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**Company information/Composition of capital**

<b>Number for shares (Units)</b>	<b>Current quarter 3/31/2019</b>
<b>Paid-in capital</b>	
Common shares	2,098,658,999
Preferred shares	0
Total	2,098,658,999
<b>Treasury shares</b>	
Common shares	1,313,125
Preferred shares	0
Total	1,313,125

**Company information/Cash dividends**

<b>Event</b>	<b>Approval</b>	<b>Type</b>	<b>Date of payment</b>	<b>Type of share</b>	<b>Class of share</b>	<b>Amount per share - (Reais/share)</b>
Board of Directors' Meeting	3/19/2019	Interest on capital	8/14/2019	Ordinary		0.03945

**Individual financial statements/Balance sheet - Assets**

(R\$ in thousands)

<b>Code</b>	<b>Description</b>	<b>03/31/2019</b>	<b>12/31/2018</b>
1	Total assets	<b>7,894,659</b>	<b>7,896,734</b>
1.01	Current assets	<b>1,218,405</b>	<b>1,347,044</b>
1.01.01	Cash and cash equivalents	<b>265,928</b>	<b>200,693</b>
1.01.01.01	Cash and banks	5	8
1.01.01.02	Short-term investments	265,923	200,685
1.01.02	Short-term investments	846,744	978,627
1.01.06	Taxes recoverable	<b>27,747</b>	<b>17,083</b>
1.01.06.01	Current taxes recoverable	27,747	17,083
1.01.08	Other current assets	<b>77,986</b>	<b>150,641</b>
1.01.08.03	Others	<b>77,986</b>	<b>150,641</b>
1.01.08.03.02	Interest on capital	77,284	150,114
1.01.08.03.03	Others	702	527
1.02	Noncurrent assets	<b>6,676,254</b>	<b>6,549,690</b>
1.02.01	Long-term receivables	<b>8,280</b>	<b>7,994</b>
1.02.01.07	Deferred taxes	<b>3,621</b>	<b>3,322</b>
1.02.01.07.01	Deferred income tax and social contribution	3,621	3,322
1.02.01.09	Receivables from related parties	<b>2</b>	<b>15</b>
1.02.01.09.02	Receivables from subsidiaries	2	15
1.02.01.10	Other noncurrent assets	<b>4,657</b>	<b>4,657</b>
1.02.01.10.03	Judicial deposits	4,657	4,657
1.02.02	Investments	<b>6,663,690</b>	<b>6,537,391</b>
1.02.02.01	Equity interests	<b>6,663,690</b>	<b>6,537,391</b>
1.02.02.01.02	Interest in subsidiaries	6,663,690	6,537,391
1.02.03	Property, plant and equipment	<b>4,284</b>	<b>4,305</b>
1.02.03.01	Property, plant and equipment in operation	4,284	4,305

## Individual financial statements/Balance sheet - Liabilities and equity

(R\$ in thousands)

<b>Code</b>	<b>Description</b>	<b>03/31/2019</b>	<b>12/31/2018</b>
2	Total liabilities	<b>7,894,659</b>	<b>7,896,734</b>
2.01	Current liabilities	<b>112,157</b>	<b>177,730</b>
2.01.01	Social and labor obligations	<b>9,481</b>	<b>9,966</b>
2.01.01.01	Social obligations	9,481	9,966
2.01.03	Tax obligations	<b>14,882</b>	<b>181</b>
2.01.03.01	Federal tax obligations	<b>14,882</b>	<b>181</b>
2.01.03.01.01	Income tax and social contribution payable	-	78
2.01.03.01.02	Other tax obligations	14,882	103
2.01.05	Other obligations	<b>87,794</b>	<b>167,583</b>
2.01.05.02	Others	<b>87,794</b>	<b>167,583</b>
2.01.05.02.01	Dividends and interest on capital payable	86,416	165,016
2.01.05.02.04	Others	1,378	2,567
2.02	Noncurrent liabilities	<b>4,730</b>	<b>4,730</b>
2.02.04	Provisions	4,730	4,730
2.03	Equity	<b>7,777,772</b>	<b>7,714,274</b>
2.03.01	Paid-in capital	<b>5,504,517</b>	<b>5,504,517</b>
2.03.02	Capital reserves	<b>(106,151)</b>	<b>(87,102)</b>
2.03.02.04	Options granted	8,857	9,615
2.03.02.05	Treasury shares	(13,411)	(15,261)
2.03.02.07	Premium on capital transaction	(101,597)	(81,456)
2.03.03	Revaluation reserves	3,630	3,630
2.03.04	Earnings reserves	<b>959,255</b>	1,133,122
2.03.04.01	Legal reserve	66,916	66,916
2.03.04.02	Statutory reserve	892,339	892,339
2.03.04.08	Additional dividend proposed	-	173,867
2.03.05	Retained earnings/accumulated losses	216,350	-
2.03.06	Carrying value adjustments	<b>373,594</b>	380,781
2.03.06.01	Deemed cost	373,594	380,781
2.03.08	Other comprehensive income	<b>826,577</b>	779,326
2.03.08.01	Derivative financial instruments	(9,828)	(18,657)
2.03.08.02	Cumulative translation adjustments	836,405	797,983

## Individual financial statements/Income statements

(R\$ in thousands)

<b>Code</b>	<b>Description</b>	<b>03/31/2019</b>	<b>03/31/2018</b>
3.04	Operating income/expenses	<b>297,878</b>	<b>273,054</b>
3.04.02	General and administrative expenses	<b>(1,243)</b>	<b>(1,324)</b>
3.04.02.01	Management fees	(680)	(606)
3.04.02.02	Other administrative expenses	(563)	(718)
3.04.05	Other operating expenses	<b>(527)</b>	<b>(1,564)</b>
3.04.06	Share of profit or loss of investees	<b>299,648</b>	<b>275,942</b>
3.05	Profit before finance income (costs) and taxes	<b>297,878</b>	<b>273,054</b>
3.06	Finance income (costs)	<b>8,716</b>	<b>11,882</b>
3.06.01	Finance income	8,870	11,967
3.06.02	Finance costs	(154)	(85)
3.07	Profit before taxes on income	<b>306,594</b>	284,936
3.08	Income tax and social contribution	<b>255</b>	<b>68</b>
3.08.01	Current	(44)	(119)
3.08.02	Deferred	299	187
3.09	Profit for the period from continuing operations	<b>306,849</b>	<b>285,004</b>
3.11	Profit/loss for the period	<b>306,849</b>	<b>285,004</b>
3.99	Earnings per share – (real/share)	-	-
3.99.01	Basic earnings per share	-	-
3.99.01.01	Common shares	0.14631	0.13589
3.99.02	Diluted earnings per share	-	-
3.99.02.01	Common shares	0.14620	0.13581

## Individual financial statements/Statement of comprehensive income

(R\$ in thousands)

<b>Code</b>	<b>Description</b>	<b>YTD current year 01/01/2019 to 3/31/2019</b>	<b>YTD prior year 01/01/2018 to 3/31/2018</b>
4.01	Profit for the period	<b>306,849</b>	<b>285,004</b>
4.02	Other comprehensive income	<b>47,251</b>	<b>51,052</b>
4.02.01	Cumulative translation adjustments	38,422	87,479
4.02.02	Hedge Accounting	8,829	(36,427)
4.03	Total comprehensive income for the period	<b>354,100</b>	<b>336,056</b>

## Individual financial statements/Cash flow statement

(R\$ in thousands)

Code	Description	YTD current year 01/01/2019 to 3/31/2019	YTD prior year 01/01/2018 to 3/31/2018
6.01	Net cash from operating activities	(4,112)	(730)
6.01.01	Cash from operations	(6,275)	2,993
6.01.01.01	Profit before taxes	306,594	284,936
6.01.01.02	Depreciation and amortization	21	22
6.01.01.03	Share of profit or loss of investees	(299,648)	(275,942)
6.01.01.04	Stock option plan expenses	(315)	1,112
6.01.01.06	Income from financial investments	(12,927)	(7,135)
6.01.02	Changes in assets and liabilities	2,163	(3,723)
6.01.02.01	(Increase)/decrease in trade receivables	(10,475)	(15,541)
6.01.02.02	Increase/(decrease) in trade payables	12,760	11,985
6.01.02.03	Income tax and social contribution paid	(122)	(167)
6.02	Net cash from investing activities	402,906	210,739
6.02.01	Dividends and interest on capital received	258,096	210,739
6.02.05	Income from financial investments	144,810	-
6.03	Dividends and interest on capital paid	(333,559)	(289,492)
6.03.01	Treasury shares	(335,409)	(289,982)
6.03.02	Net cash from investing activities	1,850	490
6.05	Increase (decrease) in cash and cash equivalents	65,235	(79,483)
6.05.01	Cash and cash equivalents at the beginning of the period	200,693	798,191
6.05.02	Cash and cash equivalents at the end of the period	265,928	718,708



**Individual financial statements /Statements of changes in equity -  
01/01/2019 to 03/31/2019**

R\$ (in thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity
5.01	Opening balances	5,504,517	(83,472)	959,255	173,867	1,160,107	7,714,274
5.03	Adjusted opening balances	5,504,517	(83,472)	959,255	173,867	1,160,107	7,714,274
5.04	Capital transactions with shareholders	-	(19,049)	-	(97,686)	-	(116,735)
5.04.03	Options granted recognized	-	(758)	-	(345)	-	(1,103)
5.04.05	Treasury shares sold	-	3,403	-	-	-	3,403
5.04.07	Interest on capital	-	-	-	(97,341)	-	(97,341)
5.04.08	Capital transactions	-	(21,694)	-	-	-	(21,694)
5.05	Total comprehensive income	-	-	-	314,036	40,064	354,100
5.05.01	Profit for the period	-	-	-	306,849	-	306,849
5.05.02	Other comprehensive income	-	-	-	7,187	40,064	47,251
5.05.02.04	Translation adjustments for the period	-	-	-	-	38,422	38,422
5.05.02.06	Hedge Accounting	-	-	-	-	8,829	8,829
5.05.02.08	Realization of Deemed Cost	-	-	-	7,187	(7,187)	-
5.06	Internal changes in equity	-	-	-	(173,867)	-	(173,867)
5.06.04	Payment of dividends	-	-	-	(173,867)	-	(173,867)
5.07	Closing balances	5,504,517	(102,521)	959,255	216,350	1,200,171	7,777,772

**Individual financial statements /Statements of changes in equity -  
01/01/2018 to 03/31/2018**

R\$ (in thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity
5.01	Opening balances	3.533.973	(88.367)	2.269.436	132.455	868.584	6.716.081
5.03	Adjusted opening balances	3.533.973	(88.367)	2.269.436	132.455	868.584	6.716.081
5.04	Capital transactions with shareholders	-	1.477	-	(217.308)	-	(215.831)
5.04.03	Options granted recognized	-	972	-	(216)	-	756
5.04.05	Treasury shares sold	-	821	-	-	-	821
5.04.07	Interest on capital	-	-	-	(84.637)	-	(84.637)
5.04.08	Capital transactions	-	-	-	(132.455)	-	(132.455)
5.04.09	Capital transactions	-	(316)	-	-	-	(316)
5.05	Total comprehensive income	-	-	-	290.182	45.874	336.056
5.05.01	Profit for the period	-	-	-	285.004	-	285.004
5.05.02	Other comprehensive income	-	-	-	5.178	45.874	51.052
5.05.02.04	Translation adjustments for the period	-	-	-	-	87.479	87.479
5.05.02.06	Hedge Accounting	-	-	-	-	(36.427)	(36.427)
5.05.02.07	Realization of deemed cost	-	-	-	5.178	(5.178)	-
5.07	Closing balances	3.533.973	(86.890)	2.269.436	205.329	914.458	6.836.306

## Individual financial statements/ Statements of value added

R\$ (in thousands)

Code	Description	YTD current year 01/01/2019 to 3/31/2019	YTD prior year 01/01/2018 to 3/31/2018
7.02	Inputs acquired from third parties	<b>78</b>	<b>(1,293)</b>
7.02.02	Materials, electric power, third-party services and others	(237)	(176)
7.02.03	Loss/recovery of assets	315	(1,117)
7.03	Gross value added	<b>78</b>	(1,293)
7.04	Retentions	<b>(22)</b>	(22)
7.04.01	Depreciation, amortization and depletion	(22)	(22)
7.05	Wealth created by the Company	<b>56</b>	(1,315)
7.06	Wealth received in transfer	<b>308,518</b>	<b>287,911</b>
7.06.01	Share of profit or loss of investees	299,648	275,943
7.06.02	Finance income	8,870	11,968
7.07	Wealth for distribution	308,574	286,596
7.08	Wealth distributed	<b>308,574</b>	<b>286,596</b>
7.08.01	Personnel	<b>1,650</b>	<b>1,420</b>
7.08.01.01	Salaries and wages	1,600	1,372
7.08.01.02	Benefits	69	22
7.08.01.03	Severance pay fund (FGTS)	(19)	26
7.08.02	Taxes, fees and contributions	<b>(79)</b>	<b>88</b>
7.08.02.01	Federal	(79)	88
7.08.03	Lenders and lessors	<b>154</b>	84
7.08.03.01	Interest	154	84
7.08.04	Lenders and lessors	<b>306,849</b>	285,004
7.08.04.01	Interest on capital	97,341	84,637
7.08.04.03	Retained earnings / Loss for the period	209,508	200,367

## Consolidated financial statements Balance sheet – Assets

(R\$ in thousands)

<b>Code</b>	<b>Description</b>	<b>03/31/2019</b>	<b>12/31/2018</b>
1	Total assets	<b>15,226,982</b>	<b>15,399,850</b>
1.01	Current assets	<b>9,089,843</b>	<b>9,438,581</b>
1.01.01	Cash and cash equivalents	<b>1,967,509</b>	<b>2,205,700</b>
1.01.01.01	Cash and banks	416,857	286,783
1.01.01.02	Short-term investments	1,550,652	1,918,917
1.01.02	Short-term investments	<b>925,042</b>	<b>1,324,188</b>
1.01.03	Trade receivables	<b>2,429,474</b>	<b>2,440,844</b>
1.01.03.01	Customers	2,429,474	2,440,844
1.01.04	Inventories	<b>2,498,116</b>	<b>2,458,410</b>
1.01.06	Taxes recoverable	<b>490,132</b>	<b>421,938</b>
1.01.06.01	Current taxes recoverable	490,132	421,938
1.01.08	Other current assets	<b>779,570</b>	<b>587,501</b>
1.01.08.03	Others	<b>779,570</b>	<b>587,501</b>
1.01.08.03.01	Derivative financial instruments	258,327	223,774
1.01.08.03.02	Others	521,243	363,727
1.02	Noncurrent assets	<b>6,137,139</b>	<b>5,961,269</b>
1.02.01	Long-term receivables	<b>1,117,861</b>	<b>1,178,926</b>
1.02.01.01	Short-term investments at fair value through profit or loss	<b>566,641</b>	<b>562,782</b>
1.02.01.01.01	Securities designated at fair value	566,641	562,782
1.02.01.07	Deferred taxes	<b>150,460</b>	<b>142,669</b>
1.02.01.07.01	Deferred income tax and social contribution	150,460	142,669
1.02.01.10	Other noncurrent assets	<b>400,760</b>	<b>473,475</b>
1.02.01.10.03	Judicial deposits	60,688	58,368
1.02.01.10.04	Taxes recoverable	138,849	167,689
1.02.01.10.05	Derivative financial instruments	117,850	166,922
1.02.01.10.06	Others	83,373	80,496
1.02.02	Investments	<b>20,380</b>	<b>20,362</b>
1.02.02.01	Equity interests	<b>20,380</b>	<b>20,362</b>
1.02.02.01.01	Interests in associates	19,981	19,981
1.02.02.01.05	Other investments	399	381
1.02.03	Property, plant and equipment	<b>3,785,361</b>	<b>3,541,954</b>
1.02.03.01	Property, plant and equipment in operation	3,601,203	3,541,954
1.02.03.02	Right-of-Use Assets	184,158	-
1.02.04	Intangible assets	<b>1,213,537</b>	<b>1,220,027</b>
1.02.04.01	Intangible assets	<b>198,883</b>	<b>225,160</b>
1.02.04.01.02	Others	198,883	225,160
1.02.04.02	Goodwill	<b>1,014,654</b>	<b>994,867</b>

## Consolidated financial statements Balance sheet – Liabilities and Equity

(R\$ in thousands)

Code	Description	03/31/2019	12/31/2018
2	Total liabilities	<b>15,226,982</b>	<b>15,399,850</b>
2.01	Current liabilities	<b>4,859,505</b>	<b>5,034,004</b>
2.01.01	Social and labor obligations	<b>321,938</b>	<b>240,346</b>
2.01.01.01	Social obligations	321,938	240,346
2.01.02	Trade payables	<b>820,402</b>	<b>842,957</b>
2.01.03	Tax obligations	<b>147,729</b>	<b>88,183</b>
2.01.03.01	Federal tax obligations	<b>147,729</b>	<b>88,183</b>
2.01.03.01.01	Income tax and social contribution payable	36,806	24,968
2.01.03.01.02	Others	110,923	63,215
2.01.04	Borrowings and financing	<b>1,964,060</b>	<b>2,049,093</b>
2.01.04.01	Borrowings and financing	<b>1,964,060</b>	<b>2,049,093</b>
2.01.04.01.01	In local currency	176,385	175,475
2.01.04.01.02	In foreign currency	1,787,675	1,873,618
2.01.05	Other obligations	<b>1,605,376</b>	<b>1,813,425</b>
2.01.05.02	Others	<b>1,605,376</b>	<b>1,813,425</b>
2.01.05.02.01	Dividends and interest on capital payable	86,416	165,441
2.01.05.02.04	Advances from customers	541,774	655,242
2.01.05.02.05	Profit sharing	73,002	167,941
2.01.05.02.06	Derivative financial instruments	22,672	12,070
2.01.05.02.07	Leases	61,615	-
2.01.05.02.08	Payables - subsidiaries abroad	294,167	270,901
2.01.05.02.09	Provision for Product Warranties	142,360	155,532
2.01.05.02.10	Others	383,370	386,298
2.02	Noncurrent liabilities	<b>2,444,325</b>	<b>2,512,589</b>
2.02.01	Borrowings and financing	<b>1,490,360</b>	<b>1,723,021</b>
2.02.01.01	Borrowings and financing	<b>1,490,360</b>	<b>1,723,021</b>
2.02.01.01.01	In local currency	287,800	315,291
2.02.01.01.02	In foreign currency	1,202,560	1,407,730
2.02.02	Other obligations	<b>312,422</b>	<b>155,394</b>
2.02.02.02	Others	<b>312,422</b>	<b>155,394</b>
2.02.02.02.04	Derivative financial instruments	7,812	8,124
2.02.02.02.05	Leases	132,472	-
2.02.02.02.06	Others	172,138	147,270
2.02.03	Deferred taxes	<b>86,538</b>	<b>86,537</b>
2.02.03.01	Deferred income tax and social contribution	86,538	86,537
2.02.04	Provisions	<b>555,005</b>	<b>547,637</b>
2.03	Consolidated equity	<b>7,923,152</b>	<b>7,853,257</b>
2.03.01	Paid-in capital	<b>5,504,517</b>	<b>5,504,517</b>
2.03.02	Capital reserves	<b>(106,151)</b>	<b>(87,102)</b>
2.03.02.04	Options granted	8,857	9,615
2.03.02.05	Treasury shares	(13,411)	(15,261)
2.03.02.07	Premium on capital transaction	(101,597)	(81,456)
2.03.03	Revaluation reserves	<b>3,630</b>	<b>3,630</b>
2.03.04	Earnings reserves	<b>959,255</b>	<b>1,133,122</b>
2.03.04.01	Legal reserve	66,916	66,916
2.03.04.02	Statutory reserve	892,339	892,339
2.03.04.08	Additional dividend proposed	-	173,867
2.03.05	Retained earnings/accumulated losses	<b>216,350</b>	-
2.03.06	Carrying value adjustments	<b>373,594</b>	<b>380,781</b>
2.03.06.01	Deemed cost	373,594	380,781
2.03.08	Other comprehensive income	<b>826,577</b>	<b>779,326</b>
2.03.08.01	Derivative financial instruments	(9,828)	(18,657)
2.03.08.02	Cumulative translation adjustments	836,405	797,983
2.03.09	Noncontrolling interests	<b>145,380</b>	<b>138,983</b>

## Consolidated financial statements/Income statement

R\$ (in thousands)

Code	Description	YTD current year 01/01/2019 to 3/31/2019	YTD prior year 01/01/2018 to 3/31/2018
3.01	Revenue from sale of products and/or services	<b>2,932,379</b>	<b>2,551,476</b>
3.02	Cost of sales and services	<b>(2,074,772)</b>	<b>(1,827,877)</b>
3.03	Gross profit	<b>857,607</b>	<b>723,599</b>
3.04	Operating income/expenses	<b>(490,377)</b>	<b>(417,301)</b>
3.04.01	Selling expenses	(290,761)	(242,599)
3.04.02	General and administrative expenses	<b>(138,504)</b>	<b>(129,450)</b>
3.04.02.01	Management fees	(6,672)	(6,046)
3.04.02.02	Other administrative expenses	(131,832)	(123,404)
3.04.04	Other operating income	4,265	3,371
3.04.05	Other operating expenses	(65,377)	(48,916)
3.04.06	Share of profit or loss of investees	-	293
3.05	Profit before finance income (costs) and taxes	<b>367,230</b>	<b>306,298</b>
3.06	Finance income (costs)	<b>(36,136)</b>	<b>27,935</b>
3.06.01	Finance income	129,369	238,391
3.06.02	Finance costs	(165,505)	(210,456)
3.07	Profit before taxes on income	<b>331,094</b>	<b>334,233</b>
3.08	Income tax and social contribution	<b>(22,887)</b>	<b>(46,089)</b>
3.08.01	Current	(29,425)	(28,014)
3.08.02	Deferred	6,538	(18,075)
3.09	Profit for the period from continuing operations	<b>308,207</b>	<b>288,144</b>
3.11	Consolidated profit/loss for the period	<b>308,207</b>	<b>288,144</b>
3.11.01	Attributable to owners of the Company	306,849	285,004
3.11.02	Attributable to noncontrolling interests	1,358	3,140
3.99	Earnings per share – (real/share)	-	-
3.99.01.01	Common shares	0.14631	0.13589
3.99.02	Diluted earnings per share	-	-
3.99.02.01	Common shares	0.14620	0.13581

## Consolidated financial statements/Statement of comprehensive income

R\$ (in thousands)

Code	Description	YTD current year 01/01/2019 to 3/31/2019	YTD prior year 01/01/2018 to 3/31/2018
4.01	Consolidated profit for the period	<b>308,207</b>	<b>288,144</b>
4.02	Other comprehensive income	<b>46,154</b>	<b>58,131</b>
4.02.01	Cumulative translation adjustments	37,325	94,558
4.02.02	Hedge Accounting	8,829	(36,427)
4.03	Consolidated comprehensive income for the period	<b>354,361</b>	<b>346,275</b>
4.03.01	Attributable to owners of the Company	354,100	336,056
4.03.02	Attributable to noncontrolling interests	261	10,219

## Consolidated financial statements/Cash flow statement

R\$ (in thousands)			
Code	Description	YTD current year 01/01/2019 to 3/31/2019	YTD prior year 01/01/2018 to 3/31/2018
6.01	Net cash from operating activities	<b>53,268</b>	<b>449,034</b>
6.01.01	Cash from operations	<b>445,763</b>	<b>488,607</b>
6.01.01.01	Profit before taxes	331,094	334,233
6.01.01.02	Depreciation, amortization and depletion	81,657	73,412
6.01.01.03	Employee profit sharing	50,997	43,141
6.01.01.04	Stock option plan expenses	2,174	1,250
6.01.01.05	Provision for credit risk	1,260	8,254
6.01.01.06	Provision for tax, civil and labor liabilities	7,368	21,220
6.01.01.07	Provision for inventory losses	(820)	12,874
6.01.01.08	Provision for product warranty	(13,172)	5,888
6.01.01.09	Loss on disposal of property, plant and equipment and intangible assets	3,103	848
6.01.01.10	Accrued interest on borrowings	7,646	31,348
6.01.01.11	Share of profit (loss) of subsidiaries	-	(293)
6.01.01.12	Income from financial investments	(25,544)	(43,568)
6.01.02	Changes in assets and liabilities	<b>(392,495)</b>	<b>(39,573)</b>
6.01.02.01	(Increase)/decrease in trade receivables	(218,520)	23,783
6.01.02.02	Increase/(decrease) in trade payables	23,248	161,497
6.01.02.03	(Increase)/decrease in inventories	(35,319)	(80,622)
6.01.02.04	0	(17,587)	(21,644)
6.01.02.05	Employee profit sharing paid	(144,317)	(122,587)
6.02	Net cash from investing activities	<b>329,249</b>	<b>(174,848)</b>
6.02.01	Property, plant and equipment	(84,206)	(55,719)
6.02.02	Intangible assets	(7,589)	(6,014)
6.02.03	Proceeds from the sale of property, plant and equipment and intangible assets	213	1,397
6.02.07	Cash acquired in a business combination	-	(116,135)
6.02.09	Redemption of short-term investments	(1,779)	-
6.02.10	Income from financial investments	422,610	-
6.02.12	Gain (loss) from sale of intangible assets	-	1,623
6.03	Net cash from financing activities	<b>(620,759)</b>	<b>(410,013)</b>
6.03.01	Proceeds from borrowings and financing	4,537	526,816
6.03.02	Repayment of borrowings and financing	(283,286)	(536,566)
6.03.03	Interest paid on borrowings and financing	(8,027)	(74,460)
6.03.04	Treasury shares	1,850	490
6.03.05	Dividends and interest on capital paid	(335,833)	(326,293)
6.04	Exchange rate changes on cash and cash equivalents	<b>51</b>	<b>5,957</b>
6.05	Increase (decrease) in cash and cash equivalents	<b>(238,191)</b>	<b>(129,870)</b>
6.05.01	Cash and cash equivalents at the beginning of the period	2,205,700	3,162,685
6.05.02	Cash and cash equivalents at the end of the period	1,967,509	3,032,815



## Consolidated financial statements/Statements of changes in equity - 01/01/2019 to 03/31/2019

R\$ (in thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity	Noncontrolling interests	Consolidated equity
5.01	Opening balances	5,504,517	(83,472)	959,255	173,867	1,160,107	7,714,274	138,983	7,853,257
5.03	Adjusted opening balances	5,504,517	(83,472)	959,255	173,867	1,160,107	7,714,274	138,983	7,853,257
5.04	Capital transactions with shareholders	-	(19,049)	-	(97,686)	-	(116,735)	6,136	(110,599)
5.04.03	Options granted recognized	-	(758)	-	(345)	-	(1,103)	-	(1,103)
5.04.05	Treasury shares sold	-	3,403	-	-	-	3,403	-	3,403
5.04.07	Dividends	-	-	-	(97,341)	-	(97,341)	-	(97,341)
5.04.08	Interest on capital	-	(21,694)	-	-	-	(21,694)	6,136	(15,558)
5.05	Capital transactions	-	-	-	314,036	40,064	354,100	261	354,361
5.05.01	Total comprehensive income	-	-	-	306,849	-	306,849	1,358	308,207
5.05.02	Profit for the period	-	-	-	7,187	40,064	47,251	(1,097)	46,154
5.05.02.04	Other comprehensive income	-	-	-	-	38,422	38,422	(1,097)	37,325
5.05.02.06	Translation adjustments for the period	-	-	-	-	8,829	8,829	-	8,829
5.05.02.08	Realization of deemed cost	-	-	-	7,187	(7,187)	-	-	-
5.06	Internal changes in equity	-	-	-	(173,867)	-	(173,867)	-	(173,867)
5.06.04	Payment of dividends	-	-	-	(173,867)	-	(173,867)	-	(173,867)
5.07	Closing balances	5,504,517	(102,521)	959,255	216,350	1,200,171	7,777,772	145,380	7,923,152

## Consolidated financial statements/Statements of changes in equity - 01/01/2018 to 03/31/2018

R\$ (in thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity	Noncontrolling interests	Consolidated equity
5.01	Opening balances	3,533,973	(88,367)	2,269,436	132,455	868,584	6,716,081	122,381	6,838,462
5.03	Adjusted opening balances	3,533,973	(88,367)	2,269,436	132,455	868,584	6,716,081	122,381	6,838,462
5.04	Capital transactions with shareholders	-	1,477	-	(217,308)	-	(215,831)	(1,768)	(217,599)
5.04.03	Options granted recognized	-	972	-	(216)	-	756	-	756
5.04.05	Treasury shares sold	-	821	-	-	-	821	-	821
5.04.07	Dividends	-	-	-	(84,637)	-	(84,637)	-	(84,637)
5.04.08	Interest on capital	-	-	-	(132,455)	-	(132,455)	-	(132,455)
5.04.09	Capital transactions	-	(316)	-	-	-	(316)	(1,768)	(2,084)
5.05	Total comprehensive income	-	-	-	290,182	45,874	336,056	10,219	346,275
5.05.01	Profit for the period	-	-	-	285,004	-	285,004	3,140	288,144
5.05.02	Other comprehensive income	-	-	-	5,178	45,874	51,052	7,079	58,131
5.05.02.04	Translation adjustments for the period	-	-	-	-	87,479	87,479	7,079	94,558
5.05.02.06	Hedge Accounting	-	-	-	-	(36,427)	(36,427)	-	(36,427)
5.05.02.07	Realization of deemed cost	-	-	-	5,178	(5,178)	-	-	-
5.07	Closing balances	3,533,973	(86,890)	2,269,436	205,329	914,458	6,836,306	130,832	6,967,138

## Consolidated financial statements/Statements of value added

R\$ (in thousands)

Code	Description	YTD current year 01/01/2019 to 3/31/2019	YTD prior year 01/01/2018 to 3/31/2018
7.01	Revenues	<b>3,285,254</b>	<b>2,858,113</b>
7.01.01	Sales of goods, products and services	3,279,594	2,860,111
7.01.02	Other revenues	13,744	6,256
7.01.04	Allowance for / Reversal of allowance for doubtful debts	(8,084)	(8,254)
7.02	Inputs acquired from third parties	<b>(1,765,965)</b>	<b>(1,585,986)</b>
7.02.02	Materials, electric power, third-party services and others	(1,750,631)	(1,581,087)
7.02.03	Loss/recovery of assets	(15,334)	(4,899)
7.03	Gross value added	<b>1,519,289</b>	<b>1,272,127</b>
7.04	Retentions	<b>(94,568)</b>	<b>(73,412)</b>
7.04.01	Depreciation, amortization and depletion	(94,568)	(73,412)
7.05	Wealth created by the Company	<b>1,424,721</b>	<b>1,198,715</b>
7.06	Wealth received in transfer	<b>129,369</b>	<b>238,684</b>
7.06.01	Share of profit or loss of investees	-	293
7.06.02	Finance income	129,369	238,391
7.07	Wealth for distribution	<b>1,554,090</b>	<b>1,437,399</b>
7.08	Wealth distributed	<b>1,554,090</b>	<b>1,437,399</b>
7.08.01	Personnel	<b>749,139</b>	<b>587,189</b>
7.08.01.01	Salaries and wages	626,911	508,055
7.08.01.02	Benefits	96,433	56,164
7.08.01.03	Severance pay fund (FGTS)	25,795	22,970
7.08.02	Taxes, fees and contributions	<b>327,234</b>	<b>340,351</b>
7.08.02.01	Federal	289,500	304,191
7.08.02.02	State	34,029	31,969
7.08.02.03	Municipal	3,705	4,191
7.08.03	Lenders and lessors	<b>169,510</b>	<b>221,715</b>
7.08.03.01	Interest	165,384	209,986
7.08.03.02	Rentals	4,126	11,729
7.08.04	Lenders and lessors	<b>308,207</b>	<b>288,144</b>
7.08.04.01	Interest on capital	97,341	84,637
7.08.04.03	Retained earnings / Loss for the period	209,508	200,367
7.08.04.04	Noncontrolling interests	1,358	3,140

## PROFITABILITY IMPROVEMENT AND ROIC EXPANSION

- Net Operating Revenues were R\$ 2,932.4 million in 1Q19, 14.9% higher than 1Q18 and 6.2% lower than 4Q18. Adjusted for the consolidation effects of the TGM acquisition, net revenues would have shown a 13.3% increase vs. 1Q18.
- EBITDA reached R\$ 461.8 million, 21.6% higher than 1Q18 and 5.7% lower than 4Q18, while EBITDA margin was 15.7%, 0.8 p.p. higher than 1Q18 and the same level compared to the previous quarter.
- Return on Invested Capital (ROIC) reached 18.0% in 1Q19, up 1.5 p.p. from 1Q18 and up 0.4 p.p. from 4Q18.

We observed another positive quarter for the recovery process of Brazilian business environment. In the industrial area, in addition to the investments in short cycle equipment which are still consistent, we have noticed the resumption of some long cycle projects quotes, still concentrated in specific industries such as pulp & paper, oil & gas and mining. 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, which, according to recent indicators, showed a slight decrease compared to the beginning of the year. In GTD area (Generation, Transmission and Distribution) we have shown revenue growth, despite the lower participation of wind generation projects, already expected for this quarter, mainly due to the good performance of solar generation projects and the sales growth of transformers and substations.

In the external markets, we highlight the revenue growth in local currencies that remained consistent, mainly in short cycle equipment sales. New opportunities in projects requiring long cycle equipment continue to appear, specifically in the oil & gas, pulp & paper, infrastructure and mining segments.

ROIC presented another expansion quarter, proving right the strategy of investing in new businesses with favorable returns. Factors such as the improvement in operating margins coupled with gains in scale and efficiency in capital allocation have supported the growth seen in recent quarters.

### MAIN HIGHLIGHTS

Figures in R\$ thousands

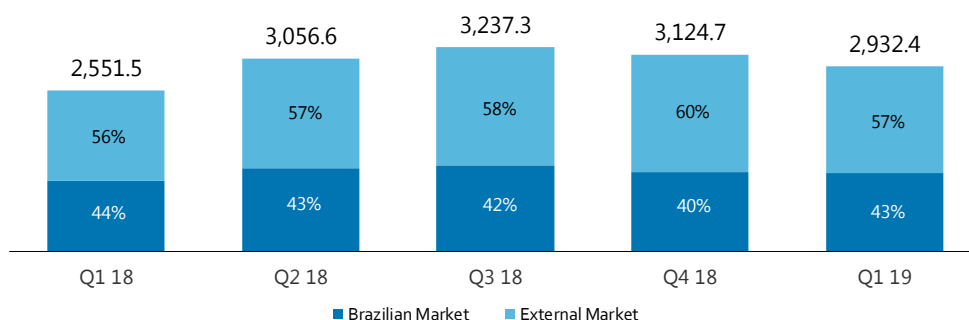
	Q1 2019	Q4 2018	%	Q1 2018	%
<b>Return on Invested Capital</b>	<b>18.0%</b>	<b>17.6%</b>	<b>0.4 pp</b>	<b>16.5%</b>	<b>1.5 pp</b>
<b>Net Operating Revenue</b>	<b>2,932,379</b>	<b>3,124,657</b>	<b>-6.2%</b>	<b>2,551,476</b>	<b>14.9%</b>
Domestic Market	1,252,159	1,259,721	-0.6%	1,128,571	11.0%
External Markets	1,680,220	1,864,936	-9.9%	1,422,905	18.1%
External Markets in US\$	445,444	489,736	-9.0%	438,538	1.6%
<b>Net Income</b>	<b>306,849</b>	<b>335,280</b>	<b>-8.5%</b>	<b>285,004</b>	<b>7.7%</b>
Net Margin	10.5%	10.7%		11.2%	
<b>EBITDA</b>	<b>461,798</b>	<b>489,806</b>	<b>-5.7%</b>	<b>379,710</b>	<b>21.6%</b>
EBITDA Margin	15.7%	15.7%		14.9%	
EPS (adjust for splits)	0.14631	0.15987	-8.5%	0.13589	7.7%

### Net Operating Revenues

Net Operating Revenues (NOR) reached R\$ 2,932.4 million in 1Q19, up 14.9% year-over-year and down 6.2% quarter-over-quarter. If adjusted for TGM acquisition, revenues were up 13.3% over 1Q18.

In this quarter, revenue was positively impacted by average Brazilian Real/US dollar exchange rate that went from R\$ 3.24 in 1Q18 to R\$ 3.77 in 1Q19, with a 16.3% depreciation of the Brazilian Real.

## Net Operating Revenues by Market



(Figures in R\$ Million)

The breakdown of Net Operating Revenue in 1Q19 by market was:

**Brazilian Market:** R\$ 1,252.2 million, representing 43% of revenues, up 11.0% vs. 1Q18 and down 0.6% vs. 4Q18. Disregarding the effects of the TGM acquisition, revenues would be up 7.9% vs. 1Q18.

**External Markets:** R\$ 1,680.2 million, equivalent to 57% of revenues. It is important to consider that we set our sales prices in different markets in local currency amounts, according to local competitive conditions. In 1Q19 revenues in external markets were as follows:

- Measured in Brazilian Reais: up 18.1% vs. 1Q18 and down 9.9% vs. 4Q18. Disregarding the effects of the TGM acquisition, revenues would have been up by 17.5% vs. 1Q18.
- Measured in the quarterly averaged US dollar: up 1.6% vs. 1Q18 and down 9.0% vs. 4Q18. Disregarding the effects of the TGM acquisition, revenues would have been up by 1.1% vs. 1Q18.
- Measured in local currencies, weighted by the revenues in each market and adjusted for the TGM acquisition: an 8.1% increase vs. 1Q18.

## Evolution of Net Revenue According to Geographic Market

Figures in R\$ thousands

	Q1 2019	Q4 2018	%	Q1 2018	%
Net Operating Revenues	2,932,379	3,124,657	-6.2%	2,551,476	14.9%
- Brazilian Market	1,252,159	1,259,721	-0.6%	1,128,571	11.0%
- External Markets	1,680,220	1,864,936	-9.9%	1,422,905	18.1%
- External Markets in US\$	445,444	489,736	-9.0%	438,538	1.6%

## External Market – Distribution of Net Revenue According to Geographic Market

	Q1 2019	Q4 2018	%	Q1 2018	%
North America	43.1%	43.8%	-0.7 pp	41.2%	1.9 pp
South and Central America	9.5%	12.8%	-3.3 pp	12.7%	-3.2 pp
Europe	27.1%	25.5%	1.6 pp	25.8%	1.3 pp
Africa	8.1%	8.3%	-0.2 pp	8.8%	-0.7 pp
Asia-Pacific	12.2%	9.6%	2.6 pp	11.5%	0.7 pp

## Business Area

**Industrial Electro-Electronic Equipment** – Industrial investment in Brazil continues to recover although not as fast as expected at the beginning of the year. Sales of short cycle equipment remain consistent, especially regarding low voltage motors and serial automation equipment.

Additionally, in this quarter we observed an increase in the revenue participation of long cycle equipment, mainly in electrocenters and automation panels. Important industries such as mining, pulp & paper and oil & gas have gradually increased their investments. Another factor observed since 4Q18 was the increase in the demand for equipment for either brownfield or new greenfield investments, mostly still in the quotation phase, but already signaling the beginning of the resumption of these projects in Brazil. It is worth to highlight this recovery should happen gradually, depending also on the confirmation in economic scenario improvement and the increase of the Brazilian industry confidence, which according to recent indicators were better at the beginning of the year than now.

Abroad, sales have remained concentrated in short cycle products, where we have advanced by expanding our product line and gaining market share, especially in regions such as Europe, North America and Asia. Projects to increase capacity and build new plants, which also demand long cycle products, continue to have good prospects, especially in the oil & gas, pulp & paper, infrastructure and mining industries. It is worth noting that when analyzed in US dollars, revenues for the quarter were slightly below 1Q18, since the US dollar showed a significant appreciation in relation to the main global currencies in the period. The performance both operational and in local currencies continue on the growth path.

**Energy Generation, Transmission, and Distribution (GTD)** – The GTD area presented revenue growth in this quarter in Brazil, despite the lower participation in wind generation projects, previously anticipated. The positive highlight remains the solar generation business, which gained relevance in 2018 with important projects added to our backlog. The prospects for this business remain positive, especially in solar distributed generation, which has been showing continuous growth in order intake in recent months.

The Transmission and Distribution (T&D) business contributed positively to revenue growth in this quarter with the improvement in business dynamics in both, distribution transformers and transformers for renewable generation sites. The prospects remain positive considering that transmission auctions carried out in recent years should contribute positively to the performance of this business unit from 2019 onwards.

For other renewable sources, notably hydraulics and biomass, the order intake has stabilized in recent months and this should be the trend for the rest of the year. 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 market, the main contribution came from the transformers business, which continues to show growth in all operations, most notably WEG Transformers USA, a company acquired in August 2017. Sales of transformers to renewable power generation plants continue to grow and we have started to observe the first sales of large transformers produced in Mexico for the WEG Transformers USA customer base.

It is also worth mentioning the good performance of the generator operation in India, which showed a consistent improvement in order intake last year, reflecting higher revenues this year. 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 see revenue growth compared to last year. Due to its short-cycle product characteristic, the dynamics of this business area depend directly on the economy performance and especially on consumption, which is usually the first to show recovery signs in the scenario of economy resumption.

In the external market, revenue continues to show the impacts already observed in recent quarters, such as the lower order intake in the local market in China and the poor performance of the operation in Argentina, which is suffering from the recent problems faced by the local economy.

**Paints and Varnishes** – The good performance in the domestic market is due to the combination of the improvement of important industrial segments such as mining, metallic structures and white goods, combined with a greater participation in markets that are relatively new to WEG, such as auto parts and road implements. The drop in revenues in the external markets mainly reflects the difficulties of the economic scenario in Argentina.

### Distribution of Net Revenue by Business Area

	Q1 2019	Q4 2018		Q1 2018	
<b>Electro-electronic Industrial Equipments</b>	<b>52.31%</b>	<b>55.06%</b>	<b>-2.75 pp</b>	<b>53.61%</b>	<b>-1.30 pp</b>
Domestic Market	16.13%	14.94%	1.19 pp	17.48%	-1.35 pp
External Market	36.17%	40.12%	-3.95 pp	36.13%	0.04 pp
<b>Energy Generation, Transmission and Distribut</b>	<b>33.31%</b>	<b>31.56%</b>	<b>1.75 pp</b>	<b>31.57%</b>	<b>1.74 pp</b>
Domestic Market	18.15%	16.65%	1.50 pp	18.37%	-0.22 pp
External Market	15.15%	14.91%	0.24 pp	13.20%	1.95 pp
<b>Electric Motors for Domestic Use</b>	<b>9.77%</b>	<b>8.93%</b>	<b>0.84 pp</b>	<b>10.27%</b>	<b>-0.50 pp</b>
Domestic Market	4.38%	4.75%	-0.37 pp	4.49%	-0.11 pp
External Market	5.39%	4.18%	1.21 pp	5.77%	-0.38 pp
<b>Paints and Varnishes</b>	<b>4.62%</b>	<b>4.45%</b>	<b>0.17 pp</b>	<b>4.56%</b>	<b>0.06 pp</b>
Domestic Market	4.03%	3.97%	0.06 pp	3.89%	0.14 pp
External Market	0.58%	0.48%	0.10 pp	0.66%	-0.08 pp

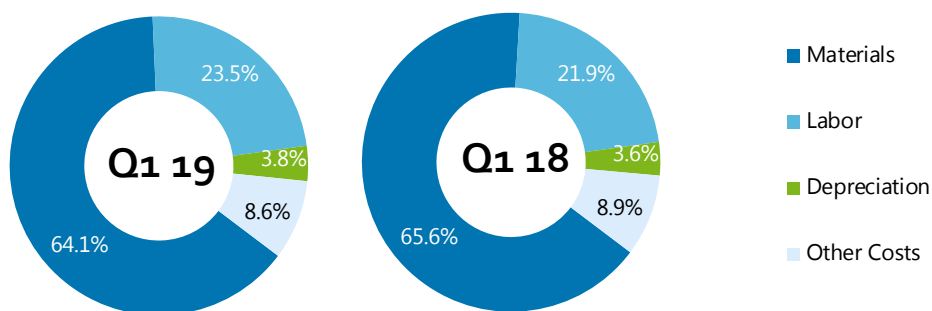
### Cost of Goods Sold

The Cost of Goods Sold (COGS) totaled R\$ 2.074.8 million in 1Q19, up 13.5% vs. 1Q18 and down 6.0% vs. 4Q18. Gross margin was 29.2%, 0.8 p.p. higher vs. 1Q18 and 0.2 p.p. lower vs. 4Q18.

Despite the exchange variation of the period, we were able to improve gross margin by 0.8 p.p. over 1Q18, due to efforts to reduce costs and improve processes that provided productivity gains.

In 1Q19, the average price of copper in the spot market on the London Metal Exchange (LME) in US dollars increased 0.8% vs. 4Q18 and decreased 10.6% vs. 1Q18, while the average price of steel in Brazilian Reais decreased 5.5% vs. 4Q18 and decreased 8.2% vs. 1Q18.

### COGS Composition



## Sales, General, and Administrative Expenses

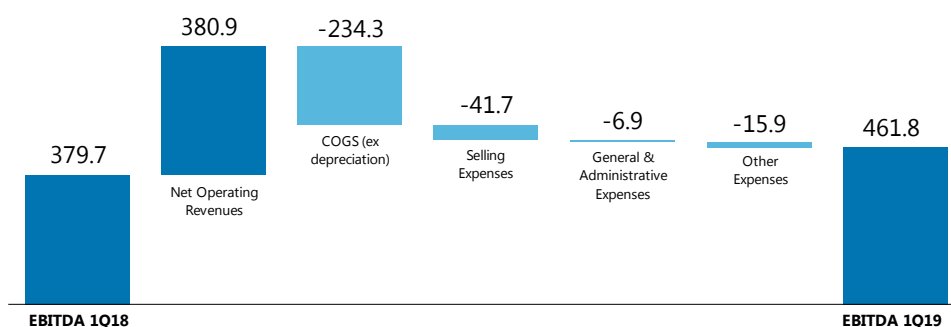
Consolidated sales, general, and administrative expenses (SG&A) totaled R\$ 429.3 million in 1Q19, an increase of 15.4% vs. 1Q18 and decrease of 1.8% vs. 4Q18. It is worth noting that some of these costs are for operations abroad and are also impacted by the recent depreciation of the Brazilian Real. When analyzed in relation to net operating revenue, these expenses accounted for 14.6%, same level compared to the 1Q18 and up 0.6 p.p. vs. 4Q18.

## EBITDA and EBITDA Margin

In 1Q19, EBITDA reached R\$ 461.8 million, up 21.6% vs. 1Q18 and down 5.7% vs. 4Q18. EBITDA margin was 15.7%, 0.8 p.p. higher vs. 1Q18 and maintained the same level compared to the previous quarter. The EBITDA margin evolution is a reflection of better profitability in foreign operations, followed by margin gains in some operations in Brazil, in addition to the favorable mix due to lower wind generation revenues in the period.

	Q1 2019	Q4 2018	%	Q1 2018	%
Net Operating Revenues	2,932.4	3,124.7	-6.2%	2,551.5	14.9%
Net Income before Minorities	308.2	336.9	-8.5%	288.1	7.0%
(+) Income taxes & Contributions	22.9	26.9	-14.9%	46.1	-50.3%
(+/-) Financial income (expenses)	36.1	39.4	-8.4%	-27.9	n.a.
(+) Depreciation & Amortization	94.6	86.6	9.2%	73.4	28.8%
EBITDA	461.8	489.8	-5.7%	379.7	21.6%
EBITDA Margin	15.7%	15.7%		14.9%	

Figures in R\$ Million



## Net Financial Results

The net financial result in 1Q19 was negative R\$ 36.1 million (vs. positive R\$ 27.9 million in 1Q18 and negative R\$ 39.4 million in 4Q18). The decrease in the quarterly comparison is mainly explained by lower financial income from financial investments, due to the lower level of cash combined with lower interest rates in Brazil, and monetary adjustment over provisions in the period. In addition, in 1Q18, interest income on contractual renegotiations of customers was recognized, which did not occur in this quarter.

## Income Tax

The provision for Income and Social Contribution on Net Profit in 1Q19 totaled R\$ 29.4 million (vs. R\$ 28.0 million and R\$ 28.8 million in 1Q18 and 4Q18, respectively). Additionally, we credited R\$ 6.5 million as Deferred Income Tax/Social Contribution in 1Q19 (vs. debt of R\$ 18.1 million in 1Q18 and credit of R\$ 1.9 million in 4Q18).

## Net Income

Net Income was R\$ 306.8 million in 1Q19, an increase of 7.7% vs. 1Q18 and decrease of 8.5% vs. 4Q18. Net margin reached 10.5%, 0.7 p.p. lower than 1Q18 and 0.2 p.p. lower than 4Q18.

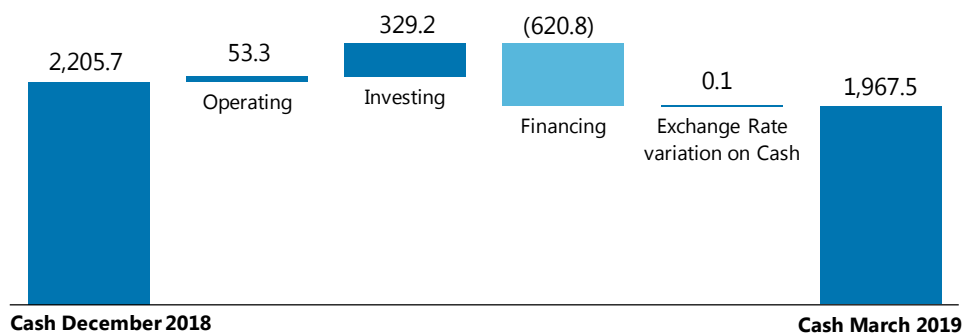


## Cash Flow

Cash generation in operating activities was R\$ 53.3 million in the first three months of 2019. The decrease in the period is basically due to the increased working capital needs.

Investment activities generated R\$ 329.2 million in the first three months of 2019, 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 1Q18, mainly due to investments in the new foundry in Mexico.

In the financing activities, we raised R\$ 4.5 million and made amortizations of R\$ 283.3 million, resulted in a net amortization of R\$ 278.8 million. Interest on loans consumed R\$ 8.0 million while payments to equity holders (dividends and interest on capital) totaled R\$ 335.8 million. The final result was consumption of R\$ 620.8 million in financing activities this year so far.

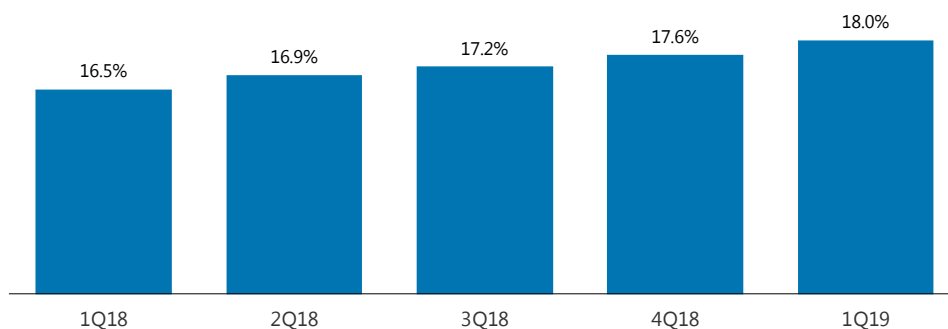


(Figures in R\$ Million)

We point out that the chart above shows the cash and cash equivalents positions classified as current assets. Also, we have R\$ 1,867.9 million in financial investments with no immediate liquidity (R\$ 2,277.7 million in December 2018).

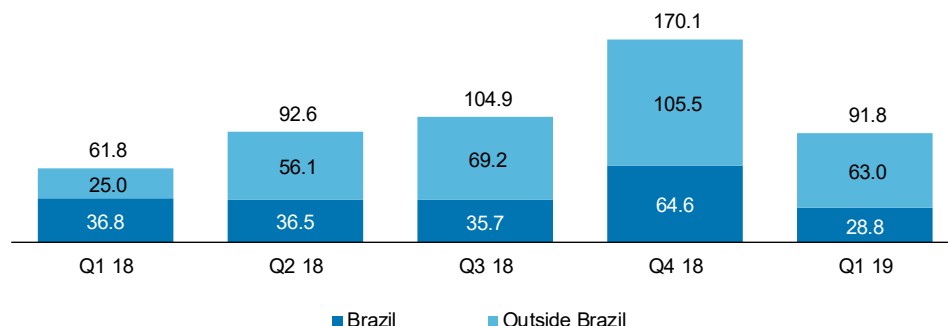
## Return on Invested Capital

The Return on Invested Capital (ROIC) in 1Q19 (accumulated in the last 12 months) showed expansion of 1.5 p.p. over 1Q18, reaching 18.0%. 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 1Q19, we invested R\$ 91.8 million in modernization and expansion of production capacity, machinery and equipment, and software licenses, 31% of which are for production units in Brazil and 69% for industrial plants and other facilities abroad.



(Figures in R\$ Million)

Expenditures on Research, development, and innovation activities totaled R\$ 80.2 million, representing 2.7% of net operating revenue in 1Q19.

## Debt and Cash Position

As of March 31, 2019 cash, cash equivalents, and financial investments totaled R\$ 3,835.4 million and were invested in first-tier banks and denominated in Brazilian currency. Gross financial debt totaled R\$ 3,484.9 million, of which 57% was in short-term operations and 43% in long-term operations. Net cash totaled R\$ 350.5 million.

	March 2019		December 2018		March 2018	
<b>Cash &amp; Financial instruments</b>	<b>3,835,369</b>		<b>4,483,366</b>		<b>4,652,316</b>	
- Current	3,150,878		3,753,662		4,494,609	
- Long Term	684,491		729,704		157,707	
<b>Debt</b>	<b>3,484,904</b>	<b>100%</b>	<b>3,792,308</b>	<b>100%</b>	<b>4,221,943</b>	<b>100%</b>
- Current	1,986,732	57%	2,061,163	54%	1,618,536	38%
- In Brazilian Reais	176,385		175,475		890,748	
- In other currencies	1,810,347		1,885,688		727,788	
- Long Term	1,498,172	43%	1,731,145	46%	2,603,407	62%
- In Brazilian Reais	287,800		315,291		483,787	
- In other currencies	1,210,372		1,415,854		2,119,620	
<b>Net Cash</b>	<b>350,465</b>		<b>691,058</b>		<b>430,373</b>	

(Figures in R\$ thousands)

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

- The total duration of 18.1 months, with a duration of 35.8 months in the long term. In December 2018, these figures were 20.8 months and 37.7 months, respectively.
- The weighted average cost of debt denominated in Brazilian Reais is approximately 7.4% pa (vs. 7.2% pa in December 2018). 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 19, 2019, the Board of Directors decided to declare interest on equity in the total amount of R\$ 97.3 million before withholding income tax, with payment expected in August 14, 2019.

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.

### **Acquisition of Energy Storage business of NPS, in USA**

On February 13, WEG S.A. announced the acquisition of the Energy Storage System ("ESS") business of Northern Power Systems ("NPS"), a company that designs, develops and manufactures energy storage systems in Barre, Vermont, USA.

Under the agreement, WEG became the sole owner of NPS's energy storage assets, including the portfolio of ESS patents, know-how and related materials, including all drawings, projects, specifications and software used in the design and maintenance of battery energy storage systems.

WEG and NPS entered into a technology partnership in 2013 to successfully introduce permanent magnet direct drive wind turbine solutions in Brazil. In 2016, WEG acquired the NPS utility scale wind turbine business and expanded its portfolio.

### **Acquisition of Geremia Redutores**

On February 14, WEG-CESTARI has signed an agreement for the acquisition of the entire capital stock of Geremia Redutores, a Brazilian manufacturer of Gearboxes, Geared Motors, Speed and Flexible Couplings and Gearboxes Components. The transaction is subject to the approval of CADE (Administrative Council for Economic Defense).

Founded in 1973, headquartered in Bento Gonçalves city, state of Rio Grande do Sul, 111 kilometers from Porto Alegre city, Geremia has a total area of 52,000 square meters, of which 15,000 square meters is built. Employing around 220 people, the company serves the entire local and international market, mainly in South and Central America. Net revenue in 2017 were R\$ 57.4 million.

## **1 Information on the Company**

WEG S.A. ("Company") is a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, in Jaraguá do Sul - State of Santa Catarina (SC), Brazil, holding company comprising the WEG Group ("Group"), which is primarily engaged in the production and sale of capital goods such as electric motors, generators and transformers; gear units and geared motors; hydraulic and steam turbines; frequency converters; motor starters and maneuver devices; control and protection of electric circuits for industrial automation; power sockets and switches; electric traction solutions for heavy vehicles, SUV vehicles, locomotives, and sea transportation electric propelling; solutions for the generation of renewable and distributed energy, exploring all opportunities in small hydro, thermal, biomass, wind and solar energy powerplants; no-breaks and alternators for groups of generators; conventional and movable electric substations; industrial electrical and electronic systems; and industrial paint & varnish, and paints for automotive repainting. The operations are performed through manufacturing facilities located in Brazil, Argentina, Colombia, Mexico, United States, Portugal, Spain, Austria, Germany, South Africa, India, and China.

The Company has shares traded on B3 under ticker symbol "WEGE3" and has been listed since June 2007 in the special segment of corporate governance called Novo Mercado.

The Company has American Depositary Receipts (ADRs) - Level 1 that are traded on the over-the-counter (OTC) market in the United States under the ticker symbol "WEGZY".

## **2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

The Company's interim financial information, included in the Quarterly Information Form – ITR for the quarter ended March 31, 2019 includes the individual and consolidated interim financial information prepared considering all significant information on the Company, which corresponds to that used by Management in managing the activities, with CPC 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standard Board ("IASB") and presented consistently with the standards issued by the Brazilian Securities and Exchange Commission ("CVM") applicable to the preparation of Quarterly Information - ITR.

The interim financial information has been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, when required by the standard.

The Company's consolidated interim financial information for the period ended March 31, 2019 was authorized for issue at the executive board's meeting held on April 15, 2019.

The accounting policies, bases of consolidation and methods of calculation adopted in the preparation of the interim financial information, as well the key estimates and judgments used in applying the accounting policies are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2018, including the adoption of the new accounting standards.

## **3 ACCOUNTING ESTIMATES**

The interim financial information includes the use of estimates that took into consideration Management's assessments and judgments, past and current experiences, assumptions related to future events and other objective and subjective factors. The significant items subject to those estimates are:

- a) analysis of the credit risk to determine the allowance for doubtful debts;
- b) review of the economic useful life of fixed assets and their recovery in operations;
- c) impairment test of intangible assets;
- d) fair value measurement of financial instruments;
- e) commitments to employee benefit plan;
- f) share-based plan transactions;
- g) deferred income and social contribution taxes; and
- h) provision for contingencies.

The settlement of transactions involving those estimates may lead to amounts different from those recorded in the interim financial information due to the inaccuracies inherent in the estimate process. These estimates are periodically reviewed.

## 4 CASH AND CASH EQUIVALENTS

	PARENT		CONSOLIDATED	
	03/31/19	12/31/18	03/31/19	12/31/18
a) Cash and banks	5	8	416,857	286,783
b) Short-term investments	265,923	200,685	1,550,652	1,918,917
In local currency:	265,923	200,685	1,371,530	1,870,749
Bank Certificate of Deposit (CDB) and Repurchase Agreements	265,923	200,685	1,371,530	1,870,749
In foreign currency:	-	-	179,122	48,168
<b>TOTAL</b>	<b>265,928</b>	<b>200,693</b>	<b>1,967,509</b>	<b>2,205,700</b>

### Investments in Brazil:

Short-term investments in Brazil refer mainly to funds invested in private securities with first tier financial institutions and repurchase agreements.

These investments yield an average rate of 100.40% of the Interbank Deposit Rate - CDI (100.18% of the CDI as at December 31, 2018).

## 5 SHORT-TERM INVESTMENTS

	PARENT		CONSOLIDATED	
	03/31/19	12/31/18	03/31/19	12/31/18
Bank Certificate of Deposit (CDB), Repurchase Agreements and Funds	846,744	978,627	1,491,683	1,886,970
<b>TOTAL</b>	<b>846,744</b>	<b>978,627</b>	<b>1,491,683</b>	<b>1,886,970</b>
<b>Current assets</b>	<b>846,744</b>	<b>978,627</b>	<b>925,042</b>	<b>1,324,188</b>
Floating rate	846,744	978,627	846,744	1,243,861
Fixed rate	-	-	78,298	80,327
<b>Noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>566,641</b>	<b>562,782</b>
Floating rate	-	-	521,094	516,138
Fixed rate	-	-	45,547	46,644

Short-term investments yield average fixed rates of 15.88% p.a. (15.88% p.a. as at December 31, 2018) and floating average rate of 102.95% of the CDI rate (102.56% of the CDI as at December 31, 2018).

## 6 TRADE RECEIVABLES

	CONSOLIDATED	
	03/31/19	12/31/18
a) <b>Breakdown of balances:</b>		
Domestic market	1,024,392	1,017,925
External market	1,457,138	1,473,715
<b>SUBTOTAL</b>	<b>2,481,530</b>	<b>2,491,640</b>
Allowance for doubtful debts	(52,056)	(50,796)
<b>TOTAL</b>	<b>2,429,474</b>	<b>2,440,844</b>
b) <b>Losses on trade receivables in the period</b>	<b>3,685</b>	<b>8,639</b>
c) <b>Maturity of trade notes:</b>		
Not past due	2,180,608	2,129,256
Past due:	300,922	362,384
Up to 30 days	144,639	214,301
From 31 to 90 days	70,480	75,102
From 91 to 180 days	38,178	24,048
Over 180 days	47,625	48,933
<b>TOTAL</b>	<b>2,481,530</b>	<b>2,491,640</b>

The movement in the allowance for doubtful debts is as follows:

<b>Balance at 1/1/2018</b>	<b>(43,972)</b>
Losses written off in the year	8,639
Recognition of provision in the year	(33,987)
Reversal of provision in the year	18,524
<b>Balance at 12/31/2018</b>	<b>(50,796)</b>
Losses written off in the period	3,685
Recognition of provision in the period	(6,884)
Reversal of provision in the period	1,939
<b>Balance at 3/31/2019</b>	<b>(52,056)</b>

## 7 INVENTORIES

	<b>CONSOLIDATED</b>	
	<b>03/31/19</b>	<b>12/31/18</b>
Finished goods	425,984	377,506
Work in progress	371,616	412,954
Raw materials and others	435,406	407,373
Imports in transit	71,107	74,543
Provision for slow-moving inventory losses	(32,285)	(33,262)
<b>Total inventories - domestic market</b>	<b>1,271,828</b>	<b>1,239,114</b>
Finished goods	702,235	744,153
Work in progress	282,526	246,507
Raw materials and others	318,890	305,842
Provision for slow-moving inventory losses	(77,363)	(77,206)
<b>Total inventories – external market</b>	<b>1,226,288</b>	<b>1,219,296</b>
<b>GRAND TOTAL</b>	<b>2,498,116</b>	<b>2,458,410</b>

The movement in the provision for slow-moving inventory losses is as follows:

<b>Balance at 1/1/2018</b>	<b>(95,124)</b>
Recognition of provision in the year	(70,734)
Reversal of provision in the year	55,390
<b>Balance at 12/31/2018</b>	<b>(110,468)</b>
Recognition of provision in the period	(11,319)
Reversal of provision in the period	12,139
<b>Balance at 3/31/2019</b>	<b>(109,648)</b>

Inventories are insured and their coverage is determined considering the values and level of risk involved. The recognition and reversal of provision for slow-moving inventory losses are recorded in cost of sales.

## 8 TAXES RECOVERABLE

	<b>PARENT</b>		<b>CONSOLIDATED</b>	
	<b>03/31/19</b>	<b>12/31/18</b>	<b>03/31/19</b>	<b>12/31/18</b>
<b>BRAZIL</b>	<b>27,747</b>	<b>17,083</b>	<b>496,561</b>	<b>467,289</b>
IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income)	21,837	17,083	191,311	153,436
IRRF (Withholding Income Tax) on financial investments)	5,910	-	35,145	-
ICMS (State VAT)	-	-	97,940	103,471
ICMS on purchases of property, plant and equipment	-	-	20,290	20,297
IPI (Federal VAT)	-	-	61,899	98,576
PIS/COFINS (Taxes on Revenue)	-	-	57,195	54,868
Reintegra	-	-	30,766	30,488
Others	-	-	2,015	6,153
<b>FOREIGN</b>	<b>-</b>	<b>-</b>	<b>132,420</b>	<b>122,338</b>
Income Tax	-	-	65,924	60,486
IVA / VAT	-	-	64,034	58,870
Others	-	-	2,462	2,982
<b>TOTAL</b>	<b>27,747</b>	<b>17,083</b>	<b>628,981</b>	<b>589,627</b>
Current assets	27,747	17,083	490,132	421,938
Noncurrent assets	-	-	138,849	167,689

The credits will be realized by the Company and its subsidiaries during the normal process of tax calculation and there are also credits subject to refund and/or offsetting.

## 9 RELATED PARTIES

The Company carried out trading transactions involving purchase and sale of goods and raw materials and contracting of services as well as financial transactions relating to loans and fundraising among Group companies, which are eliminated on consolidation, and Management compensation.

### Amount of existing balances:

	PARENT		CONSOLIDATED	
	03/31/19	12/31/18	03/31/19	12/31/18
<b>BALANCE SHEET ACCOUNTS</b>				
<b>Noncurrent assets</b>	<b>2</b>	<b>15</b>	<b>-</b>	<b>-</b>
Management of funds				
WEG Equipamentos Elétricos S.A.	2	15	-	-
<b>Current liabilities</b>	<b>649</b>	<b>1,455</b>	<b>15,254</b>	<b>20,449</b>
Contracts with Management	-	-	10,012	4,851
Profit sharing - Management	649	1,455	5,242	15,598

### PROFIT & LOSS ACCOUNTS

	PARENT		CONSOLIDATED	
	03/31/19	03/31/18	03/31/19	03/31/18
<b>Management compensation:</b>				
<b>a) Fixed (fees)</b>	<b>680</b>	<b>606</b>	<b>6,672</b>	<b>6,047</b>
Board of Directors	333	290	666	580
Board of Executive Officers	347	316	6,006	5,467
<b>b) Variable (profit sharing)</b>	<b>649</b>	<b>448</b>	<b>5,249</b>	<b>3,762</b>
Board of Directors	328	214	654	429
Board of Executive Officers	321	234	4,595	3,333

### Additional Information:

#### a) Trading transactions

The purchase and sale of inputs and goods are conducted under conditions established between the parties.

#### b) Management of funds

The financial and trading transactions conducted among the Group companies are recorded and supported by the Group's policies. The credit/debit agreements entered into with Management are subject to interest of 95% of the CDI variation.

#### c) Sureties and guarantees

WEG SA has sureties and guarantees for foreign subsidiaries in the amount of US\$ 27.2 million (US\$ 50.3 million at December 31, 2018).

#### d) Management compensation

The members of the Board of Directors received compensation in the amount of R\$ 666 (R\$ 580 as at March 31, 2018) and the executive officers received R\$ 6,006 (R\$ 5,467 as at March 31, 2018) for their services, corresponding to a total amount of R\$ 6,672 (R\$ 6,047 as at March 31, 2018).

A share of 0% to 2.5% of the consolidated profit for the year is expected to be paid to Management as long as they achieve the minimum operating performance targets. The performance targets refer to the Return on Invested Capital (weight of 85%), with a minimum performance of 10%, and growth of EBITDA (weight of 15%), with a minimum performance of 1.3%. The corresponding provision is recognized in profit or loss for the exercise in the amount of R\$ 5,249 (R\$ 3,762 as at March 31, 2018), in line item other operating income (expenses). Directors receive benefits for the performance of their function.

## 10 DEFERRED TAXES

The deferred tax assets and liabilities were determined in accordance with CVM Resolution 599/09, which approved Technical Pronouncement CPC 32 – Income Taxes.

**a) Breakdown of amounts:**

	<b>PARENT</b>		<b>CONSOLIDATED</b>	
	<b>03/31/19</b>	<b>12/31/18</b>	<b>03/31/19</b>	<b>12/31/18</b>
Income tax losses	24	46	101,626	96,719
Social contribution losses	282	140	22,174	16,340
Temporary differences:				
Provisions:				
Labor and civil contingencies	-	-	110,726	107,217
Taxes under litigation	1,608	1,608	44,164	42,432
Losses on trade receivables	-	-	12,902	13,794
Losses on slow-moving inventories	-	-	17,398	16,358
Indemnities on labor and contractual terminations	-	-	14,719	18,024
Freight and sales commissions	-	-	11,150	13,571
Third-party services	-	-	60,839	62,036
Employee profit sharing	-	-	22,069	49,587
Unrealized gains on derivatives	-	-	(9,102)	(21,825)
Derivatives - hedge accounting	-	-	5,063	9,611
Deferred revenue	-	-	13,056	6,270
Accelerated depreciation	-	-	(7,181)	(7,306)
Difference between tax and accounting amortization of goodwill	-	-	(33,207)	(32,739)
Difference between tax and accounting depreciation (useful life)	(14)	(14)	(196,653)	(194,042)
Others	3,086	2,914	48,803	38,084
Deemed cost of property, plant and equipment	(1,365)	(1,372)	(174,624)	(177,999)
<b>TOTAL</b>	<b>3,621</b>	<b>3,322</b>	<b>63,922</b>	<b>56,132</b>
Noncurrent assets	3,621	3,322	150,460	142,669
Noncurrent liabilities	-	-	(86,538)	(86,537)

**b) Estimated realization period**

Management estimates that the deferred taxes arising from temporary differences will be realized in proportion to the materialization of the contingencies, losses and forecast obligations.

In regard to deferred tax assets, recognized on income tax and social contribution losses, Management estimates that they will be realized within the next 5 years, taking into consideration the projection of future profits.



## 11 INVESTMENTS

### 11.1 Investments in subsidiaries

	Country	Equity	Profit or loss for the period	Equity interest (%)				Share of profit (loss) of investees		Investment book value	
				03/31/19		12/31/18		03/31/19	03/31/18	03/31/19	12/31/18
				Direct	ndirect	Direct	ndirect				
WEG Equipamentos Elétricos S.A. (*)	Brazil	5,772,962	258,324	100.00	-	100.00	-	64,844	55,421	772,962	369,794
RF Reflorestadora Ltda.		155,809	936	100.00	-	100.00	-	936	812	155,808	155,762
WEG Tintas Ltda.		-	-	-	-	-	-	-	262	-	-
WEG Amazônia S.A.		49,458	1,745	0.02	99.98	0.02	99.98	-	-	8	8
WEG Administradora de Bens Ltda.		13,059	217	99.06	0.94	99.06	0.94	215	(2)	12,937	12,867
WEG Logística Ltda.		164,878	4,489	-	100.00	-	100.00	-	-	-	-
WEG Linhares Equip. Elétricos S.A.		361,866	24,032	-	100.00	-	100.00	-	-	2	2
WEG Drives & Controls Aut. Ltda.		567,322	30,908	100.00	-	100.00	-	30,908	16,706	567,322	545,540
WEG Partner Aerogeradores Ltda.		7	-	0.10	99.90	0.10	99.90	-	-	-	-
WEG-Cestari Redut. Motorredut. S.A.		39,513	1,712	-	50.00	-	50.00	-	-	-	-
Hidráulica Indl.- Ind. e Com. Ltda.		218,345	80	-	100.00	-	100.00	-	-	-	-
Agro Trafo Adm. de Bens Ltda.		1,077	9	91.75	8.25	91.75	8.25	28	78	988	1,101
Paumar S.A. Indústria e Comércio		366,770	4,932	38.87	61.13	38.87	61.13	1,917	2,062	142,564	141,056
WEG-Jelec Oil and Gas Sol. Aut. Ltda.		11	-	-	100.00	-	100.00	-	-	-	-
Transformadores do Nordeste Ltda.		16,936	(849)	0.01	99.99	0.01	99.99	-	-	-	-
TGM Ind. e Com. de Turbinas e Trans. Ltda.		95,180	9,318	0.01	99.99	0.01	99.99	-	-	-	-
Zest WEG Group Africa (Pty) Ltd.		218,585	(833)	-	100.00	-	100.00	-	-	-	-
Zest Energy (Pty) Ltd.		9,859	(1)	-	100.00	-	100.00	-	-	-	-
Zest WEG Manufacturing (Pty) Ltd.		(40,380)	(1,700)	-	100.00	-	100.00	-	-	-	-
Zest WEG Electric (Pty) Ltd.	South Africa	103,240	1,208	-	74.80	-	74.80	-	-	-	-
ENI Electric/Instrumentations Eng. Cont.(Pty)		(9,519)	(665)	-	86.67	-	86.67	-	-	-	-
Zest WEG Group Namibia Ent. (Pty) Ltd.		1,856	(3)	-	100.00	-	100.00	-	-	-	-
Zest WEG Investment Company (Pty) Ltd.		103,240	(344)	-	64.70	-	64.70	-	-	-	-
WEG Germany GmbH		43,529	758	-	100.00	-	100.00	-	-	-	-
Watt Drive GmbH	Germany	5,241	173	-	100.00	-	100.00	-	-	-	-
Wurtembergische Elektromotoren GmbH		16,304	275	-	100.00	-	100.00	-	-	-	-
Antriebstechnik KATT Hessen GmbH		673	(1,276)	-	100.00	-	100.00	-	-	-	-
WEG Equipamientos Electricos S.A.	Argentina	73,931	1,280	10.45	89.55	10.45	89.55	660	657	7,719	8,105
Pulverlux S.A.		6,972	(339)	-	100.00	-	100.00	-	-	-	-
WEG Australia Pty Ltd.	Australia	46,157	2,297	-	100.00	-	100.00	-	-	-	-
Watt Drive Antriebstechnik GmbH		85,462	1,829	-	100.00	-	100.00	-	-	-	-
WEG International Trade GmbH	Austria	787,366	129,814	-	100.00	-	100.00	-	-	-	-
WEG Holding GmbH		2,986,201	165,699	-	100.00	-	100.00	-	-	-	-
WEG Benelux S.A.	Belgium	57,538	2,707	-	100.00	-	100.00	-	-	-	-
WEG Chile S.A.	Chile	42,173	660	8.00	92.00	8.00	92.00	141	(54)	3,374	3,150
WEG (Nantong) Electric Motor Co., Ltd.		232,399	7,385	-	100.00	-	100.00	-	-	-	-
Changzhou Sinya Electromotor Co., Ltd.		39,881	(6,462)	-	100.00	-	100.00	-	-	-	-
Changzhou Yatong Jiewei Elect., Ltd.		14,251	(90)	-	100.00	-	100.00	-	-	-	-
Wuxi Ecovi Technology Co., Ltd.	China	6,244	(300)	-	100.00	-	100.00	-	-	-	-
Jiangsu Shiya Elect. Technolog. Co., Ltd.		3,429	(1,080)	-	100.00	-	100.00	-	-	-	-
The First Drive Technology Co., Ltd.		8,116	(350)	-	100.00	-	100.00	-	-	-	-
WEG (Jiangsu) Electric Equip. Co., Ltd.		211,543	3,861	-	100.00	-	100.00	-	-	-	-
WEG Singapore Pte. Ltd.	Singapore	1,060	860	-	100.00	-	100.00	-	-	-	-
WEG Colombia S.A.S.		112,840	1,642	-	100.00	-	100.00	-	-	-	-
FTC Energy Group S.A.	Colombia	-	118	-	100.00	-	100.00	-	-	-	-
WEG Transformadores Colombia S.A.S.		-	66	-	100.00	-	100.00	-	-	-	-
WEG Middle East Fze.	Arab Emirates	(15,905)	(1,844)	-	100.00	-	100.00	-	-	-	-
WEG Iberia Industrial S.L.		60,493	2,375	-	100.00	-	100.00	-	-	-	-
Autrial S.L.	Spain	(9,189)	338	-	100.00	-	51.00	-	-	-	-

	Country	Equity	Profit or loss for the period	Equity interest (%)				Share of profit (loss) of investees		Investment book value	
				03/31/19		12/31/18		03/31/19	03/31/18	03/31/19	12/31/18
				Direct	Indirect	Direct	Indirect				
WEG Electric Corp.		621,673	11,713	-	100.00	-	100.00	-	-	-	-
Electric Machinery Company LLC		68,868	256	-	100.00	-	100.00	-	-	-	-
FTC Energy Group Inc.		1,148	43	-	100.00	-	100.00	-	-	-	-
Bluffton Motor Works, LLC	United States	298,866	(1,748)	-	100.00	-	100.00	-	-	-	-
WEG Transformers USA LLC		97,791	331	-	72.00	-	72.00	-	-	-	-
WEG Investment North America Inc.		99,778	(38)	-	100.00	-	100.00	-	-	-	-
WEG France SAS	France	34,103	22	-	100.00	-	100.00	-	-	-	-
Zest WEG Group Ghana Ltd.	Ghana	9,098	1,864	-	100.00	-	100.00	-	-	-	-
E & I Electrical Ghana Ltd.		(1,599)	(74)	-	90.00	-	90.00	-	-	-	-
WEG Industries (India) Private Ltd.	India	205,532	7,560	-	100.00	-	100.00	-	-	-	-
WEG (UK) Ltd.	England	24,458	311	-	100.00	-	100.00	-	-	-	-
WEG Italia S.R.L.	Italy	34,825	1,081	-	100.00	-	100.00	-	-	-	-
WEG Electric Motors Japan Co. Ltd.	Japan	2,936	(99)	-	95.00	-	95.00	-	-	-	-
WEG South East Asia SDN BHD	Malaysia	(1,655)	(646)	-	100.00	-	100.00	-	-	-	-
WEG México S.A. de C.V.		513,589	(5,372)	-	100.00	-	100.00	-	-	-	-
WEG Transform. México S.A. de C.V.	Mexico	74,493	568	-	72.00	-	72.00	-	-	-	-
Voltran S.A. de C.V.		90,728	(133)	-	72.00	-	72.00	-	-	-	-
WEG Equipos Eléctricos S.A. de C.V.		29,115	267	-	100.00	-	100.00	-	-	-	-
WEG Power Systems S.A. de C.V.		2,415	(153)	-	72.00	-	72.00	-	-	-	-
Zest WEG Group Mozambique, Lda.	Mozambique	21	(40)	-	100.00	-	100.00	-	-	-	-
WEG Peru S.A.	Peru	10,251	58	0.05	99.95	0.05	99.95	(1)	-	6	6
WEGEuro Ind. Eléctrica S.A.	Portugal	109,782	4,746	-	100.00	-	100.00	-	-	-	-
WEG Electric CIS	Russia	9,045	37	-	100.00	-	100.00	-	-	-	-
WEG Scandinavia AB	Swedish	12,392	1,143	-	100.00	-	100.00	-	-	-	-
ENI Electrical Tanzania (Pty) Limited	Tanzania	111	(48)	-	100.00	-	100.00	-	-	-	-
WEG Industrias Venezuela C.A.	Venezuela	(1)	-	-	100.00	-	100.00	-	-	-	-
E & I Zambia Ltd.	Zambia	(1,652)	444	-	50.00	-	50.00	-	-	-	-
<b>TOTAL</b>								<b>299,648</b>	<b>275,942</b>	<b>.663,690</b>	<b>.537,391</b>

(\*) Share of profit (loss) of investees adjusted for unrealized profits on related-party transactions.

The Company's consolidated interim financial information includes the individual interim financial information of WEG S.A. and all its subsidiaries. The subsidiaries are fully consolidated from the date on which the control is obtained.

Subsidiaries with negative equity are capitalized annually, in accordance with the legislation of each country.

## 11.2 Investment in associate

	Country	Equity	Profit (loss) for the period	Equity interest (%)				Share of profit (loss) of investees		Investment book value	
				03/31/19		12/31/18		03/31/19	03/31/18	03/31/19	12/31/18
				Direct	Indirect	Direct	Indirect				
TGM Kanis Turbinen GmbH	Germany	46,619	-	-	42.86	-	42.86	-	-	19,981	19,981

## 11.3 Acquisition

### (i) Northern Power Systems ("NPS") Energy Storage Business

On February 13, 2019, the Company announced the acquisition in the amount of R\$ 5,422 of assets related to the Energy Storage System (ESS) business of Northern Power Systems ("NPS"), a company that designs, develops and manufactures energy storage systems in Barre, Vermont, United States.

WEG became the sole owner of the assets, patent portfolio, know-how and related materials, including all drawings, designs, specifications and software used in the design and maintenance of NPS battery energy storage systems.

### (ii) Geremia Redutores Ltda.

On February 14, 2019, the subsidiary WEG-Cestari Redutores and Motorreductores S.A. signed an agreement for the acquisition of the entire capital stock of Geremia Redutores Ltda., a Brazilian manufacturer of gearboxes, geared motors, speed and flexible couplings and gearboxes components, located in Bento Gonçalves, Rio Grande do Sul. This acquisition does not include the interim financial information as at March 31, 2019 due to the pending approval of the Administrative Council for Economic Defense (CADE).

### (iii) Autrial S.L.

In March 2019, the subsidiary WEG Iberia Industrial S.L. acquired for R\$ 6,835 the remaining 49% equity interest from Autrial S.L.. The goodwill in the amount of R\$ 11,477 was measured as the surplus of the considered transferred in relation to the net assets acquired, and recognized in equity as capital transaction.

## 11.4 Corporate Events 2019

### FTC Energy Group S.A. and WEG Transformadores Colombia S.A.S.

In March 2019 the companies FTC Energy Group S.A. and WEG Transformadores Colombia S.A.S. were merged into the parent WEG Colombia S.A.S.. The purpose of this restructuring is to streamline the technical and administrative services, obtain synergy from them, and reduce the operating costs and administrative expenses.

## 12 PROPERTY, PLANT AND EQUIPMENT

	PARENT		CONSOLIDATED		
	03/31/19	12/31/18	03/31/19	12/31/18	
Land	1,440	1,440	411,055	404,019	
Constructions and facilities	5,639	5,639	1,519,618	1,469,714	
Machines and Equipment	-	-	4,158,550	4,139,915	
Furniture and fixtures	-	-	142,604	148,236	
Hardware	-	-	128,352	127,383	
Construction in progress	-	-	415,571	385,711	
Reforestation	-	-	58,076	57,899	
Others	-	-	104,358	113,962	
<b>Total property, plant and equipment</b>	<b>7,079</b>	<b>7,079</b>	<b>6,938,184</b>	<b>6,846,839</b>	
<b>Accumulated depreciation/depletion</b>	<b>Annual depreciation rate (%)</b>	<b>(2,795)</b>	<b>(2,774)</b>	<b>(3,336,981)</b>	<b>(3,304,885)</b>
Constructions and facilities	02 to 03	(2,795)	(2,774)	(457,241)	(444,132)
Machines and Equipment	05 to 20	-	-	(2,636,300)	(2,609,041)
Furniture and fixtures	07 to 10	-	-	(97,217)	(101,616)
Hardware	20 to 50	-	-	(97,867)	(100,026)
Reforestation	-	-	-	(25,958)	(25,745)
Others	-	-	-	(22,398)	(24,325)
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT, NET</b>		<b>4,284</b>	<b>4,305</b>	<b>3,601,203</b>	<b>3,541,954</b>

### a) Summary of the movement in property, plant and equipment - consolidated:

Classification of the PP&E	12/31/18	Transfer between classes	Acquisitions	Write-offs	Depreciation and depletion	Effect of exchange rate changes	03/31/19
Land	404,019	-	-	-	-	7,036	411,055
Constructions and facilities	1,025,582	23,647	1,608	(1,142)	(10,125)	22,807	1,062,377
Machines and Equipment	1,530,874	10,841	24,424	(1,597)	(54,586)	12,294	1,522,250
Furniture and fixtures	46,620	(40)	1,223	(202)	(2,523)	309	45,387
Hardware	27,357	13	5,510	(28)	(2,396)	29	30,485
Construction in progress	385,711	(34,357)	58,304	(50)	-	5,963	415,571
Reforestation	32,154	-	177	-	(213)	-	32,118
Advances to suppliers	67,920	-	(9,348)	-	-	721	59,293
Others	21,717	(104)	2,308	(288)	(1,012)	46	22,667
<b>TOTAL</b>	<b>3,541,954</b>	<b>-</b>	<b>84,206</b>	<b>(3,307)</b>	<b>(70,855)</b>	<b>49,205</b>	<b>3,601,203</b>

**b) Construction in progress** – the Company has investments in progress in property, plant and equipment items as at March 31, 2019 amounting to R\$ 415,571 (R\$ 385,711 as at December 31, 2018), and the most significant investments are in Mexico unit, which amount to R\$ 348,105 (R\$ 303,232 as at December 31, 2018).

**c) Amount offered as guarantee** – PP&E items were offered as guarantee of borrowings, financing, labor claims and tax lawsuits in the consolidated amount of R\$ 31,166 (R\$ 31,166 as at December 31, 2018).

## 13 LEASES

The Company adopted as from January 1, 2019 Technical Pronouncement CPC 06 (R2) (IFRS 16) Leases, which introduces a single model for the recording of leases for lessees in the balance sheet.

	<b>CONSOLIDATED</b>	
	<b>03/31/19</b>	<b>12/31/18</b>
Properties	174,764	-
Machinery and equipment	10,231	-
Hardware	1,368	-
Vehicles	8,952	-
<b>Total leases</b>	<b>195,315</b>	<b>-</b>
<b>Accumulated depreciation</b>	<b>(11,157)</b>	<b>-</b>
Properties	(9,794)	-
Machinery and equipment	(621)	-
Hardware	(31)	-
Vehicles	(711)	-
<b>TOTAL NET</b>	<b>184,158</b>	<b>-</b>

a) The variation in leases is as follows:

Class	12/31/18	Leases	Write-offs	Depreciation	Foreign Exchange	03/31/19
Properties	-	171,321	(416)	(9,828)	3,893	164,970
Machinery and equipment	-	10,554	(167)	(1,196)	419	9,610
Hardware	-	1,356	-	(35)	16	1,337
Vehicles	-	8,797	(157)	(485)	86	8,241
<b>TOTAL</b>	<b>-</b>	<b>192,028</b>	<b>(740)</b>	<b>(11,544)</b>	<b>4,414</b>	<b>184,158</b>

## 14 INTANGIBLE ASSETS - CONSOLIDATED

	Amortization / No, of years	Cost	Accumulated amortization	03/31/19	12/31/18
Software license	5	162,536	(118,425)	44,111	45,324
Property right	50 – 99	80,080	(20,364)	59,716	63,342
Trademarks and patents	5	37,609	(14,004)	23,605	27,063
Others	5	128,326	(56,875)	71,451	89,431
<b>Subtotal</b>		<b>408,551</b>	<b>(209,668)</b>	<b>198,883</b>	<b>225,160</b>
Goodwill on acquisition of subsidiaries	-	1,036,007	(21,353)	1,014,654	994,867
<b>TOTAL</b>		<b>1,444,558</b>	<b>(231,021)</b>	<b>1,213,537</b>	<b>1,220,027</b>

a) Summary of the movement in intangible assets:

	12/31/18	Additions	PPA TGM (b)	Write-offs	Amortization	Effect of exchange rate changes	03/31/19
Software license	45,324	1,662	-	(9)	(2,365)	(501)	44,111
Property right	63,342	-	-	-	(202)	(3,424)	59,716
Trademarks and patents	27,063	-	(401)	-	(2,337)	(720)	23,605
Others	89,431	5,927	(20,475)	-	(5,898)	2,466	71,451
<b>Subtotal</b>	<b>225,160</b>	<b>7,589</b>	<b>(20,876)</b>	<b>(9)</b>	<b>(10,802)</b>	<b>(2,179)</b>	<b>198,883</b>
Goodwill on acquisition of subsidiaries	994,867	-	14,275	-	-	5,512	1,014,654
<b>TOTAL</b>	<b>1,220,027</b>	<b>7,589</b>	<b>(6,601)</b>	<b>(9)</b>	<b>(10,802)</b>	<b>3,333</b>	<b>1,213,537</b>

**b) Purchase Price Allocation – PPA:**

In February 2019, the goodwill allocation was finalized based on the Purchase Price Allocation (PPA) report of TGM Indústria e Comércio de Turbinas e Transmisiones Ltda.. As a result of this PPA, the amount of R\$ 125,186 was initially recognized as goodwill in the line items Intangible assets (R\$ 45,768) and Property, plant and equipment (R\$ 79,418) as a function of their fair value.

**c) Breakdown of goodwill generated on acquisition of subsidiaries:**

	<b>03/31/19</b>	<b>12/31/18</b>
Electric Machinery Company LLC	190,752	189,680
Bluffton Motor Works, LLC	159,129	158,069
TGM Ind. e Com. de Turbinas e Transm. Ltda.	116,516	102,240
Zest WEG Group Africa (PTY) Ltd.	81,428	81,368
Changzhou Sinya Electromotor Co., Ltd.	75,365	73,158
Trafo Equipamentos Elétricos S.A. (Merged)	62,827	62,827
WEG Transformadores Colombia S.A.S.	52,067	50,787
WEG-Cestari Redutores e Motorreductores S.A.	48,139	48,139
Stardur Tintas Especiais Ltda. (Merged)	43,402	43,402
Watt Drive Antriebstechnik GmbH	29,703	30,130
Changzhou Machine Master Co., Ltd. (Merged)	17,514	17,001
Others	137,812	138,066
<b>TOTAL</b>	<b>1,014,654</b>	<b>994,867</b>

**d) Amortization schedule of intangible assets (except goodwill):**

	<b>03/31/19</b>
2019	29,141
2020	26,571
2021	24,378
2022	16,148
2023	12,025
From 2024 onwards	90,620
<b>TOTAL</b>	<b>198,883</b>

**15 TRADE PAYABLES**

	<b>CONSOLIDATED</b>	
	<b>03/31/19</b>	<b>12/31/18</b>
<b>Balance breakdown:</b>		
Domestic market	338,565	325,527
External market	481,837	517,430
<b>TOTAL</b>	<b>820,402</b>	<b>842,957</b>

**16 BORROWINGS AND FINANCING**

Direct borrowings from BNDES are collateralized by the parent company WEG S.A. Direct borrowings from FINEP are collateralized by sureties and bank guarantees, FINAME transactions are collateralized by sureties and chattel mortgage, The covenants related to indicators of capitalization, which are exclusive to BNDES contracts, current liquidity and net debt/EBITDA ratio have been complied with,

Type	Annual charges at 3/31/2019	CONSOLIDATED	
		03/31/19	12/31/18
<b>IN LOCAL CURRENCY</b>			
<b>CURRENT</b>		<b>176,385</b>	<b>175,475</b>
<b>In Brazilian Reais, fixed rate</b>			
Working capital	3.5% to 11.0% p.a.	117,277	121,819
Property, plant and equipment	2.5% to 8.7% p.a.	2,672	2,674
<b>In Reais, floating rate</b>			
Working capital	TJLP (+) 1.4% to 2.4% p.a.	52,975	47,543
Working capital	UFIR (+) 1.0% to 4.0% p.a.	435	431
<b>Others</b>			
Others	Sundry	3,026	3,008
<b>NONCURRENT</b>		<b>287,800</b>	<b>315,291</b>
<b>In Brazilian Reais, fixed rate</b>			
Working capital	3.5% to 11.0% p.a.	112,846	126,021
Property, plant and equipment	2.5% to 8.7% p.a.	8,283	8,947
<b>In Brazilian Reais, floating rate</b>			
Working capital	TJLP (+) 1.4% to 2.4% p.a.	160,329	173,567
Working capital	UFIR (+) 1.0% to 4.0% p.a.	1,907	1,888
<b>Others</b>			
Others	Sundry	4,435	4,868
<b>IN FOREIGN CURRENCY</b>			
<b>CURRENT</b>		<b>1,787,675</b>	<b>1,873,618</b>
<b>In US Dollar</b>			
Export prepayment (PPE)	US\$ variation (+) Libor (+) 1.0% to 1.5% p.a.	1,381,306	1,368,342
<b>In US Dollar</b>			
Working capital	Libor (+) 0.7% p.a. to 1.4% p.a.	227,908	240,369
<b>In Euros</b>			
Working capital	Euribor (+) 0.5% to 1.9% p.a.	2,103	74,169
<b>In Mexican Pesos</b>			
Working capital	TIIE (+) 1.1% to 1.5% p.a.	65,317	68,368
<b>In Rand (South Africa)</b>			
Working capital	8.8% to 10.5% p.a.	85,629	94,007
<b>Other currencies</b>			
Working capital	Domestic market rates	25,412	28,363
<b>NONCURRENT</b>		<b>1,202,560</b>	<b>1,407,730</b>
<b>In US Dollar</b>			
Export prepayment (PPE)	US\$ variation (+) Libor (+) 1.0% to 1.5% p.a.	-	91,519
<b>In US Dollar</b>			
Working capital	Libor (+) 1.4% p.a.	981,331	973,434
<b>In Euros</b>			
Working capital	Euribor (+) 1.9% p.a.	7,470	37,571
<b>In Mexican Pesos</b>			
Working capital	TIIE (+) 1.1% to 1.5% p.a.	193,884	302,086
<b>In Rand (South Africa)</b>			
Working capital	8.8% to 9.3% p.a.	19,026	2,415
<b>Other currencies</b>			
Working capital	Domestic market rates	849	705
<b>TOTAL BORROWINGS AND FINANCING</b>		<b>3,454,420</b>	<b>3,772,114</b>
TOTAL CURRENT		1,964,060	2,049,093
TOTAL NONCURRENT		1,490,360	1,723,021

Maturity of noncurrent borrowings and financing:

	03/31/19	12/31/18
2020	112.033	236.591
2021	443.781	416.441
2022	691.592	694.057
2023	34.161	28.764
From 2024 onwards	208.793	347.168
<b>TOTAL</b>	<b>1,490.360</b>	<b>1,723.021</b>

## 17 PROVISION FOR CONTINGENCIES

The Company and its subsidiaries are parties to administrative and judicial proceedings involving tax, labor and civil matters arising from the normal activities of their businesses. The corresponding provisions were recorded for proceedings the likelihood of loss of which was rated as "probable" based on the estimate of value at risk determined by the Company's legal counsel. The Company's management estimates that the provision for contingencies recognized is sufficient to cover any losses on ongoing proceedings,

### a) Balance of provision for contingencies:

	PARENT		CONSOLIDATED	
	03/31/19	12/31/18	03/31/19	12/31/18
(i) Tax:	4,730	4,730	207,663	203,493
- IRPJ and CSLL (a,1)	-	-	81,654	80,889
- INSS (a,2)	4,730	4,730	53,712	52,146
- PIS and COFINS (a,3)	-	-	61,476	60,113
- Others	-	-	10,821	10,345
(ii) Labor	-	-	270,190	260,689
(iii) Civil	-	-	72,708	81,081
(iv) Others	-	-	4,444	2,374
<b>TOTAL</b>	<b>4,730</b>	<b>4,730</b>	<b>555,005</b>	<b>547,637</b>

### b) Statement of the movement for the year - consolidated:

	12/31/18	Additions	Interest	Write-offs	Reversals	03/31/19
a) Tax	203,493	3,220	1,940	-	(990)	207,663
b) Labor	260,689	7,285	4,655	(1,678)	(761)	270,190
c) Civil	81,081	3,284	275	(11,537)	(395)	72,708
d) Others	2,374	2,070	-	-	-	4,444
<b>TOTAL</b>	<b>547,637</b>	<b>15,859</b>	<b>6,870</b>	<b>(13,215)</b>	<b>(2,146)</b>	<b>555,005</b>

### c) The provisions recognized refer mainly to:

#### (i) Tax contingencies

- (a.1) Refers to the proceeding regarding the difference of the IPC (Consumer Price Index) for January 1989 ("Plano Verão") on the 16.24% inflation adjustment and the proceeding on the deduction from the calculation basis of 2011 RD&I Project expenditures ("Lei do Bem" – Innovation Tax Incentive Law),
- (a.2) Refers to contribution due to the Social Security. The litigation refers to social security charges levied on private pension plan, profit sharing, education allowance, among others,
- (a.3) Refers to non-approval by the Brazilian Federal Revenue Office of the request for offset of the credit balance of PIS and COFINS against federal tax debts,

#### (ii) Labor contingencies

The Company and its subsidiaries are defendants in labor claims primarily involving discussions about health and risk exposure, among others,

#### (iii) Civil contingencies

Refer mainly to civil lawsuits, including pain and suffering, aesthetic damage, occupational diseases and indemnities arising from occupational accidents,

### d) Escrow deposits:

	PARENT		CONSOLIDATED	
	03/31/19	12/31/18	03/31/19	12/31/18
Tax	4,657	4,657	37,727	37,844
Labor and civil	-	-	18,470	16,398
Others	-	-	1,577	1,221
<b>TOTAL RESTRICTED DEPOSITS</b>	<b>4,657</b>	<b>4,657</b>	<b>57,774</b>	<b>55,463</b>
- Non-restricted escrow deposits	-	-	2,914	2,905
<b>TOTAL ESCROW DEPOSITS</b>	<b>4,657</b>	<b>4,657</b>	<b>60,688</b>	<b>58,368</b>

The escrow deposits not restricted to contingencies are awaiting court authorization for withdrawal.

**e) Contingencies assessed as possible losses:**

The Company and its subsidiaries are parties to other lawsuits for which the likelihood of loss is classified as “possible” and for which no provision for contingencies was recognized.

As at March 31, 2019, the estimated amount of these lawsuits amounted to R\$ 218,391 (R\$ 165,275 as at December 31, 2018).

**(i) Tax**

- Taxation on profits earned abroad in total estimated amount of R\$ 97.9 million (R\$ 43.2 million as at December 31, 2018);
- Levy of ICMS-ST on purchases of raw material in the amount of R\$ 25.4 million (R\$ 25.3 million as at December 31, 2018);
- Levy of social security contribution on dental care, education allowance, technical courses and salary premium for education in the amount of R\$ 23.0 million (R\$ 23.4 million as at December 31, 2018);
- Non-approval of IPI credits in the amount of R\$ 14.3 million (R\$ 14.2 million as at December 31, 2018); and
- Other tax contingencies in the amount of R\$ 37.7 million (R\$ 36.5 million as at December 31, 2018).

**(ii) Civil**

- São Fernando Energia Ltda. in the estimated amount of R\$ 14.9 million (R\$ 14.9 million as at December 31, 2018);
- Other civil lawsuits in the amount of R\$ 5.2 million (R\$ 7.8 million as at December 31, 2018).

**18 PRIVATE PENSION PLAN**

The Company and its subsidiaries are sponsors of WEG Seguridade Social, which has as main purpose to supplement the retirement benefits offered by the official social security system.

The Plan, administered by WEG Seguridade Social, includes monthly income benefits (retirement), annual bonus, supplemental sickness benefit, supplemental disability retirement, supplemental pension, supplemental annual bonus and death benefit.

The number of participants is 19,672 (19,343 as at March 31, 2018), The Company and its subsidiaries made contributions in the amount of R\$ 9,574 (R\$ 8,428 as at March 31, 2018).

**19 EQUITY**

**a) Issued capital**

The Company's capital is R\$ 5,504,517 (R\$ 5,504,517 as at December 31, 2018), comprising 2,098,658,999 registered book-entry common shares with no par value, all with voting rights, including the 1,313,125 shares held in treasury pursuant to item “c”.

**b) Shareholder compensation**

**b.1.) Interest on capital**

On March 19, 2019 the Company declared interest on capital in the gross amount of R\$ 97,338 (R\$ 84,637 in March 2018), net of R\$ 82,737 (R\$ 71,942 in March 2018) corresponding to R\$ 0.03945 per share, already deducting the withholding income tax of 15% pursuant to § 2, Article 9 of Law 9,249/95, except for corporate shareholders who are exempt from this tax.

Under Article 37 of the Company's Bylaws and Article 9 of Law 9,249/95, interest on capital will be attributed to the mandatory dividends and will be paid on August 14, 2019.

**c) Treasury shares**

The shares acquired by the Company are held in treasury to be used by the beneficiaries of the Company's Stock Option Plan and Long-Term Incentive Plan or subsequent cancellation or disposal.

Until March 31, 2019, the beneficiaries of the Company's Stock Option Plan exercised 181,158 shares. The Company holds in treasury 1,313,125 shares at the average cost of R\$ 10.21 per share, in the total amount of R\$ 13,411 (R\$ 15,261 as at December 31, 2018).



## 20 LONG-TERM INCENTIVE PLAN (LTIP)

The Extraordinary General Meeting (EGM) held on June 28, 2016 approved the share-based compensation plan called Long-term incentive plan (LTIP Plan) for its Management and officers.

### (i) Plan

The Plan is managed by the Board of Directors and is aimed at granting shares issued by WEG S.A. (Company), classified as "WEGE3" on B3, to its management and officers in order to attract, motivate and retain them, as well as align their interests to those of the Company and its shareholders.

For the LIP Plan application in each year, and the consequent granting of shares, an essential condition (trigger) is that the Company has obtained, in the immediately preceding year, at least 10% of Return on Invested Capital (ROIC).

The shares to be granted under LIP Plan are limited to a maximum of 2% (two percent) of the total shares representing the Company's capital.

The number of shares granted to the participants is included in clauses 7 and 8 of the LIP Plan, which establishes the criteria for the number of shares to be granted and the vesting period to be complied with.

The Plan may be discontinued, suspended or altered at any time, upon a proposal approved by the Company's Board of Directors.

### (ii) Program

The Board of Directors may approve, annually, Long-Term Incentive Programs ("Programs") in which the participants, number of shares, value of share, and other rules specific to each Program will be defined.

### Programs

The program participants are the officers of the Company and of its subsidiaries based in Brazil, excluding the officers of subsidiaries with third party participation.

The weighted average fair value was determined based on the Black-Scholes-Merton method:

The programs were updated on April 24, 2018, due to the bonus of 30% (thirty percent) on the number of shares, including the new market values in the strike price and the increase in shares for the number of shares granted. This update does not represent an impact in the calculation performed at the beginning of the Program.

Program	Shares Granted		Average calculation - Black-Scholes-Merton Method				
	Number	Share value (R\$)	Installment lifespan - in days	Expected volatility in share value (%)	Current share value at grant date (R\$)	Share value (R\$)	Expense to be recognized during the plan period (R\$ thousand)
2016	354,167	11.95	520 – 1,022	25.6	13.15	16.75	5,932
2017	297,069	19.25	525 – 1,025	29.0	18.01	24.18	7,183
2018	331,010	18.72	522 – 1,027	27.9	18.79	24.19	8,007

The expenses are recognized over the vesting period established by the LIP (Long-Term Incentive Plan),

Summary of the variation of the plan's shares:

Program	Number of shares			
	12/31/18	Granted	Exercised	03/31/19
2016	354,167	-	(92,477)	261,690
2017	297,069	-	-	297,069
2018	-	331,010	-	331,010
<b>TOTAL</b>	<b>651,236</b>	<b>331,010</b>	<b>(92,477)</b>	<b>889,769</b>

In the first quarter of 2019, expenses in the amount of R\$ 1,981 (R\$ 890 as at March 31, 2018) were recognized in line item "Other operating income (expenses)" in the income statement against capital reserve in equity.

The shares exercised in the first quarter of 2019 amounted to R\$ 2,489, with R\$ 2,398 recognized as capital reserve in equity and R\$ 91 in addition to the accrued amount recorded in line item Other operating income (expenses) in the income statement.

## 21 STOCK OPTION PLAN

The EGM held on June 28, 2016 approved the discontinuance of the Company's Stock Option Plan which had been approved at the EGM of February 22, 2011, and subsequent amendments, complying with the agreements that had already been entered into and not yet completed.

The programs were updated on April 24, 2018, due to the bonus of 30% (thirty percent) on the number of shares, increasing the number of shares granted. This update does not represent an impact in the calculation performed at the beginning of the Program.

Summary of the movement of the plan's shares:

Program	Number of shares		
	12/31/18	Exercised	03/31/19
April/13	14,266	-	14,266
September/13	7,007	-	7,007
March/14	113,299	(60,565)	52,734
August/14	28,598	(3,812)	24,786
March/15	115,106	(40,926)	74,180
August/15	149,897	(8,667)	141,230
March/16	201,080	-	201,080
<b>TOTAL</b>	<b>629,253</b>	<b>(113,970)</b>	<b>515,283</b>

The expenses on stock options are recognized over the vesting period.

In the first quarter of 2019, expenses in the amount of R\$ 102 (R\$ 222 as at March 31, 2018) were recognized in line item Other operating income (expenses) in the income statement against capital reserve in equity.

The options exercised as at March 31, 2019 amounted to R\$ 788 (R\$ 356 as at March 31, 2018), The amount of R\$ 443 (R\$ 140 as at March 31, 2018) was recognized in line item capital reserve, in equity, and the amount of R\$ 345 (R\$ 216 as at March 31, 2018) related to the complement of the accrued amount was recorded in the retained earnings account.

## 22 NET REVENUE

BREAKDOWN OF NET REVENUE	CONSOLIDATED	
	03/31/19	03/31/18
<b>Gross revenue</b>	<b>3,336,088</b>	<b>2,898,458</b>
Domestic market	1,572,452	1,409,242
External market	1,763,636	1,489,216
<b>Deductions</b>	<b>(403,709)</b>	<b>(346,982)</b>
Taxes	(347,215)	(308,635)
Returns and rebates	(56,494)	(38,347)
<b>Net revenue</b>	<b>2,932,379</b>	<b>2,551,476</b>
Domestic market	1,252,159	1,128,571
External market	1,680,220	1,422,905

## 23 CONSTRUCTION CONTRACTS

The revenues and costs from construction contracts are recognized according to the percentage of completion method, based on the costs incurred, considering the legal possibility of requiring the payment by the customer or delivery of the product to the customer (transfer of control).

	<b>CONSOLIDATED</b>	
	<b>03/31/19</b>	<b>03/31/18</b>
Gross operating revenues recognized	269,711	240,559
Costs incurred	(229,845)	(215,835)
	<b>03/31/19</b>	<b>12/31/18</b>
Advances received	2,119,717	2,057,718

## 24 OPERATING EXPENSES BY NATURE AND FUNCTION

	<b>CONSOLIDATED</b>	
	<b>03/31/19</b>	<b>03/31/18</b>
<b>EXPENSES BY NATURE</b>	<b>(2,565,149)</b>	<b>(2,245,471)</b>
Depreciation, amortization and depletion	(94,568)	(73,412)
Personnel expenses	(716,891)	(599,231)
Raw materials and consumables	(1,329,427)	(1,200,416)
Freight and insurance expenses	(78,666)	(64,598)
Other expenses	(345,597)	(307,814)
<b>EXPENSE BY FUNCTION</b>	<b>(2,565,149)</b>	<b>(2,245,471)</b>
Cost of sales and services	(2,074,772)	(1,827,877)
Selling expenses	(290,761)	(242,599)
General and administrative expenses	(131,832)	(123,404)
Management fees	(6,672)	(6,046)
Other operating income (expenses)	(61,112)	(45,545)

## 25 OTHER OPERATING INCOME (EXPENSES)

The amounts recorded refer to profit sharing, reversal of/provision for tax lawsuits and others, as shown below:

	<b>CONSOLIDATED</b>	
	<b>03/31/19</b>	<b>03/31/18</b>
<b>OTHER OPERATING INCOME</b>	<b>4.265</b>	<b>3.371</b>
<b>OTHER OPERATING EXPENSES</b>	<b>(65.377)</b>	<b>(48.916)</b>
Profit sharing – employees	(42.182)	(37.160)
Profit sharing – foreign subsidiaries	(8.815)	(5.981)
Profit sharing – management	(5.249)	(3.762)
Others	(9.131)	(2.013)
<b>TOTAL, NET</b>	<b>(61.112)</b>	<b>(45.545)</b>

## 26 FINANCE INCOME (COSTS), NET

	PARENT		CONSOLIDATED	
	03/31/19	03/31/18	03/31/19	03/31/18
<b>FINANCE INCOME</b>	<b>8,870</b>	<b>11,967</b>	<b>129,369</b>	<b>238,391</b>
Income from short-term investments	17,855	19,626	55,977	93,793
Exchange rate changes	-	-	74,705	102,566
Exchange rate changes - Trade payables	-	-	11,125	10,388
Exchange rate changes - Trade receivables	-	-	34,961	11,815
Exchange rate changes – Borrowings	-	-	14,080	38,655
Exchange rate changes – Others	-	-	14,539	41,708
PIS/COFINS on interest on capital	(8,410)	(6,949)	(8,410)	(6,949)
PIS/COFINS on finance income	(842)	(917)	(3,245)	(5,693)
Derivatives	-	-	154	17,178
PROEX - Equaliz, Interest rate	-	-	4,451	3,732
Other income	267	207	5,737	33,764
<b>FINANCE EXPENSES</b>	<b>(154)</b>	<b>(85)</b>	<b>(165,505)</b>	<b>(210,456)</b>
Interest on borrowings and financing	-	-	(41,258)	(57,039)
Exchange rate changes	-	-	(81,764)	(111,065)
Exchange rate changes - Trade payables	-	-	(10,547)	(6,852)
Exchange rate changes - Trade receivables	-	-	(21,669)	(20,042)
Exchange rate changes – Borrowings	-	-	(26,875)	(47,005)
Exchange rate changes – Others	-	-	(22,673)	(37,166)
Derivatives	-	-	(23,057)	(27,295)
Other expenses	(154)	(85)	(19,426)	(15,057)
<b>FINANCE INCOME (EXPENSES), NET</b>	<b>8,716</b>	<b>11,882</b>	<b>(36,136)</b>	<b>27,935</b>

## 27 PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION

The Company and its subsidiaries in Brazil calculate income tax and social contribution based on taxable income, except for WEG Administradora de Bens Ltda. and Agro Trafo Miner. Agric., Pec, e Administradora de Bens S.A., which adopt the calculation based on the deemed income. The provision for income tax was recognized at a 15% rate, plus a 10% surtax, and the social contribution at a 9% rate. The taxes of foreign subsidiaries are recognized according to the legislation of each country,

	PARENT		CONSOLIDATED	
	03/31/19	03/31/18	03/31/19	03/31/18
<b>Reconciliation of income tax and social contribution:</b>				
Profit before taxes on income	306,594	284,936	331,094	334,233
<b>Statutory rate</b>	<b>34%</b>	<b>34%</b>	<b>34%</b>	<b>34%</b>
IRPJ and CSLL calculated at statutory rate	(104,242)	(96,878)	(112,572)	(113,639)
<b>Adjustments for calculation of income tax and social contribution at effective rate:</b>				
Income from investments in subsidiaries	101,880	93,820	776	330
Difference in rates on income abroad	-	-	40,746	25,867
Tax incentives	-	-	13,218	16,000
Reintegra (Special Regime for Refund of Taxes paid by Export Companies)	-	-	208	2,940
Interest on capital	2,182	3,233	33,096	28,777
Consolidation adjustment - Unrealized profit	-	-	2,142	(4,750)
Provision for income tax and social contribution (Lei do Bem - Innovation Tax Incentive Law)	-	-	(1,039)	(687)
Other adjustments	435	(107)	538	(927)
<b>IRPJ and CSLL in the income statement</b>	<b>255</b>	<b>68</b>	<b>(22,887)</b>	<b>(46,089)</b>
Current tax	(44)	(119)	(29,425)	(28,014)
Deferred tax	299	187	6,538	(18,075)
<b>Effective rate - %</b>	<b>-0.08%</b>	<b>-0.02%</b>	<b>6.91%</b>	<b>13.79%</b>

## 28 INSURANCE COVERAGE

The Company and its subsidiaries have a Worldwide Insurance Program - WIP, in which the following world policies established stand out: Transport (Export, Import and Domestic), Civil Liability for Products, Civil Liability of Directors and Officers (D&O), Property/Operational Risks, Environment Pollution, Performance Bond and Engineering Risk (Construction, Installation, Assembly and Commissioning).

The insurance policies are taken only with first-tier multinational insurance companies. Below we highlight the Indemnity Limits (LMI) of the policies comprising the WIP:

<b>Insurance policy</b>	<b>Maximum Insured Amount (MIA)</b>	<b>Maturity</b>
Operational risks (Equity)	US\$ 36 million	3/31/2020
Loss of Profits	US\$ 10.3 million (for Paint companies and newly acquired companies for the first 12 months with an indemnity period of 6 months)	3/31/2020
General Civil liability	US\$ 10 million	9/12/2020
Civil Liability for Products	US\$ 40 million	9/12/2020
Domestic Transport	R\$ 12 million per shipment/accumulation/trip	11/1/2019
International Transport - Export/Import	US\$ 5 million per shipment/accumulation/trip	11/1/2019
Environmental Pollution	US\$ 20 million	9/12/2020
Contractual Performance Bond	As stipulated in the contract	As per the agreement / delivery
Engineering, Installation and Assembly Risk	According to the value at risk of the contracts, limited to R\$ 200 million in Brazil, US\$ 30 million in Latin America (except Cuba) and US\$ 5 million in the USA;	As per the construction schedule / supply
Civil Liability of Directors & Officers (D&O)	US\$ 30 million	3/12/2020

## 29 FINANCIAL INSTRUMENTS

The Company and its subsidiaries performed the valuation of its financial instruments, including derivatives recorded in the interim financial statements, presenting the following values:

	<b>CARRYING AMOUNT</b>	
	<b>03/31/19</b>	<b>12/31/18</b>
<b>Cash and cash equivalents</b>	<b>1,967,509</b>	<b>2,205,700</b>
<b>Cash and banks</b>	<b>416,857</b>	<b>286,783</b>
<b>Short-term investments:</b>	<b>1,550,652</b>	<b>1,918,917</b>
- In local currency	1,371,530	1,870,749
- In foreign currency	179,122	48,168
<b>Short-term investments</b>	<b>1,491,683</b>	<b>1,886,970</b>
<b>Derivatives</b>	<b>376,177</b>	<b>390,696</b>
- <i>Non-Deliverable Forwards – NDF</i>	7,059	9,192
- <i>Hedge accounting</i>	369,118	381,504
<b>Total – Assets</b>	<b>3,835,369</b>	<b>4,483,366</b>
<b>Borrowings and financing</b>	<b>3,454,420</b>	<b>3,772,114</b>
- In local currency	464,185	490,766
- In foreign currency	2,990,235	3,281,348
<b>Derivatives</b>	<b>30,484</b>	<b>20,194</b>
- <i>Non-Deliverable Forwards – NDF</i>	22,718	9,201
- <i>SWAP</i>	7,766	8,124
- <i>Hedge accounting</i>	-	2,869
<b>Total – Liabilities</b>	<b>3,484,904</b>	<b>3,792,308</b>

## 29.1 Risk factors

The risk factors of the financial instruments are basically related to:

### a) Credit risks

Arises from the possibility of the Company's subsidiaries not receiving amounts from sales or credits held with financial institutions generated by financial investments, To mitigate the risk of the sales transactions, the Company's subsidiaries adopt a policy of analyzing the financial position of their customers, establishing a credit limit and performing an ongoing monitoring of their debt balance, As regards the financial investments, the Company and its subsidiaries invest with institutions with low credit risk.

### b) Foreign currency risks

The Company and its subsidiaries conduct import and export transactions in various currencies; they manage and monitor the exchange exposure seeking to balance their financial assets and liabilities within the limits established by Management.

The limit of exchange exposure sold (net) may be equivalent to up to two months of exports in foreign currencies as established by the Company's Board of Directors.

As at March 31, 2019, the Company and its subsidiaries made exports in the amount of US\$ 166.8 million (US\$ 176.8 million as at March 31, 2018), representing a natural hedge for part of the indebtedness and other costs associated to other currencies, mainly the US dollar.

### c) Debt charge risks

These risks arise from the possibility that the subsidiaries may incur losses due to fluctuations in interest rates or other debt indexes, which would increase the finance costs related to borrowings and financing raised in the market, or decrease the finance income related to short-term investments of subsidiaries, The Company and its subsidiaries perform an ongoing monitoring of the market interest rates aiming at assessing the need for hedging against the risk of volatility of these rates.

## 29.2, Derivative financial instruments

The Company and its subsidiaries have the following derivative transactions:

### a) Non-Deliverable Forwards - NDF, in the notional amount of:

- (i) US\$ 86 million, held by its subsidiary WEG Holding GmbH, with the purpose of hedging its intercompany financing transactions against the risks of fluctuations in exchange rates;
- (ii) US\$ 127 million, held by its subsidiary WEG Equipamentos Elétricos S.A., with the purpose of partially hedging its exports against the risks of fluctuations in exchange rates;
- (iii) US\$ 5.7 million, held by its subsidiary Zest WEG Group Africa (Pty) Ltd, aiming at hedging its product imports against the risks of fluctuations in exchange rates;
- (iv) EUR 80.5 million, held by its subsidiary WEG Equipamentos Elétricos S.A., with the purpose of partially hedging its exports against the risks of fluctuations in exchange rates;
- (v) EUR 9.3 million, held by its subsidiary WEG Colombia S.A.S., with the purpose of hedging its financing transactions against the risk of appreciation in the Euro rate,

### b) Swap transactions, in the notional amount of:

EUR 10 million, held by its subsidiary Watt Drive Antriebstechnik GmbH, with the purpose of hedging its financing against the risks of fluctuation of the Euribor;

The management of the Company and its subsidiaries maintain an ongoing monitoring of the derivative financial instruments contracted, through their internal controls.

The sensitivity analysis table (item 29,3) should be read jointly with the other financial assets and liabilities expressed in foreign currency as at March 31, 2019 since the estimated effects of the exchange rates on NDFs and SWAPs will be offset, if materialized, in whole or in part, against the devaluation of all assets and liabilities.

Management defined that, for the probable scenario (market value), the exchange rates used to mark to market the financial instruments, valid at March 31, 2019, should be considered. These rates represent the best estimate of the future behavior of their prices and represent the amount by which the positions could be settled on their maturity.

The Company and its subsidiaries made the recording based on their market price at March 31, 2019 at fair value and on the accrual basis, These transactions had a net negative impact of R\$ 22,903 (negative R\$ 10,117 as at March 31, 2018) which were recognized as finance income (cost), The Company and its subsidiaries have no margins given in guarantee for the derivative financial instruments outstanding at March 31, 2019.

**c) Financial Derivatives instruments designated for hedge accounting:**

The Company made the formal designation of its transactions subject to hedge accounting for hedging derivative instruments related to purchase of inputs and expenses denominated in foreign currency, documenting:

- Date of designation and identification of the hedging relationship;
- Description of the purpose of hedging and risk management strategy;
- Statement of compliance with respect to hedge and risk management;
- Description and identification of the derivative instrument and the hedged item;
- Description of the hedged risks and excluded risks;
- Description of the method to evaluate the hedge effectiveness;
- Frequency of prospective and retrospective effectiveness assessment;
- Description of the hedge accounting policy.

(i) Non-Deliverable Forwards - NDF The Company and its subsidiaries have hedge accounting transactions in order to hedge imports of inputs against the risks of fluctuations in exchange rates, in the notional amount of US\$ 16.8 million and EUR 4.3 million as at March 31,2019, held by its subsidiary WEG Equipamentos Elétricos S.A.

(ii) SWAP The Company and its subsidiaries have hedge accounting transactions as at March 31, 2019, in order to hedge the financing of Export Prepayment (PPE) in the notional amount of US\$ 598.3 million, held by its subsidiary WEG Equipamentos Elétricos S.A.

The Company and its subsidiaries made the recording based on their fair value as at March 31,2019 on the accrual basis, The accumulated value, net of taxes, recognized in equity is R\$ 9,828 negative (R\$ 18,657 negative at December 31, 2018).

**29.3, Sensitivity analysis**

The tables below present in reads the effects of "cash and expense" relating to the results of the financial instruments in each of the scenarios.

**a) Financing:**

Transaction	Risk	Currency	Notional value (in thousands)	Market value at 3/31/2019		Possible scenario 25%		Remote scenario 50%	
				Average price	In R\$ thousand	Average price	In R\$ thousand	Average price	In R\$ thousand
Financing	Increase in TJLP (*)	R\$	213.304	Rate 7.03% p.a.	(14,995)	Rate 8.79% p.a.	(18,749)	Rate 10.55% p.a.	(22,504)
	<b>TOTAL</b>				<b>(14,995)</b>				

(\*) Sensitivity analysis of the variations in financing: The Company's risk in the event of increase in interest rate, considering static the position of financing based on TJLP at March 31, 2019.

**b) Non-Deliverable Forwards - NDF transactions:**

Transaction	Risk	Currency	Notional value (In thousands)	Market value at 3/31/2019		Possible scenario 25%		Remote scenario 50%	
				Average price	In R\$ thousand	Average price	In R\$ thousand	Average price	In R\$ thousand
Non Deliverable Forwards - NDF	Increase in Dollar	US\$/R\$	127,043	3.9405	(10,614)	4.9256	(135,767)	5.9108	(260,920)
	Decrease in Dollar	US\$/ZAR	5,6730	13.6452	366	10.2339	(5,368)	6.8226	(10,594)
	Decrease in Dollar	US\$/EUR	86,000	1.1251	(4,721)	0.8438	(103,444)	0.5625	(301,927)
	Decrease in Interest	US\$/AUD	640	1.41	(6)	1.0500	(616)	0.7000	(1,238)
	<b>Total Dollar</b>		<b>219,356</b>		<b>(14,975)</b>				
	Decrease in Euro	EUR/ZAR	105	16.3996	1	12.2997	(116)	8.1998	(233)
	Increase in Euro	EUR/R\$	80,500	4.4446	(1,346)	5.5557	(90,795)	6.6669	(180,242)
	Decrease in Euro	EUR/COP	7,131	3,604.1467	(65)	2,703.1100	(7,904)	1,802.0733	(15,742)
	Decrease in Euro	EUR/COP	550	3,491.6100	28	2,618.7100	(558)	1,745.8000	(1,143)
	Decrease in Euro	EUR/COP	1,570	3,626.8600	(1)	2,720.1500	(1,738)	1,813.4300	(3,475)
	<b>Total Euro</b>		<b>89,856</b>		<b>(1,383)</b>				
	Increase in Australian Dollar	AUD/ZAR	58	0.0957	(2)	0.1197	(31)	0.1436	(53)
	<b>Total Australian Dollar</b>		<b>58</b>		<b>(2)</b>				
	Decrease in Pound	GBP/ZAR	78	17.3386	17	13.0039	(108)	8.6693	(200)
	<b>Total Pound</b>		<b>78</b>		<b>17</b>		<b>(108)</b>		
	Decrease in Singapore Dollar	SGD/EUR	2,348	1.5574	(82)	1.1680	(2,030)	0.7787	(5,944)
	<b>Total Singapore Dollar</b>		<b>2,348</b>		<b>(82)</b>				
<b>TOTAL</b>									

**c) SWAP transactions:**

Operation	Risk	Currency	National Value (in thousands)	Market Value in 3/31/2019		Possible scenario 25%		Remote scenario 50%	
				Average price	In R\$ Thousands	Average price	In R\$ Thousands	Average price	In R\$ Thousands
SWAP	Decrease of Euribor	EUR	10,000	Interest - 0.33% p.a.	(7,766)	Interest - 0.41% p.a.	(7,899)	Interest - 0.49% p.a.	(8,032)
	<b>TOTAL</b>				<b>(7,766)</b>				

**d) Hedge accounting transactions:**

Transaction	Risk	Currency	Notional value (in thousands)	Market value at 3/31/2019		Possible scenario 25%		Remote scenario 50%	
				Average price	In R\$ thousand	Average price	In R\$ thousand	Average price	In R\$ thousand
NDF	Decrease in Dollar	US\$/R\$	16,835	3.9189	931	2.9392	(15,563)	1.9595	(32,057)
	Decrease in Euro	EUR/R\$	4,267	4.4923	(165)	3.3692	(4,957)	2.2461	(9,750)
	<b>TOTAL</b>				<b>766</b>				

**30 GOVERNMENT SUBSIDIES AND GRANTS**

The Company and its subsidiaries obtained subsidies in the amount of R\$ 29,890 (R\$ 24,888 as at March 31, 2018) arising from tax incentives, recognized in profit or loss for the period:



	<b>CONSOLIDATED</b>	
	<b>03/31/19</b>	<b>03/31/18</b>
<b>Total government subsidies and grants</b>	<b>29,890</b>	<b>24,888</b>
<b>a) WEG Linhares Equipamentos Elétricos S.A.</b>	<b>11,689</b>	<b>9,368</b>
- ICMS (state VAT) incentive credit of 85,0%	9,171	6,633
- 75,0% reduction of IRPJ	2,512	2,729
- Municipal investment	6	6
<b>b) WEG Drives &amp; Controls – Automata Ltda.</b>	<b>13,302</b>	<b>10,890</b>
- ICMS incentive credit	13,302	10,890
<b>c) WEG Logística Ltda.</b>	<b>4,488</b>	<b>3,060</b>
- ICMS incentive credit	4,488	3,060
<b>d) WEG Amazônia S.A.</b>	<b>411</b>	<b>628</b>
- ICMS (state VAT) incentive credit of 90.25%	110	114
- 75,0% reduction of IRPJ	301	514
<b>e) WEG Equipamentos Elétricos S.A.</b>	<b>-</b>	<b>942</b>
- Municipal investment	-	942

There are no contingencies related to the subsidies, and all the conditions for obtaining government subsidies have been met.

## 31 SEGMENT INFORMATION

	<b>Brazil</b>				<b>Abroad</b>		<b>Eliminations and Adjustments</b>		<b>Consolidated</b>	
	<b>Industry</b>		<b>Energy</b>		<b>03/31/19</b>	<b>12/31/18</b>	<b>03/31/19</b>	<b>03/31/18</b>	<b>03/31/19</b>	<b>12/31/18</b>
	<b>03/31/19</b>	<b>03/31/18</b>	<b>03/31/19</b>	<b>03/31/18</b>						
Revenue from sale of products and/or services	1,486,149	1,283,227	494,840	511,614	1,767,684	1,470,755	(816,294)	(714,120)	2,932,379	2,551,476
Profit (loss) before taxes on income	511,046	434,686	127,051	203,675	184,448	128,822	(491,451)	(432,950)	331,094	334,233
Depreciation/amortization/Depletion	36,563	33,627	18,904	12,799	41,119	26,986	(2,018)	-	94,568	73,412
	<b>03/31/19</b>	<b>12/31/18</b>	<b>03/31/19</b>	<b>12/31/18</b>	<b>03/31/19</b>	<b>12/31/18</b>	<b>03/31/19</b>	<b>12/31/18</b>	<b>03/31/19</b>	<b>12/31/18</b>
Identifiable assets	4,065,084	3,518,281	1,737,258	1,785,329	6,614,967	6,367,858	(1,286,731)	(979,382)	11,130,578	10,695,086
Identifiable liabilities	997,093	970,906	873,615	953,258	1,961,013	1,495,515	(780,191)	(465,010)	3,051,530	2,654,669

**Industry:** single and three phase low/medium voltage motors, gearboxes and geared motors, drives and controls, industrial automation equipment and services, power sockets and switches, electric traction solutions for heavy vehicles, SUV vehicles, locomotives, and sea transportation electric propelling, paint & varnish.

**Energy:** electric generators for thermal and hydraulic power plants (biomass), hydraulic and steam turbines, transformers, substations, wind power generators, solar panels, control panels, integration services of renewable and distributed energy systems and solutions,

**Foreign:** comprised of operations carried out by subsidiaries located in various countries,

The column of eliminations and adjustments includes the eliminations applicable to the Company in the context of the Consolidated Interim Financial Information, All operating assets and liabilities are presented as identifiable assets and liabilities, The segment information is presented consistently with the reports used by Management to assess the performance of each segment of the Company,

## 32 EARNINGS PER SHARE

### a) Basic

Basic earnings per share are calculated by dividing the profit for the year attributable to the holders of the Company's common shares by the weighted average number of common shares available during the year,

	<b>03/31/19</b>	<b>03/31/18</b>
Profit attributable to the Company's shareholders	306,849	285,004
Weighted average number of potential diluting common shares (adjusted with bonuses) held by shareholders (shares/thousand)	2,097,279	2,097,386
Basic earnings per share - R\$	<u>0.14631</u>	<u>0.13589</u>

### b) Diluted

Diluted earnings per share are calculated by dividing the profit attributable to the holders of the Company's common shares by the weighted average number of common shares available during the year plus the weighted average number of common shares that would be issued upon the conversion of potential diluted common shares,

	<b>03/31/19</b>	<b>03/31/18</b>
Profit attributable to the Company's shareholders	306,849	285,004
Weighted average number of potential diluting common shares (adjusted with bonuses) held by shareholders (shares/thousand)	2,098,776	2,098,503
Diluted earnings per share - R\$	<u>0.14620</u>	<u>0.13581</u>

**Board of Directors**

Décio da Silva - Chairman  
Nildemar Secches - Vice Chairman  
Dan Ioschpe  
Martin Werninghaus  
Miguel Normando Abdalla Saad  
Sérgio Luiz Silva Schwartz  
Umberto Gobbato

**Board of Executive Officers**

Harry Schmelzer Junior - Chief Executive Officer  
André Luis Rodrigues - Chief Administrative and Financial Officer  
Carlos Diether Prinz – Chief Transmission and Distribution Division Officer  
Daniel Marteleto Godinho – Chief Corporate Strategies Officer  
Eduardo de Nóbrega - Chief Energy Division Officer  
Hilton José da Veiga Faria - Chief Human Resources and Institutional Relations Officer  
Luis Alberto Tiefensee – Chief Motors Division Officer  
Luis Gustavo Lopes Iensen – Chief International Division Officer  
Manfred Peter Johann - Chief Automation Division Officer  
Paulo Geraldo Polezi – Chief Financial and Investor Relations Officer  
Reinaldo Richter – Chief Paints Division Officer  
Siegfried Kreutzfeld – Chief China Division Officer  
Wilson José Watzko - Chief Controlling Officer

**Accountant**

Homero Fabiano Michelli  
CRC/SC 025355/O-2

**Supervisory Board****Sitting members**

Alidor Lueders  
Adelino Dias Pinho  
Vanderlei Dominguez da Rosa

**Deputy members**

Ilário Bruch  
José Luiz Ribeiro de Carvalho  
Paulo Roberto Francesch

## **Qualified Report on Review of Quarterly Information**

(Convenience Translation into English from the Original Previously Issued in Portuguese)

### **REPORT ON REVIEW OF QUARTERLY INFORMATION**

To the Shareholders and Management of  
WEG S.A.  
Jaraguá do Sul - SC

#### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of WEG S.A. (the "Company"), identified as Parent and Consolidated, respectively, included in the Quarterly Information Form (ITR), for the quarter ended March 31, 2019, which comprises the balance sheet as at March 31, 2019, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the three-month period then ended, including the explanatory notes.

The Company's Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34– Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

#### **Scope of review**

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410– Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion on the interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of the Quarterly Information (ITR), and presented in accordance with the standards issued by the CVM.

#### **Other matters**

##### *Statements of value added*

We have also reviewed the individual and consolidated interim statements of value added ("DVA") for the three-month period ended March 31, 2019, prepared under the responsibility of the Company's Management, the presentation of which in the interim information is required by standards issued by the CVM applicable to the preparation of the Quarterly Information (ITR) and considered supplemental information by International Financial Reporting Standards - IFRS, issued by the IASB, which does not require the presentation of a DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

The accompanying interim financial information has been translated into English for the convenience of readers outside Brazil.

Joinville, April 15, 2019

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes

Otávio Ramos Pereira  
Engagement Partner

## **Opinions and Statements / Officers' Statement on the Quarterly Information**

By this instrument, the Chief Executive Officer and the other Officers of WEG S.A., a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, registered with the CNPJ (Corporate Taxpayer Register) under No. 84.429.695/0001-11, for purposes of the provisions in item II of §1 of Article 29 of CVM Ruling No. 480, of December 7, 2009, state that they have reviewed and discussed and agree with the quarterly information of WEG S.A. and Consolidated as at March 31, 2019.

Jaraguá do Sul (SC), April 15, 2019

Harry Schmelzer Junior - Chief Executive Officer

André Luis Rodrigues - Chief Administrative and Financial Officer

Carlos Diether Prinz – Chief Transmission and Distribution Division Officer

Eduardo de Nóbrega - Chief Energy Division Officer

Hilton José da Veiga Faria - Chief Human Resources and Institutional Relations Officer

Luis Alberto Tiefensee - Chief Motors Division Officer

Luis Gustavo Lopes Iensen – Chief International Division Officer

Manfred Peter Johann - Chief Automation Division Officer

Paulo Geraldo Polezi – Chief Financial and Investor Relations Officer

Reinaldo Richter - Chief Paints Division Officer

Siegfried Kreutzfeld – Chief China Division Officer

Wilson José Watzko - Chief Controlling Officer

## **Opinions and Statements / Officers' Statement on the Independent Auditor's Report**

By this instrument, the Chief Executive Officer and the other Officers of WEG S.A., a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, registered with the CNPJ (Corporate Taxpayer Register) under No. 84.429.695/0001-11, for purposes of the provisions in item II of §1 of Article 29 of CVM Ruling No. 480, of December 7, 2009, state that they have reviewed and discussed and agree with the opinions expressed in the independent auditor's report of Deloitte Touche Tohmatsu Auditores Independentes, dated April 15, 2019, in respect of the quarterly information of WEG S.A. and Consolidated as at March 31, 2019.

Jaraguá do Sul (SC), April 15, 2019

Harry Schmelzer Junior - Chief Executive Officer

André Luis Rodrigues - Chief Administrative and Financial Officer

Carlos Diether Prinz – Chief Transmission and Distribution Division Officer

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