

Jaraguá do Sul (SC), February 20, 2019: WEG S.A. (B3(NM): WEGE3, OTC: WEGZY), one of the world's largest manufacturers of electric-electronic equipments, announced today its results for the fourth quarter of 2018 (4Q18). The following financial and operating data are presented on a consolidated basis, except when otherwise indicated, in thousands of Brazilian Reals (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.

THE INDUSTRIAL RECOVERY CYCLE CONTINUES SUPPORTING ROIC IMPROVEMENT

- **Net Operating Revenues** were **R\$ 3,124.7 million** in **4Q18**, 16.9% higher than 4Q17 and 3.5% lower than 3Q18. Adjusted for the consolidation effects of the TGM acquisition, net revenues would have shown a 15.1% increase vs. 4Q17.
- **EBITDA** reached **R\$ 489.8 million**, 30.2% higher than 4Q17 and 0.2% higher than 3Q18, while **EBITDA margin** was **15.7%**, 1.6 p.p. higher than 4Q17 and 0.6 p.p. higher than 3Q18.
- **Return on Invested Capital (ROIC)** reached 17.6% in 4Q18, up 1.0 p.p. from 4Q17 and up 0.4 p.p. from 3Q18.

We observed in this quarter evolution in the recovery process of the Brazilian industrial sector. In addition to the investments in short cycle equipments which are performing at normal levels, we began to observe the resumption of long cycle projects quotes, still concentrated in specific industries such as pulp & paper and oil & gas. It is worth mentioning that this recovery should happen gradually, depending also on the confirmation in economic scenario improvement and the increase of the Brazilian industry confidence. In GTD (Energy Generation, Transmission and Distribution) business area, the lower participation of wind generation projects combined with the volatility in transmission and distribution delivery, normally present during government transition periods, contributed to the reduction of 4Q18 revenues in Brazil.

In the external markets, growth remains consistent in short cycle equipments sales and new opportunities in projects requiring long cycle equipments continue to appear, mainly for the oil & gas, pulp & paper and mining segments.

The ROIC expansion was highlighted again this quarter, proving right the strategy of investing in new businesses with attractive returns. Volatility over operating margins, especially in GTD in Brazil and abroad, was more than offset by gains in scale and efficiency in capital allocation.

MAIN HIGHLIGHTS

Figures in R\$ thousands

	Q4 2018	Q3 2018	%	Q4 2017	%	12M18	12M17	%
Return on Invested Capital	17.6%	17.2%	0.4 pp	16.6%	1.0 pp	17.6%	16.6%	1.0 pp
Net Operating Revenue	3,124,657	3,237,309	-3.5%	2,673,747	16.9%	11,970,090	9,523,830	25.7%
Domestic Market	1,259,721	1,375,424	-8.4%	1,231,995	2.3%	5,082,638	4,203,680	20.9%
External Markets	1,864,936	1,861,885	0.2%	1,441,752	29.4%	6,887,452	5,320,150	29.5%
External Markets in US\$	489,736	470,585	4.1%	444,003	10.3%	1,882,463	1,665,737	13.0%
Net Income	335,280	381,430	-12.1%	300,250	11.7%	1,338,319	1,142,149	17.2%
Net Margin	10.7%	11.8%		11.2%		11.2%	12.0%	
EBITDA	489,806	489,022	0.2%	376,270	30.2%	1,824,053	1,466,287	24.4%
EBITDA Margin	15.7%	15.1%		14.1%		15.2%	15.4%	
EPS (adjust for splits)	0.15987	0.18187	-12.1%	0.14315	11.7%	0.63815	0.54454	17.2%

CONFERENCE CALL (SIMULTANEOUS TRANSLATION INTO ENGLISH)

February 21, Thursday 11:00 a.m. (Brasília official time)

Pre-registration for conference call, [register here](#)

Dial-in USA (for those who did not pre-register): +1 646 828-8246

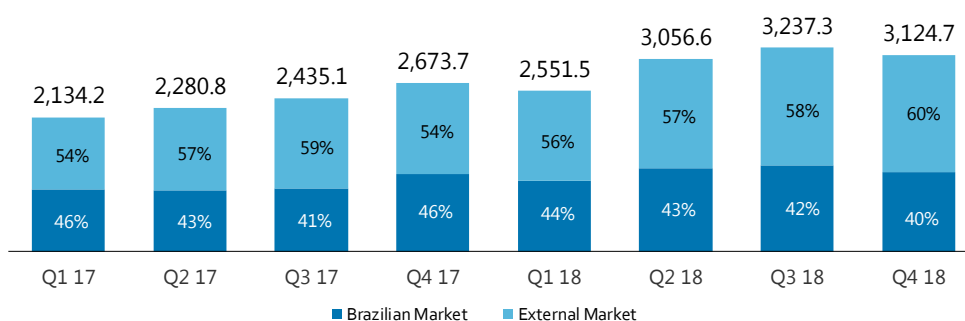
Webcasting (simultaneous translation into English): www.choruscall.com.br/weg/4q18.htm

Net Operating Revenues

Net Operating Revenues (NOR) reached **R\$ 3,124.7 million** in 4Q18, up 16.9% year-over-year and down 3.5% quarter-over-quarter. If adjusted for TGM acquisition, revenues were up 15.1% over 4Q17.

In this quarter, revenue was positively impacted by average Brazilian Real/US dollar Exchange rate that went from R\$ 3.25 in 4Q17 to R\$ 3.81 in 4Q18, with a 17.2% depreciation of the Brazilian Real.

Net Operating Revenues by Market



(Figures in R\$ Million)

The breakdown of Net Operating Revenue in 4Q18 by market was:

- **Brazilian Market:** R\$ 1,259.7 million, representing 40% of revenues, up 2.3% vs. 4Q17 and down 8.4% vs. 3Q18. Disregarding the effects of the TGM acquisition, revenues would be up 0.1% vs. 4Q17;
- **External Markets:** R\$ 1,864.9 million, equivalent to 60% of revenues. We almost always set our sales prices in different markets in local currency amounts, according to local competitive conditions. In 4Q18 revenues in external markets were as follows:
 - Measured in Brazilian Reais: 29.4% above 4Q17 and 0.2% above 3Q18. Disregarding the effects of the TGM acquisition, revenues would have been up by 27.9% vs. 4Q17.
 - Measured in the quarterly averaged US dollar: up 10.3% vs. 4Q17 and up 4.1% vs. 3Q18. Disregarding the effects of the TGM acquisition, revenues would have been up by 9.0% vs. 4Q17.
 - Measured in local currencies, weighted by the revenues in each Market and adjusted for the TGM acquisition: a 14.4% increase vs. 4Q17.

Evolution of Net Revenue According to Geographic Market

Figures in R\$ thousands

	Q4 2018	Q3 2018	%	Q4 2017	%
Net Operating Revenues	3,124,657	3,237,309	-3.5%	2,673,747	16.9%
- Brazilian Market	1,259,721	1,375,424	-8.4%	1,231,995	2.3%
- External Markets	1,864,936	1,861,885	0.2%	1,441,752	29.4%
- External Markets in US\$	489,736	470,585	4.1%	444,003	10.3%

External Market – Distribution of Net Revenue According to Geographic Market

	Q4 2018	Q3 2018	%	Q4 2017	%
North America	43.8%	43.5%	0.3 pp	38.8%	5.0 pp
South and Central America	12.8%	10.5%	2.3 pp	14.3%	-1.5 pp
Europe	25.5%	28.0%	-2.5 pp	27.9%	-2.4 pp
Africa	8.3%	7.6%	0.7 pp	8.5%	-0.2 pp
Asia-Pacific	9.6%	10.4%	-0.8 pp	10.5%	-0.9 pp

Business Area

Industrial Electro-Electronic Equipment – In Brazil industrial investment continues the recovery trajectory observed some quarters ago. Sales of short cycle equipment remain consistent, especially regarding low voltage motors and serial automation equipments. The demand has been spreaded among customers of all segments, especially the smaller machine manufacturers (OEMs).

Additionally, in this quarter we observed growth in long cycle equipment revenue, especially in automation panels. Important industries such as mining, pulp & paper and oil & gas gradually begin to increase their investments. Another factor observed, mainly after the political scenario definition, was the increase in the demand for equipment for either brownfield or new greenfield investments, currently still in the quotation phase, but already signaling the beginning of resumption for these projects in Brazil. It is worth highlighting that this recovery should happen gradually, depending also on the confirmation in economic scenario improvement and the increase of the Brazilian industry confidence.

Abroad, growth was also predominantly in short-cycle products, where we have advanced by expanding our product line and gaining market share, especially in regions such as North America, Asia and Europe. Projects to increase capacity and build new plants, which also demand long cycle products, continue to grow, following the same previous quarters trend, mainly in the oil & gas, pulp & paper, infrastructure and mining industries.

Energy Generation, Transmission, and Distribution (GTD) – The GTD area presented a drop in revenue in this quarter in Brazil. The last Wind Generation projects in our backlog are being concluded and have already registered lower revenues during 4Q18. In the coming quarters, we are expecting additional revenue reductions, since we should not have any significant new order added to the portfolio in the coming months.

In addition, the Transmission and Distribution (T&D) business contributed to lower revenue in the quarter, reflecting the volatility in projects delivery in 4Q18. This movement is expected during election processes, since a significant part of the sector are state-owned companies. However, the outlook is positive considering that transmission auctions carried out in recent years should contribute positively to the performance of this business unit from 2019 onwards.

On the other hand, the positive highlight of GTD remains the Solar Generation business, which gained relevance in 2018 with important projects added to our backlog. The outlook for this business remain positive, especially in solar distributed generation, which has been showing continuous growth in order intake in recent months.

For other renewable sources, notably hydraulics and biomass, the improvement in order intake was consolidated. There is the expectation of continuity of this trend for the year, signaling stability for the coming months. It is worth mentioning that since March 2018 we have consolidated in this business area a manufacturer of steam turbines (TGM) that contributed to the revenue growth in this quarter.

In the external markets, the main contribution came from the transformers business, which showed growth in all operations, especially the new company consolidation in the United States, WEG Transformers USA. Also noteworthy is the good performance of generator operations in the United States and India, which have shown consistent improvement in order intake in recent quarters, part of which has already been converted into revenue. The TGM consolidation also contributed to the revenues improvement in the external markets, since a significant part of its revenue comes from exports.

Motors for domestic use – In the domestic market, we observed a small reduction in revenue compared to last year. Due to its short-cycle product characteristic, the dynamics of this business area depend directly on the economy performance and consumers response, which has not yet presented a consistent recovery compared to 2017.

In the external markets, revenue declined mainly due to lower orders intake in the local market in China, coupled with the poor performance of the operation in Argentina, which is suffering from the recent problems faced by the local economy.

Paints and Varnishes – The performance in the domestic market continues to reflect the industrial markets performance, which recovered during 2018. Reflection of the improvement in some segments, such as auto parts, road implements and water utilities, as well as the normalization of preventive maintenance in important segments, such as oil & gas, mining and shipping. The drop in revenues in the external markets mainly reflects the difficulties of the economic scenario in Argentina, an important market for this business unit abroad.

Distribution of Net Revenue by Business Area

	Q4 2018	Q3 2018		Q4 2017	
Electro-electronic Industrial Equipments	55.06%	53.45%	1.61 pp	50.60%	4.46 pp
Domestic Market	14.94%	13.79%	1.15 pp	15.24%	-0.30 pp
External Market	40.12%	39.66%	0.46 pp	35.35%	4.77 pp
Energy Generation , Transmission and Distribution	31.56%	33.93%	-2.37 pp	33.56%	-2.00 pp
Domestic Market	16.65%	20.87%	-4.22 pp	21.27%	-4.62 pp
External Market	14.91%	13.06%	1.85 pp	12.29%	2.62 pp
Electric Motors for Domestic Use	8.93%	8.56%	0.37 pp	11.24%	-2.31 pp
Domestic Market	4.75%	4.30%	0.45 pp	5.70%	-0.95 pp
External Market	4.18%	4.26%	-0.08 pp	5.54%	-1.36 pp
Paints and Varnishes	4.45%	4.06%	0.39 pp	4.60%	-0.15 pp
Domestic Market	3.97%	3.53%	0.44 pp	3.86%	0.11 pp
External Market	0.48%	0.53%	-0.05 pp	0.74%	-0.26 pp

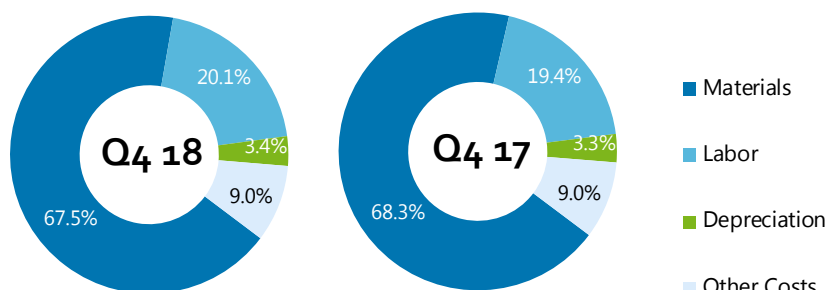
Cost of Goods Sold

The Cost of Goods Sold (COGS) totaled R\$ 2,207.0 million in 4Q18, up 12.2% vs. 4Q17 and down 3.6% vs. 3Q18. Gross margin was 29.4%, 3.0 p.p. higher vs. 4Q17 and 0.1 p.p. higher vs. 3Q18.

In 2018, we observed increased pressure on material costs influenced by high metallic commodity prices globally and the exchange variation that negatively impacted our cost structure in Brazil and the operations abroad. Despite this pressure, we were able to improve gross margin by 3.0 p.p. over 4Q17, as a result of efforts to reduce costs, as well as the redesign of products and mainly processes in the last year, which provided important productivity gains.

In 4Q18, the average price of copper in the spot market on the London Metal Exchange (LME) increased 0.8% vs. 3Q18 and decreased 9.6% vs. 4Q17, while the average price of steel decreased 6.4% vs. 3Q18 and increased 4.2% vs. 4Q17.

COGS Composition



Sales, General, and Administrative Expenses

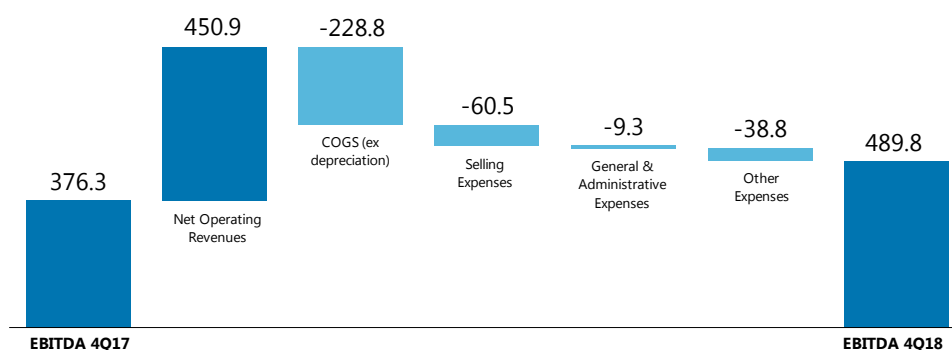
Consolidated sales, general, and administrative expenses (SG&A) totaled R\$ 437.3 million in 4Q18, an increase of 20.0% vs. 4Q17 and decrease of 6.5% vs. 3Q18. It is worth noting that some of these costs are for operations abroad and are also impacted by the recent depreciation of the Brazilian Real. When analyzed in relation to net operating revenue, these expenses accounted for 14.0%, up 0.4 p.p. vs. 4Q17 and down 0.4 p.p. vs. 3Q18.

EBITDA and EBITDA Margin

In 4Q18, EBITDA reached R\$ 489.8 million, up 30.2% vs. 4Q17 and up 0.2% vs. 3Q18. EBITDA margin was 15.7%, 1.6 p.p. higher vs. 4Q17 and 0.6 p.p. higher vs. 3Q18. EBITDA margin showed a slight evolution in 4Q18, reflecting lower wind generation revenues, with lower operating margins, as well as the lower impact of short-term exchange rate volatility on material costs of long cycle projects in Brazil.

	Q4 2018	Q3 2018	%	Q4 2017	%
Net Operating Revenues	3,124.7	3,237.3	-3.5%	2,673.7	16.9%
Net Income before Minorities	336.9	380.1	-11.4%	296.4	13.6%
(+) Income taxes & Contributions	26.9	37.2	-27.7%	0.8	3321.1%
(+/-) Financial income (expenses)	39.4	-8.5	n.a.	6.6	493.1%
(+) Depreciation & Amortization	86.6	80.2	8.1%	72.4	19.6%
EBITDA	489.8	489.0	0.2%	376.3	30.2%
EBITDA Margin	15.7%	15.1%		14.1%	

Figures in R\$ Million



(Valores em R\$ Milhões)

Net Financial Results

The net financial result in 4Q18 was negative R\$ 39.4 million (vs. negative R\$ 6.6 million in 4Q17 and positive R\$ 8.5 million in 3Q18). The decrease in the quarterly comparison is mainly due to the lower interest rates received on our investment cash position together with the non-recurring effect of the financial restatement, in the amount of R\$ 26 million, related to the Term of Commitment of Conduct (TCC) entered into CADE, according to the Notice to the Market dated November 7, 2018.

Income Tax

The provision for Income and Social Contribution on Net Profit in 4Q18 totaled R\$ 28.8 million (vs. R\$ 29.8 million and R\$ 59.7 million in 4Q17 and 3Q18, respectively). Additionally, we credited R\$ 1.9 million as Deferred Income Tax/Social Contribution in 4Q18 (vs. credit of R\$ 29.0 million in 4Q17 and credit of R\$ 22.5 million in 3Q18).

Net Income

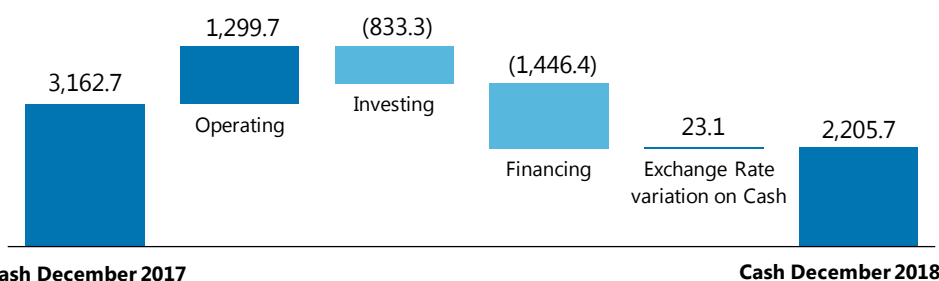
Net Income 4Q18 was R\$ 335.3 million, an increase of 11.7% vs. 4Q17 and decrease of 12.1% vs. 3Q18. Net margin reached 10.7%, 0.5 p.p. lower than 4Q17 and 1.1 p.p. lower than 3Q18.

Cash Flow

Cash generation in operating activities was R\$ 1,299.7 million in 2018, an increase of 17.4% as compared to 2017, mainly due to growth in operating income combined with good management of working capital.

The disbursement of investment activities totaled R\$ 833.3 million in 2018, is mainly due to the movement of long-term financial investments. The level of investment in modernization and expansion of production capacity showed a growth compared to 2017, mainly due to the impact of the exchange variation on investments abroad.

In the financing activities, we raised R\$ 1,005.6 million and made amortizations of R\$ 1,758.4 million, resulted in a net amortization of R\$ 752.8 million. Interest on loans consumed R\$ 91.8 million while payments to equity holders (dividends and interest on capital) totaled R\$ 604.0 million. The final result was consumption of R\$ 1,446.4 million in financing activities in 2018.

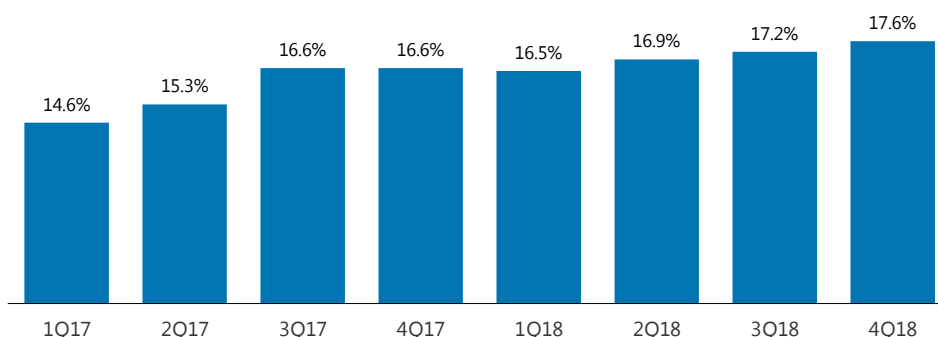


(Figures in R\$ Million)

We point out that the chart above shows the cash and cash equivalents positions classified as current assets. Also, we have R\$ 2,277.7 million in financial investments with no immediate liquidity (R\$ 1.593,2 million in December 2017).

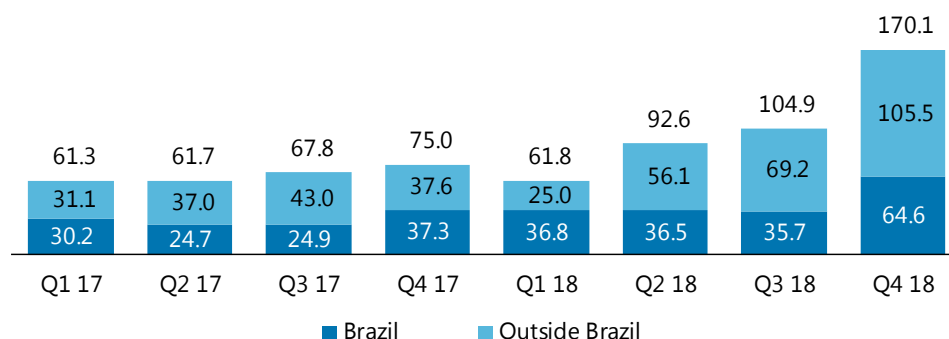
Return on Invested Capital

The Return on Invested Capital (ROIC) in 4Q18 (accumulated in the last 12 months) showed expansion of 1.0 p.p. over 4Q17, reaching 17.6%. Growth of Net Operating Profit After Taxes (NOPAT), due to revenue growth and expense control, 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 (CAPEX)

In 2018, we invested R\$ 429.4 million in modernization and expansion of production capacity, machinery and equipment, and software licenses, 40% of which are for production units in Brazil and 60% for industrial plants and other facilities abroad. Considering the consolidation of TGM acquisition the total investment in 2018 was R\$ 628.3 million.



(Figures in R\$ Million)

Expenditures on Research, development, and innovation activities totaled R\$ 307.6 million, representing 2.6% of net operating revenue in 2018.

Debt and Cash Position

As of December 31, 2018, cash, cash equivalents, and financial investments totaled R\$ 4,483.4 million and were invested in first-tier banks and denominated in Brazilian currency. Gross financial debt totaled R\$ 3,792.3 million, of which 54% was in short-term operations and 46% in long-term operations. Net cash totaled R\$ 691.1 million.

	December 2018		December 2017		December 2016	
Cash & Financial instruments	4,483,366		4,755,885		4,948,613	
- Current	3,753,662		4,585,606		4,779,392	
- Long Term	729,704		170,279		169,221	
Debt	3,792,308	100%	4,110,082	100%	4,489,698	100%
- Current	2,061,163	54%	2,027,375	49%	1,028,952	23%
- In Brazilian Reais	175,475		1,300,232		642,413	
- In other currencies	1,885,688		727,143		386,539	
- Long Term	1,731,145	46%	2,082,707	51%	3,460,746	77%
- In Brazilian Reais	315,291		457,386		1,925,350	
- In other currencies	1,415,854		1,625,321		1,535,396	
Net Cash	691,058		645,803		458,915	

(Figures in R\$ thousands)

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

- The total duration of 20.8 months, with a duration of 37.7 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 7.2% 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**

Management will propose, at the Annual General Meeting to be held on 04/23/2019, to earmark R\$ 703.7 million to pay dividends and interest on stockholders' equity, as remuneration to shareholders of net income for 2018, or 52.6% of the net income before statutory adjustments.

Out of this total, R\$ 339.6 million was declared in the first half of 2018 and paid on August 15, 2018. The payment of remuneration to shareholders for the second half of 2018, totaling R\$ 364.1 million, must take place as of March 13, 2019.

Event	Board Meeting Date	Gross amount per share
Interest on Stockholders' Equity	20/03/2018	0.052470588
Interest on Stockholders' Equity	26/06/2018	0.039176471
Dividends	17/07/2018	0.082394405
Interest on Stockholders' Equity	18/09/2018	0.039294118
Interest on Stockholders' Equity	18/12/2018	0.051411765
Dividends	19/02/2019	0.082905759
Total		0.347653106

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.

Results Conference Call

On February 21, 2019 (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

09:00 – New York (EST)

14:00 – London (GMT)

Link to pre-registration (avoid queuing on the conference call)

- Conference call in Portuguese: [register here](#)
- Conference call in English: [register here](#)

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/4t18.htm

Slides and simultaneous translation into English: www.choruscall.com.br/weg/4q18.htm

The presentation will also be available on our Investor Relations website (<https://ir.weg.net>). Please call approximately 10 minutes before the conference all 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), steam turbines, 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

	4th Quarter		3rd Quarter		4th Quarter		Changes %	
	2018		2018		2017		Q4 2018	Q4 2018
	R\$	VA%	R\$	VA%	R\$	VA%	Q3 2018	Q4 2017
Net Operating Revenues	3,124,657	100%	3,237,309	100%	2,673,747	100%	-3.5%	16.9%
Cost of Goods Sold	(2,206,970)	-71%	(2,288,304)	-71%	(1,966,991)	-74%	-3.6%	12.2%
Gross Profit	917,687	29%	949,005	29%	706,756	26%	-3.3%	29.8%
Sales Expenses	(299,790)	-10%	(312,897)	-10%	(237,362)	-9%	-4.2%	26.3%
Administrative Expenses	(137,530)	-4%	(154,625)	-5%	(127,104)	-5%	-11.1%	8.2%
Financial Revenues	265,101	8%	233,424	7%	236,517	9%	13.6%	12.1%
Financial Expenses	(304,535)	-10%	(224,943)	-7%	(243,166)	-9%	35.4%	25.2%
Other Operating Income	5,940	0%	3,940	0%	5,363	0%	50.8%	10.8%
Other Operating Expenses	(84,196)	-3%	(78,647)	-2%	(43,813)	-2%	7.1%	92.2%
Equity accounting	1,065	0%	2,071	0%	-	0%	-48.6%	-
EARNINGS BEFORE TAXES	363,742	12%	417,328	13%	297,191	11%	-12.8%	22.4%
Income Taxes & Contributions	(28,782)	-1%	(59,705)	-2%	(29,781)	-1%	-51.8%	-3.4%
Deferred Taxes	1,892	0%	22,489	1%	28,995	1%	-91.6%	-93.5%
Minorities	1,572	0%	(1,318)	0%	(3,845)	0%	n.m	n.m
NET EARNINGS	335,280	11%	381,430	12%	300,250	11%	-12.1%	11.7%
EBITDA	489,806	15.7%	489,022	15.1%	376,270	14.1%	0.2%	30.2%
EPS (adjusted for splits)	0.15987		0.18187		0.14315		-12.1%	11.7%

Annex II
Consolidated Income Statement
Figures in R\$ Thousands

	12 Months		12 Months		%
	2018		2017		
	R\$	VA%	R\$	VA%	2018 2017
Net Operating Revenues	11,970,090	100%	9,523,830	100%	26%
Cost of Goods Sold	(8,500,816)	-71%	(6,765,383)	-71%	26%
Gross Profit	3,469,274	29%	2,758,447	29%	26%
Sales Expenses	(1,139,413)	-10%	(894,353)	-9%	27%
Administrative Expenses	(566,631)	-5%	(488,681)	-5%	16%
Financial Revenues	877,674	7%	851,852	9%	3%
Financial Expenses	(887,163)	-7%	(793,816)	-8%	12%
Other Operating Income	22,656	0%	23,205	0%	-2%
Other Operating Expenses	(282,284)	-2%	(216,206)	-2%	31%
Equity accounting	3,429	0%	-	0%	-
EARNINGS BEFORE TAXES	1,497,542	13%	1,240,448	13%	21%
Income Taxes & Contributions	(188,185)	-2%	(167,681)	-2%	12%
Deferred Taxes	34,791	0%	68,175	1%	-49%
Minorities	5,829	0%	(1,207)	0%	n.m
NET EARNINGS	1,338,319	11%	1,142,149	12%	17%
EBITDA	1,824,053	15.2%	1,466,287	15.4%	24%
EPS (adjusted for splits)	0.63815		0.54454		17%

Annex III
Consolidated Balance Sheet
Figures in R\$ Thousands

	December 2018 (A)		December 2017 (B)		December 2016 (C)			
	R\$	%	R\$	%	R\$	%	(A)/(B)	(A)/(C)
CURRENT ASSETS	9,438,581	61%	9,415,667	67%	9,127,483	68%	0%	3%
Cash & cash equivalents	3,529,888	23%	4,573,731	33%	4,763,949	35%	-23%	-26%
Receivables	2,440,844	16%	2,242,613	16%	2,251,922	17%	9%	8%
Inventories	2,458,410	16%	1,852,266	13%	1,575,055	12%	33%	56%
Other current assets	1,009,439	7%	747,057	5%	536,557	4%	35%	88%
LONG TERM ASSETS	1,178,926	8%	443,844	3%	397,383	3%	166%	197%
Long term securities	562,782	4%	-	0%	-	0%	-	-
Deferred taxes	142,669	1%	148,284	1%	130,291	1%	-4%	10%
Other non-current assets	473,475	3%	295,560	2%	267,092	2%	60%	77%
FIXED ASSETS	4,782,343	31%	4,121,631	29%	3,956,541	29%	16%	21%
Investment in Subs	20,362	0%	268	0%	223	0%	7498%	9031%
Property, Plant & Equipment	3,541,954	23%	3,160,111	23%	3,032,716	22%	12%	17%
Intangibles	1,220,027	8%	961,252	7%	923,602	7%	27%	32%
TOTAL ASSETS	15,399,850	100%	13,981,142	100%	13,481,407	100%	10%	14%
CURRENT LIABILITIES	5,034,004	33%	4,326,788	31%	3,278,855	24%	16%	54%
Social and Labor Liabilities	240,346	2%	211,062	2%	199,543	1%	14%	20%
Suppliers	842,957	5%	750,533	5%	562,851	4%	12%	50%
Fiscal and Tax Liabilities	88,183	1%	102,944	1%	125,062	1%	-14%	-29%
Short Term Debt	2,049,093	13%	2,014,530	14%	991,433	7%	2%	107%
Dividends Payable	165,441	1%	160,892	1%	191,365	1%	3%	-14%
Advances from Clients	655,242	4%	429,258	3%	577,688	4%	53%	13%
Profit Sharring	167,941	1%	138,788	1%	124,764	1%	21%	35%
Derivatives	12,070	0%	12,845	0%	37,519	0%	-6%	-68%
Other Short Term Liabilities	812,731	5%	505,936	4%	468,630	3%	61%	73%
LONG TERM LIABILITIES	2,512,589	16%	2,815,892	20%	4,159,644	31%	-11%	-40%
Long Term Debt	1,723,021	11%	2,041,912	15%	3,408,892	25%	-16%	-49%
Other Long Term Liabilities	155,394	1%	150,390	1%	157,147	1%	3%	-1%
Deferred Taxes	86,537	1%	116,629	1%	159,203	1%	-26%	-46%
Contingencies Provisions	547,637	4%	506,961	4%	434,402	3%	8%	26%
MINORITIES	138,983	1%	122,381	1%	107,958	1%	14%	29%
STOCKHOLDERS' EQUITY	7,714,274	50%	6,716,081	48%	5,934,950	44%	15%	30%
TOTAL LIABILITIES	15,399,850	100%	13,981,142	100%	13,481,407	100%	10%	14%

Annex IV
Consolidated Cash Flow Statement
Figures in R\$ Thousands

	12 Months	12 Months
	2018	2017
Operating Activities		
Net Earnings before Taxes	1,497,542	1,240,448
Depreciation and Amortization	317,023	283,874
Equity accounting	(3,429)	-
Provisions:	247,128	322,484
Changes in Assets & Liabilities	(758,609)	(739,360)
(Increase) / Reduction of Accounts Receivable	(188,969)	(104,889)
Increase / (Reduction) of Accounts Payable	264,025	(107,770)
(Increase) / Reduction of Inventories	(441,614)	(172,271)
Income Tax and Social Contribution on Net Earnings	(192,889)	(167,250)
Profit Sharing Paid	(199,162)	(187,180)
Cash Flow from Operating Activities	1,299,655	1,107,446
Investment Activities		
Fixed Assets	(403,543)	(254,955)
Intangible Assets	(25,860)	(10,822)
Results of sales of fixed assets	11,353	15,454
Aquisition of Subsidiaries	(118,257)	(94,674)
Financial investments held to maturity	(1,572,280)	-
Rescue of financial investments	1,275,297	144,931
Cash Flow From Investment Activities	(833,290)	(200,066)
Financing Activities		
Working Capital Financing	1,005,626	1,161,890
Long Term Financing	(1,758,424)	(1,403,289)
Interest paid on loans and financing	(91,811)	(357,638)
Treasury Shares	2,131	(5,468)
Dividends & Interest on Stockholders Equity Paid	(603,957)	(548,502)
Cash Flow From Financing Activities	(1,446,435)	(1,153,007)
Changes in Cash and Equivalents caused by FX Changes	23,085	17,650
Change in Cash Position	(956,985)	(227,977)
Cash & Cash Equivalents		
Beginning of Period	3,162,685	3,390,662
End of Period	2,205,700	3,162,685