

TUPY - Global market leader in castings

A free translation of the original in Portuguese



2Q16 Highlights

Strong cash flow generation despite the challenging environment and extraordinary effects

Conference Call

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- **Operating Cash Flow:** R\$104.2 million – an increase of 26.1% compared to 2Q15. Operating cash flow reached R\$171.2 million in the first six months of the year (1H16), 40.6% higher than in 1H15.
- **Sales volume:** 129.6 thousand tons – 9.0% lower than 2Q15. In 1H16, sales totaled 249.2 thousand tons– a 7.9% decrease compared to 1H15.
- **Revenues:** R\$850.7 million – a 6.6% decrease compared to 2Q15. Revenues in 1H16 reached R\$1,710.6 million, up 0.7% vs. 1H15.
- **Adjusted EBITDA:** R\$97.4 million, equivalent to 11.4% of revenues in 2Q16. Adjusted EBITDA in 1H16 reached R\$230.5 million, representing 13.5% of revenues in the period.
- **Net result:** loss of R\$28.8 million, representing -3.4% of revenues. This result was caused mainly by non-cash items, such as deferred income tax from operations in Mexico arising from the devaluation of the Mexican peso against the US dollar (impact of R\$14.9 million) and write-downs/result from the sale of assets (R\$11.6 million). The accumulated loss in 1H16 amounts to R\$11.5 million – 0.7% of revenues in the period.

MAIN INDICATORS

Consolidated (R\$ thousand)

SUMMARY	2Q16	2Q15	Var. [%]	1H16	1H15	Var. [%]
Revenues	850,684	911,082	-6.6%	1,710,524	1,699,159	0.7%
Cost of goods sold	(738,791)	(713,448)	3.6%	(1,453,013)	(1,353,271)	7.4%
Gross profit	111,893	197,634	-43.4%	257,511	345,888	-25.6%
% on revenues	13.2%	21.7%		15.1%	20.4%	
Operating expenses	(68,697)	(62,844)	9.3%	(137,082)	(119,524)	14.7%
Other net operating expenses	(35,230)	(16,928)	108.1%	(62,029)	(35,241)	76.0%
Income before financial result	7,966	117,862	-93.2%	58,400	191,123	-69.4%
% on revenues	0.9%	12.9%		3.4%	11.2%	
Net financial result	(16,080)	(6,948)	131.4%	(34,707)	21,047	
Net income before income taxes	(8,114)	110,914		23,693	212,170	-88.8%
% on revenues	-1.0%	12.2%		1.4%	12.5%	
Income tax and social contribution	(20,668)	(49,502)	-58.2%	(35,165)	(90,171)	-61.0%
Net income	(28,782)	61,412		(11,472)	121,999	
% on revenues	-3.4%	6.7%		-0.7%	7.2%	
EBITDA (according to CVM 527/12 inst.)	80,745	184,988	-56.4%	208,132	320,399	-35.0%
% on revenues	9.5%	20.3%		12.2%	18.9%	
Adjusted EBITDA	97,389	184,041	-47.1%	230,544	320,866	-28.1%
% on revenues	11.4%	20.2%		13.5%	18.9%	
Cash flow from operating activities	104,185	82,592	26.1%	171,193	121,800	40.6%
Investments	37,540	43,234	-13.4%	66,221	84,570	-21.7%
Average exchange rate (R\$/US\$)	3.419	3.091	10.6%	3.640	3.003	21.2%
Average exchange rate (R\$/EUR)	3.831	3.431	11.6%	4.042	3.329	21.4%

SALES VOLUME

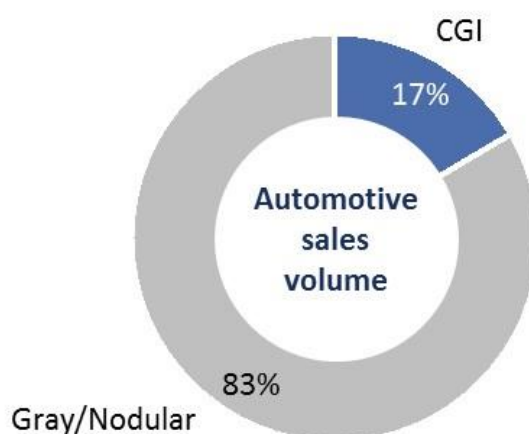
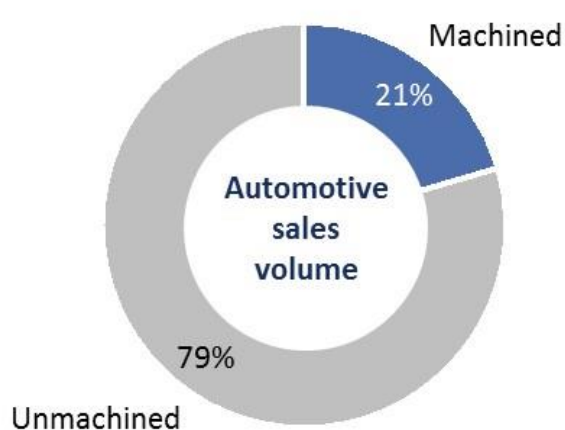
Consolidated (ton)						
	2Q16	2Q15	Var. [%]	1H16	1H15	Var. [%]
Domestic market	24,262	33,207	-26.9%	49,974	67,320	-25.8%
Automotive	20,140	27,342	-26.3%	41,032	56,576	-27.5%
Hydraulics	4,122	5,865	-29.7%	8,942	10,744	-16.8%
Foreign market	105,339	109,240	-3.6%	199,201	203,337	-2.0%
Automotive	101,490	104,429	-2.8%	192,781	195,198	-1.2%
Hydraulics	3,849	4,811	-20.0%	6,420	8,139	-21.1%
Total sales volume	129,601	142,447	-9.0%	249,175	270,657	-7.9%

During 2Q16, the sales volume fell by 9.0% compared to 2Q15, affected by:

- Decrease of automotive sales in the domestic market;
- Deterioration of the global market for off-road vehicles;
- Inventory adjustment by client in the medium and heavy commercial vehicle segment in the foreign market; and,
- Hydraulic products sales downturn in all markets.

Those impacts were partially offset by positive sales performance of passenger cars and light commercial vehicles segments in the foreign market due to the performance of these segments in the North American market, as well as the phase-in of new projects.

The automotive product portfolio was comprised by 21% partly/fully machined products (vs. 18% in 2Q15). The sales distribution by alloy points to 17% of volume in CGI (Compacted Graphite Iron) (vs. 14% in 2Q15).



REVENUES

Revenues presented a 6.6% decrease in comparison with 2Q15.

In the domestic market, the 23.3% drop is due to weak market performance, the phase-out of projects (in line with the Company's expectations) and higher payroll taxes (-R\$3.6 million), due to the increase to 2.5% from 1.0% of tax on revenues.

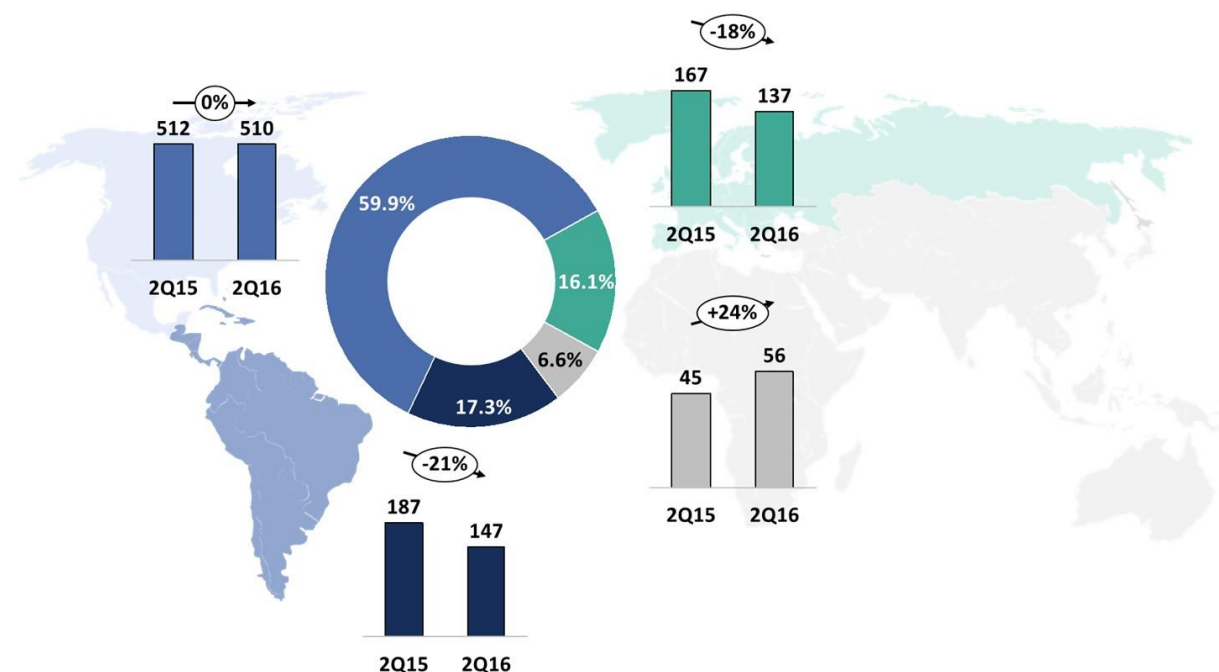
In the foreign market, the main effects were:

- Drop of 3.6% in sales volume;
- 10.6% depreciation in the average foreign exchange rate ('FX') Real vs. US Dollar in 2Q16 (3.419 R\$/US\$) compared to 2Q15 (3.092 R\$/US\$);
- Impact of appreciation of raw material (mineral commodities) and Brazilian Real on costs incurred in the period, with delayed pass-through to prices established in contracts, with negative impact of R\$25.9 million in the quarter.

Consolidated (R\$ thousand)						
	2Q16	2Q15	Var. [%]	1H16	1H15	Var. [%]
Revenues by market	850,684	911,082	-6.6%	1,710,524	1,699,159	0.7%
Domestic market	137,410	179,215	-23.3%	279,046	357,025	-21.8%
% Share	16.2%	19.7%		16.3%	21.0%	
Foreign market	713,274	731,867	-2.5%	1,431,478	1,342,134	6.7%
% Share	83.8%	80.3%		83.7%	79.0%	
Revenues by segment	850,684	911,082	-6.6%	1,710,524	1,699,159	0.7%
Automotive	796,982	845,581	-5.7%	1,611,072	1,585,217	1.6%
% Share	93.7%	92.8%		94.2%	93.3%	
Hydraulics	53,702	65,501	-18.0%	99,452	113,942	-12.7%
% Share	6.3%	7.2%		5.8%	6.7%	

Revenues by market and performance in the period

During 2Q16, North America represented 59.9% of Tupy's revenues. In turn, South and Central America represented 17.3%, Europe accounted for 16.1% and the remaining 6.7% came from Asia, Africa and Oceania.

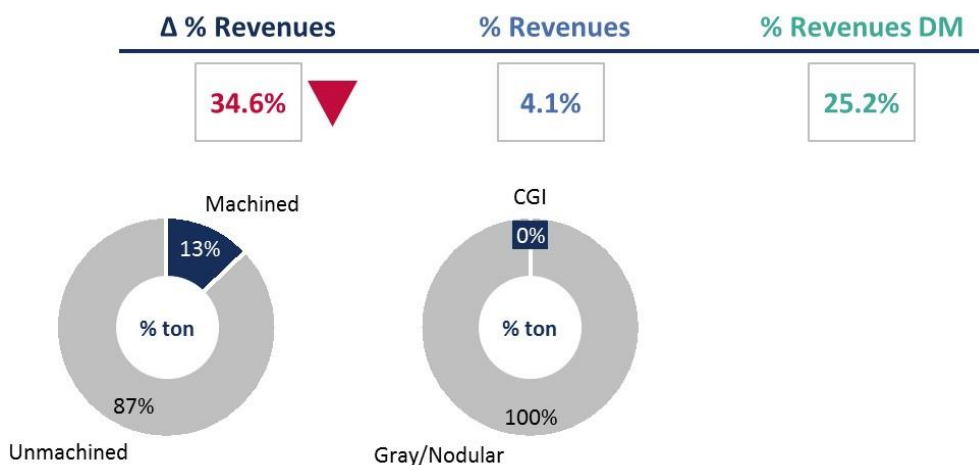


Consolidated (R\$ thousand)						
	2Q16	2Q15	Var. [%]	1H16	1H15	Var. [%]
Revenues	850,684	911,082	-6.6%	1,710,524	1,699,159	0.7%
Domestic market	137,410	179,215	-23.3%	279,046	357,025	-21.8%
Automotive	107,046	139,167	-23.1%	216,841	284,951	-23.9%
Passenger cars	34,609	52,927	-34.6%	70,000	104,826	-33.2%
Commercial vehicles	56,892	71,648	-20.6%	118,327	148,438	-20.3%
Off-road	15,545	14,592	6.5%	28,514	31,687	-10.0%
Hydraulics	30,364	40,048	-24.2%	62,205	72,074	-13.7%
Foreign market	713,274	731,867	-2.5%	1,431,478	1,342,134	6.7%
Automotive	689,936	706,414	-2.3%	1,394,231	1,300,266	7.2%
Passenger cars	137,889	129,636	6.4%	283,640	231,581	22.5%
Light commercial vehicles	252,086	238,720	5.6%	504,660	427,529	18.0%
Medium and heavy commercial vehicles	130,868	126,646	3.3%	246,563	238,621	3.3%
Off-road	169,093	211,412	-20.0%	359,367	402,535	-10.7%
Hydraulics	23,338	25,453	-8.3%	37,247	41,868	-11.0%

In some cases, the same product is used in passenger and commercial vehicles, or off-road; therefore, it is not possible to measure their application precisely. Thus, we adopt assumptions of division between applications, considering our best inference.

DOMESTIC MARKET (DM)

Passenger cars

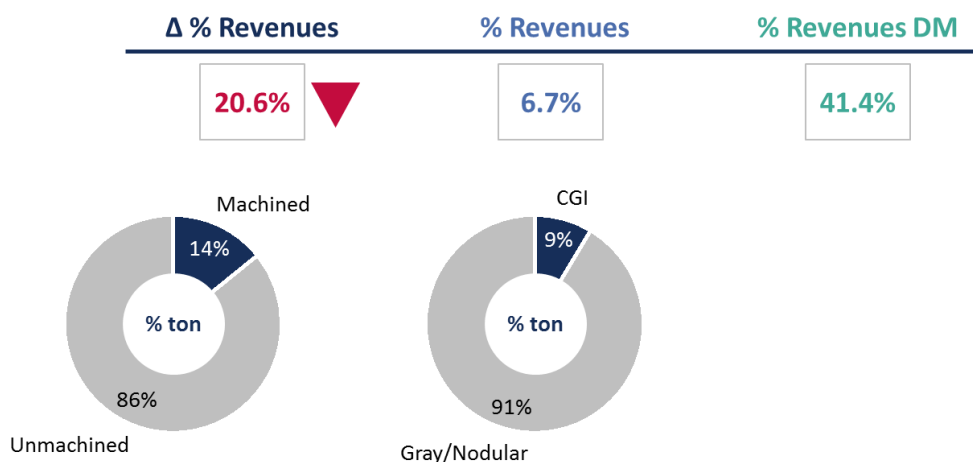


Among the factors that negatively affected the light vehicles sales in the domestic market, we can highlight:

- High unemployment rate;
- Inflation and fall in family income;
- Interest rate and credit restrictions.

Revenues from sales of products to this application fell 34.6% in the quarter compared to the same period last year. In addition to market factors, the performance reflects the phase out of some projects – in line with the Company's expectations.

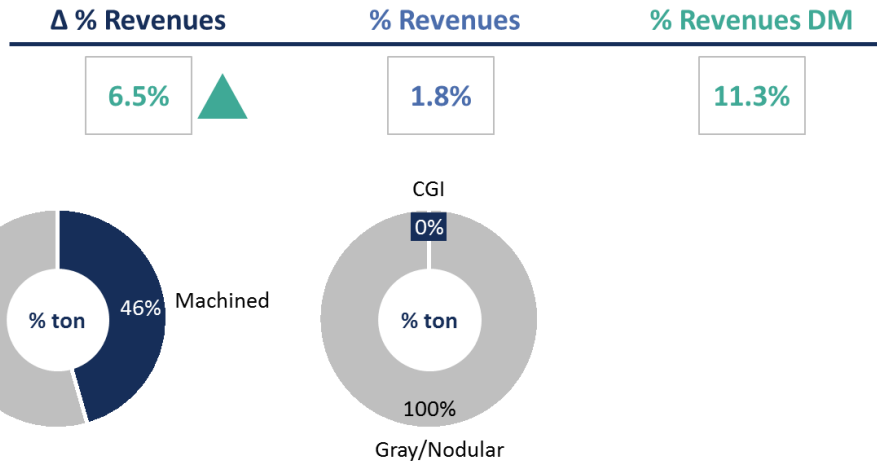
Commercial vehicles



The retraction of freight demanding sectors (retail, industry, construction and agriculture) negatively affected commercial vehicles sales in Brazil.

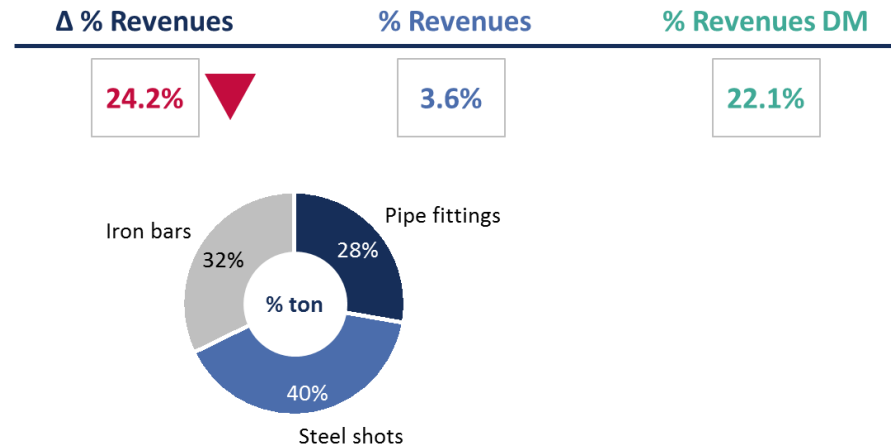
Due to this scenario, revenues from sales for this segment decreased by 20.6% in 2Q16 vs 2Q15.

Off-road



The market of agricultural machinery continues to decline in Brazil. However, Tupy's revenues grew 6.5% in 2Q16, as a result of new businesses and favorable product mix.

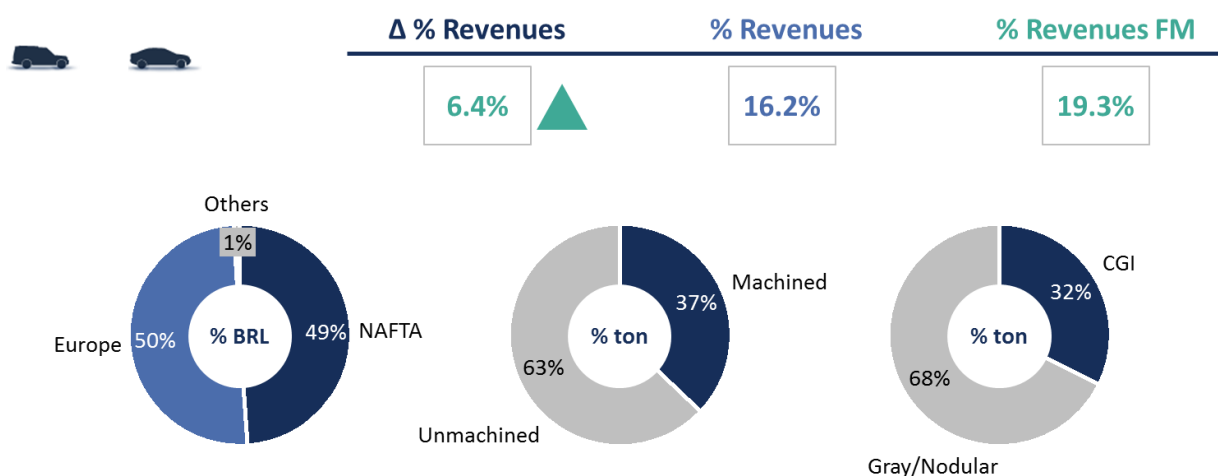
Hydraulics



In line with the poor industrial activity in the country, clients continue to reduce their inventory levels. Consequently, revenues from hydraulic products sales in the domestic market fell by 24.2% in 2Q16 compared to the same period in 2015.

FOREIGN MARKETS (FM)

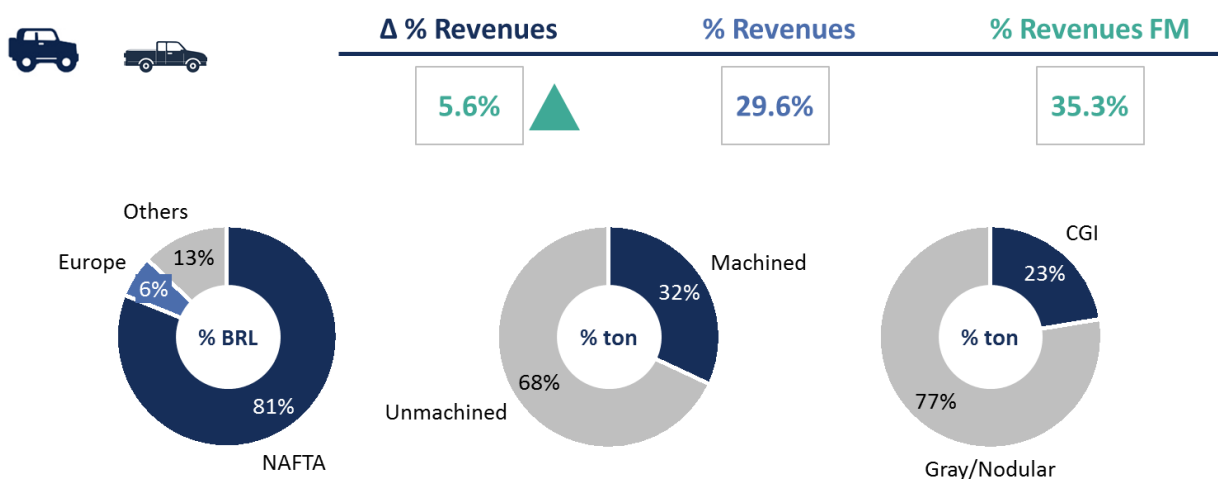
Passenger cars



The North American light vehicle market grew, as a net effect of a decrease in passenger cars (sedans) and increase of light commercial vehicles (light pickup trucks and SUVs).

Despite the inventory normalization of some European clients, revenues from this application increased by 6.4% as result of market conditions and new product launches.

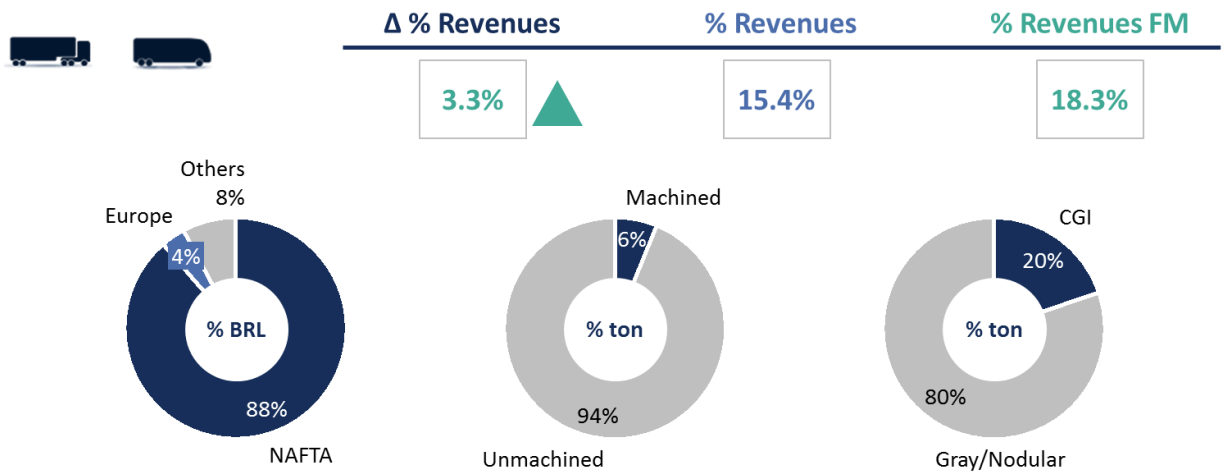
Light commercial vehicles



The change in the consumption pattern in the North American market favored the production and sales of light commercial vehicles.

Tupy's revenues from this segment grew 5.6%, while the market grew 9.5%, compared to 2Q15. Tupy's lower revenues index compared to the market is due to the high comparison base of 2Q15, caused by the recomposition of clients' inventories and the preparation for the launch of SAP during that period.

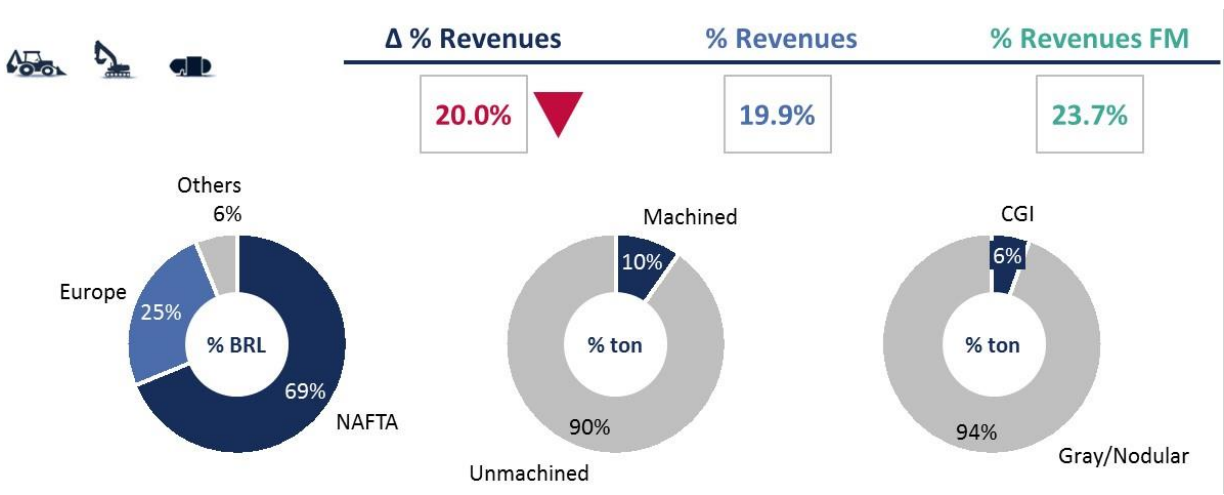
Medium and heavy commercial vehicles



The North American market maintained its growth trend, driven by the demand for consumer goods freight and the consistent growth of residential buildings. The heavy vehicle market (class 8), in turn, continues to show decline due to the high comparative basis after the fleet renewal cycle.

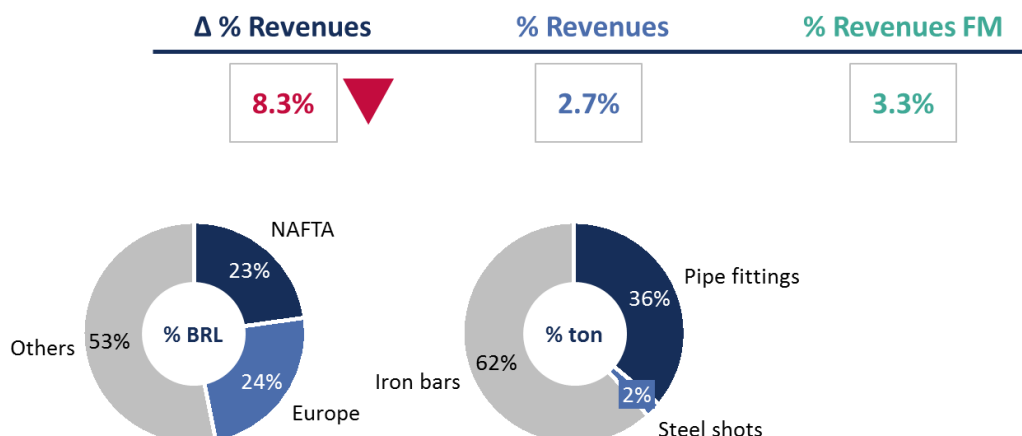
As for light commercial vehicles, the comparative basis of this segment was impacted by the recovery of clients' inventory during 2Q15, leading to a growth rate of 3.3%.

Off-road



The long-term demand and current price levels of the main commodities contributed to cautious investment in heavy machinery – especially in the mining, oil & gas and heavy construction sectors. The agricultural sector, despite high equipment utilization rates, maintains unsatisfactory levels of income for a new fleet renewal cycle. Tupy's revenues from product sales in the off-road segment in 2Q16 fell by 20.0% over the same period in 2015.

Hydraulics



During 2Q16, revenues from sales of hydraulic products fell 8.3% due to lower sales to the Middle East and South America markets.

COST OF GOODS SOLD AND OPERATING EXPENSES

The cost of goods sold (COGS) in 2Q16 added up to R\$738.8 million, 3.6% higher than in 2Q15, representing a gross margin of 13.2%. COGS in 1H16 totaled R\$1,453.0 million, and the gross margin for the period was 15.1%.

Consolidated (R\$ thousand)						
	2Q16	2Q15	Var. [%]	1H16	1H15	Var. [%]
Revenues	850,684	911,082	-6.6%	1,710,524	1,699,159	0.7%
Cost of goods sold	(738,791)	(713,448)	3.6%	(1,453,013)	(1,353,271)	7.4%
Raw material	(371,231)	(366,734)	1.2%	(713,582)	(686,807)	-3.9%
Labor	(144,143)	(149,164)	-3.4%	(297,963)	(288,294)	3.4%
Energy	(51,541)	(47,228)	9.1%	(106,083)	(92,385)	14.8%
Maintenance materials	(81,134)	(57,447)	41.2%	(148,756)	(111,579)	33.3%
Profit sharing program	(10,731)	(12,960)	-17.2%	(20,929)	(22,166)	-5.6%
Depreciation	(51,230)	(48,182)	6.3%	(104,040)	(92,537)	12.6%
Others	(28,781)	(31,733)	-9.3%	(61,660)	(59,503)	3.3%
Gross profit	111,893	197,634	-43.4%	257,511	345,888	-25.6%
<i>% on revenues</i>	<i>13.2%</i>	<i>21.7%</i>		<i>15.1%</i>	<i>20.4%</i>	
Operating expenses	(68,697)	(62,844)	9.3%	(137,082)	(119,524)	14.7%

The 2Q16 COGS variation versus the same quarter of 2015 is explained by the following:

- 1.2% increase in raw material cost, as the reduced volume was offset by a price increase for some materials such as scrap steel and by the FX variation;

RELEASE

- 3.4% reduction in labor costs, mainly resulting from lower sales volumes (down 9%). In 2Q16, we had a collective bargaining agreement granted to employees located in Joinville: an increase of 7.5% (5% in April and 2.5% to be granted in August) and salary bonuses amounting to R\$1,250.00 per employee, leading to an R\$9 million non-recurring impact in the quarter, and the collective bargaining agreement granted to employees in the Mauá plant in November 2015, effects that offset partly the decline in volume year-over-year;
- Energy cost increase of 9.1% due to higher electricity distribution costs in Brazil, increase in contracted energy and reduced result from sales of excess energy capacity in the spot market (-R\$2.4 million);
- Maintenance costs grew 41.2%, mainly due to increased production of more complex blocks in Mexico, requiring promptly adjustments to the equipment maintenance levels for finishing and core making. The cost of materials in the Mexican operation was also impacted by the increase in production volume and the exchange rate variations;
- Profit sharing costs (“PSP”) decreased by 17.2%;
- Increase in non-cash costs with depreciation (+6.3%) is due to exchange rate variations;
- Other costs fell by 9.3% mostly due to cost reduction initiatives.

Operating expenses increased by 9.3%, mainly due to the effect of the collective bargaining agreement in operations in Joinville (5% increase and bonus of R\$1,250.00 per employee) in 2Q16, and in Mauá (November 2015), as well as the amortization of the ERP and the effect of exchange rate variations on expenses of foreign units.

Expenses in 1H16 totaled R\$137.1 million, an increase of 14.7% compared to 1H15.

OTHER NET OPERATING EXPENSES

Net operating expenses reached R\$35.2 million in 2Q16, 108.1% increase compared to 2Q15. Net operating expenses in 1H16 totaled R\$62.0 million, 76% higher compared to 1H15.

	Consolidated (R\$ thousand)					
	2Q16	2Q15	Var. [%]	1H16	1H15	Var. [%]
Depreciation of non-operating assets	(373)	(597)	-37.5%	(839)	(1,202)	-30.2%
Amortization of intangible assets	(18,213)	(17,278)	5.4%	(38,778)	(33,572)	15.5%
Other	(16,644)	947		(22,412)	(467)	
Other net operating expenses	(35,230)	(16,928)	108.1%	(62,029)	(35,241)	76.0%

The main variations in other net operating expenses are related to the following effects, which do not impact the Company's cash flow, and that combined had a R\$11.6 million impact in 2Q16:

- Write-down of unserviceable fixed assets;
- Difference between the book value and sale value of assets sold through auction.

NET FINANCIAL RESULT

During 2Q16, the Company registered a net financial expense of R\$16.1 million, 131.4% higher than the R\$6.9 million expense in recorded in 2Q15. Net financial expenses in 1H16 reached R\$34.7 million, compared to revenue of R\$21.0 million in 1H15.

Consolidated (R\$ thousand)

	2Q16	2Q15	Var. [%]	1H16	1H15	Var. [%]
Financial expenses	(40,414)	(36,983)	9.3%	(83,416)	(72,699)	14.7%
Financial income	37,227	31,798	17.1%	71,594	60,953	17.5%
Net exchange variation	(12,893)	(1,763)	631.3%	(22,885)	32,793	
Net financial result	(16,080)	(6,948)	131.4%	(34,707)	21,047	

The financial result was impacted by the negative net exchange variation in 2Q16, due to the appreciation of the Brazilian Real against the dollar during 2Q16 (3.2098 R\$/US\$ in June/16 versus 3.559 R\$/US\$ in March/16) and other currencies on the balance sheet.

NET INCOME BEFORE TAXES AND NET INCOME

Consolidated (R\$ thousand)

	2Q16	2Q15	Var. [%]	1H16	1H15	Var. [%]
Net income before income taxes	(8,114)	110,914		23,693	212,170	-88.8%
Tax effects before foreign exchange impacts	(5,763)	(44,996)	-87.2%	(17,608)	(79,399)	-77.8%
<i>Tax rates before foreign exchange effects</i>	71%	-41%		-74%	-37%	
Net income before foreign exchange effects on tax base	(13,877)	65,918		6,085	132,771	-95.4%
Foreign exchange effects on tax base	(14,905)	(4,506)	230.8%	(17,557)	(10,772)	63.0%
Net income	(28,782)	61,412		(11,472)	121,999	
<i>% on revenues</i>	-3.4%	6.7%		-0.7%	7.2%	

The company recorded R\$5.7 million in expenses with income tax and social contribution before foreign exchange variation on the tax base in 2Q16, heading to a 71% tax rate.

The deferred income tax of the Mexican plants is calculated in Mexican pesos. In the translation into the functional currency (U.S. dollar), a decrease of R\$14.9 million was recorded due to the depreciation of the Mexican Peso against the U.S. Dollar during 2Q16.

Net income resulting from the previously mentioned effects amounted to a loss of R\$28.8 million in 2Q16, corresponding to -3.4% of revenue. Net income in 1H16 was a loss of R\$11.5 million, which represents -0.7% of revenues in the period.

ADJUSTED EBITDA

The combination of the aforementioned factors resulted in an adjusted EBITDA of R\$97.4 million in 2Q16, and an 11.4% margin on revenues. Adjusted EBITDA in 1H16 reached R\$230.5 million, down 28.1% versus 2Q15.

Consolidated (R\$ thousand)						
RECONCILIATION OF NET INCOME TO EBITDA	2Q16	2Q15	Var. [%]	1H16	1H15	Var. [%]
Net income	(28,782)	61,412		(11,472)	121,999	
(+) Net financial result	16,080	6,948	131.4%	34,707	(21,047)	
(+) Income tax and social contribution	20,668	49,502	-58.2%	35,165	90,171	-61.0%
(+) Depreciation and amortization	72,779	67,126	8.4%	149,732	129,276	15.8%
EBITDA (according to CVM 527/12)	80,745	184,988	-56.4%	208,132	320,399	-35.0%
% on revenues	9.5%	20.3%		12.2%	18.9%	
(+) Other net operating expenses*	16,644	(947)		22,412	467	
Adjusted EBITDA	97,389	184,041	-47.1%	230,544	320,866	-28.1%
% on revenues	11.4%	20.2%		13.5%	18.9%	

(*) Other net operating expenses are presented net of amortization and depreciation expenses.

Adjusted EBITDA 2Q16 was impacted by a series of extraordinary effects, as shown below:



All amounts in R\$ million.

These impacts are related to the lagged pass-through of costs, given the pricing updating dynamics, as well as the one-off effect of the payment of bonus to employees placed in the Joinville plant.

INVESTMENTS IN PP&E AND INTANGIBLE ASSETS

Total investments in PP&E and intangible assets in 2Q16 reached R\$37.5 million, a reduction of 13.4% compared to 2Q15. Investments in 1H16 totaled R\$66.2 million, down 21.7% over the same period last year.

Consolidated (R\$ thousand)						
	2Q16	2Q15	Var. [%]	1H16	1H15	Var. [%]
PP&E						
Strategic investments	2,544	13,777	-81.5%	10,281	29,619	-65.3%
Maintenance and sustenance	33,353	19,191	73.8%	49,469	35,637	38.8%
Environment	434	5,255	-91.7%	2,154	9,980	-78.4%
Interest and financial expenses	811	221	267.0%	1,459	473	208.5%
Intangible assets						
Software	398	4,892	-91.9%	2,858	8,861	-67.7%
Total	37,540	43,336	-13.4%	66,221	84,570	-21.7%

WORKING CAPITAL

(Consolidated (R\$ thousand))			
	2Q16	1Q16	4Q15
Balance Sheet			
Accounts receivable	445,242	464,365	542,099
Inventories	311,663	349,851	388,248
Accounts payable	315,768	303,610	295,080
Cash Flow variation			
Accounts receivable	(1,962)	44,697	57,283
Inventories	31,368	31,394	58,555
Accounts payable	28,021	18,155	(6,627)
Days Sales Outstanding [days]	47	48	58
Days Inventories Outstanding [days]	40	45	51
Days Payable Outstanding [days]	41	39	40
Cash conversion cycle [days]	46	54	69

During 2Q16, the main working capital lines behaved as follows:

- Accounts receivable were reduced by R\$19.1 million (-1 day), due to increasing efficiency and the appreciation of the Real in the quarter with effect on sales to the foreign market;
- Continuing the destocking process after the implementation of the new ERP system, the Company reduced its production level. In addition to the appreciation of the Real, the aforementioned process led to reduction of inventory levels (-R\$38.2 million, -5 days);
- Accounts payable levels increased by R\$12.2 million (+2 days).

▼ CASH FLOW

Consolidated (R\$ thousand)						
CASH FLOW SUMMARY	2Q16	2Q15	Var [%]	1H16	1H15	Var [%]
Cash and cash equivalents at the beginning of the period	1,511,959	1,426,722	6.0%	1,524,622	1,336,916	14.0%
Cash flow from operating activities	104,185	82,592	26.1%	172,780	121,800	40.6%
Cash flow from investment activities	(39,488)	(39,964)	1.2 %	(65,779)	(79,357)	-17.1%
Cash flow from financing activities	(285,134)	(84,513)	237.4%	(304,859)	(85,061)	258.4%
Effect of exchange variation on cash	(54,458)	(17,000)	220.3%	(88,113)	73,539	
Increase (decrease) in cash	(274,895)	(58,885)	366.8%	(287,558)	30,921	
Cash and cash equivalents at the end of the period	1,237,064	1,367,837	-9.6%	1,237,064	1,367,837	-9.6%

The Company generated R\$104.2 million in cash from operating activities in 2Q16, 26.1% more than 2Q15. The improvement is due to reduction of working capital, especially inventories.

As for the investment activities, the R\$39.5 million cash outflow was related to PP&E and intangible assets.

As for the financing activities, R\$285.1 million were applied due to amortization of EXIM, PPE and FINEM debt lines in 2Q16.

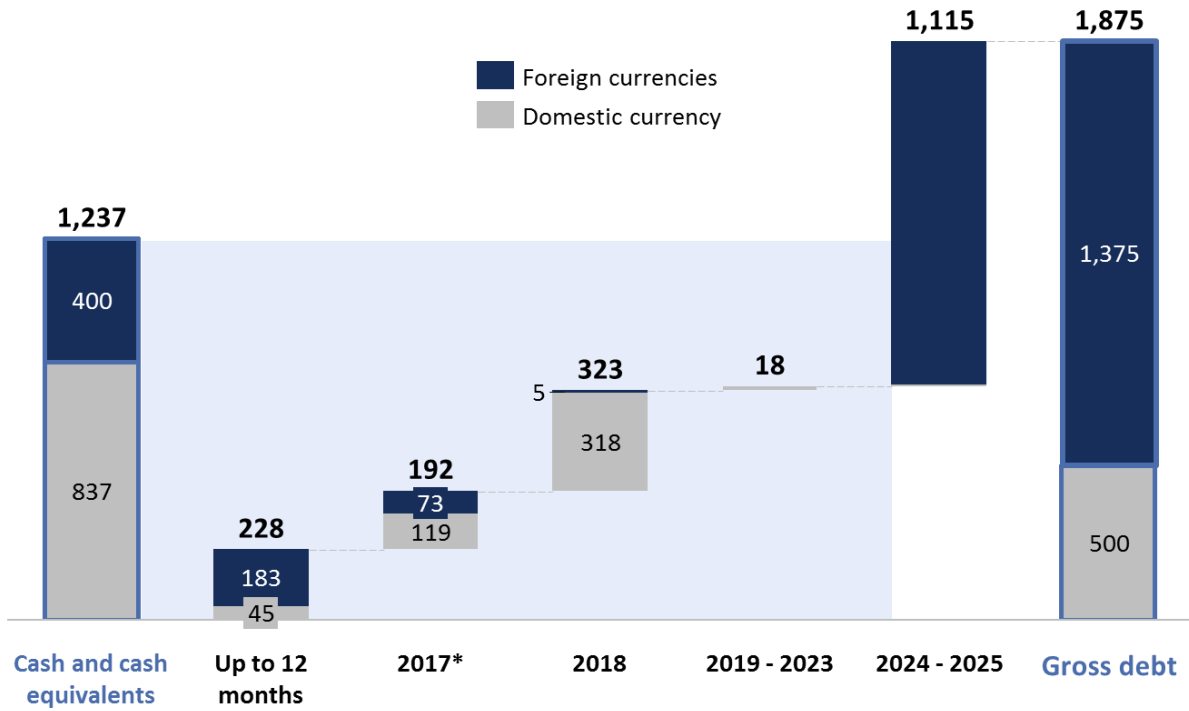
The combination of these factors and the exchange rate variation resulted in an R\$274.9 million decrease in cash and cash equivalents in the period, reaching a cash position of R\$1,237.1 million on 06/30/2016.

▼ INDEBTEDNESS

The Company ended 2Q16 with a net debt of R\$637.7 million, which results in an index of 1.26x net debt/adjusted EBITDA. The decrease in net leverage is mostly due to the Real appreciation effect on the Company's liabilities, which are mostly denominated in foreign currency, as well as to the strong cash flow generation in the quarter. Foreign currency debt represented 73% of total debt (13% short-term debt; 87% of long-term debt), while 27% of debt is denominated in Brazilian Real (9% short-term; 91% long-term). On the other hand, 68% of the cash position is denominated in Real and 32% in foreign currencies.

(Consolidated (R\$ thousand))			
INDEBTEDNESS	2Q16	1Q16	4Q15
Short term	227,648	442,540	485,101
Long term	1,647,103	1,864,662	2,013,145
Gross debt	1,874,751	2,307,202	2,498,246
Cash and cash equivalents	1,237,064	1,511,959	1,524,622
Financial investments	-	11,799	11,484
Net debt	637,687	783,444	962,140
Gross debt/LTM adjusted EBITDA	3.71x	3.90x	4.19x
Net debt/LTM adjusted EBITDA	1.26x	1.33x	1.61x

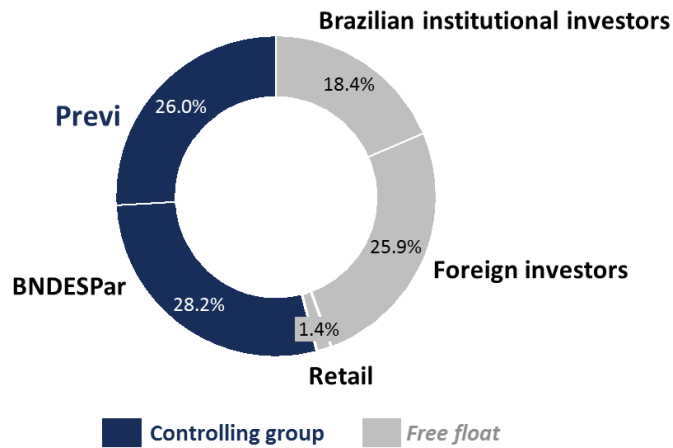
The current indebtedness profile is as follows:



All amounts in R\$ million. (*) Does not include short term debt.

SHAREHOLDER STRUCTURE

Shareholder structure on June 30, 2016 was distributed as follows:



Our Company is subject to the rules of the Market Arbitration Panel of the Novo Mercado, pursuant to article 60 of our Bylaws.

* * *

Attachment I – Light vehicles production and sales in Brazil

(Units)

	2Q16	2Q15	Var. (%)	1H16	1H15	Var. (%)
Production						
Passenger cars	426,843	517,085	-17.5%	833,694	1,053,414	-20.9%
Light commercial	79,906	80,719	-1.0%	142,448	180,962	-21.3%
Light vehicles	506,749	597,804	-15.2%	976,142	1,234,376	-20.9%
Sales						
Passenger cars	359,618	449,012	-19.9%	706,187	902,640	-21.8%
Light commercial	60,978	72,585	-16.0%	107,547	154,711	-30.5%
Light vehicles	420,596	521,597	-19.4%	813,734	1,057,351	-23.0%
Exports						
Passenger cars	99,671	91,581	8.8%	178,463	153,376	16.4%
Light commercial	20,927	19,503	7.3%	34,964	31,623	10.6%
Light vehicles	120,598	111,084	8.6%	213,427	184,999	15.4%

Source: ANFAVEA

Attachment II – Commercial vehicles production and sales in Brazil

	(Units)					
	2Q16	2Q15	Var. (%)	1H16	1H15	Var. (%)
Production						
Trucks						
Semi-light	431	488	-11.7%	1,180	793	48.8%
Light	3,913	5,215	-25.0%	7,916	10,938	-27.6%
Medium	1,141	1,302	-12.4%	2,133	2,621	-18.6%
Semi-heavy	4,719	7,125	-33.8%	9,155	16,511	-44.6%
Heavy	5,895	4,187	40.8%	10,915	10,767	1.4%
Total trucks	16,099	18,317	-12.1%	31,299	41,630	-24.8%
Buses	4,900	6,179	-20.7%	9,239	13,865	-33.4%
Commercial vehicles	20,999	24,496	-14.3%	40,538	55,495	-27.0%
Sales						
Trucks						
Semi-light	518	640	-19.1%	900	1,341	-32.9%
Light	3,298	4,815	-31.5%	6,540	10,277	-36.4%
Medium	1,120	1,689	-33.7%	2,214	3,635	-39.1%
Semi-heavy	3,476	5,795	-40.0%	7,192	12,287	-41.5%
Heavy	3,650	4,727	-22.8%	7,855	9,090	-13.6%
Total trucks	12,062	17,666	-31.7%	24,701	36,630	-32.6%
Buses	3,650	4,451	-18.0%	5,681	9,658	-41.2%
Commercial vehicles	15,712	22,117	-29.0%	45,429	67,665	-32.9%
Exports						
Trucks						
Semi-light	230	401	-42.6%	341	766	-55.5%
Light	1,180	1,085	8.8%	1,986	2,106	-5.7%
Medium	187	339	-44.8%	369	548	-32.7%
Semi-heavy	1,811	1,952	-7.2%	3,165	3,322	-4.7%
Heavy	1,864	2,025	-8.0%	3,515	3,450	1.9%
Total trucks	5,272	5,802	-9.1%	9,376	10,192	-8.0%
Buses	2,268	1,812	25.2%	3,842	3,264	17.7%
Commercial vehicles	7,540	7,614	-1.0%	19,898	20,228	-1.6%

Source: ANFAVEA

Attachment III – Production and sales of light and commercial vehicles in foreign markets

(Units)						
	2Q16	2Q15	Var. (%)	1H16	1H15	Var. (%)
North America						
Production/factory shipments						
Passenger cars	1,853,375	1,882,227	-1.5%	3,603,959	3,677,591	-2.0%
Light commercial vehicles – Class 1-3	3,020,597	2,759,386	9.5%	5,729,041	5,331,267	7.5%
Light Duty - Class 4-5 ²	14,273	14,142	N,A,	32,672	26,777	N,A,
Medium Duty - Class 6-7 ²	24,322	33,252	N,A,	62,663	66,417	N,A,
Heavy Duty - Class 8	64,164	86,745	-26.0%	127,950	166,022	-22.9%
Medium & Heavy Duty ¹	102,759	134,139	-23.4%	223,285	259,216	-13.9%
United States						
Sales						
Passenger cars	1,848,688	2,068,217	-10.6%	3,550,346	3,865,833	-8.2%
Light commercial vehicles – Class 1-3	2,706,416	2,500,358	8.2%	5,091,938	4,659,906	9.3%
Light Duty - Class 4-5	32,346	29,154	10.9%	61,257	52,945	15.7%
Medium Duty - Class 6-7	30,267	27,085	11.7%	61,252	53,581	14.3%
Heavy Duty - Class 8	52,328	67,395	-22.4%	104,221	123,234	-15.4%
Medium & Heavy Duty ¹	114,941	123,634	-7.0%	226,730	229,760	-1.3%
Europe						
Sales						
Passenger cars	4,023,706	3,642,541	10.5%	7,842,965	7,171,186	9.4%

Source: Automotive News; Bloomberg; ACEA

¹ The amount of medium and heavy duty comprises the vehicles of classes 4-8

² Data for June 2016 had not been disclosed until the publication of this document.

Attachment IV – Production and sales of agricultural machinery in global markets

(Units)						
	2Q16	2Q15	Var. (%)	1H16	1H15	Var. (%)
Production						
Americas						
Brazil	12,451	15,078	-17.4%	19,806	30,461	-35.0%
Sales						
Americas						
Brazil	10,402	12,808	-18.8%	17,056	24,687	-30.9%
United States and Canada	77,179	77,281	-0.1%	121,613	120,115	1.2%
Europe						
Germany	11,150	11,488	-2.9%	19,099	20,302	-5.9%
France	9,398	8,629	8.9%	16,164	14,390	12.3%
United Kingdom	3,000	3,337	-10.1%	5,382	5,970	-9.8%

Source: ANFAVEA; Bloomberg; AEM; AXEMA