3Q17. EBITDA of the rental business represented 89% of Vamos' consolidated EBITDA from services, reaching R$112.3 million, and had a rental EBITDA Margin of 82.7% in the quarter, demonstrating the strong profitability and cash generation capacity of this business.

Net Income and ROE



Vamos' Net Income totaled R$36.5 million in 3Q18 (+75.5% YoY), a record high since the company's foundation. Year to date, Net Income totaled R$99.6 million, while Return on Equity (ROE) for 3Q18 annualized reached 19.5%.

	Vamos								
Capex (R$ million)	**3Q17**	**2Q18**	**3Q18**	**▲Y o Y**	**▲Q o Q**	**9M17**	**9M18**	**▲Y o Y**	**LTM**
Gross capex by nature	**10.5**	**126.2**	**129.8**	**-**	**2.9%**	**287.3**	**378.3**	**31.7%**	**417.1**
Expansion	9.2	119.6	91.6	-	-23.4%	236.9	291.8	23.2%	328.5
Maintenance	1.2	6.6	38.2	-	-	50.4	86.5	71.6%	88.6
Gross capex by type	**10.5**	**126.2**	**129.8**	**-**	**2.9%**	**287.3**	**378.3**	**31.7%**	**417.1**
Trucks	1.7	32.4	63.2	-	95.1%	125.9	161.1	28.0%	189.1
Machinery and Equipment	0.0	81.4	19.4	-	-76.2%	135.3	154.0	13.8%	154.6
Utility vehicles									
Buses	-	-	-	-	-	2.1	-	-100.0%	2.1
Usual sale of assets	**(20.8)**	**(17.0)**	**(25.7)**	**23.6%**	**51.2%**	**(54.8)**	**(63.2)**	**15.3%**	**(77.0)**
Total net capex	**(10.4)**	**109.2**	**104.1**	**-**	**-4.7%**	**232.5**	**315.0**	**35.5%**	**340.1**

In 3Q18, Vamos' Gross Capex totaled R$129.8 million, allocated towards new businesses in the rental segment, distributed among the acquisition of new trucks (+49%), machinery and equipment (+15%), and utility vehicles (+36%). This level of investment is in line with Vamos' strategy of maintaining strong growth in the rental business while guaranteeing revenue sustainability and cash generation for the upcoming periods.

Net Capex totaled R$104.1 million in 3Q18, versus R$109.2 million in 2Q18. The drop is mainly explained by the R$8.7 million increase in Revenue from Sale of Assets, which offset the higher investments towards the expansion of new businesses.



V. Movida

Financial Information (R$ million)	Movida								
	3Q17	2Q18	3Q18	▲Y o Y	▲Q o Q	9M17	9M18	▲Y o Y	LTM
Gross Revenue	**689.5**	**650.3**	**656.6**	**-4.8%**	**1.0%**	**1,915.5**	**1,957.1**	**2.2%**	**2,562.0**
RAC	214.5	226.6	259.4	20.9%	14.5%	610.3	717.7	17.6%	944.1
GTF	55.6	88.8	93.5	68.2%	5.3%	165.8	264.3	59.4%	329.8
Used Vehicles	419.3	335.0	303.7	-27.6%	-9.3%	1,139.4	975.2	-14.4%	1,288.1
Net Revenue	**657.2**	**609.9**	**611.5**	**-7.0%**	**0.3%**	**1,830.3**	**1,825.6**	**-0.3%**	**2,396.9**
Net Revenue from Services	238.6	275.6	308.7	29.4%	12.0%	692.6	852.3	23.1%	1,111.2
Net Revenue from Sale of Assets	418.6	334.3	302.9	-27.6%	-9.4%	1,137.7	973.3	-14.5%	1,285.6
EBIT	**65.4**	**98.2**	**91.0**	**39.1%**	**-7.3%**	**186.3**	**272.5**	**46.3%**	**338.3**
Margin (% NR from Services)	27.4%	35.6%	29.5%	+2.1 p.p.	-6.1 p.p.	26.9%	32.0%	+5.1 p.p.	30.4%
EBITDA	**84.2**	**118.2**	**119.4**	**41.8%**	**1.0%**	**240.8**	**339.9**	**41.2%**	**425.4**
Margin (% NR from Services)	35.3%	42.9%	38.7%	+3.4 p.p.	-4.2 p.p.	34.8%	39.9%	+5.1 p.p.	38.3%
Net Income	**14.1**	**39.9**	**41.3**	**192.9%**	**3.5%**	**45.9**	**108.0**	**135.3%**	**127.9**
Margin (% NR from Services)	5.9%	14.5%	13.4%	+7.5 p.p.	-1.1 p.p.	6.6%	12.7%	+6.1 p.p.	11.5%

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

The results of 3Q18 consolidated Movida's important operational improvements, being the fifth quarter with sequential evolution. We highlight the evolution of the most important indicator: profitability, with a ROIC of 10.2% that exceeded by +4.4 p.p. the cost of debt, which shows the increase in the Company's value creation.

In **RAC**, the daily rental volumes recorded a growth of 21%, with rates practically stable when compared to last year due to optimization and improvements in yield management. Jointly with the utilization rate of 77.4%, the result represents a growth of approximately 5% in the average monthly revenue per operational vehicle. Movida continues to expand in the segments that have higher contribution margins, prioritizing, for example, rentals through mobile apps, which increased by 45% when compared to 2Q18.

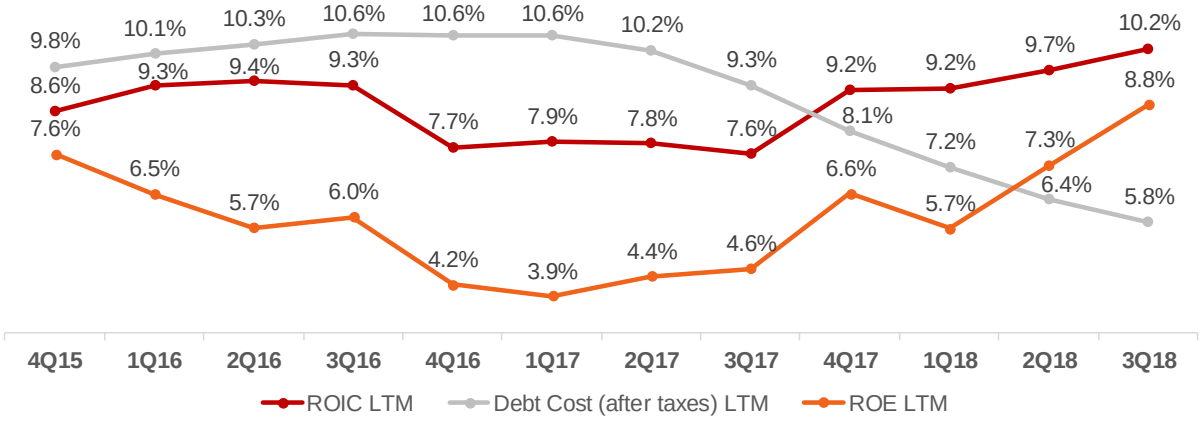
In **GTF**, fleet grew 43%, evidencing a market that is still under penetrated. Over 7,000 vehicles were added to the fleet since 3Q17, with expansion of the average monthly revenue per vehicle, coming in at over R$1,214 in the quarter, reflecting the new contract profile. The client prospecting team has been expanded, focusing on proactive business generation in order to further capture the potential market of this business.

In **Seminovos**, there was a complete re-launch of the brand, now as Seminovos Movida, which includes a Movida quality label concept to guarantee vehicle origin, new brand color, entire revamping of store layouts and campaigns on broadcast TV and several radio stations. The intention is to strengthen the relationship of trust associated with the brand in order to further leverage volumes and work with the sales force to bring in more intelligent pricing and distribution strategy for inventory. Sales volume improved on a monthly basis in 3Q18, ending the quarter with a total of 8,000 vehicles, of which 58% were sold through the retail network.

EBITDA reached R$119.4 million, (+41.8% YoY) with EBITDA Margin at 38.7% (+3.4 p.p. YoY). The evolution in processes, dilution of the corporate structure and the greater relevance of GTF in revenues helped in the expansion of the consolidated margins on an annual comparison. When comparing 9M18 with 9M17, there was an improvement of over R$28 million when considering figures for theft, damaged cars and delinquencies, the latter being the best in the sector. In relation to 2Q18, margins decreased due to the PIS/COFINS credit of approximately R$17.6 million, which was recorded in that quarter.

Finally, Net Income reached R$41.3 million in 3Q18, (+192.9% YoY), with a Net Margin of 13.4%, an increase of 7.5 p.p. YoY.

Movida reported record indicators in 3Q18, both in terms of ROE and ROIC. The 4.4 p.p. spread in ROIC versus the cost of debt proves the operation's growth in value generation, being the highest of Movida's history.



Note: ROIC was calculated by using EBIT and the effective IR tax rate as the "Return", and net debt added to shareholders' equity as "Invested Capital" of the last twelve months of the periods analyzed.

	Movida								
Capex (R$ million)	**3Q17**	**2Q18**	**3Q18**	**▲Y o Y**	**▲Q o Q**	**9M17**	**9M18**	**▲Y o Y**	**LTM**
Fleet	**586.0**	**522.8**	**691.6**	**18.0%**	**32.3%**	**1,624.6**	**1,726.7**	**6.3%**	**2,176.6**
RAC	**442.5**	**436.2**	**542.4**	**22.6%**	**24.3%**	**1,395.1**	**1,356.9**	**-2.7%**	**1,704.2**
Expansion	-	28.0	187.0	-	-	233.6	259.0	10.9%	268.6
Maintenance	442.5	408.2	355.4	-19.7%	-12.9%	1,161.5	1,097.9	-5.5%	1,435.7
GTF	**143.5**	**86.7**	**149.2**	**4.0%**	**72.1%**	**229.5**	**369.8**	**61.1%**	**472.3**
Expansion	123.8	75.6	89.4	-27.8%	18.3%	198.4	256.8	29.4%	322.1
Maintenance	19.7	11.1	59.7	-	-	31.1	113.1	-	150.3
Stores	**0.5**	**2.7**	**5.0**	**-**	**85.2%**	**2.1**	**10.3**	**-**	**11.8**
New	0.1	1.7	-	-100.0%	-100.0%	0.2	1.8	-	2.1
Former	0.5	1.0	5.0	-	-	2.0	8.5	-	9.7
Others	**2.8**	**5.9**	**14.7**	**-**	**149.2%**	**8.5**	**23.8**	**180.0%**	**26.4**
Total Gross Capex	**589.4**	**531.4**	**711.3**	**20.7%**	**33.9%**	**1,635.2**	**1,760.8**	**7.7%**	**2,214.8**
Sale of Assets	**(419.3)**	**(335.0)**	**(303.7)**	**-27.6%**	**-9.3%**	**(1,139.4)**	**(975.2)**	**-14.4%**	**(1,288.1)**
Total Net Capex	**170.0**	**196.5**	**407.6**	**139.8%**	**107.4%**	**495.8**	**785.6**	**58.5%**	**926.7**

Movida's Gross Capex totaled R$711.3 million in 3Q18, of which 97% was allocated to vehicles. The investment in fleet was distributed among renewals (61%) and expansion (39%). Net Capex totaled R$407.6 million in the quarter, versus R$170.0 million in 3Q17. Net Capex in 9M18 totaled R$785.6 million due to increase in contracts for the fleet management and outsourcing, as well as the growth in the RAC segment. At the end of 3Q18, Movida had a fleet of 88,901 vehicles, 184 RAC stores and 60 Seminovos stores.

In October 2018, JSL S.A. announced the subscription and payment of the capital increase of Movida, totaling R$312,6 million, preventively reinforcing its capital structure. As a result, JSL now holds 70.1% of Movida's share capital. The capital increase will allow Movida to continue executing its business plan and to be well positioned in the car rental market.



VI. Original Concessionárias

Financial Information (R$ million)	Original Concessionárias								
	3Q17	2Q18	3Q18	▲Y o Y	▲Q o Q	9M17	9M18	▲Y o Y	LTM
Total Net Revenue	**157.1**	**162.9**	**184.4**	**17.4%**	**13.2%**	**444.3**	**509.6**	**14.7%**	**663.0**
Light Vehicles	134.6	139.2	158.1	17.5%	13.6%	369.8	436.8	18.1%	569.0
Direct Sales	3.4	3.3	3.6	5.9%	9.1%	12.1	9.2	-24.0%	11.1
F&I	3.8	5.2	4.0	5.3%	-23.1%	11.7	13.3	13.7%	18.2
Post Sales	15.4	15.3	18.6	20.8%	21.6%	50.7	50.2	-1.0%	64.6
Total Volume (units)	**6,628**	**7,745**	**7,814**	**17.9%**	**0.9%**	**29,755**	**21,998**	**-26.1%**	**27,213**
Light Vehicles	3,410	3,184	3,176	-6.9%	-0.3%	9,955	9,468	-4.9%	12,704
Direct Sales Light Vehicles	3,218	4,561	4,638	44.1%	1.7%	19,800	12,530	-36.7%	14,509
Gross Profit	**25.1**	**26.1**	**27.6**	**10.0%**	**5.7%**	**76.4**	**79.2**	**3.7%**	**101.9**
Margin	16.0%	16.0%	15.0%	-1.0 p.p.	-1.0 p.p.	17.2%	15.5%	-1.7 p.p.	15.4%
EBIT	**(0.2)**	**6.5**	**3.1**	**-**	**-52.3%**	**0.2**	**11.4**	**-**	**28.3**
Margin	-0.1%	4.0%	1.7%	+1.8 p.p.	-2.3 p.p.	0.0%	2.2%	+2.2 p.p.	4.3%
EBITDA	**1.2**	**7.9**	**4.5**	**-**	**-43.0%**	**4.5**	**15.5**	**-**	**33.8**
Margin	0.8%	4.8%	2.5%	+1.7 p.p.	-2.3 p.p.	1.0%	3.0%	+2.0 p.p.	5.1%

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. At the end of 3Q18, Original Concessionárias had 11 Volkswagen dealerships for new and used vehicles, 3 Fiat dealerships and one Ford dealership, all located between the Greater São Paulo region and Vale do Paraíba.

In this quarter, Original Concessionárias recorded a Total Net Revenue of R$184.4 million (+17.4% YoY and +13.2% QoQ), sustained by the increase in the average ticket of new vehicles. We also highlight the increase in post-sales revenue, mainly driven by revenues from vehicle maintenance services.

Total Gross Profit reached R$27.6 million (+10.0% YoY and +5.7% QoQ) with a gross margin of 15.0%. We note that a large number of new vehicles models were launched during the first two quarters, allowing us to obtain higher margins which now converged to a normalized level in 3Q18.

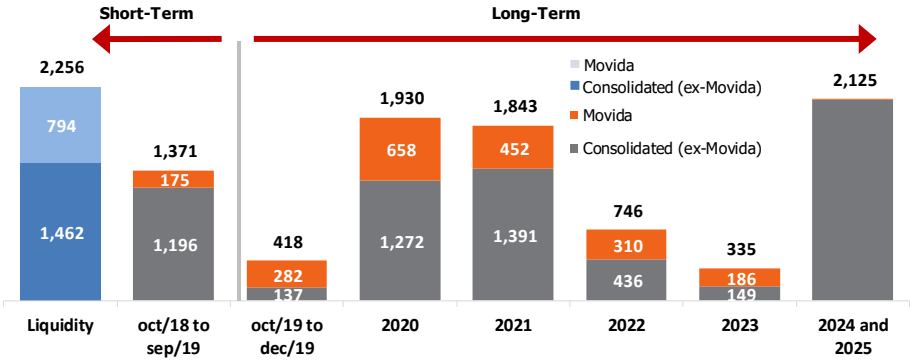
EBITDA reached R$4.5 million, versus R$1.2 million in 3Q17 and R$7.9 million in 2Q18. We highlight that EBITDA in 2Q18 was positively impacted by the one-off tax credits recorded as Other Operating Revenues and Expenses, in the amount of R$2.8 million.

VII. Capital Structure - JSL Consolidated

We emphasize the continuity of the group's liability management: Movida concluded a Promissory Notes issue in the amount of R$400 million, with maturity in 2021, rolling over its short-term debt from R$729 million in June 30 to R$175 million at the end of the 3Q18. Additionally, Movida completed its short term liability management on October 31 issuing Debentures in the amount of R$100 million with maturity in 2021.

Considering the consolidated cash position of JSL at the end of 3Q18, JSL will have sufficient resources to cover debt rollover needs until the beginning of 2020. We also highlight the fact that the cash position of Grupo JSL represents 1.6x of the short-term debt, which we believe to be an adequate cash level at this period of uncertainties in relation to the economic scenario.

Gross Debt Amortization Schedule (R$ million)[1]

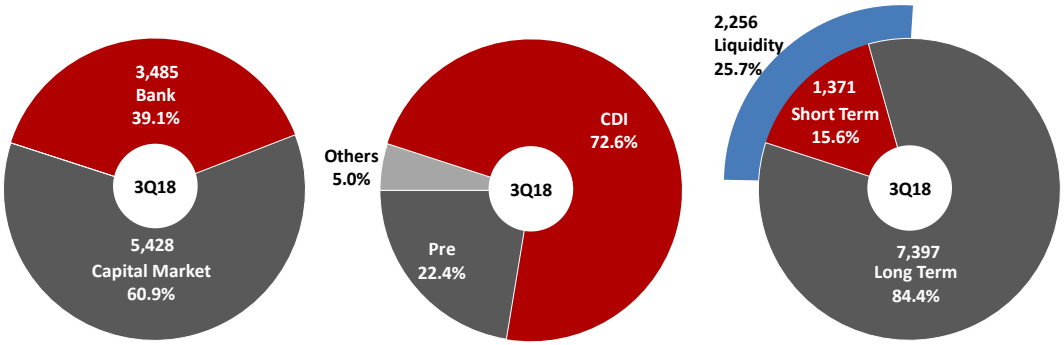


[1] Excluding the amount of R$1.893 billion resulting from the entry structure of the funds from the Bonds issue, which equally impacts cash and gross debt.

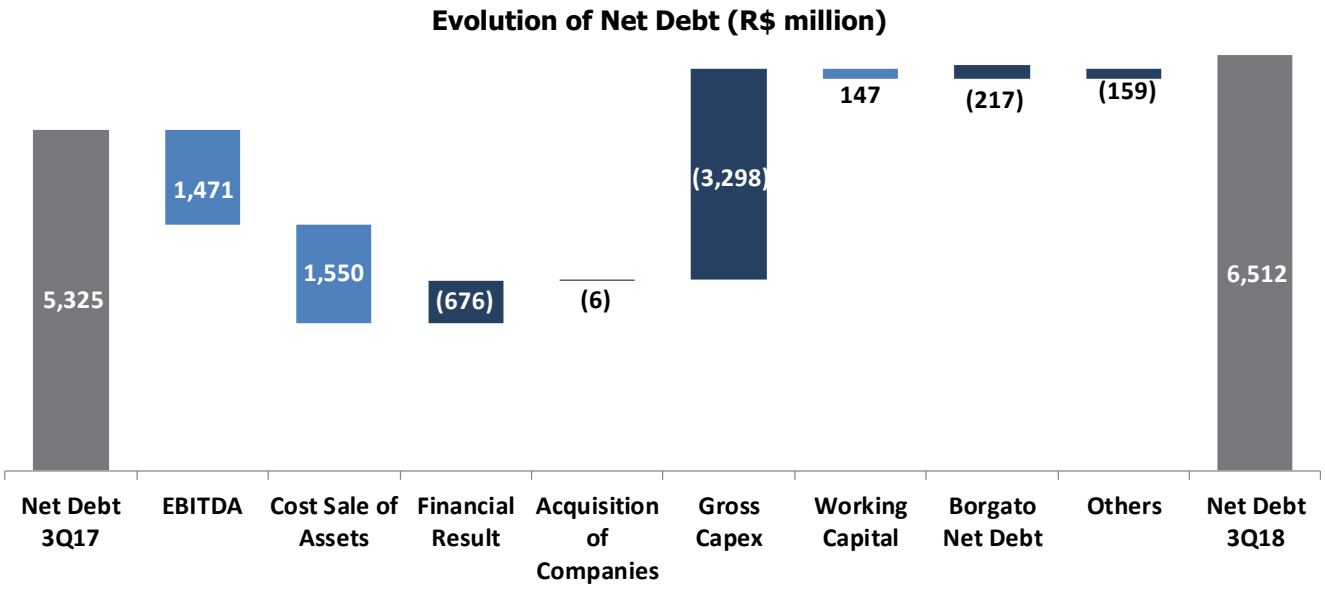
Net Debt totaled R$6.5 billion at the end of September 2018, while the average cost of debt fell from 11.2% in 3Q17 to 8.8% in 3Q18. Despite the reduction in the average cost of gross debt in the annual comparison, mainly due to the drop in the SELIC rate, we highlight that the average cost of net debt continues to be negatively impacted by the cash carry cost.

Indebtedness - JSL Consolidated (R$ million)	09/30/2017	12/31/2017	03/31/2018	06/30/2018	09/30/2018
Gross Debt [1]	**8,094.1**	**7,618.6**	**8,253.7**	**8,913.4**	**8,767.7**
Gross Debt - Book Value	8,667.0	8,269.0	9,899.1	11,028.5	11,063.2
Short Term [1]	**2,323.6**	**1,644.7**	**1,571.1**	**1,973.4**	**1,370.6**
Short Term - Book Value	2,326.4	1,657.6	1,593.9	2,025.6	1,408.1
NCE (export credit note)	(2.8)	(12.9)	(22.8)	(52.2)	(37.5)
Long Term [1]	**5,770.5**	**5,973.9**	**6,682.6**	**6,940.0**	**7,397.1**
Long Term - Book Value	6,340.7	6,611.4	8,305.2	9,002.9	9,655.1
NCE (export credit note)	(506.1)	(529.3)	(1,545.8)	(1,790.1)	(1,855.8)
Debt Swap MTM	(64.0)	(108.3)	(76.7)	(272.9)	(402.2)
Net Debt	**5,324.8**	**5,721.9**	**5,982.7**	**6,415.6**	**6,511.7**
Average Cost of Net Debt (p.a.)	**13.1%**	**11.2%**	**10.5%**	**10.1%**	**10.1%**
Average Cost of Gross Debt (p.a.)	**11.2%**	**9.7%**	**9.2%**	**8.8%**	**8.8%**

[1] Excluding the amount of R$1.893 billion resulting from the entry structure of the funds from the Bonds issue, which equally impacts cash and gross debt.







Financial Result

	JSL - Consolidated								
Financial Result (R$ million)	**3Q17**	**2Q18**	**3Q18**	**▲Y o Y**	**▲Q o Q**	**9M17**	**9M18**	**▲Y o Y**	**LTM**
Financial Revenues	58.9	134.6	97.9	66.2%	-27.3%	149.4	299.9	100.7%	364.8
Financial Expenses	(234.9)	(209.1)	(347.7)	48.0%	66.3%	(638.1)	(798.8)	25.2%	(1,055.6)
Derivatives Result	(3.0)	220.8	113.5	-	-48.6%	(10.5)	366.0	-	389.9
Net Exchange Variation	9.2	(314.0)	(35.1)	-	-88.8%	(4.4)	(375.7)	-	(374.6)
Total	**(169.9)**	**(167.8)**	**(171.3)**	**0.8%**	**2.1%**	**(503.7)**	**(508.7)**	**1.0%**	**(675.6)**

In 3Q18, Net Financial Expenses totaled R$171.3 million, stable versus the R$169.9 million recorded in 3Q17. We highlight the reduction in the average cost of gross debt in the annual comparison (from 11.2% in 3Q17 to 8.8% in 3Q18), which offset the increase in Net Debt during the period.

The R$3.5 million (+2.1% QoQ) change in Net Financial Expenses when compared to 2Q18 is mainly explained by the net debt in the period, which increased from R$6.4 billion in 2Q18 to R$6.5 billion in 3Q18.

Leverage Indicators

Leverage Indicators	**09/30/2017**	**12/31/2017**	**06/30/2018**	**03/31/2018**	**09/30/2018**	**Covenants**
Net Debt / EBITDA-A	1.9x	1.9x	2.0x	2.1x	2.2x	Max 3.5x
Net Debt / EBITDA[1]	4.6x	4.4x	4.4x	4.5x	4.4x	Max 4.75x
EBITDA-A / Net interest expenses	4.5x	4.8x	4.9x	5.0x	5.0x	Min 2.0x

[1] Considers EBITDA of R$ 9.3 million for 4Q17 of Borgato (Acquired on Dec/2017)

The ratio between Net Debt and EBITDA reached 4.4x in September 2018, lower than the 4.6x ratio recorded in the same quarter of the previous year and lower than the 4.5x ratio recorded in June 2018. The lower leverage is explained by the focus on profitability and operational improvement in all companies of the group.

In turn, the Net Debt to EBITDA–A ratio reached 2.2x in September 2018, versus 1.9x in September 2017 and 2.1x in June 2018.



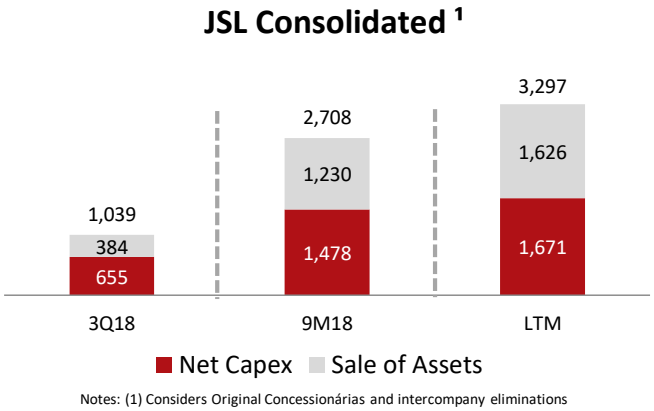
VIII. Fee Cash Flow and EBITDA - JSL Consolidated

Free Cash Flow to Firm (R$ million)	JSL - Consolidated			Consolidated ex-Movida Log + Vamos + Original			Movida		
	2016	2017	3Q18 LTM	2016	2017	3Q18 LTM	2016	2017	3Q18 LTM
EBITDA	**1,061**	**1,230**	**1,471**	**792**	**904**	**1,046**	**269**	**326**	**425**
Impairments	105	-	-	105	-	-	-	-	-
EBITDA adj. by Impairments	**1,166**	**1,230**	**1,471**	**897**	**904**	**1,046**	**269**	**326**	**425**
Non-cash Cost of Assets Sales	1,289	1,738	1,550	316	361	330	973	1,376	1,220
Maintenance Capex	(1,105)	(1,753)	(1,869)	(199)	(171)	(273)	(906)	(1,582)	(1,596)
Working Capital and Taxes Paid (*)	406	(191)	147	45	(143)	58	361	(48)	89
Cash Generated before Expansion Capex	**1,756**	**1,024**	**1,299**	**1,058**	**951**	**1,160**	**698**	**73**	**139**
Expansion Capex	(1,382)	(927)	(1,429)	(548)	(420)	(810)	(834)	(507)	(619)
Free Cash Flow to Firm	**374**	**97**	**(129)**	**510**	**531**	**351**	**(136)**	**(435)**	**(480)**

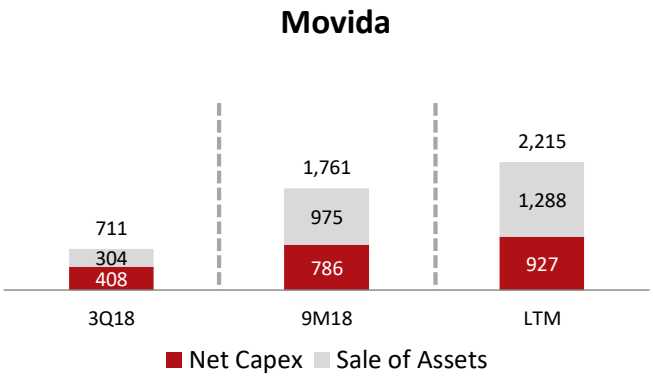
Consolidated cash generated before expansion investments for JSL Consolidated totaled R$1.3 billion, of which R$1.2 billion was generated by the sum of the activities of JSL Logística and Vamos (Consolidated ex-Movida). Given the expansion investments of R$810 million, mainly in Vamos and CS Brasil, the Free Cash Flow to Firm totaled R$350 million in 3Q18 for the JSL Consilidated (ex-Movida), impacted by the investments towards more profitable businesses, such as the rental of heavy assets in Vamos and Fleet Management in CS Brasil.

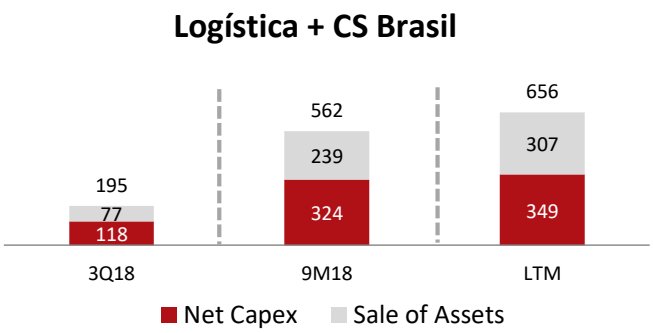
EBITDA Reconciliation (R$ million)	JSL - Consolidated								
	3Q17	2Q18	3Q18	▲Y o Y	▲Q o Q	9M17	9M18	▲Y o Y	LTM
Net Result	1.1	49.4	54.0	-	9.3%	8.1	128.5	-	137.2
Financial Result	169.9	167.8	171.3	0.8%	2.1%	503.7	508.7	1.0%	675.6
Income tax and Social contribution	8.0	27.9	26.6	-	-4.7%	13.1	71.6	-	75.7
Depreciation / Amortization	133.4	146.1	168.0	25.9%	15.0%	399.4	456.3	14.2%	582.5
EBITDA	**312.4**	**391.2**	**420.0**	**34.4%**	**7.4%**	**924.3**	**1,165.1**	**26.1%**	**1,471.0**
Costs of Sales of Assets	484.5	412.6	358.3	-26.0%	-13.2%	1,360.2	1,172.6	-13.8%	1,550.0
EBITDA-A	**796.9**	**803.8**	**778.3**	**-2.3%**	**-3.2%**	**2,284.5**	**2,337.6**	**2.3%**	**3,021.0**

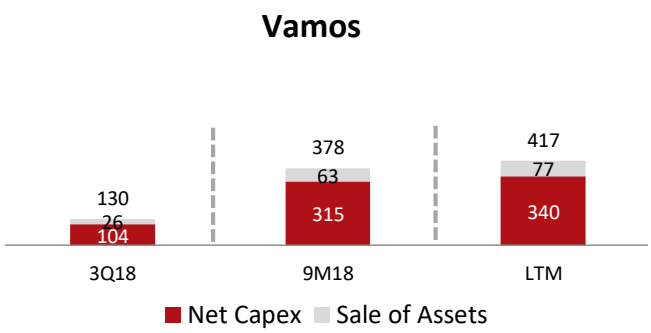
IX. Capex – JSL Consolidated



Notes: (1) Considers Original Concessionárias and intercompany eliminations







Net Capex reached R$655 million in 3Q18 and was allocated mainly towards operations with higher profitability, such as rental of heavy vehicles in Vamos and Fleet Management in Movida and CS Brasil.

Net Capex in the 9M18 totaled R$1.5 billion, focused on the fleet management and outsourcing of light and heavy vehicles.

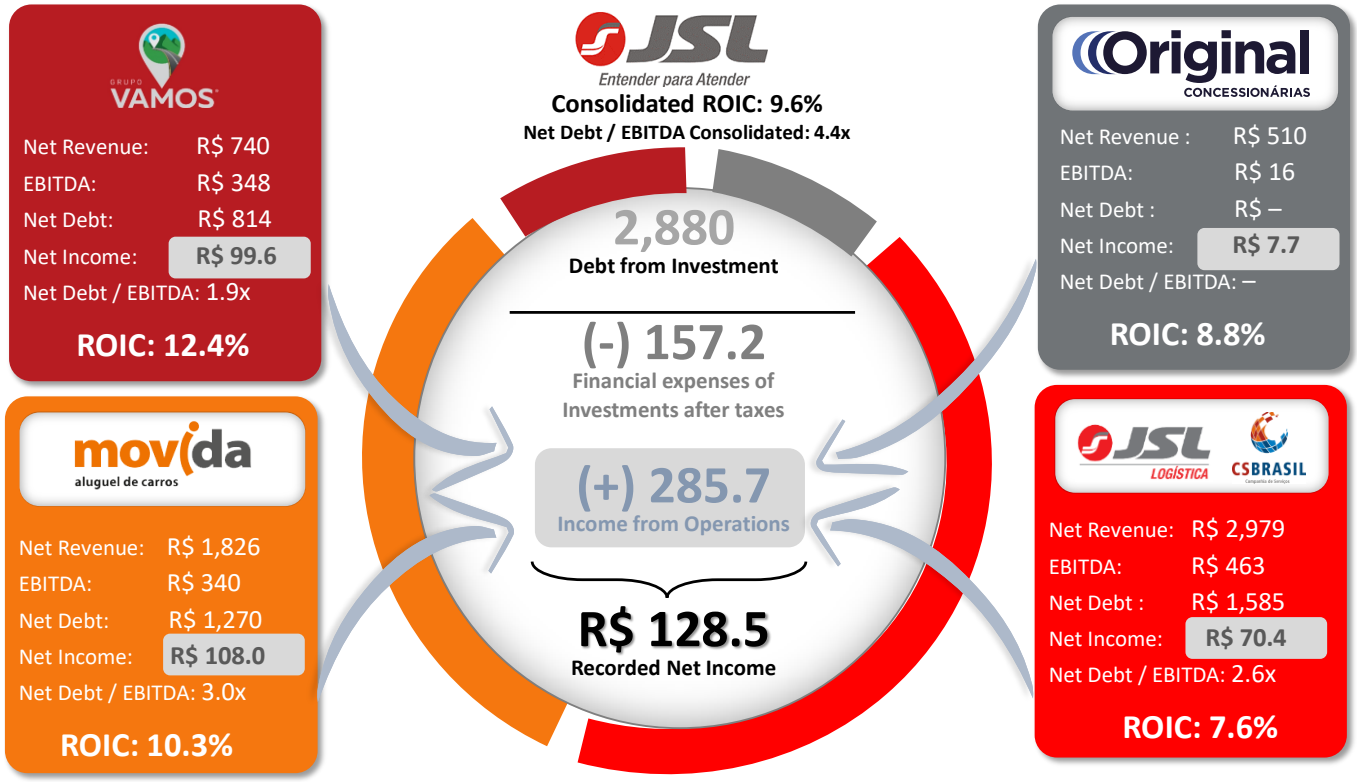
The investments carried out are part of JSL's strategic plan to focus on contracts that generate solid and consistent returns to compensate the invested capital.

	JSL - Consolidated								
Capex (R$ million)	**3Q17**	**2Q18**	**3Q18**	**▲Y o Y**	**▲Q o Q**	**9M17**	**9M18**	**▲Y o Y**	**LTM**
Gross capex by nature	**689.7**	**887.1**	**1,039.3**	**50.7%**	**17.2%**	**2,090.2**	**2,708.0**	**29.6%**	**3,297.4**
Expansion	193.0	419.6	517.9	168.3%	23.4%	747.3	1,249.2	67.2%	1,428.6
Maintenance	493.8	461.6	506.7	2.6%	9.8%	1,334.4	1,435.1	7.5%	1,842.4
Others	2.8	5.9	14.7	-	149.2%	8.5	23.8	180.0%	26.4
Usual sale of assets	**(510.2)**	**(419.0)**	**(383.9)**	**-24.8%**	**-8.4%**	**(1,433.4)**	**(1,229.6)**	**-14.2%**	**(1,626.2)**
Total net capex	**179.5**	**468.1**	**655.3**	**-**	**40.0%**	**656.8**	**1,478.4**	**125.1%**	**1,671.2**



X. Profitability – JSL Consolidated

Profitability Breakdown (9M18 – R$ million)



Note: Annualized ROIC for 9M18

Quarterly ROIC annualized – Consolidated

1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
8.4%	8.4%	8.5%	8.2%	9.1%	10.2%	10.4%

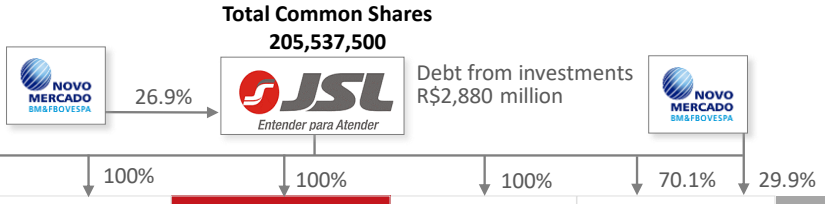
JSL Consolidated Net Income for 9M18 already has a record amount of R$128.5 million, while leverage remains at 4.4x given the growth in Net Capex. Vamos' ROIC, the group's highest profitability, accumulated 12.4% (9M18 annualized) and has steadily maintained this level given the maturity of this business. Movida's ROIC, still impacted by growth Capex in selected fleet management and outsourcing contracts, presented a value of 10.3% (annualized 9M18), but in terms of spread over the cost of debt is the largest in Movida's history. Original showed a gradual trend of better results and posted a ROIC of 8.8% since this business is linked to the recovery of economic activity. Logistics´ ROIC has been improving steadily in recent quarters given its focus in Capex towards long-term contracts with adequate profitability and the portfolio management of existing contracts.

ROIC 9M18 Annualized (R$ million)	JSL Consolidated [1]	Logistics [2]	Vamos	Movida	Original Concessionárias
Net revenue	**5,943.9**	**2,979.2**	**740.3**	**1,825.6**	**509.6**
Gross Profit	**1,308.7**	**382.1**	**271.5**	**587.2**	**79.2**
(-) Administrative and Sales Expenses	(590.8)	(154.8)	(94.9)	(314.7)	(70.7)
(-) Others Operating Revenues (Expenses)	(9.1)	7.1	14.6	-	2.9
EBIT	**708.8**	**234.4**	**191.2**	**272.5**	**11.4**
(-) Taxes (Considers effective tax rate of 30%)	(212.6)	(70.3)	(57.4)	(81.7)	(3.4)
(=) NOPLAT (A)	**496.2**	**164.1**	**133.9**	**190.7**	**8.0**
(=) Avarage Invested Capital (B)	**6,916.2**	**2,875.3**	**1,441.9**	**2,477.3**	**121.7**
ROIC (A/B) - 9M18 Annualized	**9.6%**	**7.6%**	**12.4%**	**10.3%**	**8.8%**

[1] Considers elimination between companies
[2] Includes CS Brasil



XI. Operational Summary – JSL Consolidated



3Q18 LTM[1] (R$ million)	JSL LOGÍSTICA	CSBRASIL	VAMOS	Original Concessionárias	movida aluguel de carros	JSL CONSOLIDATED
Market Position	Integration that improves productivity and efficiency always at the customer's service		Solution for rental and commercialization of heavy vehicles	Purchase and sale of vehicles adding synergy to group	Innovation in urban mobility solutions	--
Net Revenue	3,907		977	663	2,397	7,766
EBITDA	599		428	34	425	1,480
Net Debt	1,585		814	(37)	1,270	6,512
Assets	2,130		1.406	33	3,387	6,956
Service Portfolio	• Dedicated services • Charter • Cargo transportation	• Public fleet management • Urban passenger mobility • Urban cleaning • New businesses	• Truck, machinery and equipment rental • Truck, machinery and equipment rental • Sale and leasing of heavy vehicle sales	• 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 4Q17 results for Borgato



JSL S.A. and its subsidiaries

Balance sheets

At September 30, 2018 and December 31, 2017

In thousands of Brazilian reais

		Parent company		Consolidated	
Assets	**Note**	**9/30/2018[1]**	**12/31/2017**	**9/30/2018[1]**	**12/31/2017**
Current			**(Reclassified note 2.8)**		
Cash and cash equivalents	5	109,386	116,487	437,232	714,734
Marketable securities	6	427,396	380,680	3,710,011	1,718,520
Derivative financial instruments	4.4	26,824	-	26,824	-
Trade receivables	7	685,323	637,969	1,265,585	1,211,836
Inventories	8	32,548	25,757	242,376	246,147
Taxes recoverable	9	92,241	43,332	214,389	125,015
Income tax and social contribution recoverable	10	55,723	56,295	109,269	97,196
Prepaid expenses		10,359	4,016	54,765	18,673
Related parties	28	55,051	64,669	-	-
Dividends receivable	29.4	57,651	29,847	-	-
Available-for-sale	11	39,700	70,866	385,973	313,390
Advances to third parties		13,925	26,087	38,737	27,687
Other credits		3,566	4,165	28,745	15,263
Total current assets		**1,609,692**	**1,460,170**	**6,513,906**	**4,488,461**
Non-current					
Marketable securities	6	-	-	2,013	5,584
Derivative financial instruments	4.4	369,260	108,252	375,341	108,252
Trade receivables	7	16,737	25,905	113,057	120,603
Taxes recoverable	9	40,329	40,115	62,637	61,930
Income tax and social contribution recoverable	10	20,433	20,245	20,667	20,307
Judicial deposits	25	43,168	41,574	68,095	62,335
Deferred income tax and social contribution	27.1	-	-	82,067	60,626
Related parties	28	17,319	11,650	35	188
Fund for capitalization of authorized vehicle dealerships	12	-	-	40,802	39,692
Other credits		970	932	6,729	3,634
Total long-term assets		**508,216**	**248,673**	**771,443**	**483,151**
Investments	13	2,880,316	2,485,702	3,728	979
Property and equipment	14	1,388,171	1,432,578	6,955,584	6,056,614
Intangible assets	15	249,556	253,344	477,299	471,719
Total noncurrent assets		**5,026,259**	**4,420,297**	**8,208,054**	**7,012,463**
Total assets		**6,635,951**	**5,880,467**	**14,721,960**	**11,500,924**

[1] The balances at September 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 at December 31, 2017 is not being restated. Note 2.2 presents the effects of the 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**	**9/30/2018[1]**	**12/31/2017**	**9/30/2018[1]**	**12/31/2017**
			(Reclassified note 2.8)		**(Reclassified note 2.8)**
Current					
Trade payables	16	73,381	41,489	1,126,096	878,274
Floor plan vehicles	17	-	-	79,729	72,051
Suppliers financing - car makers	18	-	3,467	-	248,148
Borrowings and financing	19	625,307	504,130	922,558	982,697
Debentures	20	307,365	267,830	408,981	284,417
Finance leases payable	21	31,033	41,588	76,557	142,329
Assignment of receivables	22	-	-	6,043	6,043
Labor liabilities	23	157,699	119,202	288,020	211,652
Income tax and social contribution payable		15,318	-	46,432	8,907
Tax liabilities	24	37,372	31,764	89,631	76,093
Related parties	28	20,216	21,978	725	553
Advances from customers		16,304	3,484	94,984	50,844
Other accounts payable	26	63,403	21,435	191,699	167,680
Total current liabilities		**1,347,398**	**1,056,367**	**3,331,455**	**3,129,688**
Non-current					
Borrowings and financing	19	3,370,884	2,540,541	7,487,210	4,809,871
Debentures	20	1,045,977	1,333,049	2,066,418	1,731,065
Finance leases payable	21	38,228	47,151	101,438	70,448
Assignment of receivables	22	-	-	19,638	24,171
Tax liabilities	24	841	841	1,167	1,705
Provision for judicial and administrative litigation	25	51,921	51,254	72,135	71,463
Deferred income tax and social contribution	27.1	27,709	70,897	311,064	288,893
Other accounts payable	26	149,252	93,579	236,763	184,300
Total noncurrent liabilities		**4,684,812**	**4,137,312**	**10,295,833**	**7,181,916**
Equity					
Share capital	29.1	660,395	660,395	660,395	660,395
Capital reserve	29.2	25,285	21,961	25,285	21,961
Treasury shares	29.3	(103,925)	(460)	(103,925)	(460)
Equity valuation adjustments	29.5	130,667	82,621	130,667	82,621
Other comprehensive income		(111,171)	(5,400)	(111,171)	(5,400)
Profit reserve		2,490	(72,329)	2,490	(72,329)
Equity attributable to the owners of the Company		**603,741**	**686,788**	**603,741**	**686,788**
Noncontrolling interests	29.6	-	-	490,931	502,532
Total equity		**603,741**	**686,788**	**1,094,672**	**1,189,320**
Total liabilities and equity		**6,635,951**	**5,880,467**	**14,721,960**	**11,500,924**

[1] The balances at September 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 at December 31, 2017 is not being restated. Note 2.2 presents the effects of the adoption of CPC 48 / IFRS 9 and CPC 47 / IFRS 15 on January 1, 2018.

JSL S.A. and its subsidiaries

Statements of income (loss)

Periods ended September 30, 2018 and 2017

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

	Note	Parent company				Consolidated			
		7/01 to 9/30/2018 (1)	9/30/2018(1)	7/01 to 9/30/2017 (1) (Reclassified note 2.8)	9/30/2017(1) (Reclassified note 2.8)	7/01 to 9/30/2018 (1)	9/30/2018(1)	7/01 to 9/30/2017 (1) (Reclassified note 2.8)	9/30/2017(1) (Reclassified note 2.8)
Net revenue from services rendered, rental and sale of assets used in services rendered	32	**819,310**	**2,285,374**	**736,189**	**2,116,687**	**2,068,877**	**5,943,912**	**1,878,431**	**5,446,845**
(-) Cost of sales, rentals and services rendered	33	(640,192)	(1,859,857)	(582,542)	(1,673,437)	(1,243,845)	(3,462,626)	(1,009,779)	(2,972,443)
(-) Cost of sales of decommissioned assets	33	(52,479)	(127,472)	(46,415)	(126,272)	(358,321)	(1,172,570)	(484,452)	(1,360,197)
		(692,671)	**(1,987,329)**	**(628,957)**	**(1,799,709)**	**(1,602,166)**	**(4,635,196)**	**(1,494,231)**	**(4,332,640)**
(=) Gross profit		**126,639**	**298,045**	**107,232**	**316,978**	**466,711**	**1,308,716**	**384,200**	**1,114,205**
General and administrative expenses	33	(36,319)	(102,427)	(41,269)	(112,430)	(183,773)	(466,425)	(169,416)	(407,707)
Selling expenses	33	(4,245)	(12,718)	(4,474)	(12,641)	(42,571)	(124,374)	(9,697)	(135,512)
Other operating (expenses) income, net	33	(16,692)	(5,276)	(29,276)	(53,044)	11,023	(9,884)	(26,090)	(46,175)
Equity in the results of investees	13.1	76,470	203,409	48,302	138,826	590	765	-	-
(=) Profit before finance income, costs and taxes		**145,853**	**381,033**	**80,515**	**277,689**	**251,980**	**708,798**	**178,997**	**524,811**
Finance income	34	(22,604)	68,695	37,756	70,571	(172,372)	299,946	67,381	153,035
Finance costs	34	(85,419)	(387,168)	(141,675)	(418,537)	1,024	(808,610)	(237,253)	(656,687)
(=) Profit (loss) before income tax and social contribution		**37,830**	**62,560**	**(23,404)**	**(70,277)**	**80,632**	**200,134**	**9,125**	**21,159**
Income tax and social contribution - current	27.3	(7,940)	(15,320)	-	-	(30,369)	(56,183)	(9,127)	(34,006)
Income tax and social contribution - deferred	27.3	9,312	38,854	19,510	65,778	3,748	(15,425)	1,139	20,913
Total income tax and social contribution		**1,372**	**23,534**	**19,510**	**65,778**	**(26,621)**	**(71,608)**	**(7,988)**	**(13,093)**
(=) Net profit (loss) for the period		**39,202**	**86,094**	**(3,894)**	**(4,499)**	**54,011**	**128,526**	**1,137**	**8,066**
Attributable to:									
Owners of the Company		39,202	86,094	(3,894)	(4,499)	39,202	86,094	(3,894)	(4,499)
Non-controlling interests		-	-	-	-	14,809	42,432	5,031	12,565
(=) Basic earnings (loss) per share (in Reais)	35.1		-		-		0.4260		(0.0223)
(=) Diluted earnings (loss) per share (in Reais)	35.2		-		-		0.4167		(0.0223)

(1) The balances of the period ended September 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 statement of income (loss) for the period ended September 30, 2017 is not being restated. Note 2.2 presents the effects of the adoption of CPC 48 / IFRS 9 and CPC 47 / IFRS 15 on January 1, 2018.

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

JSL S.A. and its subsidiaries

Statements of comprehensive income (loss)

Periods ended September 30, 2018 and 2017

In thousands of Brazilian reais

	Parent company				Consolidated			
	7/01 to 9/30/2018[1]	9/30/2018[1]	7/01 to 9/30/2017	9/30/2017	7/01 to 9/30/2018[1]	9/30/2018[1]	7/01 to 9/30/2017	9/30/2017
Net profit (loss) for the period	**39,202**	**86,094**	**(3,894)**	**(4,499)**	**54,011**	**128,526**	**1,137**	**8,066**
Gains (losses) on cash flow hedge	36,638	(82,279)	(7,754)	(7,754)	36,638	(82,279)	(7,754)	(7,754)
Gains (losses) on cash flow hedge in subsidiaries	5,269	(2,003)	-	-	5,269	(2,003)	-	-
Income tax and social contribution on cash flow hedge	(14,156)	28,656	2,636	2,636	(14,156)	28,656	2,636	2,636
Unrealized losses on debt instruments measured at fair value through other comprehensive income	(8,116)	(50,145)	-	-	(8,116)	(50,145)	-	-
Total other comprehensive income (loss)	**19,365**	**(105,771)**	**(5,118)**	**(5,118)**	**19,365**	**(105,771)**	**(5,118)**	**(5,118)**
Comprehensive income (loss) for the period	**58,567**	**(19,677)**	**(9,012)**	**(9,617)**	**73,376**	**22,755**	**(3,981)**	**2,948**
Attributable to:								
Owners of the Company	58,567	(19,677)	(9,012)	(9,617)	58,567	(19,677)	(9,012)	(9,617)
Non-controlling interests	-	-	-	-	14,809	42,432	5,031	12,565

(1) The balances of the period ended September 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 statement of comprehensive income (loss) for the period ended September 30, 2017 is not being restated. Note 2.2 presents the effects of the 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 September 30, 2018 and 2017

In thousands of Brazilian reais

	Note	Share capital	Capital reserve		Treasury shares	Profit reserve	Unrealized losses on financial investments at fair value through other comprehensive income			Equity valuation adjustments	Total equity of owners of the Company	Non-controlling interests	Total equity
			Share- based payments	Government grant reserve		Retained earnings / (accumulated losses)	Gains (losses) on cash flow hedge		Total other comprehensive income (loss)				
Balances at December 31, 2016		**660,395**	**11,078**	**2,982**	**(3,741)**	**(66,359)**	**-**	**-**	**-**	**4,634**	**608,989**	**-**	**608,989**
Share-based payments		-	2,686	-	-	(2,944)	-	-	-	-	(258)	-	(258)
Repurchase of shares		-	-	-	3,281	-	-	-	-	-	3,281	-	3,281
Gain on equity interests in subsidiaries		-	-	-	-	(330)	-	-	-	84,455	84,125	-	84,125
Other comprehensive income		-	-	-	-	-	-	-	-	(5,118)	(5,118)	-	(5,118)
Net profit (loss) for the period		-	-	-	-	(4,499)	-	-	-	-	(4,499)	12,565	8,066
Noncontrolling interests		-	-	-	-	-	-	-	-	-	-	424,076	424,076
Government grant reserve		-	-	2,526	-	(2,526)	-	-	-	-	-	-	-
Balances at September 30, 2017		**660,395**	**13,764**	**5,508**	**(460)**	**(76,658)**	**-**	**-**	**-**	**83,971**	**686,520**	**436,641**	**1,123,161**
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)	2.2.3	-	-	-	-	(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	29.2	-	3,284	-	-	-	-	-	-	-	3,284	-	3,284
Treasury shares	29.3	-	-	-	(103,465)	1,305	-	-	-	-	(102,160)	-	(102,160)
Gain on equity interests in subsidiaries	29.5	-	-	-	-	-	-	-	-	48,046	48,046	-	48,046
Net profit (loss) for the period		-	-	-	-	86,094	-	-	-	-	86,094	42,432	128,526
Government grants	29.2	-	-	40	-	-	-	-	-	-	40	-	40
Gains (losses) on cash flow hedge	4.4	-	-	-	-	-	(55,626)	-	(55,626)	-	(55,626)	-	(55,626)
Unrealized losses on debt instruments at fair value through other comprehensive income		-	-	-	-	-	-	(50,145)	(50,145)	-	(50,145)	-	(50,145)
Changes in noncontrolling interests	29.6	-	-	-	-	-	-	-	-	-	-	(48,777)	(48,777)
Balances at September 30, 2018		**660,395**	**19,035**	**6,250**	**(103,925)**	**2,490**	**(56,563)**	**(54,608)**	**(111,171)**	**130,667**	**603,741**	**490,931**	**1,094,672**

(1) The balances of the period ended September 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 statements of changes in equity for the period and year ended September 30 and December 31, 2017 are not being restated. Note 2.2 presents the effects of the 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 cash flows – indirect method

Periods ended September 30, 2018 and 2017

In thousands of Brazilian reais

	Parent company		Consolidated	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017
Cash flows from operating activities		(Restated note 2.8)		(Restated note 2.8)
Profit (loss) before income tax and social contribution	62,560	(70,277)	200,134	21,159
Adjustments to:				
Depreciation and amortization (Notes 13, 14 and 15)	146,575	176,550	456,280	393,129
Cost of sale of assets used in services rendered	127,472	126,272	1,172,570	1,360,197
Equity in the results of investees	(203,409)	(150,121)	(765)	-
Interest and exchange variations on borrowings and financing, finance leases, debentures and suppliers financing - car makers	701,323	377,385	1,493,836	585,958
(Gain) loss on fair value of derivative financial instruments	(357,881)	22,519	(365,967)	22,519
Extemporaneous tax credits	(27,227)	(12,860)	(62,789)	(48,571)
Provision for impairment of assets, contingencies and other losses	5,104	32,452	184,468	187,362
Adjustment to present value on assets and liabilities	(6,191)	5,390	(6,191)	5,390
Write-off of other assets	1,542	24	7,083	1,351
Write-off of the surplus value of vehicles sold in subsidiaries	-	35,572	-	-
Realization of surplus value of assets	8,104	-	-	-
Share-based payments (Note 30)	3,284	(258)	3,284	(258)
	461,256	**612,925**	**3,081,943**	**2,507,077**
Changes in operating net working capital				
Trade receivables	(41,566)	(69,229)	(94,808)	(245,410)
Inventories	(7,486)	(1,196)	1,465	(23,696)
Taxes recoverable	(21,512)	(7,221)	(39,725)	(5,081)
Trade payables	13,227	15,869	8,671	(115,531)
Floor plan vehicles	-	-	7,678	(1,887)
Labor and tax liabilities	44,787	43,113	89,368	76,988
Other current and non-current assets and liabilities	132,604	(31,579)	75,147	29,556
Changes in operating net working capital	**120,054**	**(50,243)**	**47,796**	**(285,061)**
Cash provided by operating activities	**581,310**	**492,405**	**3,129,739**	**2,243,175**
(Investments in) redemptions of marketable securities	(85,903)	(500,791)	(2,027,107)	(2,025,123)
Judicial and administrative litigation paid	-	(17,987)	-	(32,489)
Income tax and social contribution paid	-	-	(18,659)	(40,699)
Interest paid on borrowings and financing, finance leases, debentures and suppliers financing - car makers	(312,178)	(378,170)	(607,182)	(485,699)
Acquisition of operational property and equipment for rental	(81,377)	(112,773)	(2,380,524)	(1,883,674)
Net cash provided by (used in) operating activities	**101,852**	**(517,316)**	**(1,903,733)**	**(2,224,509)**
Cash flows from investing activities				
Capital contribution and repurchase of shares of investees	(324,671)	(76,521)	-	(52,968)
Acquisition of property and equipment and intangible assets	(20,112)	(7,097)	(59,608)	(21,596)
Dividends and interest on capital received	39,245	85,964	-	-
Payment for the acquisition of the creditory rights	(99,842)	-	-	-
Receipt from creditory rights	96,851	-	-	-
Net cash (used in) provided by investing activities	**(308,529)**	**2,346**	**(59,608)**	**(74,564)**
Cash flows from financing activities				
Primary offering of shares of investees (IPO Movida)	-	-	-	500,454
Secondary offering of shares of investees (Movida)	-	61,046	-	61,046
Repurchase of treasury shares	(5,459)	2,951	(5,459)	2,951
New borrowings and financing and debentures	1,278,087	2,525,981	3,572,555	4,430,230
Payments of borrowings and financing, finance leases and debentures	(1,058,344)	(2,088,976)	(1,761,399)	(2,353,161)
Payment for the acquisition of companies in prior years	(475)	(62,096)	(103,622)	(62,096)
Derivative financial instruments received	(14,233)	(70,447)	(12,228)	(70,447)
Receipt from (payment of) assignment of receivables	-	-	(4,008)	-
Net cash provided by (used in) financing activities	**199,576**	**368,459**	**1,685,839**	**2,508,977**
Net (decrease) increase in cash and cash equivalents	**(7,101)**	**(146,511)**	**(277,502)**	**209,904**
Cash and cash equivalents				
At the beginning of the year	116,487	318,623	714,734	585,920
At the end of the year	109,386	172,112	437,232	795,824
Net (decrease) increase in cash and cash equivalents	**(7,101)**	**(146,511)**	**(277,502)**	**209,904**
Main non-cash transactions				
Raising of finance leases and Finame for the acquisition of operational property and equipment	(76,101)	(96,118)	(365,455)	(201,251)
Changes in the balance of suppliers financing - car makers	3,951	1,893	269,077	16,409
Acquisitions of property and equipment to be financed	(18,665)	-	(239,151)	-
Consortium accounts	-	(370)	-	(4,001)
Capital increase with assets	-	16,641	-	-

(1) The balances of the period ended September 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 statement of cash flows for the period ended September 30, 2017 is not being restated. Note 2.2 presents the effects of the 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.

	Note	Parent company		Consolidated	
		9/30/2018[1]	9/30/2017	9/30/2018[1]	9/30/2017
Sales and services rendered	32	2,778,532	2,560,027	6,756,358	6,143,976
Expected credit losses in accounts receivable	33	(3,107)	(11,357)	(18,895)	(48,353)
Other operating income		2,826	4,816	31,613	21,648
		2,778,251	**2,553,486**	**6,769,076**	**6,117,271**
Inputs acquired from third parties					
Cost of sales and services rendered		(1,279,547)	(1,107,164)	(2,271,530)	(1,919,313)
Materials, electricity, outsourced services and others		(55,674)	(50,033)	(1,326,955)	(1,310,570)
Impairment or recovery of assets		-	(81)	-	(81)
		(1,335,221)	**(1,157,278)**	**(3,598,485)**	**(3,229,964)**
Gross value added		**1,443,030**	**1,396,208**	**3,170,591**	**2,887,307**
Retentions					
Depreciation and amortization	33	(146,575)	(176,550)	(456,280)	(393,129)
Net value added generated by the Company		**1,296,455**	**1,219,658**	**2,714,311**	**2,494,178**
Value added received through transfer					
Equity in the results of investees	13.1	203,409	138,826	765	-
Finance income	34	68,695	70,571	299,946	153,035
		272,104	**209,397**	**300,711**	**153,035**
Total value added to distribute		**1,568,559**	**1,429,055**	**3,015,022**	**2,647,213**
Distribution of value added					
Personnel and payroll charges		645,810	592,441	1,120,931	951,520
Federal taxes		219,874	200,799	471,631	526,040
State taxes		154,544	162,321	297,482	274,973
Municipal taxes		45,670	40,749	75,865	67,372
Interest and bank fees		387,168	418,761	808,610	640,754
Rentals		29,399	18,483	111,977	178,488
Retained earnings (losses) for the period		86,094	(4,499)	128,526	8,066
		1,568,559	**1,429,055**	**3,015,022**	**2,647,213**

[1] The balances of the period ended September 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 statement of value added for the period ended September 30, 2017 is not being restated. Note 2.2 presents the effects of the 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 shares of Borgato Máquinas 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 in 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 29.5 and 29.6.

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 nine months ended September 30, 2018.

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

On April 1, 2018, the process of merger into the parent company of its subsidiary Movida Gestão e Terceirização de Frotas S.A. ("Movida GTF") was concluded, as decided by the Company's Extraordinary General Meeting, according to the terms of the Protocol and Rationale of Merger.

The merger aims to simplify the Company's corporate structure, resulting in reduction of operating, administrative and financial costs. As a result of the merger, Movida GTF was legally dissolved and the parent company became its successor.

For purposes of the merger, the net assets of Movida GTF in the amount of R$ 348,715 were appraised by a specialized company as of October 31, 2017, which issued a report dated December 4, 2017. The value of the merged net assets adjusted for March 31, 2018 was R$ 391,601. The balances of the investment and the Movida GTF's amounts receivable from/payable to the Company were eliminated in the merger process.

1.3 Strategic alliance of the Subsidiary Movida Participações S.A.

On August 30, 2018, the Subsidiary Movida Participações S.A. signed a non-binding letter of intent with AVIS BUDGET CAR RENTAL LLC, which is one of the main global providers of mobility solutions, both through its Avis and Budget brands. The purpose is to form a strategic alliance, which includes: i) transform Movida into the Master Franchisor in Brazil for 10 years, renewable for additional 10 years; ii) cooperation agreement between the brands in which Movida may include the Avis and Budget brands in its service points in Brazil and Avis may add the Movida logo in the main airports which are destinations of Brazilians in the world; iii) acquisition of assets of approximately 4,400 cars, of which 3,500 for Rent a Car (RAC) and 900 for Fleet Management and Outsourcing (GTF), with estimated value of R$150 million, for payment within one year, which will be subject to a financing agreement with a local financial institution..

The alliance is dependent on the approval from the Brazilian Antitrust Agency (CADE) and is contingent upon the fulfillment of obligations and conditions precedent usual in this type of transaction.

1.4 Spin-off of subsidiary

Through an amendment to the articles of organization on September 25, 2018, the partial spin-off of subsidiary CS Brasil Transporte de Passageiros e Serviços Ambientais Ltda. ("CS Brasil") was approved. The spun-off portion in the amount of R$ 100 was transferred to Quataí Transporte de Passageiros SPE Ltda. ("Quataí").

Currently, CS Brasil has a comprehensive portfolio of fleet management and outsourcing services, passenger road transportation, garbage transportation and public cleaning. Quataí will operate the concession of passenger road transportation in the city of Itaquaquecetuba, State of São Paulo.

The net assets of CS Brasil, for purposes of the partial spin-off to Quataí, were appraised by a specialized company on August 31, 2018.

The breakdown of the final spun-off net assets is shown below:

	Spun-off balance sheet (at 8/31/2018)
Assets	
Current and non-current assets	
Cash and cash equivalents	2,456
Property and equipment	2,982
Other assets	146
Total assets	**5,584**
Liabilities	
Current and non-current liabilities	
Trade payables	848
Labor liabilities	3,942
Deferred income tax and social contribution	645
Other liabilities	49
Total liabilities	**5,484**
Spun-off net assets	**100**

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 individual and consolidated 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 November 8, 2017.

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 September 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.

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 customers, 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 are incurred.	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 customer 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 customer redeems the points. In other words, until the customer 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 4.4.

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 (FVTOCI)	*(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 (FVTOCI)

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 (FVTOCI).

(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 under the business models whose objective is to obtain return of interest and principal according to CPC 38 / IFRS 9 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 accounts payable.	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 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 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 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 4.3 (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 receivable	*(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	(84,909)
Total equity	**686,788**	(12,579)	**-**	**674,209**	**686,788**	**(14,353)**	**1,773**	**674,208**
Noncontrolling 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	209,555	-	209,555
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)
Net profit for the year	**16,718**	**-**	**16,718**

2.2.4 Other standards

Other 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.

The preparation of the interim financial information requires the use of certain critical accounting estimates and also the exercise of judgment by the Company'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 note 2.7.2.

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.

All balances have been rounded to the nearest thousand, unless otherwise stated.

2.6 Equity interests and basis of consolidation

The consolidated interim financial information at September 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**	**9/30/2018**	**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
BRT Sorocaba Concessionárias	Indirect	Brazil	Logistics	49.25	49.25
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
issuance - Movida Locação de Veículos Ltda.	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	99.99	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
Clicca Atividades de Internet Ltda.	Indirect	Brazil	VAMOS	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
Original Distribuidora	Direct	Brazil	Authorized vehicle dealerships	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
Quataí Transporte de Passageiros SPE Ltda. (v)	Direct	Brazil	Logistics	99.99	-

(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$ 115,000.

(v) Company created through spin-off, as described in note 1.4.

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'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

In preparing this interim financial information, the JSL Group used judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from those estimates.

The estimates and assumptions are revised on an ongoing basis. Revisions to estimates are recognized prospectively.

2.7.1 Judgments

The information on judgments made in the application of the accounting policies that have significant effects on the amounts recognized in the interim financial information is included in the following notes:

i) Leases: determination of whether an agreement contains a lease - note 21;
ii) Classification of leases - note 36;

2.7.2 Uncertainties on assumptions and estimates

The information on uncertainties related to assumptions and estimates that have a significant risk of resulting in a material adjustment to the asset and liability balances in the period ending September 30, 2018 is included in the following notes:

i) Property and equipment (assumption regarding the determination of residual value and useful life) - Note 14;
ii) Impairment of intangible assets (key assumptions regarding recoverable amounts) - Note 15.1;

iii) Provision for judicial and administrative litigation (key assumptions on the likelihood and magnitude of the outflow of resources) - Note 25;
iv) Deferred income tax and social contribution (future recoverability and realization period) - Note 27.1;
v) Share-based compensation plan (likelihood of the option exercise) - Note 30.

2.8 Restatement of corresponding 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 for the nine-month period ended September 30, 2018.

(b) Revenue deductions

The amounts corresponding to tolls, at the parent company and consolidated, for the three-month periods ended September 30, 2017, in the amounts of R$ (11,099) and R$ (12,052), respectively, and for the nine-month period ended September 30, 2017, in the amounts of R$ (29,770) and R$ (31,931), respectively, were transferred in the income statement, from " Cost of sales, rentals and services rendered" to "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 interim financial information and the comparability with 2018, the Company has broken down the corresponding information of the statement of income for the three and nine-month periods ended September 30, 2017. 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 33).

2.8.2 Error corrections

During the period ended September 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 amount of R$ 61,046, 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 logistics, 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:

						9/30/2018
	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	**2,979,206**	**509,559**	**1,825,555**	**740,320**	**(110,728)**	**5,943,912**
(-) Cost of sales, rentals and services rendered	(2,360,067)	(426,206)	(314,450)	(409,648)	47,745	(3,462,626)
(-) Cost of sales of decommissioned assets	(237,013)	(4,097)	(923,935)	(59,135)	51,610	(1,172,570)
(=) Gross profit	**382,126**	**79,256**	**587,170**	**271,537**	**(11,373)**	**1,308,716**
General and administrative expenses	(142,661)	(65,728)	(178,979)	(77,778)	(1,279)	(466,425)
Selling expenses	(12,466)	(5,502)	(89,243)	(17,163)	-	(124,374)
Other operating income (expenses), net	6,303	3,071	(46,467)	14,557	12,652	(9,884)
Equity in the results of investees	765	-	-	-	-	765
(=) Profit before finance income and (costs)	**234,067**	**11,097**	**272,481**	**191,153**	**-**	**708,798**
Finance result, net						(508,664)
(=) Profit before income tax and social contribution						**200,134**
income tax and social contribution - current and deferred						(71,608)
(=) Net profit for the period						**128,526**
Attributable to:						
Owners of the Company						86,094
Non-controlling interests						42,432
Total assets per segment - 9/30/2018	9,482,407	274,006	4,850,556	2,170,735	(2,055,744)	14,721,960
Total liabilities per segment - 9/30/2018	8,938,073	110,659	3,212,886	1,500,785	(135,115)	13,627,288
Depreciation and amortization	(227,863)	(4,084)	(67,612)	(156,721)	-	(456,280)

(i) Eliminations of transactions between the segments.

						9/30/2017
	Transportation and logistics	Authorized light vehicle dealerships	Movida	Vamos	Eliminations (i)	Consolidated (Reclassified note 2.8)
Net revenue from services rendered, rental and sale of assets used in services rendered	**2,815,115**	**444,273**	**1,881,319**	**522,640**	**(216,502)**	**5,446,845**
(-) Cost of sales, rentals and services rendered	(2,226,274)	(357,036)	(322,228)	(250,543)	183,638	(2,972,443)
(-) Cost of sales of decommissioned assets	(247,334)	(10,857)	(1,080,625)	(53,139)	31,758	(1,360,197)
(=) Gross profit	**341,507**	**76,380**	**478,466**	**218,958**	**(1,106)**	**1,114,205**
General and administrative expenses	(145,357)	(66,090)	(122,265)	(72,234)	1,239	(407,707)
Selling expenses	(16,311)	(5,616)	(111,668)	(1,917)	-	(135,512)
Other operating income (expenses), net	10,069	(4,526)	(58,209)	6,624	133	(46,175)
(=) Profit before finance income and (costs)	**189,908**	**148**	**186,324**	**148,431**	**-**	**524,811**
Finance result, net						(503,652)
(=) Profit before income tax and social contribution						**21,159**
income tax and social contribution - current and deferred						(13,093)
(=) Net profit for the period						**8,066**
Attributable to:						
Owners of the Company						(4,499)
Non-controlling interests						12,565
Total assets per segment - 12/31/2017	7,159,603	270,934	4,006,469	2,114,228	(2,050,310)	11,500,924
Total liabilities per segment - 12/31/2017	6,553,258	110,925	2,721,630	1,360,706	(434,915)	10,311,604
Depreciation and amortization	(255,404)	(4,370)	(54,876)	(78,479)	-	(393,129)

(i) Eliminations of transactions between the segments.

The period ended September 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, fund for capitalization of authorized vehicle dealerships, 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 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				
	9/30/2018				
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 - FVTOCI (i)**	**Amortized cost**	**Total**
Cash and cash equivalents	422,259	-	-	14,973	437,232
Marketable securities	3,076,887	-	635,137	-	3,712,024
Derivative financial instruments	101,211	300,954	-	-	402,165
Trade receivables	-	-	-	1,378,642	1,378,642
Related parties	-	-	-	35	35
Fund for capitalization of authorized vehicle dealerships	-	-	-	40,802	40,802
Other credits	-	-	-	35,474	35,474
	3,600,357	**300,954**	**635,137**	**1,469,926**	**6,006,374**

Liabilities, as per balance sheet	**Liabilities at fair value through profit or loss**	**Amortized cost**	**Total**
Trade payables	-	1,126,096	1,126,096
Floor plan vehicles	-	79,729	79,729
Borrowings and financing	120,718	8,289,050	8,409,768
Debentures	357,422	2,117,977	2,475,399
Finance leases payable	-	177,995	177,995
Assignment of receivables	-	25,681	25,681
Related parties	-	725	725
Other accounts payable	-	428,462	428,462
	478,140	**12,245,715**	**12,723,855**

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

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	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Financial assets				
Cash and cash equivalents	437,232	714,734	437,232	714,734
Marketable securities	3,712,024	1,724,204	3,712,024	1,724,204
Derivative financial instruments	402,165	108,252	402,165	108,252
Trade receivables	1,378,642	1,332,439	1,378,642	1,332,439
Related parties	35	188	35	188
Fund for capitalization of authorized vehicle dealerships	40,802	39,692	40,802	39,692
Other credits	35,474	18,897	35,474	18,897
Total	**6,006,374**	**3,938,406**	**6,006,374**	**3,938,406**
Financial liabilities				
Trade payables	1,126,096	878,274	1,126,096	878,274
Floor plan vehicles	79,729	72,051	79,729	72,051
Suppliers financing - car makers	-	248,148	-	248,148
Borrowings and financing	8,409,768	5,792,567	8,390,425	5,783,127
Debentures	2,475,399	2,015,483	2,458,570	1,989,649
Finance leases payable	177,995	212,777	176,521	212,771
Assignment of receivables	25,681	30,214	25,681	30,214
Related parties	725	553	725	553
Other accounts payable	428,462	351,980	428,462	351,980
Total	**12,723,855**	**9,602,047**	**12,686,209**	**9,566,767**

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					
			9/30/2018			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")	-	162,109	162,109	-	313,906	313,906
Repo operations	-	95,897	95,897	-	181,860	181,860
Financial bills	-	30,616	30,616	-	99,734	99,734
Units of other funds	46,756	-	46,756	74,194	-	74,194
Others	86,881	-	86,881	25,419	-	25,419
Marketable securities						
Financial Treasury Bills ("LFT")	187,842	-	187,842	317,490	-	317,490
National Treasury Bills ("LTN")	157,514	-	157,514	324,929	-	324,929
CLN - Credit linked notes	-	1,882,195	1,882,195	-	540,626	540,626
Units of funds	847,323	-	847,323			
Sundry	2,013	-	2,013	7,540	-	7,540
Derivative financial instruments						
Swap	-	402,165	402,165	-	85,352	85,352
	1,328,329	**2,572,982**	**3,901,311**	**749,572**	**1,221,478**	**1,971,050**
Assets at fair value through other comprehensive income - FVTOCI						
Marketable securities						
Sovereign securities (in USD)	277,422	-	277,422	319,677	-	319,677
Corporate securities (in USD)	357,715	-	357,715	213,842	-	213,842
	635,137	**-**	**635,137**	**533,519**	**-**	**533,519**
Fair value of hedge instruments						
Swap	-	-	-	-	22,900	22,900
	1,963,466	**2,572,982**	**4,536,448**	**1,283,091**	**1,244,378**	**2,527,469**
Liabilities at fair value through profit or loss						
Borrowings and financing	-	120,718	120,718	-	199,951	199,951
Debentures	-	357,422	357,422	-	354,943	354,943
	-	**478,140**	**478,140**	**-**	**554,894**	**554,894**

The specific valuation techniques used to measure the assets and liabilities at fair value include:

(i) Quoted market prices or quotations from financial institutions or brokers for similar instruments;

(ii) Analysis of discounted cash flows.

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

Interest curve – Brazil							
Vertex	1M	6M	1Y	2Y	3Y	5Y	10Y
Rate (p.a.) - %	6.42%	7.14%	7.98%	9.26%	10.26%	11.40%	12.29%

Source: B3 ("Brasil, Bolsa e Balcão") on 9/30/2018

4.3 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 to 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 FVTOCI, 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).

  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 4.3.1.

- 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.

  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.

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	1,126,096	1,126,096	1,126,096	-	-
Floor plan vehicles	79,729	79,729	79,729	-	-
Borrowings and financing	8,409,768	10,963,101	1,376,783	1,849,529	7,736,789
Debentures	2,475,399	2,948,866	581,154	918,709	1,449,003
Assignment of receivables	25,681	34,064	8,014	13,025	13,025
Finance leases payable	177,995	198,011	86,894	62,237	48,880
Related parties	725	725	725	-	-
Other accounts payable	428,462	435,304	192,782	104,593	137,929
Total	**12,723,855**	**15,785,896**	**3,452,177**	**2,948,093**	**9,385,626**

4.3.1 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 7.98%, based on the future interest rate curve of B3 (“Brasil, Bolsa e Balcão”), impacting proportionally the debts and financial investments of the JSL Group. Regarding the IPCA, the scenario considered probable by the JSL Group is 4.20% (source: Bacen) at September 30, 2018. For TJLP, the probable rate is 7.40% (source: BNDES) and for SELIC is 8.00% (source: Bacen).

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%
Derivatives designated as hedge accouting						
Swap	USD 503,500	Decrease of USD	$ 4,18	2,104,630	2,630,788	3,156,945
NCE (object)	USD (463,500)	Increase of USD	$ 4,18	(1,937,430)	(2,421,788)	(2,906,145)
Internacional credit (object)	USD (40,000)	Increase of USD	$ 4,18	(167,200)	(209,000)	(250,800)
Net effect of the exposition	-			-	-	-
Derivatives not designated as hedge accouting						
Swap	USD 30,000	Decrease of USD	$ 4,18	125,400	156,750	188,100
Internacional credit (object)	USD (30,000)	Increase of USD		(125,400)	(156,750)	(188,100)
Swap	357,422	Decrease of USD	11,70%	41,818	52,273	62,728
Debentures	(357,422)	Increase of USD	11,70%	(41,818)	(52,273)	(62,728)
Net effect of the exposition	-					
Cash and cash equivalents	422,259	Increase of CDI	7.85%	33,147	24,860	16,574
Marketable securities	824,992	Increase of SELIC	8.00%	65,999	49,500	33,000
Borrowings, financing and debentures	(7,221,795)	Increase of CDI	10.22%	(738,067)	(922,584)	(1,107,101)
Finance leases payable	(177,995)	Increase of CDI	11.19%	(19,918)	(24,897)	(29,876)
Payables for the acquisition of companies	(94,797)	Increase of CDI	7.98%	(7,565)	(9,456)	(11,347)
Payables for the acquisition of companies	(75,537)	Increase of IGPM	2.78%	(2,100)	(2,625)	(3,150)
Borrowings and financing	(10,353)	Increase of IPCA	7.20%	(745)	(932)	(1,118)
Borrowings and financing	(247,437)	Increase of TLP	10.20%	(25,239)	(31,548)	(37,858)
Borrowings and financing	(100,120)	Increase of SELIC	12.20%	(12,215)	(15,268)	(18,322)
Net exposure and impact of finance costs on the statement of income - floating rate	**(6,680,783)**			**(706,702)**	**(932,951)**	**(1,159,199)**
Marketable securities	2,887,032	FIXED RATE	8.23%	237,603	237,603	237,603
				237,603	**237,603**	**237,603**
Debts at fixed rates						
Borrowings, financing and debentures	(3,305,462)	FIXED RATE	8.95%	(295,806)	(295,806)	(295,806)
Net exposure and impact of finance costs on the statement of income (loss) - fixed rate	**(418,430)**			**(58,203)**	**(58,203)**	**(58,203)**
Net exposure and total impact of finance costs on the statement of income	**(7,099,213)**			**(764,905)**	**(991,154)**	**(1,217,40)**

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.

4.4 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 September 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 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 September 30, 2018, the negative variation was R$ 55,626. The gain or loss relating to the ineffective portion, when determined, is recognized immediately in statement of income (loss). During the period ended September 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 September 30, 2018 and 2017, the gains on swap transactions were R$ 357,881 (loss of R$ 22,519 in 2017) in the parent company, and gains of R$ 365,967 (loss of R$ 22,519 in 2017) consolidated. These expenses set over against on the underlying hedged instruments. See the impact on the result in Note 34.

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

								Consolidated	
								Balance of the hedged debt at 9/30/2018	
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	162,764	162,764
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 60,000	07/2024	FIXED RATE + EXCHANGE RATE	149.59% CDI	243,792	243,792
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 60,000	07/2024	FIXED RATE + EXCHANGE RATE	152.26% CDI	243,792	243,792
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 60,000	07/2024	FIXED RATE + EXCHANGE RATE	153.90% CDI	243,758	243,758
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 75,000	07/2024	FIXED RATE + EXCHANGE RATE	152.50% CDI	304,698	304,698
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 50,000	07/2024	FIXED RATE + EXCHANGE RATE	151.65% CDI	203,132	203,132
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 50,000	07/2024	FIXED RATE + EXCHANGE RATE	150.65% CDI	203,132	203,132
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 68,500	07/2024	FIXED RATE + EXCHANGE RATE	149.45% CDI	278,291	278,291
JSL	Swap agreement	Fair value option	SWAP IPCA X CDI	R$ 115,089	07/2020	IPCA + FIXED RATE	108.85% CDI	138,100	140,978
JSL	Swap agreement	Fair value option	SWAP IPCA X CDI	R$ 98,723	07/2020	IPCA + FIXED RATE	108.85% CDI	117,519	120,027
JSL	Swap agreement	Fair value option	SWAP IPCA X CDI	R$ 71,751	06/2021	IPCA + FIXED RATE	CDI + 2.53%	94,084	96,417
JSL	Swap agreement	Fair value option	SWAP USD X CDI	USD 30,000	03/2019	FIXED RATE + EXCHANGE RATE	CDI + 1.95%	120,309	120,718
Vamos	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 40,000	05/2021	FIXED RATE + EXCHANGE RATE	130.15% CDI	163,291	163,291
							Total	**2,516,662**	**2,524,790**

The outstanding balances are as follows:

						Parent company
		9/30/2018				12/31/2017
Operation	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Swap – USD x DI	USD 493,500	321,696	-	USD 220,000	34,670	-
Swap – IPCA x DI	R$ 285,562	74,388	-	R$ 285,563	73,582	-
Total		**396,084**	**-**		**108,252**	**-**
Current		26,824	-		-	-
Non-current		369,260	-		108,252	-
Total		**396,084**	**-**		**108,252**	-

						Consolidated
		9/30/2018				12/31/2017
Operation	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Swap – USD x DI	USD 533,500	327,777	-	USD 220,000	34,670	-
Swap – IPCA x DI	R$ 285,562	74,388	-	R$ 285,563	73,582	-
Total		**402,165**	**-**		**108,252**	**-**
Current		26,824	-		-	-
Non-current		375,341	-		108,252	-
Total		**402,165**	**-**		**108,252**	-

5. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Cash	393	340	5,245	1,900
Banks	4,068	4,045	9,728	17,721
Total cash and banks	**4,461**	**4,385**	**14,973**	**19,621**
Bank deposit certificates (“CDB”)	60,772	29,875	162,109	313,906
Repo operations	1,544	63,637	95,897	181,860
Financial bills	25,050	2,135	30,616	99,734
Units of funds	2,199	2,550	46,756	74,194
Others	15,360	13,905	86,881	25,419
Total financial investments	**104,925**	**112,102**	**422,259**	**695,113**
Total	**109,386**	**116,487**	**437,232**	**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 for the period ended September 30, 2018 and year ended December 31, 2017.

During the nine-month period ended September 30, 2018, the average income of these investments was 99.04% of the CDI, equivalent to 0.79% 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	**9/30/2018**	**12/31/2017**	**9/30/2018**	**12/31/2017**
Exclusive funds				
Financial Treasury Bills ("LFT")	80,273	24,642	187,842	317,490
National Treasury Bills ("LTN")	90,139	50,683	157,514	324,929
Units of funds	256,984	-	847,323	-
Sundry	-	-	2,013	7,540
Foreign securities				
Sovereign securities (in USD)	-	-	357,715	319,677
Corporate securities (in USD)	-	-	277,422	213,842
Credit linked note ("CLN")	-	-	1,882,195	540,626
Debentures	-	305,355	-	-
Total	**427,396**	**380,680**	**3,712,024**	**1,724,104**
Current assets	427,396	380,680	3,710,011	1,718,520
Non-current assets	-	-	2,013	5,584
Total	**427,396**	**380,680**	**3,712,024**	**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 nine-month period ended September 30, 2018 was 0.79% 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 in foreign currency (USD) are held for natural hedge of the portion of debt in USD of a similar amount, for which no exchange variation swap was contracted. 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 period ended September 30, 2018 was 6.06% p.a.

7. TRADE RECEIVABLES

	Parent company		Consolidated	
Description	**9/30/2018**	**12/31/2017**	**9/30/2018**	**12/31/2017**
Receivables from services and rentals	422,618	477,994	984,056	991,925
Commission on sales of used vehicles	-	-	44,902	43,099
Receivables from credit cards (i)	-	-	36,883	6,860
Leases receivable (ii)	-	-	121,562	74,433
Unbilled revenue from services rendered and rental (iii)	227,396	208,504	343,304	312,283
Intercompany receivables	93,821	13,494	-	-
Other accounts receivable	33,582	32,868	119,638	126,937
(-) Expected credit losses in accounts receivable	(75,357)	(68,986)	(271,703)	(223,098)
Total	**702,060**	**663,874**	**1,378,642**	**1,332,439**
Current assets	685,323	637,969	1,265,585	1,211,836
Non-current assets	16,737	25,905	113,057	120,603
Total	**702,060**	**663,874**	**1,378,642**	**1,332,439**

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

(ii) Refers to balances receivable related to finance lease agreements of vehicles and machinery to customers.

(iii) In the parent company comprises any shipping orders used, issued and recognized as revenue for the period not yet invoiced to the customer, 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 receivable

	Parent company		Consolidated	
	9/30/2018	**12/31/2017**	**9/30/2018**	**12/31/2017**
Falling due	**621,373**	**576,383**	**1,107,544**	**1,079,792**
Overdue for up to 30 days	42,439	43,999	101,716	80,423
Overdue from 31 to 91 days	35,432	18,771	90,386	55,665
Overdue from 91 to 180 days	10,324	18,330	30,963	55,324
Overdue from 181 to 365 days	7,269	11,075	48,874	62,452
Overdue for more than 365 days	60,580	64,302	270,862	221,881
Total overdue	**156,044**	**156,477**	**542,801**	**475,745**
(-) Expected credit losses in accounts receivable	(75,357)	(68,986)	(271,703)	(223,098)
Total	**702,060**	**663,874**	**1,378,642**	**1,332,439**

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

	Parent company	Consolidated
At December 31, 2016	**(60,501)**	**(147,343)**
(-) Additions	(18,991)	(122,175)
(+) Reversals	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	(19,492)	(78,282)
(+) Reversals	16,385	59,387
At September 30, 2018	**(75,357)**	**(271,703)**

The expected credit losses in accounts receivable were computed considering the assumptions described in note 4.3 (i).

8 INVENTORIES

	Parent company		Consolidated	
Description	**9/30/2018**	**12/31/2017**	**9/30/2018**	**12/31/2017**
New vehicles	-	-	83,937	83,371
Used vehicles	-	-	52,139	47,913
Parts for resale	-	-	66,821	82,386
Materials for use and consumption	39,987	32,501	50,993	41,997
Other	-	-	1,008	696
(-) Estimated losses of inventories (i)	(7,439)	(6,744)	(12,522)	(10,216)
Total	**32,548**	**25,757**	**242,376**	**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)
(+) Reversals	3,605	6,316
At December 31, 2017	**(6,744)**	**(10,216)**
(-) Additions	(4,301)	(8,700)
(+) Reversals	3,606	6,394
At September 30, 2018	**(7,439)**	**(12,522)**

9 TAXES RECOVERABLE

	Parent company		Consolidated	
Description	**9/30/2018**	**12/31/2017**	**9/30/2018**	**12/31/2017**
IRRF	31,269	1,869	46,934	12,376
ICMS	18,560	17,654	42,355	40,762
INSS	55,655	51,664	73,789	68,760
PIS and COFINS	25,052	10,408	108,447	60,186
ISS	-	-	2,715	2,442
Other	2,034	1,852	2,786	2,419
Total	**132,570**	**83,447**	**277,026**	**186,945**
Current assets	92,241	43,332	214,389	125,015
Non-current assets	40,329	40,115	62,637	61,930
Total	**132,570**	**83,447**	**277,026**	**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	
	9/30/2018	**12/31/2017**	**9/30/2018**	**12/31/2017**
Current assets	55,723	56,295	109,269	97,196
Non-current assets (i)	20,433	20,245	20,667	20,307
Total	**76,156**	**76,540**	**129,936**	**117,503**

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

11 AVAILABLE-FOR-SALE

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$ 39,707 (at December 31, 2017 - R$ 70,866) and in the consolidated totaling R$ 385,973 (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 nine-month period ended September 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	141,775	23,393	165,168	1,403,237	67,221	1,470,458
Assets written-off due to sale	(198,508)	(23,092)	(221,600)	(1,358,830)	(53,105)	(1,411,935)
At September 30, 2018	**54,541**	**26,092**	**80,633**	**406,660**	**95,724**	**502,384**
Accumulated depreciation:						
At December 31, 2017	**(43,444)**	**(22,755)**	**(66,199)**	**(74,411)**	**(56,060)**	**(130,471)**
Assets transferred from property and equipment	(53,162)	(15,700)	(68,862)	(182,756)	(42,549)	(225,305)
Assets written-off due to sale	78,057	16,071	94,128	211,205	28,160	239,365
At September 30, 2018	**(18,549)**	**(22,384)**	**(40,933)**	**(45,962)**	**(70,449)**	**(116,411)**
Net value:						
At December 31, 2017	**67,830**	**3,036**	**70,866**	**287,842**	**25,548**	**313,390**
At September 30, 2018	**35,998**	**3,708**	**39,700**	**360,698**	**25,275**	**385,973**

12 FUNDS FOR CAPITALIZATION OF AUTHORIZED VEHICLE DEALERSHIPS

The Fund for Capitalization of Authorized Vehicle Dealerships refer to the payments made by the Company's subsidiaries, which 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 September 30, 2018 is R$ 40,802, 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 September 30, 2018, as follows:

						Parent company	Consolidated	
Investments	**Equity at 9/30/2018**	**Interest %**	**Equity in the results of investees**	**Asset balance 9/30/2018**	**Negative equity 9/30/2018 (ii)**	**12/31/2017**	**Asset balance 9/30/2018**	**12/31/2017**
Mogipasses	18,907	99.99980	1,420	18,907	-	17,487	-	-
Yolanda	23,738	99.99998	3	23,738	-	24,596	-	-
JSL Empreendimentos Imobiliários	5,087	99.99999	(1,040)	5,087	-	6,126	-	-
CS Brasil	544,745	99.99998	42,990	544,745	-	518,284	-	-
Vamos	669,917	99.99999	87,938	669,917	-	610,967	-	-
Medlog	1,043	99.99999	590	1,043	-	453	-	-
Quick Logística	23,476	99.99999	(5,153)	23,476	-	28,313	-	-
Quick Armazéns	5,142	99.99999	(178)	5,142	-	5,321	-	-
CS Brasil Frotas	244,307	99.99999	14,900	244,307	-	236,320	-	-
Quataí Transporte de Passageiros	100	99.99999	-	100	-		-	-
Movida	1,637,657	64.09050	69,889	1,146,727	-	842,733	-	-
JSL Europe	7,555	99.99999	(8,566)	7,555	-	-	-	-
JSL Finance	(63,879)	99.99999	(6,536)	-	(63,879)	-	-	-
Original Veículos	105,316	100.00000	2,245	105,316	-	103,055	-	-
Ponto Veículos	30,302	100.00000	2,094	30,302	-	28,204	-	-
Avante Veículos	19,853	100.00000	494	19,853	-	19,409	-	-
JSL Corretora e Administradora de Seguros Ltda.	7,875	100.00000	2,326	7,875	-	5,550	-	-
Servim Serviços Logísticos	4	99.99999	(7)	4	-	-	-	-
Gain on the acquisition of Quick Logística		-	-	19,741	-	32,403	-	-
Goodwill on the acquisition of businesses (i)		-	-	6,481	-	6,481	-	-
BRT Sorocaba Concessionárias		-	-	-	-	-	2,739	979
Other			-	-	-	-	989	-
Total permanent investments			**203,409**	**2,880,316**	**(63,879)**	**2,485,702**	**3,728**	**979**

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

(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**	**Reduction / Disposal of investment**	**Spin-off (v)**	**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)**	**9/30/2018**
Mogipasses	17,487	-	17,487	-	-	-	-	1,420	-	-	-	-	-	18,907
Yolanda	24,596	(861)	23,735	-	-	-	-	3	-	-	-	-	-	23,738
JSL Empreendimentos Imobiliários	6,126	-	6,126	-	-	-	-	(1,040)	-	-	-	-	1	5,087
CS Brasil	518,284	-	518,284	-	-	-	(100)	42,990	-	-	-	(16,637)	208	544,745
Vamos	610,967	170	611,137	20,807	(94,193)	-	-	87,938	-	-	66,228	(19,640)	(2,360)	669,917
Medlog	453	-	453	-	-	-	-	590	-	-	-	-	-	1,043
Quick Logística	28,313	315	28,628	-	-	-	-	(5,153)	-	-	-	-	1	23,476
Quick Armazéns	5,321	-	5,321	-	-	-	-	(178)	-	-	-	-	(1)	5,142
CS Brasil Frotas	236,320	-	236,320	-	-	-	-	14,900	-	-	-	(6,914)	-	244,307
Quataí Transporte de Passageiros	-	-	-	-	-	-	100	-	-	-	-	-	-	100
Movida	842,733	(10,050)	832,683	293,097	(5,459)	(19,502)	-	69,889	-	-	3	(23,858)	(126)	1,146,727
Original Veículos	103,055	-	103,055	-	-	-	-	2,245	-	-	-	-	16	105,316
Ponto Veículos	28,204	-	28,204	-	-	-	-	2,094	-	-	-	-	4	30,302
Avante Veículos	19,409	-	19,409	-	-	-	-	494	-	-	-	-	(50)	19,853
JSL Corretora e Administradora de Seguros Ltda.	5,550	-	5,550	-	-	-	-	2,326	-	-	-	-	(1)	7,875
Servim Serviços Logísticos	-	-	-	11	-	-	-	(7)	-	-	-	-	-	4
JSL Europe	-	-	-	19,335	-	-	-	(8,566)	-	-	-	-	(3,214)	7,555
Gain on the acquisition of Quick Logística	32,403	-	32,403	-	-	-	-	-	(8,104)	(4,558)	-	-	-	19,741
Goodwill authorized vehicle dealerships	6,481	-	6,481	-	-	-	-	-	-	-	-	-	-	6,481
Total investments	**2,485,702**	**(10,426)**	**2,475,277**	**333,250**	**(99,652)**	**(19,502)**	**-**	**209,945**	**(8,104)**	**(4,558)**	**66,231**	**(67,049)**	**(5,522)**	**2,880,316**
Provisions for investment losses														
JSL Europe	(12,228)	-	(12,228)	12,228	-	-	-	-	-	-	-	-	-	-
JSL Finance	(10,411)	-	(10,411)	-	-	-	-	(6,536)	-	-	-	-	(46,932)	(63,879)
Total permanent investments	**2,463,063**	**(10,426)**	**2,452,638**	**345,478**	**(99,652)**	**(19,502)**	**-**	**203,409**	**(8,104)**	**(4,558)**	**66,231**	**(67,049)**	**(52,454)**	**2,816,437**

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

(ii) Refers to surplus 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 subsidiary Movida there was the acquisition of investment through subscription of shares, as mentioned in note 1.1 In addition, there was a capital contribution in JSL Europe, turning its equity into positive.

(v) As shown in note 1.4, in September 2018, the partial spin-off of the subsidiary CS Brasil Transporte de Passageiros e Serviços Ambientais Ltda. (“CS Brasil”) was approved. The spun-off portion of R$ 100 was transferred to Quataí Transporte de Passageiros Ltda.

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 September 30, 2018, included in the interim financial information, is presented below:

	9/30/2018							
	Parent company							
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenue	Costs and expenses	Net profit (loss) for the period
Mogipasses	45,883	287	8,836	18,427	18,907	1,927	(507)	1,420
Yolanda	4,435	28,386	8,743	340	23,738	10,755	(10,752)	3
JSL Empreendimentos Imobiliários	339	9,787	5,009	30	5,087	155	(1,195)	(1,040)
CS Brasil	315,140	557,259	223,117	104,537	544,745	529,442	(486,452)	42,990
Vamos	556,268	1,614,467	526,610	974,175	669,950	723,603	(631,330)	98,870
Medlog	2,635	15	1,607	-	1,043	6,013	(5,423)	590
Quick Logística	34,696	26,403	26,906	10,717	23,476	79,657	(84,810)	(5,153)
Quick Armazéns	1,784	3,374	16	-	5,142	202	(24)	178
CS Brasil Frotas	82,564	254,453	73,112	19,598	244,307	106,901	(92,001)	14,900
Quataí Transporte de Passageiros	2,788	2,793	4,881	600	100	-	-	-
Movida	1,396,149	3,428,645	1,225,650	1,961,474	1,637,670	1,861,394	(1,753,354)	108,040
JSL Europe	1,882,458	699,124	47,363	2,526,664	7,555	-	(8,566)	(8,566)
JSL Finance	635,245	-	-	699,124	(63,879)	-	(6,536)	(6,536)
Original Veículos	114,036	67,868	72,063	4,525	105,316	380,492	(378,246)	2,246
Ponto Veículos	33,507	18,633	20,357	1,481	30,302	91,568	(89,474)	2,094
Avante Veículos	26,855	5,405	12,082	325	19,853	38,645	(38,150)	495
JSL Corretora e Administradora de Seguros Ltda.	8,590	86	784	17	7,875	5,238	(2,913)	2,325
Servim Serviços Logisticos	4	-	-	-	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 the period ended September 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 (i)	143,129	29,063	378	6,360	2,614	39	9,677	191,260
Transfers	(763)	477	20	(13)	573	(274)	(20)	-
Transfers to available-for-sale assets	(141,775)	(23,393)	-	0	-	-	-	(165,168)
Assets written-off and others (i)	(1,070)	(836)	(2,856)	(254)	(22)	(49)	-	(5,087)
At September 30, 2018	**1,323,436**	**394,121**	**178,089**	**22,445**	**28,444**	**188,981**	**17,385**	**2,152,901**
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	(83,595)	(32,587)	(6,835)	(1,875)	(1,900)	(10,392)	-	(137,184)
Transfers	287	(35)	-	-	(380)	128	-	-
Transfers to available-for-sale assets	53,162	15,700	-	-	-	-	-	68,862
Assets written-off and others (ii)	72	517	2,211	72	3	35	-	2,910
At September 30, 2018	**(421,624)**	**(211,251)**	**(49,204)**	**(13,820)**	**(13,797)**	**(55,034)**	**-**	**(764,730)**
Net value:								
At December 31, 2017	**932,365**	**193,964**	**135,967**	**4,335**	**13,759**	**144,460**	**7,728**	**1,432,578**
At September 30, 2018	**901,812**	**182,870**	**128,885**	**8,625**	**14,647**	**133,948**	**17,385**	**1,388,171**
Average depreciation rates (%) - for the period:								
Light	10.3%	-	-	-	-	-	-	
Heavy	9.1%	12.1%	-	-	-	-	-	
Others	-	-	7.6%	19.3%	14.2%	11.0%	0.0%	

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

	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 (i)	2,385,821	144,234	185,998	1,045	8,346	5,185	1	1,429	-	26,671	2,758,730
Transfers	58,406	(71,108)	17,643	(2,871)	(25)	(397)	4,355	(4,990)	-	(1,013)	-
Transfers to available-for-sale assets	(1,403,237)	-	(67,221)	-	-	-	-	-	-	-	(1,470,458)
Assets written-off and others (ii)	(165,033)	-	(1,185)	(2,864)	(345)	(89)	-	(8,981)	-	-	(178,497)
At September 30, 2018	**6,504,483**	**141,038**	**1,196,297**	**352,310**	**45,974**	**54,726**	**20,807**	**208,127**	**15,917**	**36,786**	**8,576,465**
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	(313,094)	-	(87,706)	(24,159)	(3,301)	(3,708)	(1,837)	(13,273)	-	-	(447,078)
Transfers	(1,058)	-	(456)	740	-	96	(897)	1,575	-	-	-
Transfers to available-for-sale assets	182,756	-	42,549	-	-	-	-		-	-	225,305
Assets written-off and others (i)	3,764	-	684	2,217	72	32	-	4,199	-	-	10,968
At September 30, 2018	**(907,382)**	**-**	**(454,976)**	**(131,838)**	**(32,116)**	**(26,142)**	**(7,085)**	**(61,342)**	**-**	**-**	**(1,620,881)**
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 September 30, 2018	**5,597,101**	**141,038**	**741,321**	**220,472**	**13,858**	**28,584**	**13,722**	**146,785**	**15,917**	**36,786**	**6,955,584**
Average depreciation rates (%)											
Light	4.8%	-	-	-	-	-	-	-	-	-	
Heavy	8.6%	-	11%	-	-	-	-	-	-	-	
Others	-	-	-	12.9%	14.3%	13.4%	15.8%	10.6%	-	-	

(i) Of the total additions, the amounts of R$ 188,090 in the parent company and R$ 2,691,038 in the consolidated are related to purchases of operating assets.

(ii) Refers mainly to write-offs due to damages and damaged assets amounting to R$ 635 in the parent company and R$ 90,608 in the consolidated.

The JSL Group reviews annually the estimated market values at the end of the economic useful lives of its property and equipment items and reviews regularly the estimated economic useful lives used calculate the respective depreciation and amortization rates. In August 2018, based on a study the subsidiary Movida changed RAC depreciation rate to 2.0% and GTF depreciation rate to 8.7%.

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	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Cost - capitalized finance leases	70,200	117,638	190,594	269,658
Accumulated depreciation	(15,791)	(22,015)	(38,357)	(40,663)
Net balance	**54,409**	**95,623**	**152,237**	**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 nine-month period ended September 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	-	1,045	-	1,045
At September 30, 2018	**232,609**	**48,503**	**1,157**	**282,269**
Accumulated amortization:				
At December 31, 2017	**-**	**(27,572)**	**(308)**	**(27,880)**
Amortization expenses for the period	-	(4,816)	(17)	(4,833)
At September 30, 2018	**-**	**(32,388)**	**(325)**	**(32,713)**
Net value:				
At December 31, 2017	**232,609**	**19,886**	**849**	**253,344**
At September 30, 2018	**232,609**	**16,115**	**832**	**249,556**
Average amortization rates (%)		9.9%	20.0%	

The changes in the consolidated for the nine-month period ended September 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	-	-	16,808	-	123	16,931
Write-offs	-	-	(1,408)	-	(741)	(2,149)
At September 30, 2018	**336,377**	**54,904**	**76,380**	**46,178**	**22,219**	**536,058**
Accumulated amortization:						
At December 31, 2017	**-**	**(8,395)**	**(33,160)**	**(3,720)**	**(4,282)**	**(49,557)**
Amortization expenses for the period	-	(3,285)	(5,565)	-	(352)	(9,202)
At September 30, 2018	**-**	**(11,680)**	**(38,725)**	**(3,720)**	**(4,634)**	**(58,759)**
Net value:						
At December 31, 2017	**336,377**	**46,509**	**27,820**	**42,458**	**18,555**	**471,719**
At September 30, 2018	**336,377**	**43,224**	**37,655**	**42,458**	**17,585**	**477,299**
Average annual amortization rates (%)	**-**	20.0%	9.71%	-	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 customer 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 September 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	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Car makers	19,368	2,887	941,253	675,321
Parts and maintenance	9,567	10,663	18,622	16,969
Suppliers of machinery and vehicles	4,637	2,453	54,173	80,954
Inventory	17,082	7,388	24,406	13,200
Contracted services	14,537	11,659	20,785	14,984
Property leasing	2,743	2,622	4,300	4,039
Others	5,447	3,817	62,557	72,807
Total	**73,381**	**41,489**	**1,126,096**	**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 September 30, 2018 is R$ 79,729 (R$ 72,051 at December 31, 2017).

18 SUPPLIERS FINANCING - CAR MAKERS

							Parent company
Type	**Monthly rate (%)**	**Maturity**	**9/30/2018**	**New borrowings**	**Amortization**	**Interest**	**12/31/2017**
In local currency							
Suppliers financing - car makers	-	-	-	-	(3,951)	484	3,467

							Consolidated
Type	**Monthly rate (%)**	**Maturity**	**9/30/2018**	**New borrowings**	**Amortization**	**Interest**	**12/31/2017**
In local currency							
Suppliers financing - car makers	-	-	-	-	(269,077)	20,929	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	9/30/2018 Current	9/30/2018 Non-current	9/30/2018 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)	8.90%	CDI + +2.6%	Mar/2023	148,699	1,122,710	1,271,409	300,000	(79,444)	(67,487)	67,521	-	126,875	923,944	1,050,819
CRA (ii)	7.17%	CDI + +0.8%	Jun/2020	238,078	133,230	371,308	-	(100,001)	(13,171)	23,487	-	95,697	365,296	460,993
Finame (iii)	5.20%	Fixed rate	Jan/2025	30,722	202,570	233,292	34,442	(120,644)	(10,079)	9,917	-	63,035	256,621	319,656
Finame (iii)	10.40%	SELIC/TLP + 3.90	Aug/2023	31,707	29,689	61,396	28,929	(14,542)	(3,265)	3,424	-	15,667	31,183	46,850
NCE	-	-	-	-	-	-	-	(360,000)	(27,007)	22,723	-	64,284	300,000	364,284
FINEM (v)	7.70%	TLP/IPCA	Jun/2021	12,343	12,776	25,119	-	(11,383)	(2,305)	2,206	-	16,516	20,085	36,601
FNO	3.50%	Fixed rate	Jan/2024	1,868	8,010	9,878	-	(1,387)	(281)	277	-	1,872	9,397	11,269
Working capital (CDC) (viii)	12.55%	Fixed rate	Sep/2023	3	786	789	786	-	-	3	-	-	-	-
Others	10.70%	Fixed rate	Jan/2019	778	-	778	-	(3,563)	-	-	-	4,325	16	4,341
				464,198	**1,509,771**	**1,973,969**	**364,157**	**(690,964)**	**(123,595)**	**129,558**	**-**	**388,271**	**1,906,542**	**2,294,813**
In foreign currency														
NCE (iv)	USD + 7.75%	USD + 7.75%	Jul/2024	37,508	1,855,808	1,893,316	977,301	-	(67,486)	92,109	349,227	12,885	529,280	542,165
International credit (4131) - USD (x)	USD + 3.73%	USD + 3.73%	Mar/2019	120,714	-	120,714	-	(95,472)	(3,860)	2,848	17,247	100,711	99,240	199,951
International credit (4131) - USD (x)	7.60%	Fixed rate	Apr/2021	2,887	5,305	8,192	-	(1,195)	(344)	483	1,506	2,263	5,479	7,742
				161,109	**1,861,113**	**2,022,222**	**977,301**	**(96,667)**	**(71,690)**	**95,440**	**367,980**	**115,859**	**633,999**	**749,858**
				625,307	**3,370,884**	**3,996,191**	**1,341,458**	**(787,631)**	**(195,285)**	**224,998**	**367,980**	**504,130**	**2,540,541**	**3,044,671**

Consolidated

Type	Annual average rate (%)	Average rate structure (%)	Maturity	9/30/2018 Current	9/30/2018 Non-current	9/30/2018 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)	8.84%	CDI + 2.45	Aug/2025	180,514	1,468,675	1,649,189	316,500	(104,514)	(82,017)	83,206	-	176,785	1,259,229	1,436,014
CRA (ii)	7.17%	CDI + +0.8%	Jun/2020	238,078	133,231	371,309	-	(100,000)	(13,171)	23,487	-	95,697	365,296	460,993
Finame (iii)	6.00%	Fixed rate	Jan/2025	146,855	467,158	614,013	201,457	(250,129)	(24,684)	26,728	-	150,816	509,825	660,641
Finame (iii)	10.46%	TLP/ SELIC	Sep/2023	77,561	255,230	332,791	76,123	(111,459)	(23,541)	25,558	-	107,494	258,616	366,110
NCE	-	-	-	-	-	-	-	(360,000)	(27,007)	22,723	-	64,284	300,000	364,284
FINEM (v)	7.70%	TLP/IPCA	Jun/2021	12,343	12,776	25,119	-	(11,420)	(2,268)	2,206	-	16,516	20,085	36,601
FNO	3.50%	Fixed rate	Jan/2024	1,868	8,010	9,878	-	(1,401)	(267)	277	-	1,872	9,397	11,269
NP (vi)	8.00%	CDI + +1.6%	Aug/2021	16,569	523,817	540,386	400,000	(300,000)	(28,140)	28,075	-	159,852	280,599	440,451
FNE (viii)	8.90%	Fixed rate	Jun/2021	45,524	74,861	120,385	-	(37,088)	(9,028)	9,831	-	51,309	105,361	156,670
Working capital (CDC) (viii)	12.40%	Fixed rate	Sep/2023	3,954	25,598	29,552	28,890	(10,003)	(2,012)	1,504	-	3,025	8,148	11,173
Others	10.70%	Fixed rate	Jun/2023	5,734	18,632	24,366	21,763	(3,563)	-	-	-	6,150	16	6,166
				729,000	**2,987,988**	**3,716,988**	**1,044,733**	**(1,289,577)**	**(212,135)**	**223,595**	**-**	**833,800**	**3,116,572**	**3,950,372**
In foreign currency														
Senior Notes "Bond" (ix)	7.75%	USD + 7.75%	Jul/2024	29,314	2,477,953	2,507,267	977,301	-	(165,925)	165,068	438,486	33,038	1,059,300	1,092,338
NCE (iv)	USD + 7.75%	USD + 7.75%	Jul/2024	37,508	1,855,808	1,893,316	977,301	-	(67,486)	92,109	349,227	12,885	529,280	542,165
International credit (4131) - USD (x)	5.93%	USD + +5.93%	May/2021	123,849	160,156	284,005	150,800	(95,256)	(3,860)	5,767	26,603	100,711	99,240	199,951
International credit (4131) - USD (x)	7.60%	Fixed rate	Apr/2021	2,886	5,305	8,191	-	(1,196)	(344)	483	1,506	2,263	5,479	7,742
				193,557	**4,499,222**	**4,692,779**	**2,105,402**	**(96,452)**	**(237,615)**	**263,427**	**815,822**	**148,897**	**1,693,299**	**1,842,196**
				922,558	**7,487,210**	**8,409,768**	**3,150,135**	**(1,386,029)**	**(449,750)**	**487,022**	**815,822**	**982,697**	**4,809,871**	**5,792,568**

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

(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 2.60% p.a. in the parent company and 2.45% 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 decommissioned 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 decommissioned 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 ("TLP") or the SELIC rate and part have average fixed interest rates of 5.20% p.a. in the parent company and 6.00% 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) **NCE** transactions in foreign currency were raised at the rate of 7.75% 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 7.70% p.a. and have maturities until June 2021. These transactions do not have covenants.

(vi) **Promissory notes** refer to written promise to pay signed by the subsidiaries Movida Participações S.A. to the subscriber. These transactions are subject to interest of the Interbank Deposit Certificate - CDI plus a spread of 1.6%, with maturities until August 2021. 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 8.90% p.a. in the consolidated 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 12.55% p.a. in the parent company and 12.40% in the consolidated. They comprise various agreements with varying maturities until September 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") and 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 3.73% and 5.93% p.a., in the parent company and consolidated, respectively, and have maturities until May 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 September 30, 2018, including maintaining financial indexes as shown below:

Covenant	Limits	12 months ended 9/30/2018	12 months ended 12/31/2017
Net debt/ Added EBITDA	Less than 3.5	2.15	1.93
Added EBITDA/ Finance costs, net	Greater than 2	5.03	4.70
Net debt / Adjusted EBITDA	Less than 4.75	4.43	4.35

Net debt: means the total balance of short and long-term borrowings and financing, 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 decommissioned 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:

					9/30/2018
		Parent company		Consolidated	
	Maturity of installments	Total	%	Total	%
Total current liabilities	Until September 2019	**625,307**	**16%**	**922,558**	**11%**
	October to December 2019	44,208	1%	-	
	2020	463,977	12%	412,344	5%
	2021	608,103	15%	1,115,359	13%
	2022	299,798	8%	1,016,303	12%
	2023	91,279	2%	428,297	5%
	2024	1,863,469	46%	150,459	2%
	2025	50	0%	4,364,448	52%
Total non-current liabilities		**3,370,884**	**84%**	**7,487,210**	**89%**
Total		**3,996,191**	**100%**	**8,409,768**	**100%**

19.2 Guarantees and bank guarantees

At September 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.; VAMOS has CCB transactions collateralized by the respective financed vehicles, machinery and equipment.

The other transactions do not have any guarantees.

20 DEBENTURES

											Parent company
			9/30/2018			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	149,088	153,389	302,477	(116,182)	(38,024)	32,404	133,226	291,053	424,279
8th issuance	7.9%	Jun/2021	158,277	146,117	304,394	(124,698)	(19,276)	24,022	127,709	296,637	424,346
10th issuance	8.1%	Mar/2021	-	350,040	350,040	-	(27,693)	21,595	6,895	349,243	356,138
11th issuance	8.0%	Jun/2021	-	396,431	396,431	-	(23,509)	23,824	-	396,116	396,116
			307,365	**1,045,977**	**1,353,342**	**(240,880)**	**(108,502)**	**101,845**	**267,830**	**1,333,049**	**1,600,879**

												Consolidated
			9/30/2018			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	149,088	153,389	302,477	-	(116,182)	(38,024)	32,404	133,226	291,052	424,279
8th issuance	7.9%	Jun/2021	158,277	146,117	304,394	-	(124,698)	(19,276)	24,022	127,709	296,637	424,346
10th issuance	8.1%	Mar/2021	-	350,040	350,040	-	-	(27,693)	21,595	6,895	349,243	356,138
11th issuance	8.0%	Jun/2021	-	396,431	396,431	-	-	(23,509)	23,824	-	396,117	396,116
1st issuance – Movida Participações (incorporated from Movida GTF)	8.3%	Sep/2018	-	-	-	-	(6,706)	(307)	6,327	686	-	686
1st issuance - Movida Locação de Veículos Ltda.	8.4%	Mar/2023	9,331	248,811	258,142	250,000	-	(1,528)	9,670	-	-	-
1st issuance - Movida Participações	8.6%	Jul/2022	81,246	323,352	404,598	-	-	(35,300)	25,981	15,901	398,016	413,917
2nd issuance – Movida Participações	8.3%	Jun/2023	11,039	448,278	459,317	450,000	-	(2,411)	11,728	-	-	-
			408,981	**2,066,418**	**2,475,399**	**700,000**	**(247,586)**	**(148,047)**	**155,551**	**284,417**	**1,731,065**	**2,015,483**

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

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 decommissioned assets, calculated over the last 12 months (EBITDA-A).

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

Covenant	Limits	12 months ended 9/30/2018	12 months ended 12/31/2017
Net debt/ Added EBITDA	Less than 3.5	2.15	1.93
Added EBITDA/ Finance costs, net	Greater than 2	5.03	4.70

Net debt: means the total balance of short and long-term borrowings and financing, 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.

All commitments described in the contracts were complied with at September 30, 2018, including the aforementioned indexes.

The repayment schedule of debentures is as follows:

					9/30/2018
		Parent company			Consolidated
	Maturity of installments	Total	%	Total	%
Total current liabilities	Until September 2019	**307,365**	**23%**	**408,981**	**16%**
	October to December 2019	-	0%	-	0.0
	2020	593,934	44%	764,024	31%
	2021	452,043	33%	805,769	33%
	2022	-	0.0	310,813	12%
	2023 onward	-	0.0	185,812	8%
Total non-current liabilities		**1,045,977**	**77%**	**2,066,418**	**84%**
Total		**1,353,342**	**100%**	**2,475,399**	**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 floating charges, and are distributed as follows:

											Parent company		
				9/30/2018			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	9.31%	Floating rate	Mar/2023	31,033	38,228	69,261	12,730	(29,833)	(8,391)	6,016	41,588	47,151	88,739
				31,033	**38,228**	**69,261**	**12,730**	**(29,833)**	**(8,391)**	**6,016**	**41,588**	**47,151**	**88,739**

											Consolidated		
				9/30/2018			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	9.57%	Floating rate	Mar/2023	76,557	101,438	177,995	87,875	(127,784)	(9,385)	14,512	142,329	70,448	212,777
				76,557	**101,438**	**177,995**	**87,875**	**(127,784)**	**(9,385)**	**14,512**	**142,329**	**70,448**	**212,777**

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

21.1 Amortization schedule:

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

					9/30/2018
		Parent company			Consolidated
	Maturity of installments	Total	%	Total	%
Total current liabilities	Until September 2019	**31,033**	**45%**	**76,557**	**43%**
	October to December 2019	5,324	8%	12,539	7%
	2020	25,570	37%	52,894	30%
	2021	2,904	4%	31,438	18%
	2022	2,114	3%	2,251	1%
	2023	2,316	3%	2,316	1%
Total non-current liabilities		**38,228**	**55%**	**101,438**	**57%**
Total		**69,261**	**100%**	**177,995**	**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 September 30, 2018 are as follows:

	Consolidated	
	9/30/2018	12/31/2017
Sale of receivables	34,065	40,077
Interest to be recognized	(8,384)	(9,863)
Total	**25,681**	**30,214**
Total current	6,043	6,043
Total non-current	19,638	24,171
Total	**25,681**	**30,214**

23 LABOR LIABILITIES

	Parent company		Consolidated	
Description	**9/30/2018**	**12/31/2017**	**9/30/2018**	**12/31/2017**
Salaries	38,042	37,679	74,675	67,547
INSS	25,750	22,603	44,108	37,780
FGTS	3,388	4,494	5,740	7,379
Provision for vacation, 13th salary, charges and bonuses	90,279	54,208	160,988	96,905
Other	240	218	2,509	2,041
Total	**157,699**	**119,202**	**288,020**	**211,652**

24 TAX LIABILITIES

	Parent company		Consolidated	
Description	**9/30/2018**	**12/31/2017**	**9/30/2018**	**12/31/2017**
PIS and COFINS	17,446	16,297	46,830	36,230
ICMS	17,750	11,752	23,857	18,068
ISS	-	401	-	2,980
IRRF	2,476	3,569	12,261	14,880
Others	541	586	7,850	5,640
Total	**38,213**	**32,605**	**90,798**	**77,798**
Current liabilities	37,372	31,764	89,631	76,093
Non-current liabilities	841	841	1,167	1,705
Total	**38,213**	**32,605**	**90,798**	**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	
	9/30/2018	**12/31/2017**	**9/30/2018**	**12/31/2017**	**9/30/2018**	**12/31/2017**	**9/30/2018**	**12/31/2017**
Labor	23,473	21,645	34,426	35,477	43,914	38,354	48,956	51,431
Civil	10,136	11,147	16,734	15,016	12,600	13,564	22,378	19,231
Tax	9,559	8,782	761	761	11,581	10,417	801	801
	43,168	**41,574**	**51,921**	**51,254**	**68,095**	**62,335**	**72,135**	**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 nine-month period ended September 30, 2018 are presented below:

	Parent company			
	Labor	**Civil**	**Tax**	**Total**
At December 31, 2017	**35,477**	**15,016**	**761**	**51,254**
Additions	6,802	1,752	-	8,554
Reversal	(7,853)	(34)	-	(7,887)
At September 30, 2018	**34,426**	**16,734**	**761**	**51,921**

	Consolidated			
	Labor	**Civil**	**Tax**	**Total**
At December 31, 2017	**51,431**	**19,231**	**801**	**71,463**
Additions	11,602	6,618	-	18,220
Reversal	(14,078)	(3,470)	-	(17,548)
At September 30, 2018	**48,955**	**22,379**	**801**	**72,135**

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 and 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 September 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	
	9/30/2018	**12/31/2017**	**9/30/2018**	**12/31/2017**
Labor	128,673	130,001	146,749	153,540
Civil	84,615	29,815	122,611	102,424
Tax	162,639	145,246	172,263	150,820
Total	**375,927**	**305,062**	**441,623**	**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	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
IRPJ/CSLL	96,153	78,769	97,895	80,326
ICMS	23,655	24,299	28,928	26,602
INSS	7,709	7,295	7,845	7,295
PER/DCOMP	12,113	12,171	12,785	12,858
PIS/COFINS	14,865	14,520	15,410	14,859
Other	8,144	8,192	9,400	8,880
Total	**162,639**	**145,246**	**172,263**	**150,820**

26 Other accounts payable

	Parent company		Consolidated	
Description	**9/30/2018**	**12/31/2017**	**9/30/2018**	**12/31/2017**
Payables for the acquisition of companies (i)	102,208	73,137	170,334	176,284
Provision for loss of investment	63,879	22,639	-	-
Future income	10,191	-	69,816	-
Liabilities for regulatories	11,500	-	11,500	-
Reserve fund	-	-	18,428	16,516
Securities reserve	5,709	-	17,282	12,091
Other accounts payable	19,168	19,238	141,102	147,089
Total	**212,655**	**115,014**	**428,462**	**351,980**
Current liabilities	63,403	21,435	191,699	167,680
Non-current liabilities	149,252	93,579	236,763	184,300
Total	**212,655**	**115,014**	**428,462**	**351,980**

(i) Payables for the acquisition of companies refer to obligations assumed as part of the purchase price of companies, which are used as guarantees for any contingencies. The amounts are monetarily restated by the CDI or IGPM and will be paid according the terms agreed upon within 5 years.

(ii) Refers mainly to amounts to be passed on to card operators, accounts payable resulting from consortium operations, freights payable and other accounts payable.

27 INCOME TAX AND SOCIAL CONTRIBUTION

27.1 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	**9/30/2018**	**12/31/2017**	**9/30/2018**	**12/31/2017**
Tax credits				
Tax loss and social contribution tax loss	67,709	74,401	199,927	193,070
Provision for judicial and administrative litigation	25,840	24,357	47,374	45,092
Expected credit losses in accounts receivable	9,990	10,724	64,292	46,428
Other provisions	28,849	24,368	32,895	31,322
Gain on disposal of investment	-	5,742	-	5,742
Fair value of cash flow hedge	28,656	-	28,656	-
Provision for transaction costs related to issuance of shares	5,692	5,080	5,913	5,079
Surplus value	21,816	18,015	21,816	18,015
Provision for adjustment to market value and obsolescence	2,529	2,293	4,195	3,556
Total tax credits - gross	**191,081**	**164,980**	**405,068**	**348,304**
Tax debits				
Present value adjustment	(3,793)	(5,740)	(3,740)	(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)	(29,013)	(27,236)
Swap	(15,552)	(2,322)	(12,803)	(2,322)
Fair value of cash flow hedge	-	(7,786)	-	(7,786)
Accounting vs. tax depreciation	(71,710)	(108,810)	(428,054)	(369,120)
Property and equipment - finance leases	2,067	(3,343)	(32,130)	(58,583)
Gains on Interest in subsidiaries	(60,546)	(43,770)	(59,682)	(42,894)
Realization of goodwill	(57,140)	(51,982)	(57,794)	(52,571)
Total tax debts - gross	**(218,790)**	**(235,877)**	**(634,045)**	**(576,571)**
Total tax debts, net	**(27,709)**	**(70,897)**	**(228,997)**	**(228,267)**
Deferred tax assets	-	-	82,067	60,626
Deferred tax liabilities	(27,709)	(70,897)	(311,064)	(288,893)
Total tax debts, net	**(27,709)**	**(70,897)**	**(228,997)**	**(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)	38,854	(15,425)
Deferred income tax and social contribution recognized in the statement of comprehensive income (loss)	28,656	28,656
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	(24,751)	(24,751)
Deferred income tax and social contribution arising from other changes	(681)	689
Net balance of deferred income tax at September 30, 2018	**(27,709)**	**(228,997)**

27.2 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 September 30, 2018 and December 31, 2017 deferred income tax and social contribution were recognized for all tax loss carryforwards, except for the deferred tax assets of JSL Holding.

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.

The realization of these credits related to the balance for the year ended December 31, 2017 is shown in the individual and consolidated annual financial statements, published on March 22, 2018.

27.3 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	**9/30/2018**	**9/30/2017**	**9/30/2018**	**9/30/2017**
Profit (loss) before income tax and social contribution	**62,560**	**(70,277)**	**200,134**	**21,159**
Statutory rates	34%	34%	34%	34%
Income tax and social contribution calculated at the standard rates	**(21,270)**	**23,894**	**(68,045)**	**(7,194)**
Permanent (additions) exclusions				
Equity in the results of investees	69,159	47,201	(260)	-
Tax incentives - Workers Meal Program ("PAT")	275	-	549	254
Interest on capital remuneration	(22,796)	(4,234)	4,630	-
Nondeductible expenses	(1,834)	(1,083)	(8,482)	(2,653)
Other (additions) deductions	-	-	-	(3,500)
Income tax and social contribution calculated	**23,534**	**65,778**	**(71,608)**	**(13,093)**
Current	(15,320)	-	(56,183)	(34,006)
Deferred	38,854	65,778	(15,425)	20,913
Income tax and social contribution on results	**23,534**	**65,778**	**(71,608)**	**(13,093)**
Effective rate	37.62%	(93.60%)	(35.78%)	(61.88%)

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.

28 RELATED PARTIES

28.1 Related-party balances (assets and liabilities)

In the table below, the line items trade receivables, other credits, other 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**			
	9/30/2018	**12/31/2017**	**9/30/2018**	**12/31/2017**	**9/30/2018**	**12/31/2017**	**9/30/2018**	**12/31/2017**	**Relationship**	**Specification**
Related parties										
Consórcio Unileste	-	-	-	-	-	-	-	49	Joint venture	Loan
Instituto Júlio Simões	-	-	-	-	-	-	-	67	Related parties	CSA / Reimbursement of expenses
Medlog Prestação de Serviços de Logística S.A.	-	-	-	-	-	-	208	10	Subsidiary	Reimbursement of expenses / CSA / Loan
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda.	-	-	-	-	24	-	4,287	3,836	Subsidiary	Operating lease / CSA / Interest on capital
issuance - Movida Locação de Veículos Ltda.	-	-	-	-	-	-	2,344	3,045	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / CSA
Movida Gestão e Terceirização de Frotas S.A. (merged)	-	-	-	128	-	-	-	781	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / CSA
Movida Locação de Veículos Premium Ltda.	-	-	-	-	-	-	11	-	Subsidiary	CSA / Reimbursement of expenses
Quick Logística Ltda.	-	-	-	-	17,560	-	7,270	18,841	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / CSA / Loan
Original Veículos Ltda.	-	-	2,890	-	96	-	8,400	5,984	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / Loan
Ponto Veículos Ltda.	-	-	1,530	-	-	-	1	5	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / Loan
Avante Veículos Ltda.	-	-	850	-	-	-	2,345	14	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / Loan
JSL Corretora e Administradora Seguros	-	-	-	-	-	-	15	18	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / Loan
Transrio Caminhões, Ônibus, Máquinas e Motores Ltda.	-	-	-	83	-	-	1,520	1,696	Subsidiary	Reimbursement of expenses / CSA
Ciclus Ambiental do Brasil S.A.	-	-	-	-	25,077	9,318	-	-	Related parties	Operating lease
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	-	-	-	-	11	-	4,353	2,586	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / CSA
CS Brasil Frotas Ltda.	-	-	2,348	-	-	-	229	39	Subsidiary	Reimbursement of expenses / CSA
Movida Participações S.A. (i)	-	305,355	17,639	121	2,396	-	1,017	112	Subsidiary	Reimbursement of expenses / CSA / Assignment of receivables
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A.	-	-	32,394	-	48,657	4,173	26,330	29,064	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses / CSA / Loan
JSL Empreendimentos Imobiliários Ltda.	-	-	-	-	-	-	5,033	5,001	Subsidiary	Sale of assets (property) / CSA
JSL Arrendamento Mercantil S.A.	-	-	6,956	16,126	-	3	212	238	Subsidiary	Reimbursement of expenses / JSL Card
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	-	-	-	-	-	-	19	17	Subsidiary	Reimbursement of expenses / CSA
JSL Europe	-	-	-	-	-	-	8,771	4,908	Subsidiary	Reimbursement of expenses
Quick Armazéns Gerais Ltda.	-	-	-	-	-	-	5	8	Subsidiary	Reimbursement of expenses / CSA
Total	**-**	**305,355**	**64,607**	**16,458**	**93,821**	**13,494**	**72,370**	**76,319**		
Current	-	305,355	64,607	16,458	93,821	13,494	55,051	64,669		
Non-current	-	-	-	-	-	-	17,319	11,650		
Total	**-**	**305,355**	**64,607**	**16,458**	**93,821**	**13,494**	**72,370**	**76,319**		

Amounts corresponding to loan 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.

Related-party transactions were contracted at rates compatible with those used with third parties, prevailing at the transaction dates, taking into consideration the reduction of risk, except for reimbursement of expenses that are transferred at cost.

(i) 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 customer. The amount of the loan portfolio was R$ 51,696, the amount

received by Movida and transferred to JSL until the period ended September 30, 2018 was R$ 49,300 and the balance on September 30, 2018 was R$ 2,396. The interest received in the amount of R$ 1,446 is being recorded as finance income in the result for the average term of the contracts that is of 4 months and with average rate of 8.73% p.a..

	Parent company					
	Other accounts payable and advances		Related parties			
Liabilities	**9/30/2018**	**12/31/2017**	**9/30/2018**	**12/31/2017**	**Relationship**	**Specification**
Related parties						
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda.	-	213	-	-	Subsidiary	Operating lease
Movida Locações de Veículos Ltda.	126	-	-	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	119	118	-	-	Subsidiary	Reimbursement of expenses / Operating lease / CSA
Original Veículos Ltda.	-	11	391	273	Subsidiary	Reimbursement of expenses / Discounts on the purchase of vehicles
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	400	337	11,103	13,697	Subsidiary	Reimbursement of expenses / Operating lease / CSA
JSL Leasing S.A.	-	-	6,152	7,365	Subsidiary	Reimbursement of expenses
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A.	2,992	56	2,302	-	Subsidiary	Reimbursement of expenses / Operating lease / CSA
Quick Armazéns Gerais Ltda.	-	6	-	-	Subsidiary	Reimbursement of expenses
Instituto Júlio Simões	-	-	-	3	Related parties	Reimbursement of expenses
Ribeira Imóveis	-	-	225	-	Related parties	Reimbursement of expenses
Others (i)	468	-	43	52	Related parties	Services rendered
Total	**4,105**	**1,147**	**20,216**	**21,978**		

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

In the table below are the balances of intercompany transactions that are not eliminated in consolidation:

	Consolidated			
Assets	**Related parties**			
	9/30/2018	**12/31/2017**	**Relationship**	**Specification**
Related parties				
Consórcio 123	-	2	Joint venture	CSA / Reimbursement of expenses
Instituto Julio Simões	4	68	Related parties	CSA / Reimbursement of expenses
Simpar S/A	15	-	Parent company	Reimbursement of expenses
Centro de Memória e Cultura Julio Simões	1	-	Related parties	CSA / Reimbursement of expenses
Other	15	118	Related parties	Reimbursement of expenses / Operating lease / CSA
Total	**35**	**188**		

Liabilities	**Related parties**					
	9/30/2018	**12/31/2017**	**Relationship**	**Specification**	**Effectiveness**	**Limit**
Related parties						
São José Passes	499	498	Associate	Reimbursement of expenses		
Instituto Julio Simões	-	3	Related parties	Loan	12/31/2017	2,000
Ribeira Imóveis	225	-	Related parties	Reimbursement of expenses / Leases		
Others (i)	1	52	Related parties	Services rendered		
Total	**725**	**553**				

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

28.2 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	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017	9/30/2018	9/30/2017	9/30/2018	9/30/2017	9/30/2018	9/30/2017	9/30/2018	9/30/2017	9/30/2018	9/30/2017	9/30/2018	9/30/2017
Balances eliminated:																
Consolidated																
JSL S.A.	8,538	57,179	(15,047)	(13,589)	14,015	12,279	(14,654)	(11,894)	(1,148)	(1,907)	1,915	-	3,356	166	-	-
CS Brasil Transportes de Passageiros e Servicos Ambientais Ltda.	479	5,527	(16,414)	(39,143)	2,583	2,308	(3,631)	(2,308)	-	-	-	-	106	-	-	-
CS Brasil Frotas Ltda.	-	-	(11)	-	5,734	-	(4,670)	-	-	-	-	-	-	-	-	-
Movida Gestão e Terceirização de Frotas S.A.	903	9,410	(48,715)	(58,205)	703	12,507	-	(12,507)	-	-	-	-	-	-	(106)	-
Movida Participações S.A.	1,956	-	(78,248)	-	10,397	-	(9,671)	-	-	-	-	-	-	-	-	-
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A.	35,256	27,092	(24,918)	(22,144)	3,542	3,691	(876)	(3,690)	(2)	-	378	-	-	-	(9)	-
Transrio Caminhões, Ônibus, Máquinas e Motores Ltda.	2,698	-	(48)	-	114	-	-	-	(2)	-	-	-	-	-	-	-
Avante Veículos Ltda.	1,199	-	(1,237)	-	-	-	-	-	-	-	-	-	-	-	(82)	-
Original Veículos Ltda.	4,296	-	(2,592)	-	-	-	(406)	-	(7)	-	-	-	-	-	(248)	-
Ponto Veículos Ltda.	3,393	-	(3,045)	-	-	-	(4,022)	-	-	-	-	-	-	-	-	-
JSL Investimentos em Concessionárias e Lojas de Veículos, Máquinas, e Equipamentos S.A.	-	12,918	-	(127,822)	-	-	-	-	-	-	-	-	-	-	-	-
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda.	-	-	-	(1,907)	-	-	-	-	(1,915)	-	-	-	-	-	-	-
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	919	1,113	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movida Locações de Veículos Ltda.	117,422	149,174	(2,781)	(1,729)	31,069	-	(27,366)	-	-	-	-	-	-	-	-	(2,949)
Movida Locação de Veículos Premium Ltda.	-	-	(3,332)	-	1,099	-	(1,099)	-	-	-	-	-	-	-	-	-
JSL Arrendamento Mercantil S.A.	5,005	4,243	(16)	-	-	-	-	-	-	-	-	-	-	-	(4,942)	-
JSL Empreendimentos Imobiliários Ltda.	152	171	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quick Logística Ltda.	-	91	(2,195)	(4,286)	-	-	-	-	-	-	-	-	120	-	(249)	-
JSL Holding	-	-	-	-	-	-	(1,269)	-	-	-	-	-	3,374	2,783	-	-
JSL Corretora e Administradora Seguros	-	-	-	-	-	-	-	-	(239)	-	-	-	-	-	-	-
Borgato Máquinas S.A.	18,327	-	-	-	-	-	-	-	-	-	-	-	6	-	(1,645)	-
Borgato Caminhões S.A.	-	-	(3,580)	-	1,966	-	-	-	-	-	1,700	-	-	-	-	-
Borgato Serviços Agrícolas S.A.	-	-	(1,466)	-	1,056	-	(1,965)	-	-	-	-	-	3	-	-	-
JSL Europe	-	-	-	-	-	-	-	-	-	-	-	-	25,055	-	-	-
JSL Finance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25,055)	-
Quick Armazéns Gerais Ltda.	-	-	(224)	-	-	-	-	-	-	-	-	-	-	-	(120)	-
Medlog Prestação de Serviços de Logística S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-
Total	**200,543**	**266,918**	**(203,869)**	**(268,825)**	**72,278**	**30,785**	**(69,629)**	**(30,399)**	**(3,313)**	**(1,907)**	**3,993**	**-**	**32,020**	**2,949**	**(32,459)**	(2,949)
Balances not eliminated:																
Ciclus	79,376	71,944	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ribeira Imóveis	-	-	(9,113)	(21,846)	-	-	-	-	-	-	-	-	-	-	-	-
Others (i)	-	-	(2,021)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**279,919**	**338,862**	**(215,003)**	**(290,671)**	**72,278**	**30,785**	**(69,629)**	**(30,399)**	**(3,313)**	**(1,907)**	**3,993**	**-**	**32,020**	**2,949**	**(32,459)**	(2,949)

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

28.3 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 September 30, 2018 was R$ 9,113 (September 30, 2017 - R$ 21,846). The agreements have conditions in line with market values and have maturities until 2023.

28.4 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 September 30, 2018, the amount related to recovery of expenses in the parent company was R$ 16,549 (September 30, 2017 - R$ 17,805). The Administrative services center does not charge management fees nor applies profitability margin on services rendered. Only the costs are shared.

28.5 Management compensation

For the nine-month period ended September 30, 2018, the compensation of key management personnel was R$ 24,627 (September 30, 2017 - R$ 19,864), including payroll 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.

The compensation paid key management personnel is inside the limit approved by the Shareholders’ Meeting.

29 EQUITY

29.1 Share capital

The Company's fully subscribed and paid-in capital at September 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.

29.2 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) / IFRS 2 - Share-based payment.

Until September 30, 2018, the amount of R$ 19,035 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 September 30, 2018, the accumulated amount is R$ 6,250 (2017 - R$ 6,210).

29.3 Treasury shares

At September 30, 2018, the Company and its subsidiaries have a balance of R$ 103,925 (2017 - R$ 460) in treasury shares. In the nine-month period ended September 30, 2018, R$ 103,465 of its own shares were repurchased by its subsidiaries, Movida repurchased 1,053,500 of its shares and the subsidiary Vamos 24,553,895 of its shares.

29.4 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 (TLP) 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 profits reserve.

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

At September 30, 2018, the parent company has a balance of R$ 57,651 (2017 – R$ 29,847) related to dividends receivable from its subsidiaries.

29.5 Equity valuation adjustments

At September 30, 2018, the Company has the amount of R$ 130,667 (2017 – R$ 82,621) related to equity valuation adjustments, due to 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 valuation adjustments account.

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

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 shares and the secondary distribution of 6,741,573 shares, all registered and 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 valuation 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 valuation 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 valuation adjustments, for the period ended December 31, 2017, due to the revaluation of the shares. During the period ended September 30, 2018 the complement of gain in the amount R$ 13,679 was recorded.

On June 8, 2018, the Company repurchased the shares of Vamos held by non-controlling shareholders, as described in Note 1.1, resulting in addition to the transaction gain above, an equity gain and other changes of R$ 34,367.

29.6 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.

At September 30, 2018, the Company has recorded the amount of R$ 490,931 (2017 – R$ 502,532) related to noncontrolling interests.

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

In the period ended September 30, 2018, there were other changes in noncontrolling interests in the amount of R$ 2,149.

30 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	Volatility	Risk free interest rate	Expected dividends	Option's lifetime	Option's fair value (i)	Vesting period	Exercise period
II	2012	164,868	1	8.41	36.50%	8.14%	0%	7.8 years	4.7	8/31/2012 to 3/31/2015	04/2015 to 06/2020
II	2012	164,868	2	8.41	36.50%	8.61%	0%	7.8 years	5.37	8/31/2012 to 3/31/2016	04/2015 to 06/2020
II	2012	363,894	3	8.41	36.50%	8.91%	0%	7.8 years	5.94	8/31/2012 to 3/31/2017	04/2015 to 06/2020
III	2013	168,558	1	12.89	28.60%	9.51%	0%	7.1 years	6.7	5/9/2013 to 4/1/2016	04/2014 to 06/2020
III	2013	168,558	2	12.89	28.60%	9.79%	0%	7.1 years	7.66	5/9/2013 to 4/1/2017	04/2014 to 06/2020
III	2013	337,119	3	12.89	28.60%	9.97%	0%	7.1 years	8.5	5/9/2013 to 4/1/2018	04/2014 to 06/2020
IV	2014	132,426	1	15.55	26.30%	11.54%	0%	5.1 years	1.63	6/23/2014 to 4/1/2017	04/2017 to 06/2019
IV	2014	132,426	2	15.55	26.30%	11.77%	0%	5.1 years	2.45	6/23/2014 to 4/1/2018	04/2017 to 06/2019
IV	2014	264,853	3	15.55	26.30%	11.88%	0%	5.1 years	3.23	6/23/2014 to 4/1/2019	04/2017 to 06/2019
V	2015	216,915	1	11.93	40.34%	15.05%	0%	5.2 years	2.53	4/1/2015 to 4/1/2018	04/2018 to 06/2020
V	2015	216,915	2	11.93	40.34%	15.07%	0%	5.2 years	3.37	4/1/2015 to 4/1/2019	04/2018 to 06/2020
V	2015	433,830	3	11.93	40.34%	14.99%	0%	5.2 years	4.09	4/1/2015 to 4/1/2020	04/2018 to 06/2020
VI	2016	295,150	1	8.36	45.70%	12.33%	0%	4.1 years	4.98	6/27/2016 to 4/1/2019	04/2019 to 06/2020
VI	2016	295,150	2	8.36	45.70%	12.21%	0%	4.1 years	5.62	6/27/2016 to 4/1/2020	04/2019 to 06/2020
VI	2016	590,301	3	8.36	45.70%	12.16%	0%	5.1 years	6.17	6/27/2016 to 4/1/2021	04/2019 to 06/2020
VII	2017	249,493	1	9.03	42.31%	11.02%	0%	5.2 years	2.02	4/1/2017 to 4/1/2020	04/2020 to 06/2022
VII	2017	249,493	2	9.03	42.31%	11.15%	0%	5.2 years	2.55	4/1/2017 to 4/1/2021	04/2020 to 06/2022
VII	2017	498,989	3	9.03	42.31%	11.30%	0%	5.2 years	3.03	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 September 30, 2018, the accumulated capital reserve balance related to "share-based payment" in equity is R$ 19,035 (R$ 15,751 at December 31, 2017). In statement of income (loss) for the period ended September 30, 2018, an expense of R$ 3,284 was recognized in the consolidated (R$ 2,686 at September 30, 2017).

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 9/30/2018	**4,516,357**

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

(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.

31 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 December 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 12/2018	79,000
Electrical damage	12/2016 to 12/2018	1,000
Windstorms, hurricanes, cyclones, tornados, hailstorms and vehicle impacts	12/2016 to 12/2018	3,000
Broken glass	12/2016 to 12/2018	10
Landslides	12/2016 to 12/2018	60
Aggravated theft	12/2016 to 12/2018	500
Stationary equipment	12/2016 to 12/2018	500
Mobile equipment	12/2016 to 12/2018	570
Civil liability - operations	12/2016 to 12/2018	1,520
Loss of profit	12/2016 to 12/2018	600
Theft of assets inside an establishment	12/2016 to 12/2018	30
Theft of assets in transit	12/2016 to 12/2018	10
Lease payment or loss	12/2016 to 12/2018	900
Cargo transportation	12/2016 to 12/2018	350
Third-party merchandise	12/2016 to 12/2018	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 September 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 9/20/2019
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

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

	Parent company		Consolidated	
	9/30/2018	9/30/2017 (Reclassified note 2.8)	9/30/2018	9/30/2017 (Reclassified note 2.8)
Rental and services rendered revenue	2,652,928	2,419,953	4,805,408	4,710,563
Revenue from sale of vehicles and parts (i)	-	-	721,311	657,351
Revenue from sale of assets (ii)	125,604	140,074	1,229,639	776,062
Gross revenue	**2,778,532**	**2,560,027**	**6,756,358**	**6,143,976**
(-) Revenue deductions				
Taxes on sales	(413,105)	(378,827)	(656,555)	(589,844)
Returns	(42,393)	(34,742)	(85,609)	(68,420)
Others	(37,660)	(29,771)	(70,282)	(38,867)
Total net revenue	**2,285,374**	**2,116,687**	**5,943,912**	**5,446,845**

(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%).

33 EXPENSES BY NATURE

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

	Parent company		Consolidated	
	9/30/2018	9/30/2017 (Reclassified note 2.8)	9/30/2018	9/30/2017 (Reclassified note 2.8)
Cost of sales of new vehicles	-	-	(387,452)	(236,919)
Cost of sales of used vehicles	-	-	(189,278)	(188,816)
Fleet costs / expenses	(35,243)	(33,718)	(129,095)	(165,829)
Cost of sales of decommissioned assets	(127,472)	(126,272)	(1,172,570)	(1,360,197)
Cost of sales of parts	-	-	(65,021)	(61,819)
Personnel	(645,810)	(608,966)	(1,120,931)	(1,006,050)
Related and third parties	(705,440)	(595,924)	(750,674)	(647,890)
Depreciation and amortization	(146,575)	(176,550)	(456,280)	(393,129)
Parts, tires and maintenance	(193,934)	(159,590)	(329,665)	(380,217)
Fuels and lubricants	(115,708)	(100,260)	(191,858)	(182,382)
Provision for judicial and administrative litigation	(667)	(9,406)	(672)	(27,773)
Advertising and publicity	(888)	(1,064)	(4,917)	(4,088)
Service rendering	(70,398)	(67,363)	(175,834)	(150,139)
Expected credit losses in accounts receivable	(3,107)	(11,357)	(18,895)	(48,353)
Court-ordered indemnities	(11,414)	(7,607)	(17,924)	(13,333)
Electric power	(12,811)	(10,843)	(19,592)	(17,203)
Packaging material	(9,384)	(7,060)	(9,386)	(7,252)
Communication	(1,291)	(1,526)	(33,897)	(27,517)
Travel, meals and accommodation	(3,073)	(3,658)	(9,393)	(6,956)
Property leasing	(29,399)	(10,870)	(111,977)	(59,836)
Rent of vehicles, machinery and equipment	(24,490)	(18,483)	(27,838)	(16,686)
Result in the sale of damaged vehicles (iii)	1,031	1,379	(56,652)	(26,410)
Recovery of PIS and COFINS	102,923	93,407	217,689	260,765
Extemporaneous tax credits (ii)	27,227	11,050	62,789	40,957
Tax expenses	(4,809)	(3,829)	(11,423)	(10,536)
Other costs	(97,018)	(129,314)	(225,136)	(184,426)
	(2,107,750)	**(1,977,824)**	**(5,235,882)**	**(4,922,034)**
Cost of sales, rentals and services rendered	(1,859,857)	(1,673,437)	(3,462,626)	(2,972,443)
Cost of sales of decommissioned assets	(127,472)	(126,272)	(1,172,570)	(1,360,197)
Administrative expenses (i)	(102,427)	(112,430)	(407,267)	(350,480)
Selling expenses (i)	(12,718)	(12,641)	(183,532)	(192,739)
Other operating expenses	(34,504)	(91,264)	(130,879)	(119,795)
Other operating income	29,228	38,220	120,992	73,620
	(2,107,750)	**(1,977,824)**	**(5,235,882)**	**(4,922,034)**

(i) In order to improve the presentation and disclosure of financial information and comparability with 2018, the Company reclassified for the period ended September 30, 2017 the amounts of R$ 125,071 and R$ 543,219, parent company and consolidated, respectively, previously presented in line item administrative and selling expenses.

(ii) In the parent company, the amount of R$ 27,227 (R$ 11,050 for the period ended September 30, 2017) comprises R$ 3,219 of INSS funds and R$ 24,008 (R$ 344 for the period ended September 30, 2017) of PIS and COFINS. In the consolidated, the amount of R$ 62,789 (R$ 40,957 for the period ended September 30, 2017) comprises R$ 5,552 of INSS funds and R$ 57,237 (R$ 29,745 for the period ended September 30, 2017) of PIS and COFINS.

(iii) Refers to the cost of damaged vehicles written off, net of the respective amount recovered per sale, in the amounts of R$ 1,978 and R$ 85,946 (R$ 1,468 and R$ 41,897 at September 30, 2017), parent company and consolidated, respectively.

34 FINANCE INCOME (COSTS)

	Parent company		Consolidated	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017
Finance costs				
Debt service costs				
Interest on borrowings and financing and debentures	(326,842)	(361,196)	(642,572)	(491,057)
Interest and bank fees on finance leases	(6,016)	(14,500)	(14,514)	(27,571)
Interest on suppliers financing - car makers	(484)	(2,023)	(20,929)	(66,622)
Exchange rate changes	(367,980)	334	(375,737)	(708)
Results on swap operations, net	357,881	(22,519)	365,967	(22,519)
Other interest	(21,929)	30	(34,063)	(7,057)
Total debt service costs	**(365,370)**	**(399,874)**	**(721,848)**	**(615,534)**
Exchange rate changes in other assets and liabilities	-	-		580
Other finance costs	(21,798)	(18,663)	(86,762)	(41,153)
Total finance costs	**(387,168)**	**(418,537)**	**(808,610)**	**(656,687)**
Finance income				
Financial investments	46,293	41,677	251,387	112,188
Monetary variation income	5,386	16,216	24,069	21,620
Other finance income	11,261	12,076	13,072	14,103
Interest received	5,755	602	11,418	5,124
Total finance income	**68,695**	**70,571**	**299,946**	**153,035**
Finance result, net	**(318,473)**	**(347,966)**	**(508,664)**	**(503,652)**

35 EARNINGS (LOSS) PER SHARE

35.1 Basic

The calculation of basic and diluted earnings (loss) per share was based on the profit attributable to the holders of common shares and on the weighted average number of common shares outstanding.

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

	Consolidated	
	9/30/2018	9/30/2017
Numerator:		
Net profit (loss) the year attributable to owners of the Company	86,094	(4,499)
Denominator:		
Weighted average number of outstanding shares	202,077,032	201,583,834
Basic earnings (loss) per share - R$	**0.4260**	**(0.2223)**

35.2 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.

	Consolidated	
	9/30/2018	**9/30/2017**
Net profit (loss) the period attributable to owners of the Company	86,094	(4,499)
Net profit (loss) used to determine diluted profit (loss) per share	86,094	(4,499)
Weighted average number of outstanding shares	202,077,032	201,583,834
Adjustments for:		
Stock options (weighted)	4,517,319	-
Weighted average of number of shares to diluted earnings (loss) per share	206,594,351	201,583,834
Basic earnings (loss) per share - R$	**0.4167**	**(0.2223)**

Diluted earnings are calculated considering the number of potential shares (share option). However, due to the loss reported in the period ended September 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.

36 OPERATING LEASES

36.1 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 September 30, 2018, operating lease expenses totaled R$ 53,889 in the parent company (R$ 10,870 at September 30, 2017) and R$ 139,815 in the consolidated (R$ 46,134 at September 30, 2017).

36.2 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.

37 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	
	9/30/2018	**9/30/2017**	**9/30/2018**	**9/30/2017**
Total additions to property and equipment	191,260	214,025	2,758,730	2,089,784
Addition leasing and Finame for the acquisition of property and equipment	(76,101)	(96,118)	(365,455)	(201,251)
Changes in the balance of suppliers financing - car makers	3,623	1,893	264,911	16,409
Changes in the balance of trade payables for property and equipment and car makers	(18,665)	-	(239,151)	-
Consortium accounts	-	(370)	-	(4,001)
	100,117	**119,430**	**2,419,035**	**1,900,941**
Cash flow statements				
Operating property and equipment	81,049	112,773	2,376,358	1,883,674
Property and equipment for investment	19,068	6,657	42,677	17,267
Total additions to property and equipment	**100,117**	**119,430**	**2,419,035**	**1,900,941**

38 SUBSEQUENT EVENTS

Capital increase through the issuance of shares

Up to September 30, 2018, the amount of R $ 305,746 was subscribed and on November 8, 2018, there was an additional R $ 6,812 and the full ratification of the private capital increase of the subsidiary Movida, within the limit of authorized capital, pursuant to the terms of a meeting held on June 26, 2018 ("Capital Increase").

49,929,428 new registered common shares, with no par value, were subscribed at the total subscription price of R $ 312,558. Accordingly, the paid-in capital of the Company is increased from the current R $ 1,201,584, consisting of 213,491,586 common shares, all registered, without par value, to R $ 1,514,142, to be composed of 263,421,014 common shares, all nominative, book-entry shares with no par value.

On November 8, 2018, JSL SA increased its ownership interest in the Company by 6.04% to a total equity interest in Movida of 70.12%, which corresponds to the ownership of 184,733,245 (one hundred and eighty-four million, seven hundred and thirty-three thousand, two hundred and forty-five) common, registered, book-entry shares with no par value.

Sale of subsidiary

On November 1, 2018, the Company sold all shares of subsidiary Quataí Transportes de Passageiros SA in the total amount of R $ 34,608, which will be received in cash and the remainder in 48 installments adjusted by the variation of the Deposit Certificate Interbank - CDI. The gain from this operation was R $ 19,512.

Closing of the concession agreement

On September 20, 2018, the subsidiary Borgato Trucks S.A. ("Borgato Trucks") is no longer an authorized concessionaire of the DAF brand. Until that date Borgato Trucks served the concession through establishments in

the cities of Ribeirão Preto, Sumaré and São José do Rio Preto, which became agencies of new vehicles with the flag Vamos. No significant financial impacts are expected on the financial statements.

Payment for company acquisition

On October 22, 2018, in view of compliance with part of the payment for the purchase of 9% of the shares of subsidiary Vamos, disclosed in note 1.1, the Company received 100% of the shares of ECBC Participações Ltda. ("ECBC"), whose only asset is the interest in this subsidiary.

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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 nine-month period ended September 30, 2018, concludes, based on the examinations made and considering also the Independent Auditors' Report on Review, unanimously, that these documents adequately reflect the Company's financial condition.

São Paulo, November 8, 2018.

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Luiz Augusto Marques Paes

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Luciano Douglas Colauto

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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 September 30, 2018, authorizing the conclusion on this date.

São Paulo, November 8, 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 September 30, 2018 issued on this date.

São Paulo, November 8, 2018.

Fernando Antonio Simões
Chief Executive Officer

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

Samir Moises Gilio Ferreira
Controller Director