Jaraguá do Sul (SC), April 18, 2018: WEG S.A. (B3(NM): WEGE3, OTC: WEGZY), one of the world's largest manufacturers of electric-electronic equipment, announced today its results for the **first quarter of 2018 (1Q18)**. The following financial and operating data are presented on a consolidated basis, except when otherwise indicated, in thousands of Brazilian Reais (R$) according to accounting practices adopted in Brazil, including Brazilian Corporate Law and in convergence with IFRS international norms. Except when otherwise indicated, growth rates and other comparisons are made to the same period of the previous year.

REVENUE GROWTH AND **EXPANSION OF RETURN ON CAPITAL INVESTED**

- **Net Operating Revenues** were **R$2,551.5 million** in **1Q18**, 19.6% higher than 1Q17 and 4.6% lower than 4Q17. Adjusted for the effects of the consolidation of acquisitions of WEG Transformers USA (WTU) and TGM, net revenues would show a 13.8% increase vs. 1Q17 and a 6.2% decrease vs. 4Q17.
- **EBITDA** reached **R$379.7 million**, 14.7% higher than 1Q17 and 0.9% higher than 4Q17, while **EBITDA margin** was **14.9%,** 0.6 p.p. lower than 1Q17 and 0.8 p.p. higher than 4Q17.
- **Return on Invested Capital** (ROIC) reached 15.1% in 1Q18, up 1.2 p.p. from 1Q17 and down 0.3 p.p. from 4Q17.

We started 2018 with net operating revenue growth. In Brazil, growth was boosted by the economic improvement and the greater participation of new businesses in revenue, such as solar power plants. In external markets, growth is still concentrated in short-cycle equipment sales, but we have already found some opportunities in projects that require long-cycle equipment.

We have pointed out that although the new businesses are still in their early stages, they have attractive returns on invested capital, as can be seen from the continued expansion of ROIC in annual comparisons. The impact on operating margins stemming from the expansion of new business (such as solar power) and acquisitions (such as transformers in the United States) are more than offset by efficient capital allocation and scale gains.

MAIN HIGHLIGHTS

Figures in R$ thousands

	Q1 2018	Q4 2017	%	Q1 2017	%
Return on Invested Capital	**15.1%**	**15.4%**	**-0.3 pp**	**13.9%**	**1.2 pp**
Net Operating Revenue	**2,551,476**	**2,673,747**	**-4.6%**	**2,134,229**	**19.6%**
Domestic Market	1,128,571	1,231,995	-8.4%	990,910	13.9%
External Markets	1,422,905	1,441,752	-1.3%	1,143,319	24.5%
External Markets in US$	438,538	444,003	-1.2%	363,777	20.6%
Net Income	**285,004**	**300,250**	**-5.1%**	**257,703**	**10.6%**
Net Margin	11.2%	11.2%		12.1%	
EBITDA	**379,710**	**376,270**	**0.9%**	**330,995**	**14.7%**
EBITDA Margin	14.9%	14.1%		15.5%	
EPS	0.17668	0.18609	-5.1%	0.15973	10.6%

CONFERENCE CALL *(SIMULTANEOUS TRANSLATION INTO ENGLISH)*
April 19, Thursday 11:00 a.m. (Brasília official time)
Dial–in USA: +1 646 828-8246
Webcasting (simultaneous translation into English): www.choruscall.com.br/weg/1q18.htm

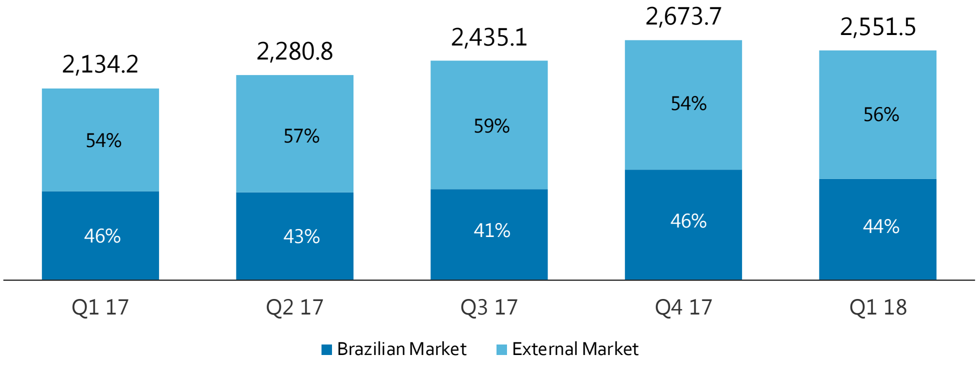
Net Operating Revenues

Net Operating Revenues (NOR) reached **R$2,551.5 million** in 1Q18, up 19.6% year-over-year and down 4.6% quarter-over-quarter. If adjusted for the acquisition consolidation of WEG Transformers USA and TGM, revenues were up 13.8% over 1Q17 and down 6.2% in relation to 4Q17.

As has been the case for some quarters, Energy Generation, Transmission, and Distribution (GTD) led consolidated growth. In Brazil, GTD's expansion is due to the start of revenue recognition in more significant solar power projects, while the acquisition of the transformer operation in the US explains much of the stronger growth in external markets. Industrial Electro-Electronic Equipment drove external markets' growth contribution, while the Motors for Domestic Use business area showed good performance in locally, reflecting the improvements in Brazilian consumer conditions. The Paint and Varnishes business area continued to benefit from the gradual recovery of Brazilian industry, its main consumer market.

In this quarter, revenue was positively impacted by average Brazilian Real/US dollar exchange rate that went from R$3.14 in the 1Q17 to R$3.24 in 1Q18, with a 3.2% depreciation of the Brazilian Real.

Net Operating Revenues by Market



(Figures in R$ Million)

The breakdown of Net Operating Revenue in 1Q18 by market was:

- Brazilian Market: R$1,128.6 million, representing 44% of revenues, up 13.9% vs. 1Q17 and down 8.4% vs. 4Q17. Disregarding the effects of the TGM acquisition, revenues would be up 11.4% vs. 1Q17 and down 10.4% vs. 4Q17;
- External Market: R$1,422.9 million, equivalent to 56% of revenues. We almost always set our sales prices in different markets in local currency amounts, according to local competitive conditions. In 1Q18 revenues in external markets were as follows:
  - Measured in Brazilian Reais: 24.5% above 1Q17 and 1.3% below 4Q17. Disregarding the effects of the WEG Transformers USA and TGM acquisitions, revenues would have been up by 15.8% vs. 1Q17 and down 2.4% vs. 4Q17.
  - Measured in the quarterly averaged US dollar: up 20.6% vs. 1Q17 and down 1.2% vs. 4Q17. Disregarding the effects of the WEG Transformers USA and TGM acquisitions, revenues would have been up 12.1% vs. 1Q17 and down 8.2% vs. 4Q17.
  - Measured in local currencies, weighted by the revenues in each market and adjusted for the WEG Transformers USA acquisition: a 10.7% increase vs. 1Q17.

Evolution of Net Revenue According to Geographic Market

Figures in R$ thousands

	Q1 2018	Q4 2017	%	Q1 2017	%
Net Operating Revenues	2,551,476	2,673,747	-4.6%	2,134,229	19.6%
- Brazilian Market	1,128,571	1,231,995	-8.4%	990,910	13.9%
- External Markets	1,422,905	1,441,752	-1.3%	1,143,319	24.5%
- External Markets in US$	438,538	444,003	-1.2%	363,777	20.6%

External Market - Distribution of Net Revenue According to Geographic Market

	Q1 2018	Q4 2017	%	Q1 2017	%
North America	41.2%	38.8%	2.4 pp	43.5%	-2.3 pp
South and Central America	12.7%	14.3%	-1.6 pp	13.8%	-1.1 pp
Europe	25.8%	27.9%	-2.1 pp	25.2%	0.6 pp
Africa	8.8%	8.5%	0.3 pp	8.1%	0.7 pp
Australasia	11.5%	10.5%	1.0 pp	9.4%	2.1 pp

Business Area

Industrial Electro-Electronic Equipment – we continued to notice a recovery of global industrial investment, although it is still focused on installed capacity maintenance. Brownfield and greenfield projects that already show signs of recovery abroad have not been seen in Brazil yet.

In Brazil, after the recovery presented last year, we reached a normalizing level in short cycle products, especially low voltage motors and serial automation equipment, which showed a small increase in sales in the quarterly comparison.

The resumption of demand for customized or lager-sized products (long-cycle), related to large capacity expansion projects, continues at a slow pace. The good order intake pace in the last quarter of 2017, especially in automation panels, continues, although this has not yet had an impact on revenue growth in 1Q18, since in long cycle products the interval between order intake and revenue recognition can be several months.

Abroad, revenue growth is also concentrated in short-cycle products. Europe, Asia and Africa posted significant revenue growth this quarter. Capacity expansion projects and new plant construction, which also demand long-cycle products, continue their track record growth, mainly in industries related to mining, infrastructure and pulp and paper production.

Energy Generation, Transmission, and Distribution (GTD) – Performance of energy generation equipment largely relies on the wind generation business and its backlog, and execution of those projects should extend through the third quarter of 2018, reflecting stability in this business over the course of the year. The solar generation business was the highlight in the GTD area, gaining share in 2017 with two important solar farm projects added to the backlog. Part of revenues from these projects started to be recognized in 4Q17, positively impacting GTD revenue in the Brazilian market. It is worth mentioning that this is a still-maturing business; although it has an attractive return on invested capital, its operating margins are low.

For other renewable sources, notably hydro and thermal, improvement in order intake continues. This trend is expected to continue in 2018, signaling stability for upcoming months. It's worth nothing that starting in March 2018 we began consolidating TGM, the steam turbines and drives manufacturing operation, within this business area, which contributed to revenue growth in this quarter.

In Transmission and Distribution (T&D), the transmission lines auctions held in October 2016 and in April and December of 2017 attracted new players to the market, and a had a positive impact on our medium- and long-term order book. However, these orders will have no impact on 2018 revenues, which will continue to mainly reflect the sale of transformers to distribution utilities, as well as transformers and substations for both the industrial market and for renewable energy projects.

In external markets, revenue growth is mainly due to the consolidation of the new US transformer company, WEG Transformers USA. This acquisition complements our production platform in North America and offers significant synergies. The combination of large-scale vertical operations and the flexibility of having production units in markets such as Mexico, Colombia, South Africa and, of course, Brazil, opens up numerous opportunities for expansion abroad.

Although recent, the integration of the North American unit into our transformer production platform is progressing as expected, including the redistribution of production lines between the operations of Mexico and the United States. We are confident that results from WEG Transformers USA will, over time, converge towards WEG's standards as expected.

Motors for domestic use – In the domestic market, the recovery dynamics seen in recent quarters continued, favored by the combination of rising consumer confidence, low inflation, and lower interest rates. Recent indicators point to consumption growth in several areas. Reflecting this dynamic, revenue for the quarter grew over the same period in 2017.

Outside Brazil, despite market indicators showing some stability, revenue declined, reflecting the accommodation of component inventories in the world's major OEMs, mainly in the United States, and a decrease in orders in the local market in China.

Paints and Varnishes – Domestic market performance continues to reflect the industrial and consumer goods markets performances, which intensified during the recovery process in the last quarter. Reflecting the improvement in some segments, such as auto parts, agricultural implements and water utilities, as well as the normalization of preventive maintenance in important segments such as oil and gas and mining and shipping. The growth in revenues in the external markets reflects our search for new customers, mainly in Latin America, with products already consolidated in Brazil.

Distribution of Net Revenue by Business Area

	Q1 2018	Q4 2017		Q1 2017	
Electro-electronic Industrial Equipments	**53.5%**	**50.5%**	**3 pp**	**54.8%**	**-1,3 pp**
Domestic Market	17.4%	15.2%	2,2 pp	20.7%	-3,3 pp
External Market	36.1%	35.3%	0,8 pp	34.1%	2 pp
Energy Generation , Transmission and Distribution	**31.5%**	**33.4%**	**-1,9 pp**	**27.4%**	**4,1 pp**
Domestic Market	18.3%	21.2%	-2,9 pp	16.9%	1,4 pp
External Market	13.2%	12.2%	1 pp	10.5%	2,7 pp
Motors for Domestic Use	**10.1%**	**11.2%**	**-1,1 pp**	**13.0%**	**-2,9 pp**
Domestic Market	4.4%	5.7%	-1,3 pp	4.9%	-0,5 pp
External Market	5.7%	5.5%	0,2 pp	8.1%	-2,4 pp
Paints and Varnishes	**4.4%**	**4.5%**	**-0,1 pp**	**4.5%**	**-0,1 pp**
Domestic Market	3.8%	3.8%	0 pp	3.8%	0 pp
External Market	0.6%	0.7%	-0,1 pp	0.7%	-0,1 pp

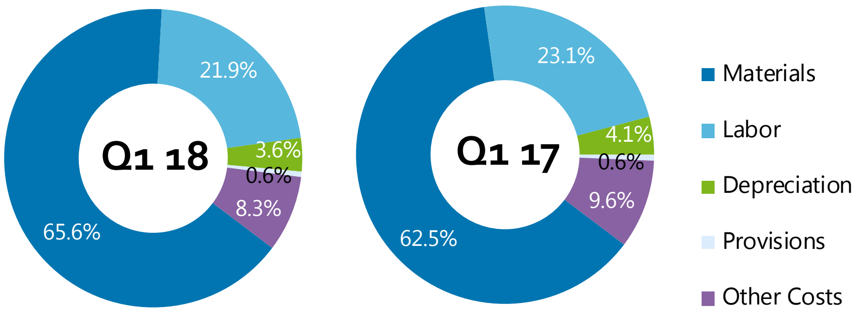
Cost of Goods Sold

The Cost of Goods Sold (COGS) totaled R$1,827.9 million in 1Q18, up 22.1% vs. 1Q17 and down 7.1% vs. 4Q17. Gross margin was 28.4%, 1.5 p.p. lower vs. 1Q17, and 2.0 p.p. higher vs 4Q17.

The increase in costs and the consequent reduction in gross margin compared to 1Q17 is mainly due to the consolidation of the acquisition of WEG Transformers USA. The changes in the process that we are implementing should bring positive results throughout the year. Also, there is the effect of increased sales of solar generation projects, in which operating margins are structurally lower.

In 1Q18, the average price of copper in the spot market on the London Metal Exchange (LME) increased 2.0% vs. 4Q17 and 19.2% vs. 1Q17, while the average price of steel increased 7.2% vs. 4Q17 and 12.4% vs. 1Q17. Despite the significant price increases of the main inputs, the hedging mechanisms we use have mitigated short-term margin impacts.

COGS Composition



Sales, General, and Administrative Expenses

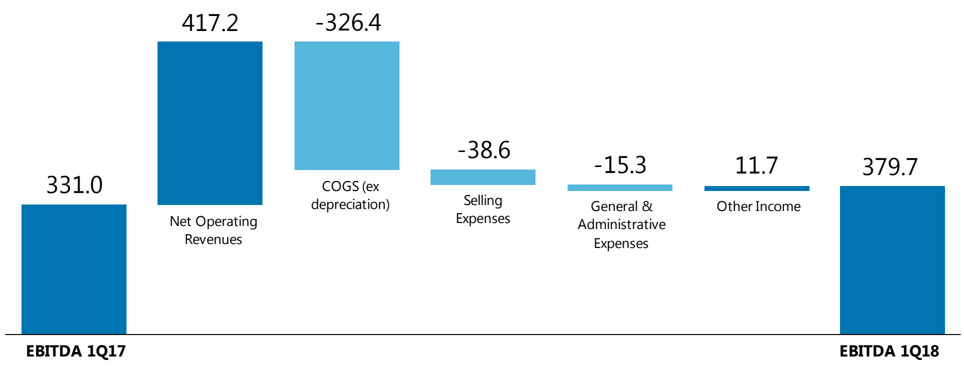
Consolidated sales, general, and administrative expenses (SG&A) totaled R$372.0 million in 1Q18, an increase of 16.9% vs. 1Q17 and of 2.1% vs. 4Q17. These expenses accounted for 14.6% of quarterly net operating revenues, down 0.3 p.p vs. 1Q17 and up 1.0 p.p vs. 4Q17. Revenue growth, combined with disciplined expense control, has increased operational efficiency, lessening the impact of increased participation of new businesses in sales.

EBITDA and EBITDA Margin

In 1Q18, EBITDA reached R$379.7 million, up 14.7% vs. 1Q17 and 0.9% vs. 4Q17. EBITDA margin was 14.9%, 0.6 p.p. lower vs. 1Q17 and 0.8 p.p. higher vs. 4Q17. EBITDA margin performance was within expectations, showing improvement over 4Q17, as last quarter's one-off impacts are no longer present, but was below 1Q17 due to the impacts of the acquisition of WEG Transformers USA and the rapid growth of new businesses, such as solar generation. The new businesses are still maturing and have characteristically lower operating margins.

	Q1 2018	Q4 2017	%	Q1 2017	%
Net Operating Revenues	2,551.5	2,673.7	-4.6%	2,134.2	19.6%
Net Income before Minorities	288.1	296.4	-2.8%	256.5	12.3%
Net Margin	11.3%	11.1%		12.0%	
(+) Income taxes & Contributions	46.1	0.8	5763.7%	33.5	37.7%
(+/-) Financial income (expenses)	-27.9	6.6	n.a.	-28.0	-0.3%
(+) Depreciation & Amortization	73.4	72.4	1.4%	69.0	6.4%
EBITDA	379.7	376.3	0.9%	331.0	14.7%
EBITDA Margin	14.9%	14.1%		15.5%	

Figures in R$ Million



(Figures in R$ Million)

Net Financial Results

The net financial result in 1Q18 was positive R$27.9 million (vs. positive R$28.0 million in 1Q17 and negative R$6.6 million in 4Q17), stable in comparison to 1Q17, as the recognition of interest income on contractual renegotiations with clients offset the lower interest rates received on our cash position.

Income Tax

The provision for Income Tax and Social Contribution on Net Profit in 1Q18 totaled R$28.0 million (vs. R$33.0 million and R$29.8 million in 1Q17 and 4Q17, respectively). Additionally, we debited R$18.1 million as Deferred Income Tax/Social Contribution in 1Q18 (vs. a debit of R$0.5 million in 1Q17 and credit of R$29.0 million in 4Q17).

Net Income

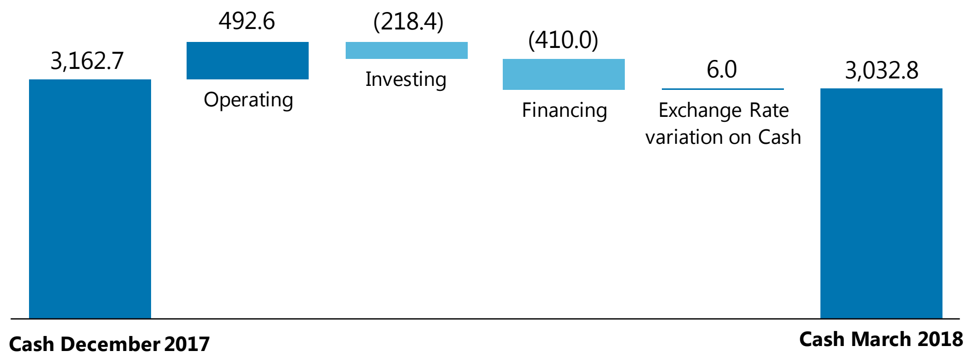
Net income in 1Q18 was R$285.0 million, an increase of 10.6% vs. 1Q17 and a decrease of 5.1% vs. 4Q17. Net margin reached 11.2%, 0.9 p.p. lower than 1Q17 and stable compared to the previous quarter.

Cash Flow

Cash generation in operating activities in the first quarter was R$492.6 million, an increase of 18% vs 1Q17, as a result of better operating performance and working capital management.

Our effort to maximize return on invested capital and optimize production capacity continues. As a result, the level of investment in modernization and expansion of production capacity was stable in relation to 1Q17. The increase in the disbursement of investment activities, which totaled R$ 218.4 million in the quarter, is mainly due to the recent acquisition of TGM.

In the financing activities, we raised R$526.8 million in new financing and made amortizations of R$536.6 million, resulting in net amortization of R$9.8 million. Interest on loans consumed R$74.5 million while payments to equity holders (dividends and interest on capital) totaled R$326.3 million. The final result was consumption of R$410.0 million in financing activities in 1Q18.



(Figures in R$ Million)

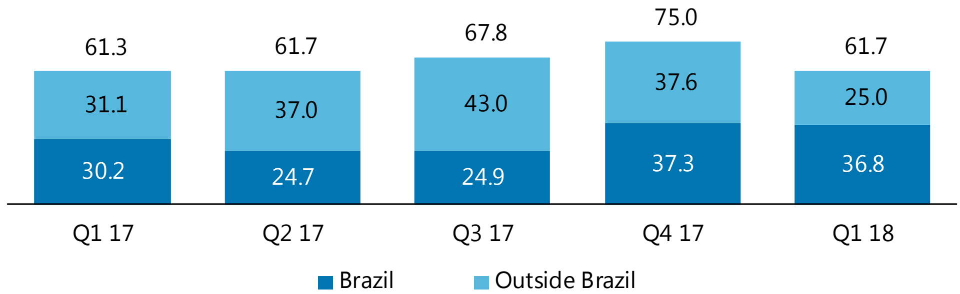
We point out that the chart above shows the cash and cash equivalents positions classified as current assets. Also, we have R$1,619.5 million in financial investments with no immediate liquidity (R$1,593.2 million in December 2017).

Return on Invested Capital

The Return on Invested Capital (ROIC) in 1Q18 (accumulated in the last 12 months) showed significant expansion of 1.2 p.p. over 1Q17, reaching 15.1%. Growth of Net Operating Profit After Taxes (NOPAT), due to revenue growth, expense control, and higher tax efficiency, more than offset the growth in capital employed, which expanded due to a greater need for working capital and investments in fixed and intangible assets over the last 12 months.

Investments

In the first quarter of 2018, we invested R$61.7 million in modernization and expansion of production capacity, machinery and equipment, and software licenses, 60% of which are for production units in Brazil and 40% for industrial parks and other facilities abroad.



(Figures in R$ Million)

Expenditures on research, development, and innovation activities totaled R$68.8 million, representing 2.7% of net operating revenue in 1Q18.

Debt and Cash Position

As of March 31, 2018, cash, cash equivalents, and financial investments totaled R$4,652.3 million and were invested in first-tier banks and denominated in Brazilian currency. Gross financial debt totaled R$4,221.9 million, of which 38% was in short-term operations and 62% in long-term operations. Net cash totaled R$430.4 million.

	March 2018		December 2017		March 2017	
Cash & Financial instruments	**4,652,316**		**4,755,885**		**4,941,621**	
- Current	4,494,609		4,585,606		4,808,907	
- Long Term	157,707		170,279		132,714	
Debt	**4,221,943**	**100%**	**4,110,082**	**100%**	**4,474,450**	**100%**
- Current	1,618,536	38%	2,027,375	49%	968,281	22%
- In Brazilian Reais	890,748		1,300,232		635,192	
- In other currencies	727,788		727,143		333,089	
- Long Term	2,603,407	62%	2,082,707	51%	3,506,169	78%
- In Brazilian Reais	483,787		457,386		1,957,945	
- In other currencies	2,119,620		1,625,321		1,548,224	
Net Cash (Debt)	**430,373**		**645,803**		**467,171**	

(Figures in R$ thousands)

The characteristics of our indebtedness at the end of March were:

- The total duration of 23.2 months, with a duration of 33.9 months in the long term. In December 2017 these figures were 20.0 months and 32.3 months, respectively.
- The weighted average cost of debt denominated in Reais is approximately 7.7% pa (vs. 8.3% in December 2017). The post-fixed contracts are indexed mainly to the Brazilian long-term interest rate (TJLP).

Dividends and Interest on Stockholders' Equity

At a meeting held on March 20, 2018, the Board of Directors decided to declare interest on equity in the total amount of R$ 84.6 million before withholding income tax, with payment expected August 15, 2018.

Our practice is to declare interest on capital quarterly and dividends based on the profit obtained each half year, that is, six proceeds each year, paid semi-annually.

TGM acquisition, CADE approval

On December 15, 2016, we announced the acquisition of TGM Indústria e Comercio de Turbinas e Transmisiones Ltda. (TGM), a leading Brazilian provider of solutions and equipment for drives of electric power generators, with a focus on renewable energy in thermoelectric and wind power. TGM also provides mechanical drive systems for equipment such as exhaust fans, blowers, shredders, water pumps, cane levelers, turbochargers, and turbo blowers.

On February 28, 2018, the Superintendence-General of the Administrative Council for Economic Defense (CADE) unanimously approved the acquisition of control of TGM, through the conclusion of an Agreement on Concentration Control (ACC). In this way, we started to consolidate the TGM numbers into our balance sheet as of March 2018.

Results Conference Call

On April 19, 2018 (Thursday), WEG will hold a teleconference in Portuguese, with simultaneous translation into English, also available on the via Internet webcast, at the following times:

11:00 – Brazilian time

10:00 – New York (EDT)

15:00 – London (BST)

Connecting phone numbers:

Dial–in for connections in Brazil: (11) 3193-1001 / (11) 2820-4001

Dial–in for connections in the United States: +1 646 828-8246

Toll-free for connections in the United States: +1 800 492-3904

Code: WEG

Access to the Webcasting:

Slides and original audio in Portuguese: www.choruscall.com.br/weg/1t18.htm

Slides and simultaneous translation in English: www.choruscall.com.br/weg/1q18.htm

The presentation will also be available on our Investor Relations website (https://ri.weg.net). Please call approximately 10 minutes before the conference call time.

Business areas

Industrial Electro-Electronic Equipment

The area of industrial electrical and electronic equipment includes low- and medium-voltage electric motors, drives & controls, industrial automation equipment, and maintenance services. The electric motors and other equipment have applications in almost all industrial segments, including in equipment such as compressors, pumps, and fans. We compete with our products and solutions in virtually every major world market.

Energy Generation, Transmission, and Distribution (GTD)

Products and services in this area include electric generators for hydroelectric and thermal plants (biomass), hydraulic turbines (PCH's), wind turbines, transformers, substations, control panels, and systems integration services. In the area of GTD in general, and specifically in power generation, the maturity times of investments are longer, with slower investment decisions and longer design and manufacturing lead times.

Motors for Domestic Use

Our focus in this area has traditionally been the Brazilian market, where we have significant participation in the single-phase motors for durable consumer goods market, which includes washing machines, air conditioners, water pumps, and others. In recent years, we started the internationalization of this business area, offering a complete portfolio of products to serve our global customers. In this short-cycle business, changes in consumer demand transfer quickly to the industry, with almost immediate impacts on production and revenue.

Paints and Varnishes

In this area of operation, which includes liquid paints, powder paints, and electro-insulating varnishes, we have a very clear focus on industrial applications and the Brazilian market, expanding to Latin America. Our strategy in this area is to cross-sell to customers in other areas. Target markets range from white goods manufacturers to the shipbuilding industry. We seek to maximize the scale of production and the effort to develop new products and new segments.

The statements contained in this report relating to WEG's business prospects, projections, and results and the Company's growth potential are mere forecasts, based on management's expectations regarding the future of WEG. These expectations are highly dependent on changes in the market, overall national economic performance, sector performance, and international markets, and may change.

Annex I

Consolidated Income Statement - Quarterly

Figures in R$ Thousands

	1st Quarter 2018		4th Quarter 2017		1st Quarter 2017		Changes %	
	R$	VA%	R$	VA%	R$	VA%	Q1 2018 Q4 2017	Q1 2018 Q1 2017
Net Operating Revenues	**2,551,476**	100%	2,673,747	100%	2,134,229	100%	-4.6%	19.6%
Cost of Goods Sold	**(1,827,877)**	-72%	(1,966,991)	-74%	(1,496,877)	-70%	-7.1%	22.1%
Gross Profit	**723,599**	28%	706,756	26%	637,352	30%	2.4%	13.5%
Sales Expenses	**(242,599)**	-10%	(237,362)	-9%	(204,357)	-10%	2.2%	18.7%
Administrative Expenses	**(129,450)**	-5%	(127,104)	-5%	(114,031)	-5%	1.8%	13.5%
Financial Revenues	**238,391**	9%	236,517	9%	182,149	9%	0.8%	30.9%
Financial Expenses	**(210,456)**	-8%	(243,166)	-9%	(154,140)	-7%	-13.5%	36.5%
Other Operating Income	**3,371**	0%	5,363	0%	2,078	0%	-37.1%	62.2%
Other Operating Expenses	**(48,916)**	-2%	(43,813)	-2%	(59,034)	-3%	11.6%	-17.1%
Equity accounting	**293**	0%	-	0%	-	0%	-	-
EARNINGS BEFORE TAXES	**334,233**	13%	297,191	11%	290,017	14%	12.5%	15.2%
Income Taxes & Contributions	**(28,014)**	-1%	(29,781)	-1%	(32,984)	-2%	-5.9%	-15.1%
Deferred Taxes	**(18,075)**	-1%	28,995	1%	(491)	0%	n.m	n.m
Minorities	**3,140**	0%	(3,845)	0%	(1,161)	0%	n.m	n.m
NET EARNINGS	**285,004**	11%	300,250	11%	257,703	12%	-5.1%	10.6%
EBITDA	**379,710**	14.9%	376,270	14.1%	330,995	15.5%	0.9%	14.7%
EPS (adjusted for splits)	**0.17668**		0.18609		0.15973		-5.1%	10.6%

Annex II

Consolidated Balance Sheet

Figures in R$ Thousands

	March 2018 (A)		December 2017 (B)		March 2017 (C)			
	R$	%	R$	%	R$	%	(A)/(B)	(A)/(C)
CURRENT ASSETS	**9,569,643**	**66%**	**9,415,667**	**67%**	**9,094,229**	**68%**	**2%**	**5%**
Cash & cash equivalents	4,487,429	31%	4,573,731	33%	4,793,285	36%	-2%	-6%
Receivables	2,265,744	16%	2,242,613	16%	2,140,661	16%	1%	6%
Inventories	2,014,530	14%	1,852,266	13%	1,594,669	12%	9%	26%
Other current assets	801,940	6%	747,057	5%	565,614	4%	7%	42%
LONG TERM ASSETS	**458,496**	**3%**	**443,844**	**3%**	**361,506**	**3%**	**3%**	**27%**
Deferred taxes	166,032	1%	148,284	1%	134,327	1%	12%	24%
Other non-current assets	292,464	2%	295,560	2%	227,179	2%	-1%	29%
FIXED ASSETS	**4,494,045**	**31%**	**4,126,476**	**30%**	**3,990,298**	**30%**	**9%**	**13%**
Investment in Subs	16,923	0%	268	0%	220	0%	6215%	7592%
Property, Plant & Equipment	3,286,590	23%	3,160,111	23%	3,047,882	23%	4%	8%
Intangibles	1,190,532	8%	966,097	7%	942,196	7%	23%	26%
TOTAL ASSETS	**14,522,184**	**100%**	**13,985,987**	**100%**	**13,446,033**	**100%**	**4%**	**8%**
CURRENT LIABILITIES	**4,156,279**	**29%**	**4,326,788**	**31%**	**3,109,281**	**23%**	**-4%**	**34%**
Social and Labor Liabilities	286,691	2%	211,062	2%	254,819	2%	36%	13%
Suppliers	780,109	5%	750,533	5%	612,122	5%	4%	27%
Fiscal and Tax Liabilities	137,200	1%	102,944	1%	123,750	1%	33%	11%
Short Term Debt	1,611,873	11%	2,014,530	14%	929,526	7%	-20%	73%
Dividends Payable	75,191	1%	160,892	1%	94,379	1%	-53%	-20%
Advances from Clients	611,535	4%	429,258	3%	544,750	4%	42%	12%
Profit Sharring	62,218	0%	138,788	1%	56,822	0%	-55%	9%
Derivatives	6,663	0%	12,845	0%	38,755	0%	-48%	-83%
Other Short Term Liabilities	584,799	4%	505,936	4%	454,358	3%	16%	29%
LONG TERM LIABILITIES	**3,402,636**	**23%**	**2,815,892**	**20%**	**4,232,500**	**31%**	**21%**	**-20%**
Long Term Debt	2,537,113	17%	2,041,912	15%	3,443,358	26%	24%	-26%
Other Long Term Liabilities	213,193	1%	150,390	1%	166,424	1%	42%	28%
Deferred Taxes	124,149	1%	116,629	1%	162,548	1%	6%	-24%
Contingencies Provisions	528,181	4%	506,961	4%	460,170	3%	4%	15%
MINORITIES	**130,832**	**1%**	**122,381**	**1%**	**108,033**	**1%**	**7%**	**21%**
STOCKHOLDERS' EQUITY	**6,832,437**	**47%**	**6,720,926**	**48%**	**5,996,219**	**45%**	**2%**	**14%**
TOTAL LIABILITIES	**14,522,184**	**100%**	**13,985,987**	**100%**	**13,446,033**	**100%**	**4%**	**8%**

Annex III

Consolidated Cash Flow Statement

Figures in R$ Thousands

	3 Months 2018	3 Months 2017
Operating Activities		
Net Earnings before Taxes	334,233	290,017
Depreciation and Amortization	73,412	68,987
Provisions:	124,823	130,158
Changes in Assets & Liabilities	(39,573)	(70,398)
(Increase) / Reduction of Accounts Receivable	23,783	45,340
Increase / (Reduction) of Accounts Payable	161,497	73,981
(Increase) / Reduction of Investories	(80,622)	(34,410)
Income Tax and Social Contribution on Net Earnings	(21,644)	(35,116)
Profit Sharing Paid	(122,587)	(120,193)
Cash Flow from Operating Activities	**492,602**	**418,764**
Investment Activities		
Fixed Assets	(55,719)	(58,663)
Intagible Assets	(6,014)	(2,601)
Financial investments without immediate liquidity	(43,568)	(50,033)
Aquisition of Subsidiaries	(128,567)	(4,050)
Cash Aquired from Subsidiaries	12,432	-
Results of sales of intangible assets	1,623	-
Write-off of fixed assets	1,397	614
Cash Flow From Investment Activities	**(218,416)**	**(114,733)**
Financing Activities		
Working Capital Financing	526,816	230,199
Long Term Financing	(536,566)	(152,484)
Interest paid on loans and financing	(74,460)	(101,436)
Treasury Shares	490	(8,276)
Dividends & Intesrest on Stockholders Equity Paid	(326,293)	(289,316)
Cash Flow From Financing Activities	**(410,013)**	**(321,313)**
Changes in Cash and Equivalents caused by FX Changes	**5,957**	**(3,415)**
Change in Cash Position	**(129,870)**	**(20,697)**
Cash & Cash Equivalents		
Beginning of Period	3,162,685	3,390,662
End of Period	3,032,815	3,369,965