TUPY - Worldwide reference in casting

TUPY

1Q18 Highlights

- **Net revenue over R$1.0 billion: Best result in the Company's history**
- **Strong EBITDA growth, despite increase in raw materials costs**

- **Sales Volume:** 150.8 thousand tons, up 11.6% over 1Q17, due to strong economic activity in Brazil and worldwide.

- **Revenue:** R$1,059.2 million, a 23.9% increase against 1Q17, due to volume growth, pass through of costs, improved mix of products and BRL depreciation.

- **Adjusted EBITDA:** R$148.3 million, up 23.9% from the same period of the previous year and equivalent to 14.0% of revenues in 1Q18. Cost control initiatives and efficient capital allocation offset the significant increase in raw material costs.

- **Net income:** R$56.9 million in 1Q18, up 20.6% over 1Q17, and representing 5.4% of net revenue for the period.

- **Investments:** R$29.7 million, representing 2.8% of net revenue in the period.

- **Working capital:** Significant reduction in the cash conversion cycle compared to the same period of the previous year: from 66 days to 56 days.

- **Payment of proceeds:** Distribution of interest on equity in the amount of R$37.5 million to be paid in May 2018.

Earnings conference call

Date: May 09, 2018

Portuguese/English

11:00 a.m. (Brasília) / **10:00 a.m.** (EST)

Dial in USA: +1 646 828-8246
Toll free USA: + 1 800 492-3904
Dial in Brazil: +55 11 2820-4001
Dial in Brazil: +55 11 3193-1001
Code: Tupy
Website: www.tupy.com.br/ir

Investor Relations

Thiago Fontoura Struminski
CFO & Investor Relations Officer

Hugo Zierth
IR Manager

Renan Oliveira
IR Analyst

dri@tupy.com.br
+55 (11) 2763-7844

Note: Unless otherwise stated, the comparisons shown in percentage variations are based on the same period of 2017.

MAIN INDICATORS

Consolidated (R$ thousand)

SUMMARY	1Q18	1Q17	Var. [%]
Revenue	**1,059,196**	**855,124**	**23.9%**
Cost of goods sold	(887,595)	(720,897)	23.1%
Gross profit	**171,601**	**134,227**	**27.8%**
% on revenue	*16.2%*	*15.7%*	
Operating expenses	(76,866)	(70,550)	9.0%
Other operating expenses	(14,209)	(17,798)	-20.2%
Income before financial results	**80,526**	**45,879**	**75.5%**
% on revenue	*7.6%*	*5.4%*	
Net financial result	(25,184)	(22,194)	13.5%
Income before taxes	**55,342**	**23,685**	**133.7%**
% on revenue	*5.2%*	*2.8%*	
Income tax and social contribution	1,550	23,497	-93.4%
Net income	**56,892**	**47,182**	**20.6%**
% on revenue	*5.4%*	*5.5%*	
EBITDA (acc. Inst. CVM 527/12)	**145,050**	**112,261**	**29.2%**
% on revenue	*13.7%*	*13.1%*	
Adjusted EBITDA	**148,272**	**119,671**	**23.9%**
% on revenue	*14.0%*	*14.0%*	
Average Exchange rate (BRL/USD)	3.24	3.15	3.1%
Average Exchange rate (BRL/EUR)	3.99	3.35	19.0%

SALES VOLUME

Consolidated (ton)

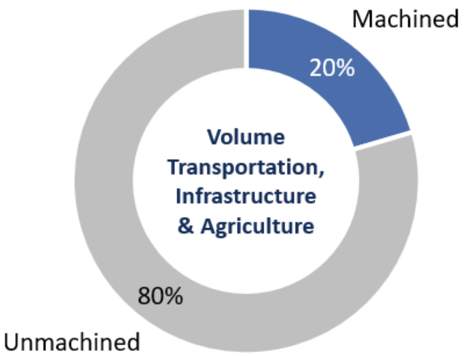
	1Q18	1Q17	Var. [%]
Domestic market	**27,888**	**24,999**	**11.6%**
Transportation, Infrastructure & Agriculture	24,431	20,062	21.8%
Hydraulics	3,457	4,937	-30.0%
Foreign market	**122,911**	**110,070**	**11.7%**
Transportation, Infrastructure & Agriculture	118,322	107,297	10.3%
Hydraulics	4,589	2,773	65.5%
Total sales volume	**150,799**	**135,069**	**11.6%**

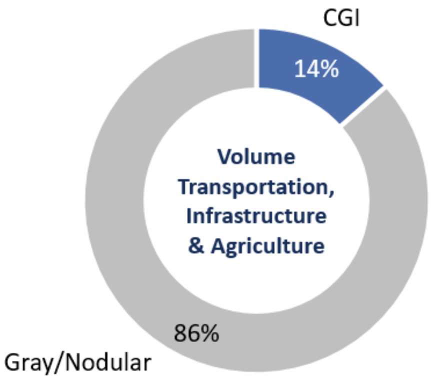
Sales volume in 1Q18 increased by 11.6% against 1Q17, chiefly due to the following factors:

- 21.8% increase in sales to the transportation, infrastructure and agriculture segment in the domestic market, primarily due to the strong resumption of truck sales in the country. In its turn, foreign market grew 10.3% mainly due to increasing demand for off road applications applied in markets such as mining, oil & gas and agriculture, among others.

- 65.5% increase in hydraulics segment in the foreign market, chiefly due the performance of North America. On the other hand, sales in domestic market dropped 30.0%, related to the disinvestment of steel shots unit in 3Q17.

- The transportation, infrastructure and agriculture segment portfolio comprised of 20.5% partially or fully machined products (vs. 20.3% in 1Q17). The breakdown of products by type of material shows that Compacted Graphite Iron – CGI accounted for a sales volume of 14% (stable in relation to 1Q17).





REVENUES

Revenues increased by 23.9% compared to 1Q17, mainly due to volume growth, devaluation of the Real and pass through of raw material costs since 4Q17.

In the domestic market, the 30.4% growth was due to the increase in revenues from all transportation, infrastructure and agriculture segments, highlighting commercial vehicles, which increased by 73.5% in the period.

In the foreign market, net revenues increased by 22.6%, particularly due to the applications for light commercial and off road vehicles, as well as the depreciation of the Real against the US Dollar and the Euro in the period (average exchange rate of BRL/USD 3.24 and BRL/EUR 3.99 in 1Q18 vs. BRL/USD 3.15 and BRL/EUR 3.35 in 1Q17).

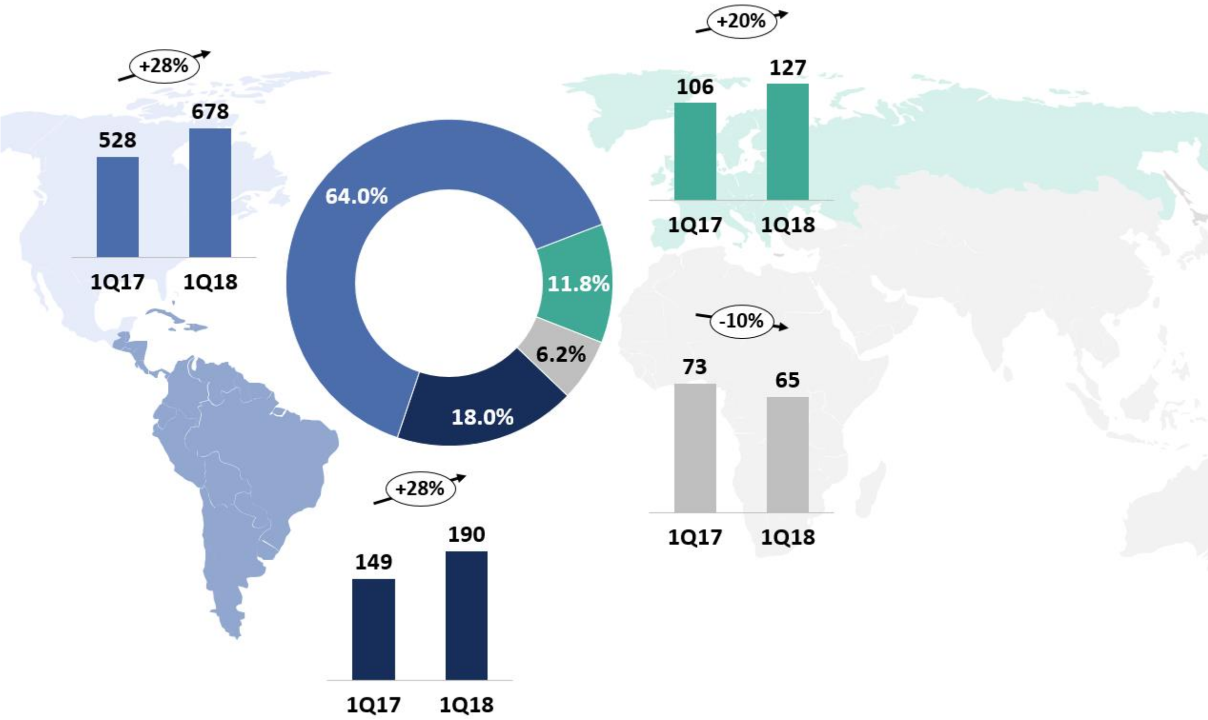
Consolidated (R$ thousand)

	1Q18	1Q17	Var.[%]
Revenue by market	**1,059,196**	**855,124**	**23.9%**
Domestic market	185,101	141,976	30.4%
% share	*17.5%*	*16.6%*	
Foreign market	874,095	713,148	22.6%
% share	*82.5%*	*83.4%*	
Revenue by segment	**1,059,196**	**855,124**	**23.9%**
Transportation, Infrastructure & Agriculture	1,007,139	811,281	24.1%
% share	*95.1%*	*94.9%*	
Hydraulics	52,057	43,843	18.7%
% share	*4.9%*	*5.1%*	

Revenues by market and performance in the period

In 1Q18, 64.0% of revenues came from North America. In turn, South and Central America accounted for 18.0%, and Europe for 11.8% of total revenues. The remaining 6.2% came from Asia, Africa and Oceania.

It is worth to mention the several clients with plants in North America export their products worldwide. Therefore, our sales to this region were also driven by global demand for machines and equipments.



Consolidated (R$ thousand)

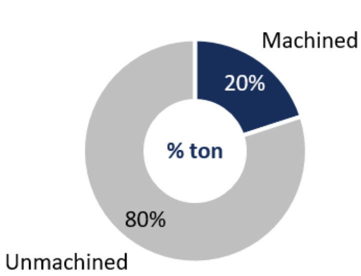
	1Q18	1Q17	Var. [%]
Revenue	**1,059,196**	**855,124**	**23.9%**
Domestic market	**185,101**	**141,976**	**30.4%**
Transportation, Infrastructura & Agriculture	**156,802**	**112,793**	**39.0%**
Passenger cars	47,592	44,005	8.2%
Commercial vehicles	89,095	51,349	73.5%
Off road	20,115	17,439	15.3%
Hydraulics	**28,299**	**29,183**	**-3.0%**
Foreign market	**874,095**	**713,148**	**22.6%**
Transportation, Infrastructura & Agriculture	**850,337**	**698,472**	**21.7%**
Passenger cars	97,172	96,818	0.4%
Light commercial vehicles	345,902	274,576	26.0%
Medium and heavy commercial vehicles	151,071	147,144	2.7%
Off road	256,193	179,934	42.4%
Hydraulics	**23,758**	**14,676**	**61.9%**

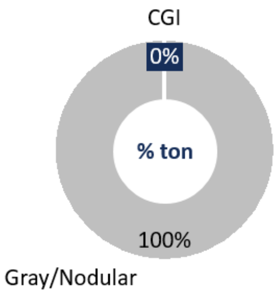
Note: The division between comercial and off road vehicles takes into account our best assumptions on the same product for these applications.

DOMESTIC MARKET (DM)

Passenger Cars

Δ % Revenues	% Revenues	% Revenues DM
8.2% ▲	4.5%	25.7%

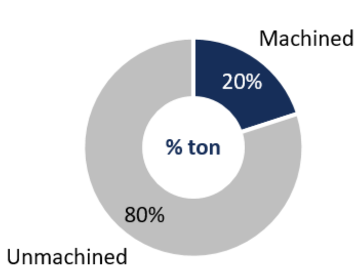


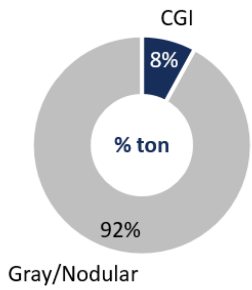


Revenues from sales of components for passenger cars increased by 8.2% in 1Q18 compared to the same period of the previous year, particularly due to the resumption of licensing in the country and the increase in sales of products that will be exported from Brazil by our customers (indirect exports).

Commercial Vehicles

Δ % Revenues	% Revenues	% Revenues DM
73.5% ▲	8.4%	48.1%

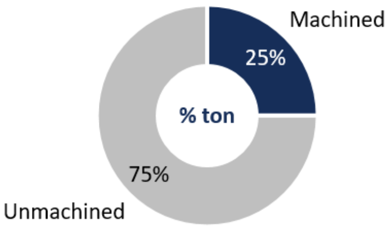


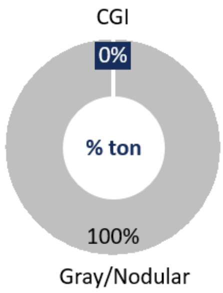


Revenues from applications for commercial vehicles rose by 73.5% compared to the same period of the previous year, due to the increased production of trucks in Brazil. We highlight indirect exports opportunities, as well as the increased number of licensed vehicles in the country caused by economic growth and increasing entrepreneur confidence, that together with lower interest rates increased demand for this type of vehicles.

Off road

Δ % Revenues	% Revenues	% Revenues DM
15.3%	1.9%	10.9%

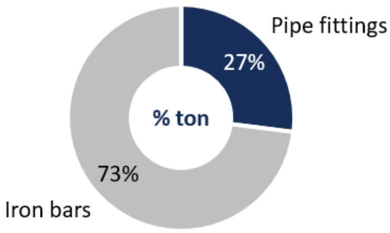




Tupy's revenues from machinery and off road vehicles rose by 15.3% in 1Q18 (higher than the market growth), driven by the strong volume of applications produced by our customers. The segment was also positively impacted by the devaluation of the Real, since part of the contracts are priced in US Dollar.

Hydraulics

Δ % Revenues	% Revenues	% Revenues DM
-3.0%	2.7%	15.3%

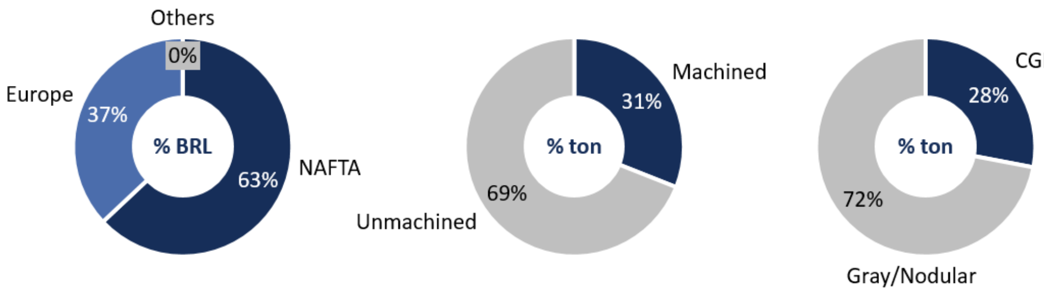


In 1Q18, revenues from the hydraulics segment decreased by 3.0% against the same period in 2017. This reduction was due to the sale of the steel shots business in 3Q17.

FOREIGN MARKET (FM)

Passenger Cars

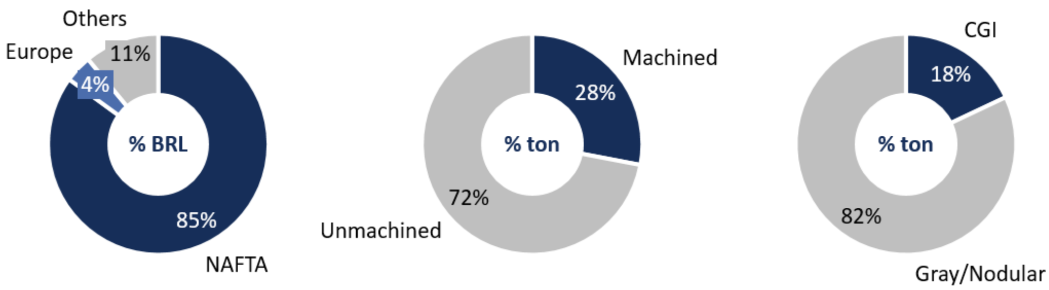
Δ % Revenues	% Revenues	% Revenues FM
0.4% ▲	9.2%	11.1%



Revenues from passenger cars increased by 0.4% compared to 1Q17, due to the performance of the US market and the favorable exchange rate scenario resulting from the devaluation of the Real.

Light Commercial Vehicles

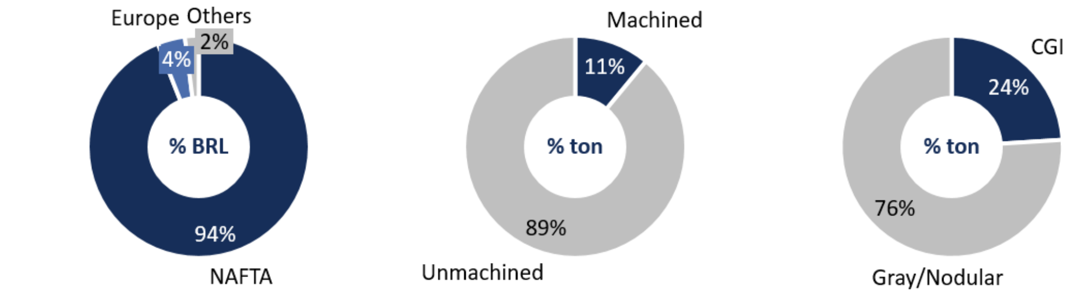
Δ % Revenues	% Revenues	% Revenues FM
26.0% ▲	32.7%	39.6%



Sales for this application were positively impacted in the period by the increase in demand from the US market and phase in of projects. In 1Q18, the segment consisting of pick-ups, SUVs and crossovers accounted for 68% of sales in the "light vehicles" category in the US, compared to 63% in 1Q17. We continue to observe solid growth in this market, due to lower fuel prices and the demand for utility vehicles used by independent professionals and small & medium sized companies.

Medium and Heavy Commercial Vehicles

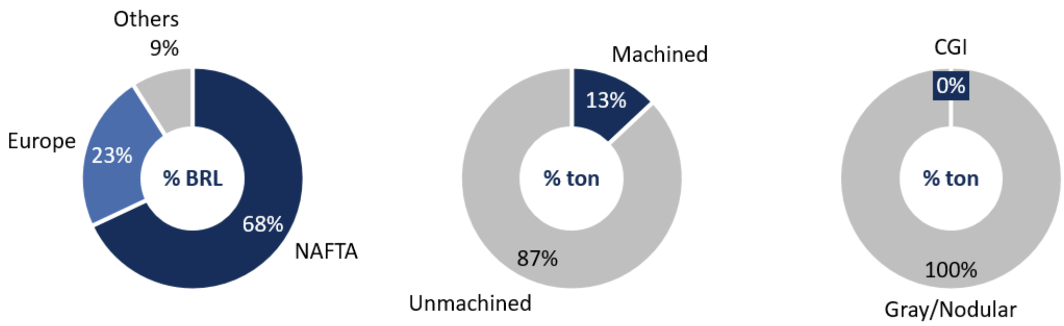
Δ % Revenues	% Revenues	% Revenues FM
2.7% ▲	14.3%	17.3%



The 2.7% increase in revenues is mainly due to the positive performance of the US market in vehicles in the 4-7 class, which is related to the growth of US economy. On the other hand, the year over year comparison was negatively affected by a strong sales volume in 1Q17 caused by early sales for build-up of inventory by a customer in that period.

Off road

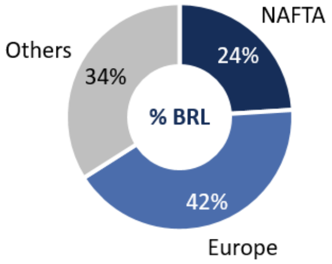
Δ % Revenues	% Revenues	% Revenues FM
42.4% ▲	24.2%	29.3%

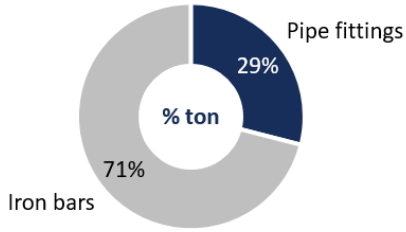


Sales of off road applications in 1Q18 increased by 42.4% compared to the same period in 2017, due to the positive performance of the market, especially in the oil & gas, mining, agriculture and infrastructure segments, among others.

Hydraulics

Δ % Revenues	% Revenues	% Revenues FM
61.9%	2.2%	2.7%





In 1Q18, net revenues from sales of pipe fittings and iron bars increased by 61.9%. This growth was chiefly due to the performance of the US market and the devaluation of the Real.

COST OF GOODS SOLD AND OPERATING EXPENSES

The cost of goods sold (COGS) in 1Q18 amounted to R$887.6 million, up by 23.1% compared to 1Q17. Operating expenses amounted to R$76.9 million, up 9.0% from 1Q17.

	Consolidated (R$ thousand)		
	1Q18	1Q17	Var. [%]
Revenue	**1,059,196**	**855,124**	**23.9%**
Cost of goods sold	**(887,595)**	**(720,897)**	**23.1%**
Raw-material	(498,155)	(364,486)	36.7%
Labor, profit sharing and social benefits	(204,263)	(168,936)	20.9%
Maintenance and third parties	(73,077)	(79,467)	-8.0%
Energy	(50,354)	(51,157)	-1.6%
Depreciation	(50,482)	(52,831)	-4.4%
Others	(11,264)	(4,020)	180.2%
Gross profit	**171,601**	**134,227**	**27.8%**
% on revenue	*16.2%*	*15.7%*	
Operating expenses	**(76,866)**	**(70,550)**	**9.0%**
% on revenue	*7.3%*	*8.3%*	

Gross margin was 16.2% in the period, representing an improvement of 0.5 percentage point compared to the same period of the previous year.

The changes in COGS between 1Q18 and 1Q17 were mainly due to the following factors:

- 36.7% rise in raw material costs, driven by increased production volumes and higher raw material prices in the period, especially in Brazil. It is worth to mention that several measures under Company´s management offset this impact, leading to increase in gross margin.

- 20.9% labor cost increase due to higher headcount in Mexico and overtime caused by volume growth in operations. Year over year comparison was also affected by collective bargain agreement and the appreciation of the Mexican peso.

- 8.0% reduction in maintenance materials and third parties, due to the closure of the casting activities at the Mauá plant and the development of several cost reduction initiatives, including the implementation of a new process of budget control.

- 1.6% rise in energy costs. The increased volume produced was offset by the closure of the casting activities at the Mauá plant, the sale of the steel shots unit and the reduction of energy prices in part of the contracts in Mexico.

- R$7.2 million increase in other costs, chiefly due to reclassification among lines (R$5.0 million previously allocated as maintenance and third parties services).

Operating expenses, which include administrative and commercial expenses, grew by 9.0%, chiefly due to higher labor expenses, freight expenses and commissions on sales from increasing sales volume, and the development of research projects.

Despite these effects, operating expenses had a significant reduction in relation to net revenue in 1Q18 (7.3% vs. 8.3% in 1Q17).

OTHER OPERATING EXPENSES

Other net operating expenses amounted to R$14.2 million in 1Q18, against R$17.8 million in 1Q17, **corresponding to a 20.2% decrease**.

	Consolidated (R$ thousand)		
	1Q18	**1Q17**	**Var. [%]**
Depreciation of non-operating assets	(173)	(178)	-2.8%
Amortization of intangibles assets	(10,814)	(10,210)	5.9%
Others*	(3,222)	(7,410)	-56.5%
Other net operating expenses	**(14,209)**	**(17,798)**	**-20.2%**

**Includes legal provisions, PP&E write offs, and income from the sale of unserviceable assets*

This drop was chiefly due to R$3.0 million reduction in contingencies in comparison with the same period of the previous year and R$1.2 million increase in income from the sale of unserviceable assets.

NET FINANCIAL INCOME

In 1Q18, the Company recorded net financial expenses of R$25.2 million, compared to expenses of R$22.2 million in 1Q17.

	Consolidated (R$ thousand)		
	1Q18	1Q17	Var. [%]
Financial expenses	(29,275)	(37,435)	-21.8%
Financial income	11,663	24,150	-51.7%
Net monetary and Exchange variation	(7,572)	(8,909)	-15.0%
Net financial income	**(25,184)**	**(22,194)**	**13.5%**

The reduction in financial expenses is chiefly due to net amortizations in the last twelve months, which amounted R$574.0 million. The comparison with the same period of the previous year was also impacted by the appreciation of the Real against the US Dollar (average exchange rate of R$3.25 in 1Q18 vs. R$3.13 in 1Q17), which affected the recognition of interest on borrowings denominated in dollars.

Financial revenues fell by 51.7%, mainly because of the 55% decrease in the balance of cash & equivalents in Brazil (R$331.2 million in 1Q18 vs. R$734.6 million in 1Q17), and lower financial earnings due to lower interest rates in the country (our financial investments were remunerated at an average interest rate of 6.91% p.a. in 1Q18 vs. 12.97% p.a. in 1Q17).

It is important to note that in January 2018, the Company anticipated the payment of debts in local currency maturing this year, amounting to R$291.1 million. This operation was driven by the decline in interest rates, with the consequent reduction in the remuneration of our cash reserves, while these debts had average interest rate of 10.8% p.a.

The reduction in expenses from net monetary and net exchange variations mainly resulted from marking to market of hedge transactions (zero cost collar).

EARNINGS BEFORE TAXES AND NET INCOME

	Consolidated (R$ thousand)		
	1Q18	1Q17	Var. [%]
Net income before income taxes	**55,342**	**23,685**	**133.7%**
Tax effects before foreign Exchange impacts	(11,907)	7,291	-
Tax rates before foreign Exchange effects	*-21.5%*	*30.8%*	
Net income before foreign Exchange effects on tax base	**43,435**	**30,976**	**40.2%**
Foreign Exchange effects on tax base	13,457	16,206	-17.0%
Net income	**56,892**	**47,182**	**20.6%**
% on revenue	*5.4%*	*5.5%*	

Tax effects before exchange impacts came to R$11.9 million, as a result of the difference in expenses at the rate of (34%) on profit before tax effects and the effects of permanent additions/exclusions

The effect of exchange rates on the tax base (deferred income tax in Mexican operations) is calculated in Mexican Pesos. The translation into the functional currency, the US Dollar, resulted in an increase of R$13.5 million due to the appreciation of the Mexican Peso against the US Dollar in 1Q18.

The net income from these effects amounted to R$56.9 million in 1Q18, up 20.6% from 1Q17.

EBITDA

The combination of the factors mentioned above resulted in an adjusted EBITDA of R$148.3 million in 1Q18, with margin of 14.0% on revenues.

	Consolidated (R$ thousand)		
RECONCILIATION OF NET INCOME TO EBITDA	1Q18	1Q17	Var. [%]
Net income (loss) for the period	**56,892**	**47,182**	**20.6%**
(+) Net financial result	25,184	22,194	13.5%
(+) Income tax and social contribution	(1,550)	(23,497)	-93.4%
(+) Depreciation and amortization	64,524	66,382	-2.8%
EBITDA (acc. Instr. CVM 527/12)	**145,050**	**112,261**	**29.2%**
% on revenue	*13.7%*	*13.1%*	
(+) Other net operating expenses*	3,222	7,410	-56.5%
Adjusted EBITDA	**148,272**	**119,671**	**23.9%**
% on revenue	*14.0%*	*14.0%*	

**Includes legal provisions, PP&E write offs, and income from the sale of unserviceable assets*

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT, AND INTANGIBLE ASSETS

Total investment in property, plant and equipment and intangible assets was R$29.7 million in 1Q18, up 62.3% against 1Q17.

	Consolidated (R$ thousand)		
	1Q18	1Q17	Var. [%]
PP&E			
Strategic investments	4,490	2,481	81.0%
Maintenance and sustenance	20,742	11,778	76.1%
Environment	1,682	1,745	-3.6%
Interest and financial expenses	548	549	-0.2%
Intangible assets			
Software	1,475	505	192.1%
Research and development	727	1,218	-40.3%
Total	**29,664**	**18,276**	**62.3%**
% on revenue	*2.8%*	*2.1%*	

The increase in investments is mainly due to the execution of projects aimed at increasing productivity, as well as the development of new CGI and machined products.

Investments in 1Q18 represented 2.8% of net revenues in the period, lower than previous years and in accordance with Company 'strategy of asset optimization and focus on return on invested capital.

WORKING CAPITAL

	Consolidated (R$ thousand)				
	1Q18	4Q17	3Q17	2Q17	1Q17
Balance sheet					
Accounts receivable	689,706	573,093	549,627	571,454	533,036
Inventories	426,933	419,492	354,009	338,776	373,649
Accounts payable	504,302	462,465	389,578	369,959	324,696
Sales outstanding [days]	64	56	57	63	60
Inventories outstanding [days]	48	49	44	43	49
Payables outstanding [days]	56	53	48	48	43
Cash conversion cycle [days]	**56**	**52**	**53**	**58**	**66**

Main working capital lines recorded the following variations against the previous quarter (4Q17):

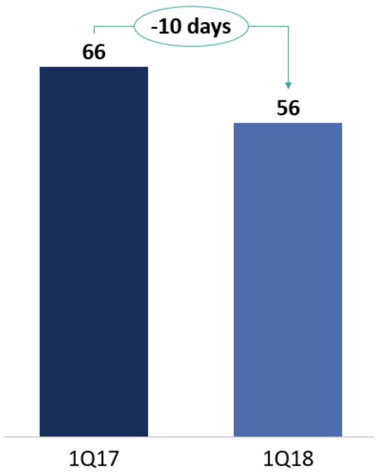
- Increase of R$116.6 million in accounts receivable, corresponding to an increase of 8 sale days, which is mainly due to the strong sales growth in the period.

- Inventories increased by R$7.4 million, corresponding, however, to a 1-day reduction (relating to the cost of goods sold).

- Increase of R$41.8 million in accounts payable, corresponding to a 3-day improvement. **We highlight the significant improvement of this indicator compared to 1Q17 (13 days)**, due to several actions aimed at stretching payment terms with the current suppliers.

  Company keeps improving its working capital, particularly inventories and accounts payables.

  In line with the Company's strategy to increase return on invested capital, the cash conversion cycle has improved significantly, as shown below:



Cash conversion cycle (days)

CASH FLOW

Consolidated (R$ thousand)

CASH FLOW SUMMARY	1Q18	1Q17	Var.[%]
Cash at the beginning of period	**865,368**	**1,203,940**	**-28.1%**
Cash flow from operating activities	6,013	(21,774)	-
Cash flow from investing activities	(25,107)	(20,182)	24.4%
Cash flow from financing activities	(354,084)	(13,037)	-
Effect of Exchange variation on cash	2,505	(9,222)	-
Increase (decrease) in cash	**(370,673)**	**(64,215)**	**477.2%**
Cash at the end of period	**494,695**	**1,139,725**	**-56.6%**

In 1Q18, cash from operating activities amounted to R$6.0 million, compared to a cash consumption of R$21.8 million in 1Q17.

Investment activities totaled R$25.1 million in 1Q18, 24.4% higher compared to the same period of the previous year.

In 1Q18, financing activities totaled R$354.1 million, chiefly driven by the payment of loans in the amount of R$303.8 million in the quarter, of which R$291.1 million refers to the early payment of debts, in addition to the distribution of dividends of R$50.0 million to shareholders.

The combination between these factors and the exchange rate variation on cash resulted in a decrease of R$370.7 million in cash and cash equivalents in the period, which amounted to R$494.7 million in 1Q18.

INDEBTEDNESS

At the close of 1Q18, Company's net debt amounted to R$806.3 million, i.e., the net debt/adjusted EBITDA ratio for the previous 12-month period was 1.47.

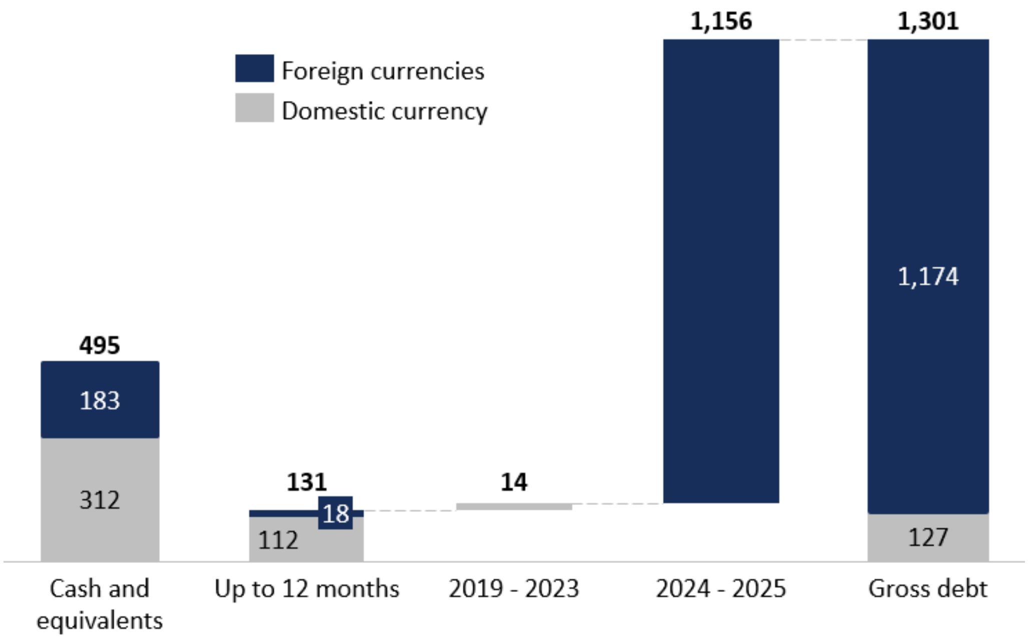
Obligations in foreign currency accounted for 90% of total obligations (2% short-term debt and 98% long-term debt), while 10% of debt is denominated in Reais (88% short-term debt and 12% long-term debt). Regarding cash balance, 63% is denominated in Reais, and 37% is denominated in foreign currency.

	Consolidated (R$ thousand)		
INDEBTEDNESS	**1Q18**	**4Q17**	**3Q17**
Short term*	131,021	458,472	201,435
Long term	1,170,223	1,165,541	1,458,223
Gross debt	**1,301,244**	**1,624,013**	**1,659,658**
Cash and equivalents*ᵻ	494,909	866,463	948,436
Net debt	**806,335**	**757,550**	**711,222**
Gross debt/Adjusted EBITDA	2.37x	3.12x	3.48x
Net debt/Adjusted EBITDA	**1.47x**	**1.45x**	**1.49x**

* Includes derivatives

ᵻ Includes financial investments

The Company's debt profile is as follows:



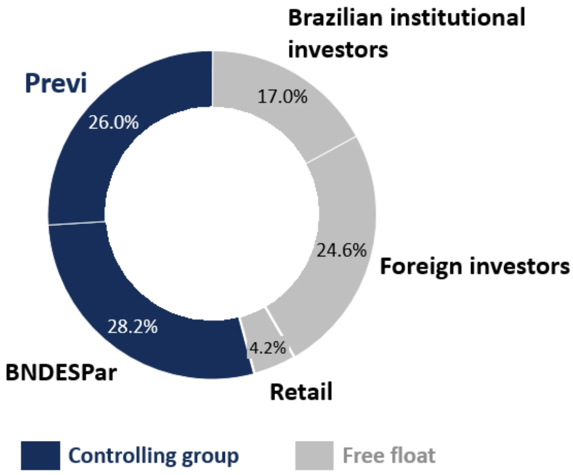
All amounts in R$ million.

PAYMENT OF DIVIDENDS AND INTEREST ON EQUITY

On May 25, 2018, Company will pay interest on equity to its shareholders in the amount of R$37.5 million. As previously approved by the Board of Directors, the Company will distribute dividends in the minimum amount of R$150.0 million related to the 2018 fiscal year. This amount will be distributed quarterly as interest on equity (until the limit permitted by law) and dividends.

OWNERSHIP STRUCTURE

On March 31, 2018, Tupy's ownership structure was as follows:



The Company is subject to the rules of the Novo Mercado Arbitration Chamber, in accordance with Article 60 of the Bylaws.

* * *

Attachment I – Commercial vehicle production and sales in Brazil

	(Units)		
	1Q18	1Q17	Var. (%)
Production			
Trucks			
Semi-light	431	550	-21.6%
Light	4,779	3,596	32.9%
Medium	1,407	1,133	24.2%
Semi-heavy	7,019	4,644	51.1%
Heavy	10,791	5,825	85.3%
Total trucks	**24,427**	**15,748**	**55.1%**
Buses	6,886	4,113	67.4%
Commercial vehicles	**31,313**	**19,861**	**57.7%**
Sales			
Trucks			
Semi-light	540	354	52.5%
Light	2,794	2,227	25.5%
Medium	1,303	783	66.4%
Semi-heavy	3,194	2,547	25.4%
Heavy	6,397	3,361	90.3%
Total trucks	**14,228**	**9,272**	**53.5%**
Buses	2,758	1,789	54.2%
Commercial vehicles	**16,986**	**11,061**	**53.6%**
Exports			
Trucks			
Semi-light	165	147	12.2%
Light	1,451	1,223	18.6%
Medium	341	331	3.0%
Semi-heavy	2,902	2,013	44.2%
Heavy	2,465	2,130	15.7%
Total trucks	**7,324**	**5,844**	**25.3%**
Buses	2,473	1,636	51.2%
Commercial vehicles	**9,797**	**7,480**	**31.0%**

Source: ANFAVEA

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

	(Units)		
	1Q18	1Q17	Var. (%)
North America			
Production/Factory Shipments			
Passenger cars	1,352,436	1,663,262	-18.7%
Light commercial vehicles – Class 1-3	3,089,654	2,979,946	3.7%
% Light commercial vehicles	**69.6%**	**64.2%**	**+5.4pp**
Light Duty – Class 4-5	18,684	20,856	-10.4%
Medium Duty – Class 6-7	36,430	34,898	4.4%
Heavy Duty – Class 8	73,056	48,787	49.7%
Medium & Heavy Duty[1]	**128,170**	**104,541**	**22.6%**
United States			
Sales			
Passenger cars	1,332,744	1,492,737	-10.7%
Light commercial vehicles – Class 1-3	2,785,022	2,542,447	9.5%
% Light commercial vehicles	**67.6%**	**63.0%**	**+4.6pp**
Light Duty – Class 4-5	30,892	27,733	11.4%
Medium Duty – Class 6-7	32,672	31,205	4.7%
Heavy Duty – Class 8	50,561	36,995	36.7%
Medium & Heavy Duty[1]	**114,125**	**95,933**	**19.0%**
Europe			
Sales			
Passenger cars	4,171,628	4,140,974	0.7%

Source: Automotive News; Bloomberg; ACEA
Note[1]: The amount of medium and heavy comercial vehicles comprises the vehicles of classes 4-8.

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

	(Units)		
	1Q18	1Q17	Var. (%)
Production			
Americas			
Brazil	11,989	11,884	0.9%
Sales			
Americas			
Brazil	10,308	12,726	-19.0%
United States and Canada	47,532	47,204	0.7%
Europe			
Germany	7,229	8,749	-17.4%
United Kingdom	2,932	3,024	-3.0%

Source: ANFAVEA; Bloomberg; AEM