

Caxias do Sul, May 8th 2017 - Marcopolo S.A. (BM&FBOVESPA: POMO3; POMO4) discloses the results of the performance in the first Quarter of 2017 (1Q17). The Financial Statements are presented according to the accounting policies adopted in Brazil and the IFRS - International Financial Reporting Standards as established by IASB - International Accounting Standards Board.

HIGHLIGHTS OF THE 1st QUARTER OF 2017

- Marcopolo's **Total Production** reached 2,010 units, 47.3% more than 1Q16 (without Neobus it would be 1,678 units, a 22.9% growth).
- **Net Revenue** amounted to BRL 554.6 million, a 29.5% growth compared to 1Q16 (without Neobus, BRL 469.7 million, a 9.7% growth).
- **EBITDA** amounted to BRL 0.5 million and a 0.1% margin, while **adjusted EBITDA** reached BRL 28.5 million and a 5.1% margin in 1Q17.
- **Export Revenue from Brazil** reached BRL 203.8 million, with a 107.1% increase.
- **Foreign Revenue** rose 46.3% in the quarter, totaling BRL 201.0 million.

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

Selected Information	1Q17	1Q16	Var. %
Net Operating Revenue	554.6	428.3	29.5
Revenue in Brazil	149.8	192.5	(22.2)
Exportation revenue from Brazil	203.8	98.4	107.1
Revenue in foreign countries	201.0	137.4	46.3
Gross Profit	61.0	56.2	8.5
EBITDA ⁽¹⁾	0.5	1.5	(66.7)
Net Profit	3.2	8.8	(63.6)
Earnings per share	0.004	0.010	(60.0)
Return on Invested Capital (ROIC) ⁽²⁾	10.0%	4.2%	5.8pp
Return on Equity (ROE) ⁽³⁾	12.3%	3.5%	8.8pp
Investments	9.3	36.5	(74.5)
Gross Margin	11.0%	13.1%	(2.1)pp
EBITDA Margin	0.1%	0.4%	(0.3)pp
Net Margin	0.6%	2.1%	(1.5)pp
Balance Sheet Data	03/31/17	12/31/16	Var. %
Shareholders' Equity	1,830.9	1,836.4	(0.3)
Cash, cash equivalents and financial investments	1,306.8	1,458.9	(10.4)
Short Term Financial Liabilities	(875.2)	(925.6)	(5.5)
Long Term Financial Liabilities	(1,306.9)	(1,374.2)	(4.9)
Net financial liabilities – Manufacturing Segment	(313.6)	(232.4)	34.9

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

BRAZILIAN BUS INDUSTRY PERFORMANCE

In 1Q17, the Brazilian bus production reached 2,445 units, which was an 11.9% drop compared to 1Q16.

a) Domestic Market. The production targeted at the domestic market amounted to 1,366 units in 1Q17, which is 33.5% less than the 2,055 units produced in 1Q16.

b) Foreign Market. Exportation amounted to 1,079 units in 1Q17, 50.1% greater than the 719 units exported in 1Q16.

BRAZILIAN BUS PRODUCTION (in units)

PRODUCTS ⁽¹⁾	1Q17			1Q16			Var.
	DM	FM ⁽²⁾	TOTAL	DM	FM ⁽²⁾	TOTAL	%
Intercity	211	640	851	394	303	697	22.1
Urbans	885	99	984	1,402	327	1,729	(43.1)
Micros	270	340	610	259	89	348	75.3
TOTAL	1,366	1,079	2,445	2,055	719	2,774	(11.9)

Sources: FABUS (National Bus Manufacturers Association) and SIMEFRE (Interstate Union of the Railroad and Road Material and Equipment Industry).

Notes: ⁽¹⁾ DM = Domestic Market; FM = Foreign Market; ⁽²⁾ Includes exported KD (knocked down) units.

MARCOPOLO'S OPERATING AND FINANCIAL PERFORMANCE
Units Recorded in Net Revenue

In 1Q17, 2,014 units were recorded in net revenue, 846 of which were recorded in Brazil (42.0% the total), and 561 units exported from Brazil (27.9%) and 607 units in foreign countries (30.1%).

TRANSACTIONS (in units)	1Q17	1Q16	Var. %
BRAZIL:			
- Domestic market	846	1,100	(23.1)
- Foreign market	621	353	75.9
SUBTOTAL	1,467	1,453	1.0
Exclusion exported KD's ⁽¹⁾	60	51	17.6
TOTAL IN BRAZIL	1,407	1,402	0.4
FOREIGN:			
- South Africa	85	79	7.6
- Australia	82	86	(4.7)
- Mexico	440	127	246.5
TOTAL FOREIGN	607	292	107.9
GRAND TOTAL	2,014	1,694	18.9

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

PRODUCTION

Marcopolo's consolidated production was 2,010 units in 1Q17. In Brazil, the production reached 1,394 units in 1Q17, which was 29.4% greater than 1Q16, while in foreign countries the production was 616 units, 113.9% greater than the production in the same period of the previous year.

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

MARCOPOLO - CONSOLIDATED WORLDWIDE PRODUCTION

TRANSACTIONS (in units)	1Q17	1Q16	Var. %
BRAZIL: ⁽¹⁾			
- Domestic market	815	794	2.6
- Foreign market	678	295	129.8
SUBTOTAL	1,493	1,089	37.1
Exclusion exported KD's ⁽²⁾	99	12	725.0
TOTAL IN BRAZIL	1,394	1,077	29.4
FOREIGN:			
- South Africa	94	75	25.3
- Australia	82	86	(4.7)
- Mexico	440	127	246.5
TOTAL FOREIGN	616	288	113.9
GRAND TOTAL	2,010	1,365	47.3

Notes: ⁽¹⁾ Includes the production of the Volare model; ⁽²⁾ KD (Knock Down) = Partially or totally knocked down bodies.

MARCOPOLO – CONSOLIDATED WORLDWIDE PRODUCTION BY MODEL

PRODUCTS/MARKETS ⁽²⁾ (in units)	1Q17			1Q16		
	DM	FM ⁽¹⁾	TOTAL	DM	FM ⁽¹⁾	TOTAL
Intercity	154	432	586	199	191	390
Urbans	220	529	749	410	310	720
Micros	170	147	317	34	24	58
SUBTOTAL	544	1,108	1,652	643	525	1,168
Volares ⁽³⁾	271	87	358	151	46	197
TOTAL PRODUCTION	815	1,195	2,010	794	571	1,365

Notes: ⁽¹⁾ The total FM production includes exported KD units (partially or totally knocked down bodies), which amounted to 99 units in 1Q17 against 12 units in 1Q16; ⁽²⁾ DM = Domestic Market; FM = Foreign Market; ⁽³⁾ The Volare production is not part of the SIMEFRE and FABUS figures or the sector production.

MARCOPOLO - PRODUCTION IN BRAZIL

PRODUCTS/MARKETS ⁽²⁾ (in units)	1Q17			1Q16		
	DM	FM ⁽¹⁾	TOTAL	DM	FM ⁽¹⁾	TOTAL
Intercity	154	426	580	199	165	364
Urbans	220	28	248	410	62	472
Micros	170	147	317	34	22	56
SUBTOTAL	544	601	1,145	643	249	892
Volares ⁽³⁾	271	77	348	151	46	197
TOTAL PRODUCTION	815	678	1,493	794	295	1,089

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

BRAZILIAN MARKET SHARE

The Company's market share in the Brazilian production of bodies was 46.8% in 1Q17 against 32.2% in 1Q16. A highlight in the period is an increase of 16 percentage points in the intercity segment, as well as an increase of 35.9 percentage points in the micro market share, in the comparison between 1Q16 and 1Q17, which can be explained by the consolidation of the volumes manufactured by the controlled company Neobus.

MARKET SHARE IN BRAZILIAN PRODUCTION (%)

PRODUCTS	1Q17	2016	4Q16	1Q16
Intercity	68.2	65.9	71.5	52.2
Urbans	25.2	30.1	33.7	27.3
Micros	52.0	35.3	52.8	16.1
TOTAL ⁽¹⁾	46.8	41.3	49.2	32.2

Source: FABUS and SIMEFRE

Notes: ⁽¹⁾ Volare is not computed for market share purposes.

NET REVENUE

The consolidated net revenue reached BRL 554,6 million in 1Q17, BRL 149.8 million or 27.0% of which came from the domestic market and BRL 404.8 million amounting to the remaining 73.0% from the foreign market.

The growth of the consolidated net revenue results from greater export revenue, which had a 75.9% increase in physical units and a 246.5% growth in volumes invoiced by the operation located in Mexico. Net revenue also had a positive impact of BRL 84.9 million through the consolidation of Neobus.

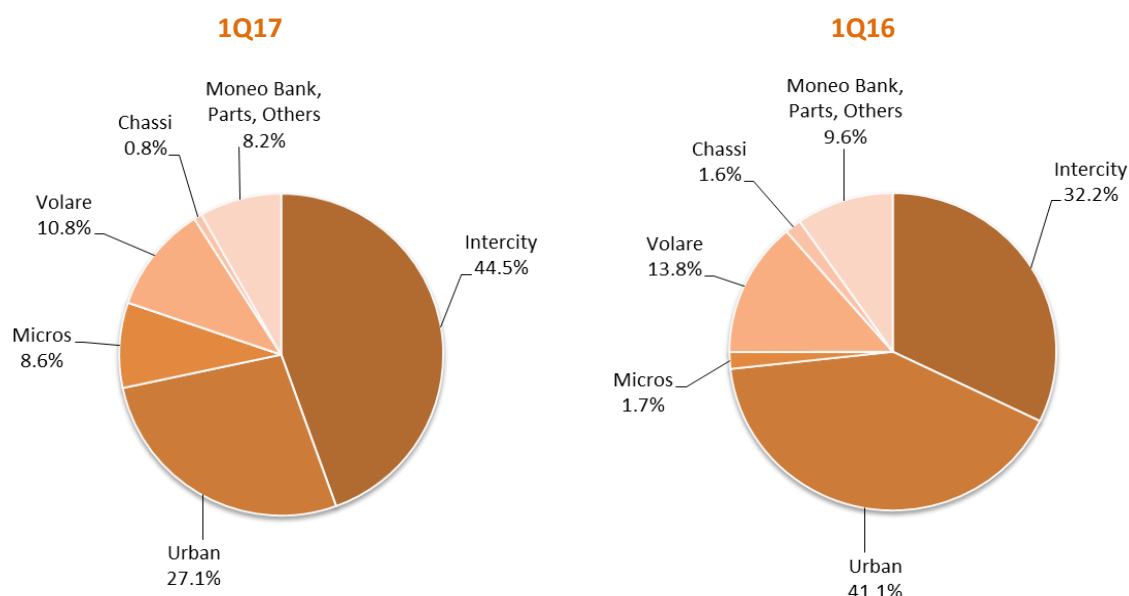
The table and charts below show a net revenue breakdown by products and markets:

TOTAL CONSOLIDATED NET REVENUE
By Products and Markets (BRL million)

PRODUCTS/MARKETS ⁽¹⁾	1Q17			1Q16		
	DM	FM	TOTAL	DM	FM	TOTAL
Intercity	37.1	209.7	246.8	54.7	83.2	137.9
Urbans	32.5	118.2	150.7	59.0	117.0	176.0
Micros	15.1	32.4	47.5	3.6	3.6	7.2
Bodies subtotal	84.7	360.3	445.0	117.3	203.8	321.1
Volares ⁽²⁾	45.2	14.4	59.6	49.1	9.8	58.9
Chassis	0.6	3.9	4.5	3.9	3.1	7.0
Moneo Bank	11.9	-	11.9	16.4	-	16.4
Parts and others	7.4	26.2	33.6	5.8	19.1	24.9
GRAND TOTAL	149.8	404.8	554.6	192.5	235.8	428.3

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

CONSOLIDATED NET REVENUE COMPOSITION (%)



GROSS INCOME AND MARGINS

The 1Q17 consolidated gross profit reached BRL 61 million, with an 11.0% margin, against BRL 56.2 million and a 13.1% margin in 1Q16. The consolidated gross revenue was affected by a reduction of revenue days resulting from the collective vacation in January and March, which resulted in smaller reduction efficiency, as well as by the appreciation of the real against the U.S. dollar, which affected the export margin.

The gross result was also affected by the consolidation of Neobus, by the mix of lighter products targeted at the Brazilian domestic market and by the provision for terminations arising from the Company's internal restructuring, in the amount of BRL 9.2 million.

SALE EXPENSES

Sale expenses totaled BRL 35.5 million in 1Q17, or 6.4% of the net revenue against BRL 20.3 million in 1Q16, or 4.7% of the net revenue.

Such increase resulted mostly from greater commission expenses because of a greater sales volume, especially to the foreign market, by an increase of BRL 4.3 million in 1Q17 to the provision for doubtful debtors at the Moneo Bank and by the provision for terminations connected to the company's internal restructuring, in the amount of BRL 1.5 million.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses amounted to BRL 40.9 million in 1Q17, or 7.4% of the net revenue, while in 1Q16 these expenses amounted to BRL 34.0 million, or 7.9% of the revenue. The increase in the absolute value basically results from the provision for terminations connected to the Company's internal restructuring, in the amount of BRL 3.2 million, and by the consolidation of Neobus.

OTHER NET OPERATING REVENUE/EXPENSES

In 1Q17, BRL 19.8 million was recorded as "Other Operating Expenses", resulting from the provision of BRL 14.1 million with terminations connected to the Company's internal restructuring, BRL 2.8 million from provisions for employment claim damages, BRL 1.0 million for indemnification related to mutual rescission with a commercial representative and BRL 1.9 million in the other expenses.

EQUITY METHOD RESULTS

The equity method result in 1Q17 was BRL 23.4 million positive. The main contribution to this account comes from New Flyer Industries Inc., in the amount of BRL 13.9 million. The equity method result is described in detail in Explanatory Note no. 11 to the Financial Statements.

NET FINANCIAL INCOME

The 1Q17 net financial income was BRL 18.1 million positive, compared to the BRL 28.7 million also positive recorded in 1Q16, which is explained by the yield from financial investments, as described in detail in Explanatory Note no. 26 to the Financial Statements.

EBITDA

EBITDA was BRL 0.5 million in 1Q17 with a 0.1% margin. The result was affected by the same factors described in previous items, especially because of expenses resulting from the Company's internal restructuring, which totaled BRL 28.0 million and were accounted for as follows:

- Gross Profit and Margins: BRL 9.2 million;
- Selling Expenses: BRL 1.5 million;
- General and Administrative Expenses: BRL 3.2 million;
- Other Operating Expenses / Net Revenues: BRL 14.1 million.

Thus, the adjusted EBITDA, excluding the non-recurring costs related to the restructuring, would be BRL 28.5 million, with a 5.1% margin in the period.

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

BRL million	1Q17	1Q16
Result before Income Tax and Social Contribution	6.4	18.9
Financial Revenue	(108.1)	(135.4)
Financial Expenses	90.0	106.7
Depreciation / Amortization	12.2	11.3
EBITDA	0.5	1.5

NET PROFIT

The 1Q17 consolidated net profit reached BRL 3.2 million, with a 0.6% margin, affected by the provisions resulting from the Company's internal restructuring, as already mentioned.

FINANCIAL INDEBTEDNESS

The net financial indebtedness amounted to BRL 875.2 million on 03.31.2017 (BRL 840.8 million on 12.31.2016). BRL 561.6 million of this amount came from the financial segment (Moneo Bank) and BRL 313.6 million from the industrial segment.

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

On March 31st, the net financial indebtedness of the industrial segment amounted to 0.9 times the EBITDA of the last 12 months.

CASH GENERATION

In 1Q17, the operating activities required BRL 29.7 million, while the investment activities, net of dividends and foreign exchange variation, required BRL 0.4 million and financing activities required BRL 148.4 million.

The beginning cash balance of BRL 1,458.9 million at the end of December, considering the unavailable financial investments and adding BRL 26.4 million equivalent to the difference between foreign exchange variation and variation of unavailable financial investments dropped to BRL 1,306.8 million at the end of the March 2017.

INVESTMENT/NON-CURRENT ASSETS

In 1Q17, Marcopolo invested BRL 9.2 million, BRL 5.0 million of which was spent by the parent company and applied towards: BRL 3.1 million in machines and equipment and BRL 1.5 million in buildings and facilities and BRL 0.4 million in other property, plant and equipment. In controlled companies, BRL 2.6 million was invested in Volare Espírito Santo and BRL 1.6 million in the other units.

STOCK MARKET

In 1Q17, 278.7 thousand transactions were completed and 267.9 million shares were traded. Transactions with shares issued by Marcopolo moved BRL 720.3 million in 1Q17.

The interest of foreign investors in Marcopolo's capital stock amounted to 58.6% of the preferred shares and 38.0% of the total capital stock on 03.31.2017. The table below shows the evolution of the main stock market indicators:

INDICATORS	1Q17	1Q16
Number of transactions (thousands)	278.7	293.4
Traded shares (million)	267.9	189.2
Traded amount (BRL million)	720.3	423.2
Market value (BRL million) ^{(1) (2)}	2,424.0	2,143.6
Existing shares (million)	925.2	896.9
Book value per share (BRL)	1.98	1.97
POMO4 quotation at the end of the period	2.62	2.39

Notes: ⁽¹⁾ Quotation of the last transaction of the period of the Preference Book-entry share (PE), multiplied by the total existing shares (OE+PE) in the same period; ⁽²⁾ Out of this total, 4,878,049 preferred shares were in treasury on 03.31.2017.

ANALYSIS AND PROSPECTS

The Brazilian bus market is showing signs of recovery. The prospects for demand, both in the domestic and foreign market, show a positive trend, resulting in a more consistent order backlog, especially in the intercity segment. Even so, the results of this first quarter reflect a market that is still below the historical and normal bus production levels.

In order to adjust to this scenario, Marcopolo adopted contingency measures for expenses, flexible working hours and collective vacation along the quarter. The Company also made an important adjustment in its indirect labor resources, especially seeking to reduce fixed costs. The non-recurring effects of this adjustment had a major effect on the results and should be offset during 2017. Marcopolo continues to adopt the LEAN concepts and is beginning to expanding the use it in foreign units.

As for the intercity bus market, the accessibility regulations beginning in July 1st already affects the order backlog. In the mid and long term, the requirement for a reduction in the fleet's average age in interstate and international lines will have a positive effect in the segment. As for urban buses, the demand is still under pressure, especially because of the uncertainties concerning fare adjustments and lack of definition regarding bidding processes for concession renewals.

In spite of the foreign exchange valuation, exportation remained high in every segment. The consolidation of the Conquest Project, which began in late 2015, is still producing business opportunities, now also enjoying the support of the integration between the Commercial – Foreign Market and International Transactions departments.

In the Volare segment, the highlight was the progress of the project aimed at re-fitting the structure and business strategy, with the objective of improving its competitiveness and operation's profitability, including greater utilization of installed capacity in the new São Mateus plant. In this work, the Company has been advising by external international consultancy.

In foreign units, the performance confirms the expectation of another positive year, notably in the controlled company Polomex, located in Mexico, where the physical volume of invoiced units rose 246.5% compared to 1Q16.

In April, Marcopolo announce to the market its purchase of the remaining interest in its Australian controlled company Volgren Australia Pty Ltd., thus reinforcing its commitment to the geographic diversification of its markets.

As for financing alternatives for domestic market, FINAME LTIR is still in place, allowing micro, small and medium enterprises to finance up to 80.0% of the asset with the LTIR plus 2.1% p.a. and the spread of the transferring bank. Large enterprises may also finance up to 80,0% of the asset, 50.0% of this total amount via LTIR plus 2.1% p.a. and 30.0% linked to the SELIC rate plus 2.38% p.a. plus the spread of the transferring bank. Despite, financing operations through the federal program called Refrota were approved in 1Q17 and, if definitively unlocked, could boost sales in the urban segment.

The Company is still engaged in obtaining possible synergies in its controlled company Neobus. The main efforts are focused on the integration between departments and systems, brand repositioning, product specification revision and optimization of manufacturing units. Regarding this last item, the evolution of a study to transfer the production processes from the Planalto unit to other plants must be mentioned, with more effective utilization of the Company assets.

The domestic market shows signs of moving towards recovery of the demand, which has been restrained since 2014. Such reversal, plus the strengthening of foreign operations, prospecting of new markets through exportation, reduction of expenses and indirect costs, increase of operating efficiency and working capital improvement shall contribute to improve the Company's results.

The Management.

BALANCE SHEETS
IFRS 10 E 11 (CPC 36 R3 E CPC 19 R2) - in thousands of reais

ASSETS	Consolidated	
	03/31/17	12/31/16
Current assets		
Cash and cash equivalents	1.028.266	1.209.459
Short-term investments valued at fair value	257.732	224.151
Derivatives financial instruments	2.330	6.498
Trade accounts receivable	801.881	900.816
Inventories	466.717	472.057
Recoverable taxes	153.438	164.033
Other accounts receivable	87.958	79.724
	2.798.322	3.056.738
Non-current assets		
Financial assets available for sale	18.495	18.817
Recoverable taxes	17.211	19.895
Deferred income tax and social contribution	70.300	69.779
Judicial Deposits	21.839	19.585
Trade accounts receivable	461.602	481.643
Other accounts receivable	1.344	839
Investments	323.809	309.074
Investment Property	48.941	48.941
Property, plant and equipment	705.811	708.269
Intangible assets	235.840	234.689
	1.905.192	1.911.531
TOTAL ASSETS	4.703.514	4.968.269
LIABILITIES AND STOCKHOLDERS' EQUITY	Consolidated	
	03/31/17	12/31/16
Current liabilities		
Suppliers	220.944	251.454
Loans and financing	869.547	925.062
Derivative financial instructions	5.621	492
Salaries and vacation pay	67.031	127.535
Taxes and contributions payable	53.243	105.276
Advances from customers	50.461	44.365
Comissioned representatives	24.773	33.249
Interest on own capital and dividends	370	370
Management profit sharing	-	7.915
Other accounts payable	177.549	166.006
	1.469.539	1.661.724
Non-current liabilities		
Loans and financing	1.306.904	1.374.172
Provision	36.608	35.345
Taxes contributions payable	150	5.155
Obligations to purchase equity interests	18.144	17.664
Other accounts payable	7.038	5.692
	1.368.844	1.438.028
Stockholders' equity		
Capital	1.264.622	1.264.622
Capital reserves	6.843	6.982
Revenue reserves	503.078	502.955
Treasury stock	(22.624)	(22.957)
Equity valuation adjustments	78.952	84.807
	1.830.871	1.836.409
Non-controlling Interest	34.260	32.108
	1.865.131	1.868.517
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	4.703.514	4.968.269

The consolidated financial statements including the notes to financial statements and the report of independent auditors KPMG Auditores Independentes - are available at the sites www.cvm.gov.br and www.bmfbovespa.com.br.

STATEMENTS OF INCOME

IFRS 10 E 11 (CPC 36 R3 E CPC 19 R2) - in thousands of reais

ACCOUNTS	Consolidated	
	1Q17	1Q16
Net sales and service revenues	554.632	428.326
Cost of sales and services	(493.585)	(372.152)
Gross Profit	61.047	56.174
Operating income (expenses)		
Selling expenses	(35.454)	(20.312)
Administrative expenses	(40.869)	(33.985)
Other operating income (expenses), net	(19.802)	(17.773)
Equity in the results of investees	23.431	6.106
Net income (loss) from operations	(11.647)	(9.790)
Financial revenue	108.117	135.462
Financial expenses	(90.037)	(106.774)
Financial Income/loss	18.080	28.688
Profit before income tax and social contribution	6.433	18.898
Income taxes and social contribution		
Current	(3.731)	(1.930)
Deferred charges	521	(8.202)
Net income from continued operations	3.223	8.766
Net income per share - R\$	0,00356	0,00984

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CASH FLOWS

IFRS 10 E 11 (CPC 36 R3 E CPC 19 R2) - in thousands of reais

Statement of Cash Flows	Consolidated	
	03/31/17	03/31/16
Cash flows from operating activities		
Net income for the period	3.223	8.766
Adjustments to reconcile net income with cash generated by (used in) operating activities:		
Depreciation and amortization	12.166	11.314
Gain (loss) on disposal of investments, property, plant and equipment and intangible assets	209	494
Equity in the results of investees	(23.431)	(6.106)
Provision for credit losses	6.301	309
Current and deferred income tax and social contribution	3.210	10.132
Interest and appropriated exchange variations	24.194	(13.690)
Non-controlling Interest	3.100	86
Changes in assets and liabilities		
(Increase) decrease in trade accounts receivable	112.779	245.954
(Increase) decrease in other accounts receivable	(23.963)	95.595
(Increase) decrease in inventories	3.629	(4.765)
(Increase) decrease in short-term investment	805	(1.341)
(Increase) decrease in actuarial liabilities	(29.648)	(33.486)
Increase (decrease) in accounts payable	(118.567)	(118.011)
Cash flows from operating activities	(25.993)	195.251
Income taxes paid	(3.731)	(1.930)
Net cash provided by (used in) operating activities	(29.724)	193.321
Cash flows from investing activities		
Investments	3.950	-
Dividends from subsidiaries, jointly-controlled entities and associates	4.746	1.572
Purchase of fixed assets	(9.152)	(36.256)
Purchase of intangible assets	(131)	(209)
Proceeds from sale of fixed	160	-
Net cash obtained in investing activities	(427)	(34.893)
Cash flows from financing activities		
Treasury stock	194	1.802
Borrowings from third parties	72.757	133.246
Payment of borrowings - principal	(192.789)	(461.830)
Payment of borrowings - interest	(28.557)	(23.217)
Net cash applied financing activities	(148.395)	(349.999)
Foreign exchange gains on cash and cash equivalents	(2.647)	(7.491)
Foreign exchange gains/(losses) on cash equivalents	(2.647)	(7.491)
Cash and cash equivalents at the beginning of the period	1.209.459	1.131.162
Cash and cash equivalents at the end of the period	1.028.266	932.100
Net increase (decrease) in cash and cash equivalents	(181.193)	(199.062)

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EXHIBIT:

Marcopolo S.A. (BM&FBOVESPA: POMO3; POMO4), seeking transparency in the disclosure of the results, presents for comparison in this Exhibit, the main operational indicators based on the standard prior to adoption of IFRS 10 and 11.

MARCOPOLO – CONSOLIDATED WORLDWIDE PRODUCTION

OPERATIONS (in units)	1Q17	1Q16	Var. %
BRAZIL: ⁽¹⁾			
- Domestic market	815	967	(15.7)
- Foreign market	678	312	117.3
SUBTOTAL	1,493	1,279	16.7
Eliminations KD's exported ⁽²⁾	99	12	725.0
TOTAL IN BRAZIL	1,394	1,267	10.0
FOREIGN:			
- South Africa	94	75	25.3
- Argentina – Metalpar (50%)	124	186	(33.3)
- Argentina – Metalsur (25%)	17	8	112.5
- Australia	82	86	(4.7)
- Colombia (50%)	123	108	13.9
- Egypt (49%)	80	43	86.0
- India (49%) ⁽³⁾	1,334	1,041	28.1
- Mexico	440	127	246.5
TOTAL FOREIGN	2,294	1,674	37.0
GRAND TOTAL	3,688	2,941	25.4

Notes: ⁽¹⁾ Includes production of Volare model, as well as the production of Marcopolo Rio and proportional share in the production of San Marino/Neobus (332 units in 1Q17 and 190 units in 1Q16); ⁽²⁾ KD (Knock Down) = Partially or totally knocked down bodies; ⁽³⁾ In India, the units produced at the factory in Lucknow are summed.

MARCOPOLO – PRODUCTION IN BRAZIL

PRODUCTS (in units)	1Q17			1Q16		
	DM	FM ⁽¹⁾	TOTAL	DM	FM ⁽¹⁾	TOTAL
Intercity	154	426	580	207	175	382
Urbans	220	28	248	530	63	593
Micros	170	147	317	79	28	107
SUBTOTAL	544	601	1,145	816	266	1,082
Volares ⁽²⁾	271	77	348	151	46	197
TOTAL PRODUCTION	815	678	1,493	967	312	1,279

Notes: ⁽¹⁾ The total FM production includes the exported KD units (partially or fully knocked down bodies); ⁽²⁾ The Volare production is not part of the SIMEFRE and FABUS figures or the sector production.