

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

HIGHLIGHTS OF THE 2nd QUARTER OF 2017

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

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

Selected Information	2Q17	2Q16	Var. %	1H17	1H16	Var. %
Net Operating Revenue	741.0	619.7	19.6	1,295.6	1,048.1	23.6
Revenue in Brazil	287.6	194.2	48.1	437.4	386.8	13.1
Exportation revenue from Brazil	263.7	248.1	6.3	467.5	346.5	34.9
Revenue in foreign countries	189.7	177.4	6.9	390.7	314.8	24.1
Gross Profit	110.3	102.5	7.6	171.4	158.7	8.0
EBITDA ⁽¹⁾	47.4	46.1	2.8	48.0	47.6	0.8
Net Profit	26.0	43.3	(40.0)	29.2	52.0	(43.8)
Earnings per share	0.029	0.049	(40.8)	0.032	0.059	(45.8)
Return on Invested Capital (ROIC) ⁽²⁾	12.7%	4.2%	8.5pp	12.7%	4.2%	8.5pp
Return on Equity (ROE) ⁽³⁾	11.6%	4.1%	7.5pp	11.6%	4.1%	7.5pp
Investments	17.5	15.4	13.6	26.8	51.9	(48.4)
Gross Margin	14.9%	16.5%	(1.6)pp	13.2%	15.1%	(1.9)pp
EBITDA Margin	6.4%	7.4%	(1.0)pp	3.7%	4.5%	(0.8)pp
Net Margin	3.5%	7.0%	(3.5)pp	2.3%	5.0%	(2.7)pp
Balance Sheet Data	30/06/17	31/03/17	Var. %			
Shareholders' Equity	1,875.5	1,830.9	2.4			
Cash, cash equivalents and financial investments	1,272.2	1,306.8	(2.6)			
Short Term Financial Liabilities	(886.3)	(875.2)	1.3			
Long Term Financial Liabilities	(1,262.8)	(1,306.9)	(3.4)			
Net financial liabilities – Manufacturing segment	(348.0)	(313.6)	11.0			

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

BRAZILIAN BUS INDUSTRY PERFORMANCE

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

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

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

BRAZILIAN BUS PRODUCTION (in units)

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

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

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

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

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

In 2Q17, 2,810 units were recorded in net revenue, 1,551 of which were recorded in Brazil (55.2% of the total), and 769 units exported from Brazil (27.4%) and 490 units in foreign countries (17.4%).

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

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

PRODUCTION

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

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

MARCOPOLO - CONSOLIDATED WORLDWIDE PRODUCTION

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

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

MARCOPOLO – CONSOLIDATED WORLDWIDE PRODUCTION BY MODEL

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

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

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

MARCOPOLO - PRODUCTION IN BRAZIL

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

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

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

BRAZILIAN MARKET SHARE

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

MARKET SHARE IN BRAZILIAN PRODUCTION (%)

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

Source: FABUS and SIMEFRE

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

NET REVENUE

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

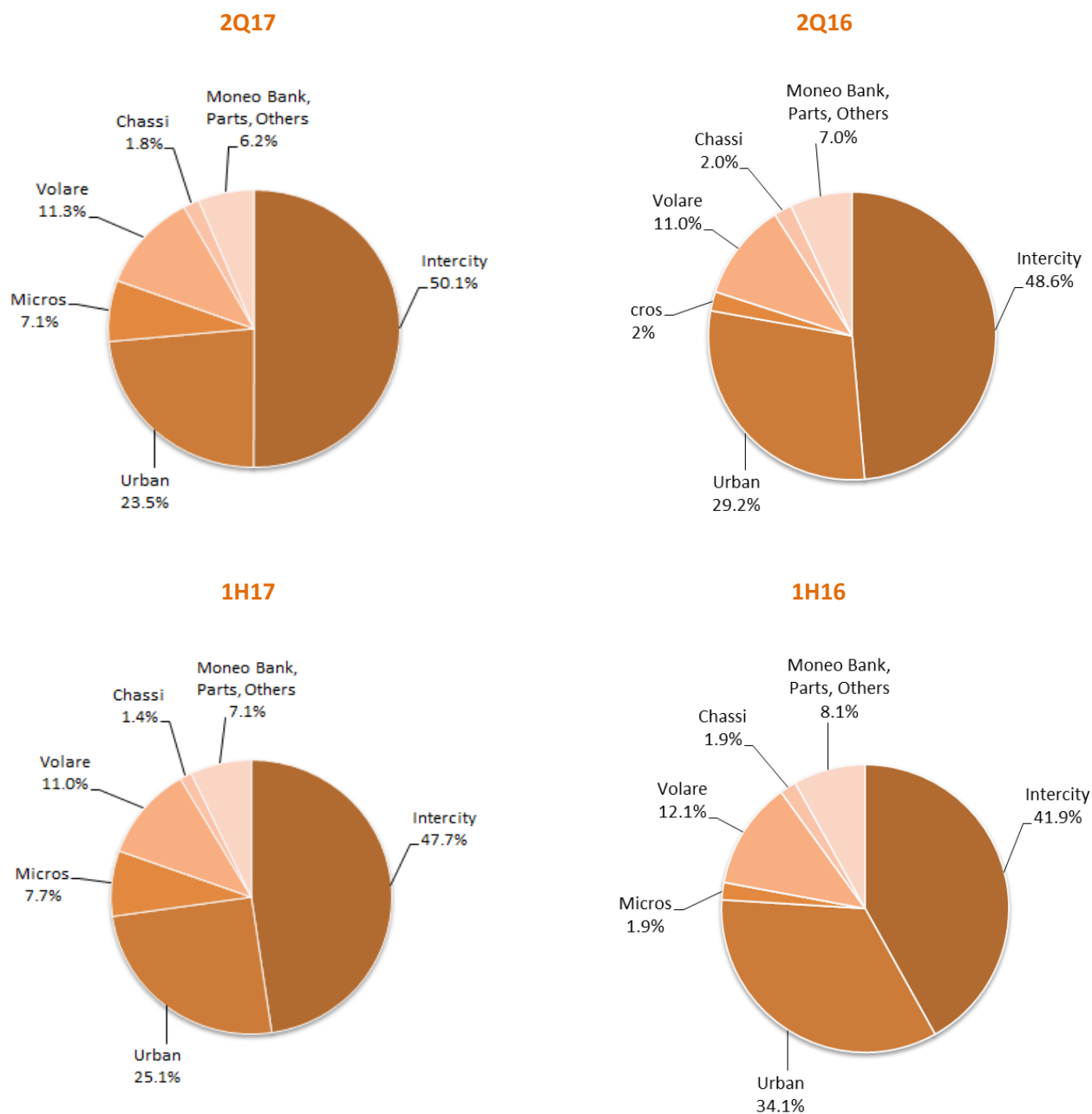
TOTAL CONSOLIDATED NET REVENUE
By Products and Markets (BRL million)

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

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

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

CONSOLIDATED NET REVENUE COMPOSITION (%)



GROSS INCOME AND MARGINS

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

SALE EXPENSES

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

GENERAL AND ADMINISTRATIVE EXPENSES

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

OTHER NET OPERATING REVENUE/EXPENSES

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

EQUITY METHOD RESULTS

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

NET FINANCIAL INCOME

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

EBITDA

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

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

- Gross Income and Margins: BRL 9.2 million;
- Sale Expenses: BRL 1.5 million;
- General and Administrative Expenses: BRL 3.2 million;
- Other Net Operating Expenses/Revenue: BRL 14.1 million.

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

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

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

NET PROFIT

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

FINANCIAL INDEBTEDNESS

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

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

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

CASH GENERATION

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

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

INVESTMENTS IN PERMANENT ASSETS

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

STOCK MARKET

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

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

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

ANALYSIS AND PROSPECTS

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

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

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

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

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

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

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

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

The Management.

BALANCE SHEETS

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

ASSETS	Consolidated	
	06/30/17	12/31/16
Current assets		
Cash and cash equivalents	1.004.646	1.209.459
Short-term investments valued at fair value	247.587	224.151
Derivatives financial instruments	622	6.498
Trade accounts receivable	826.549	900.816
Inventories	502.313	472.057
Recoverable taxes	175.376	164.033
Other accounts receivable	114.793	79.724
	2.871.886	3.056.738
Non-current assets		
Financial assets available for sale	19.340	18.817
Recoverable taxes	17.102	19.895
Deferred income tax and social contribution	61.589	69.779
Judicial Deposits	24.560	19.585
Trade accounts receivable	435.540	481.643
Other accounts receivable	1.192	839
Investments	346.223	309.074
Investment Property	50.708	48.941
Property, plant and equipment	709.862	708.269
Intangible assets	217.814	234.689
	1.883.930	1.911.531
TOTAL ASSETS	4.755.816	4.968.269
LIABILITIES AND STOCKHOLDERS' EQUITY	Consolidated	
	06/30/17	12/31/16
Current liabilities		
Suppliers	299.734	251.454
Loans and financing	880.380	925.062
Derivative financial instrutions	5.934	492
Salaries and vacation pay	93.841	127.535
Taxes and contributions payable	44.851	105.276
Advances from customers	63.447	44.365
Comissioned representatives	28.668	33.249
Interest on own capital and dividends	258	370
Management profit sharing	2.000	7.915
Other accounts payable	122.105	166.006
	1.541.218	1.661.724
Non-current liabilities		
Loans and financing	1.262.830	1.374.172
Provisions	45.141	35.345
Provision taxes contributions	160	5.155
Obligations to purchase equity interests	-	17.664
Other accounts payable	4.338	5.692
	1.312.469	1.438.028
Stockholders' equity		
Realized capital	1.264.622	1.264.622
Capital reserves	6.843	6.982
Revenue reserves	520.271	502.955
Treasury stock	(22.624)	(22.957)
Equity valuation adjustments	106.410	84.807
	1.875.522	1.836.409
Non-controlling Interest	26.607	32.108
	1.902.129	1.868.517
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	4.755.816	4.968.269

The consolidated financial statements including the notes to financial statements and the report of independent auditors PricewaterhouseCoopers 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			
	2Q17	2Q16	1H17	1H16
Net sales and service revenues	740.975	619.740	1.295.607	1.048.066
Cost of sales and services	(630.666)	(517.233)	(1.124.251)	(889.385)
Gross Profit	110.309	102.507	171.356	158.681
Operating income (expenses)				
Selling expenses	(42.343)	(35.137)	(77.797)	(55.449)
Administrative expenses	(41.280)	(39.198)	(82.149)	(73.183)
Other operating income (expenses), net	(10.578)	(8.558)	(30.380)	(26.331)
Equity in the results of investees	19.900	15.402	43.331	21.508
Net income (loss) from operations	36.008	35.016	24.361	25.226
Financial revenue	80.586	197.952	188.703	333.414
Financial expenses	(75.850)	(165.497)	(165.887)	(272.271)
Financial Income/loss	4.736	32.455	22.816	61.143
Profit before income tax and social contribution	40.744	67.471	47.177	86.369
Income taxes and social contribution				
Current	(6.059)	(20.298)	(9.790)	(22.228)
Deferred charges	(8.711)	(3.910)	(8.190)	(12.112)
Net income from continued operations	25.974	43.263	29.197	52.029
Net income per share - R\$	0,02850	0,04850	0,03203	0,05833

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Statement of Cash Flows	Consolidated			
	2Q17	2Q16	06/30/17	06/30/16
CASH FLOWS				
	<i>IFRS 10 E 11 (CPC 36 R3 E CPC 19 R2) - in thousands of reais</i>			
Cash flows from operating activities				
Net income for the period	25.974	43.263	29.197	52.029
Adjustments to reconcile net income with cash generated by (used in) operating activities:				
Depreciation and amortization	11.430	11.078	23.596	22.392
Gain (loss) on disposal of investments, property, plant and equipment and intangible assets	30.169	1.753	30.378	2.247
Equity in the results of investees	(19.900)	(15.402)	(43.331)	(21.508)
Provision for credit losses	5.692	2.439	11.993	2.748
Current and deferred income tax and social contribution	14.770	24.207	17.980	34.340
Interest and appropriated exchange variations	38.093	(53.112)	62.287	(66.802)
Non-controlling Interest	3.745	187	6.845	273
Changes in assets and liabilities				
(Increase) decrease in trade accounts receivable	319	(41.976)	113.098	203.978
(Increase) decrease in other accounts receivable	11.322	(137.998)	(12.641)	(42.403)
(Increase) decrease in inventories	(28.143)	(8.314)	(24.514)	(13.079)
(Increase) decrease in short-term investment	(40.566)	(24.961)	(39.761)	(26.302)
(Increase) decrease in actuarial liabilities	75.392	40.359	45.744	6.873
Increase (decrease) in accounts payable	(59.370)	88.398	(177.937)	(29.614)
Cash flows from operating activities	68.927	(70.079)	42.934	125.172
Income taxes paid	(6.059)	(20.298)	(9.790)	(22.228)
Net cash provided by (used in) operating activities	62.868	(90.377)	33.144	102.944
Cash flows from investing activities				
Investments	(6.643)	-	(2.693)	-
Dividends from subsidiaries, jointly-controlled entities and associates	9.179	5.761	13.925	7.333
Purchase of fixed assets	(17.529)	(15.219)	(26.681)	(51.475)
Purchase of intangible assets	(436)	(191)	(567)	(400)
Proceeds from sale of fixed	324	-	484	-
Net cash obtained in investing activities	(15.105)	(9.649)	(15.532)	(44.542)
Cash flows from financing activities				
Treasury stock	-	-	194	1.802
Loans secured from unrelated parties	194.787	95.841	267.544	229.087
Payment of loans - Principal	(237.660)	(81.331)	(430.449)	(543.161)
Payment of loans - Interest	(33.699)	(21.144)	(62.256)	(44.361)
Net cash applied financing activities	(76.572)	(6.634)	(224.967)	(356.633)
Foreign exchange gains on cash and cash equivalents	5.189	(10.974)	2.542	(18.465)
Foreign exchange gains/(losses) on cash equivalents	5.189	(10.974)	2.542	(18.465)
Cash and cash equivalents at the beginning of the period	1.028.266	932.100	1.209.459	1.131.162
Cash and cash equivalents at the end of the period	1.004.646	814.466	1.004.646	814.466
Net increase (decrease) in cash and cash equivalents	(23.620)	(117.634)	(204.813)	(316.696)

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EXHIBIT:

Marcopolo S.A. (B3: 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)	2Q17	2Q16	Var. %	1H17	1H16	Var. %
BRAZIL: ⁽¹⁾						
- Domestic market	1,620	1,179	37.4	2,435	2,146	13.5
- Foreign market	820	801	2.4	1,498	1,113	34.6
SUBTOTAL	2,440	1,980	23.2	3,933	3,259	20.7
Eliminations KD's exported ⁽²⁾	68	142	(52.1)	167	154	8.4
TOTAL IN BRAZIL	2,372	1,838	29.1	3,766	3,105	21.3
FOREIGN:						
- South Africa	104	54	92.6	198	129	53.5
- Argentina – Metalpar (50%)	210	249	(15.7)	334	435	(23.2)
- Argentina – Metalsur (25%)	13	13	-	30	20	50.0
- Australia	82	111	(26.1)	164	197	(16.8)
- Colombia (50%)	151	144	4.9	337	252	33.7
- Egypt (49%)	64	130	(50.8)	145	173	(16.2)
- India (49%) ⁽³⁾	1,582	1,492	6.0	2,916	2,533	15.1
- Mexico	302	251	20.3	742	378	96.3
TOTAL FOREIGN	2,508	2,444	2.6	4,866	4,117	18.2
GRAND TOTAL	4,880	4,282	14.0	8,632	7,222	19.5

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)	2Q17			2Q16		
	DM	FM ⁽¹⁾	TOTAL	DM	FM ⁽¹⁾	TOTAL
Intercity	387	478	865	234	468	702
Urbans	549	41	590	626	131	757
Micros	258	197	455	62	82	144
SUBTOTAL	1,194	716	1,910	922	681	1,603
Volares ⁽²⁾	426	104	530	257	120	377
TOTAL PRODUCTION	1,620	820	2,440	1,179	801	1,980

MARCOPOLO – PRODUCTION IN BRAZIL

PRODUCTS (in units)	1H17			1H16		
	DM	FM ⁽¹⁾	TOTAL	DM	FM ⁽¹⁾	TOTAL
Intercity	541	904	1,445	441	643	1,084
Urbans	769	69	838	1,155	194	1,349
Micros	428	344	772	142	110	252
SUBTOTAL	1,738	1,317	3,055	1,738	947	2,685
Volares ⁽²⁾	697	181	878	408	166	574
TOTAL PRODUCTION	2,435	1,498	3,933	2,146	1,113	3,259

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,