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

Iochpe Maxion S.A.

Financial Statements
for the Year Ended
December 31, 2016 and
Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes

Deloitte.

Deloitte Touche Tohmatsu
Dr. Chucri Zaidan Avenue, nº 1.240
4th to 12th floors - Golden Tower
04711-130 - São Paulo - SP
Brazil

Tel: + 55 (11) 5186-1000
Fax: + 55 (11) 5181-2911
www.deloitte.com.br

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INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Iochpe Maxion S.A.

Opinion

We have audited the accompanying individual and consolidated financial statements of Iochpe Maxion S.A. ("Company"), identified as Parent and Consolidated, respectively, which comprise the balance sheet as at December 31, 2016 and the related statements of profit and loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Iochpe Maxion S.A. as at December 31, 2016, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards - IFRSs, issued by the International Accounting Standards Board - IASB.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key Audit Matters - KAM are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and, therefore, we do not provide a separate opinion on these matters.

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1. ASSESSMENT OF CURRENT TAX CALCULATION AND DEFERRED TAX ASSET REALIZATION

Why is it a KAM?

As the Company has several foreign subsidiaries and accumulated significant balances of tax credits arising from income tax and social contribution, and due to the complexity of Management's judgment while assessing, determining, recognizing and realizing the related deferred assets and liabilities, there is a risk of divergences in the adoption of prevailing regulations, notably technical pronouncement CPC 32 - Income Taxes, equivalent to IAS 12 - Income Taxes. How the matter was addressed in our audit:

Our audit procedures included, but were not limited to, assessing the design and implementation of relevant controls determined by Management in relation to the assessment, determination, recognition and realization of deferred assets and liabilities, as well as involving tax specialists to check compliance with the tax legislation and analyze the calculations made by Management. We have also assessed the ability of generating future taxable income and realizing the reported balances. We have analyzed and challenged the main assumptions adopted by Management in preparing a tax credit recovery analysis.

The Company's disclosures on accounting policies and balances of deferred taxes are stated in Notes 4 and 9 to the financial statements, respectively.

2. IMPAIRMENT OF GOODWILL AND PROPERTY, PLANT AND EQUIPMENT

Why is it a KAM?

The Company has significant reported balances of goodwill and property, plant and equipment, which are exposed to risks of realization and, consequently, impairment losses. The risk not only arises from the relevance of balances, but also from the local and global economic scenario impact on determining growth assumptions and the discount rate used in Impairment risk analyses conducted by the Company and Management's high level of judgment involved in determining estimates.

How the matter was addressed in our audit:

Our audit procedures included, but were not limited to, assessing the design and implementation of relevant controls determined by Management in relation to the impairment test of assets, and analyzing the Company's business plans, on an overall and cash-generating unit basis, drawing on the technical support provided by appraisal specialists, when applicable, to assess and challenge revenue growth assumptions and discount rate used by Management in the Impairment risk analyses. We have also analyzed the appropriateness of the Company's disclosures concerning the matter.

The Company's disclosures on accounting policies and balances are stated in Notes 4, 12 and 13 to the financial statements, respectively.

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3. LIQUIDITY MANAGEMENT

Why is it a KAM?

The indebtedness level generated from the business acquisition and the fact that the Company posted negative working capital in prior years could cast doubt about its ability to properly manage liquidity and, consequently, to continue as a going concern.

How the matter was addressed in our audit:

Our audit procedures included, but were not limited to, procedures concerning the Company's business plan, assessing the main assumptions adopted, as well as Management's liquidity management plans for the coming years. We have analyzed the expected cash flows for next year, with a view to identifying liquidity risk situations, and assessed the main assumptions used by Management to estimate these flows, such as interest rates, sales revenues, costs of products and projected administrative expenses.

In addition, we have identified certain specific measures defined by Management in such plan, which aimed to restore the Company's net working capital balance, and subsequently verified the completion of Management's actions taken to implement those measures, as disclosed in Notes 14 and 36 to the financial statements.

Other matters

Statements of value added

The individual and consolidated statements of value added ("DVA") for the year ended December 31, 2016, prepared under the responsibility of the Company's Management and disclosed as supplemental information for purposes of the IFRSs, were subject to audit procedures performed together with the audit of the Company's financial statements. In forming our opinion, we assess whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the independent auditor's report

Management is responsible for such other information. The other information comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether such report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and the IFRSs, issued by the IASB, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as going concerns.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the KAM. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The accompanying individual and consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, March 27, 2017

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Walmir Bolgheroni
Engagement Partner

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1) COMPANY OVERVIEW

Iochpe-Maxion is a global company, the world leader in the production of automotive wheels, a leading producer of automotive structural components in the Americas, and also the leader in the production of railway equipment in Brazil.

We have 32 manufacturing plants located in 14 countries and approximately 14,000 employees, which enables us to serve our customers around the world according to their delivery terms, quality standards and competitiveness requirements.

Our Company holds a high level of technical knowledge, and permanently seeks to provide innovative solutions in the areas in which it operates, using global macro-trends that guide the development of new products and technologies, whether independently or in cooperation with strategic partners.

Our organization is structured through three divisions: Maxion Wheels, Maxion Structural Components and AmstedMaxion (joint controlled company).

At Maxion Wheels, we produce and sell a wide range of steel wheels for light and commercial vehicles and agricultural machinery and aluminum wheels for light vehicles.

At Maxion Structural Components, we produce side rails, cross members and full frames for commercial vehicles and structural components for light vehicles.

At AmstedMaxion we produce freight cars, railway wheels and castings as well as industrial castings.

2) HIGHLIGHTS

- Consolidated net operating revenue of R$ 1,678.5 million in 4Q16 and R$ 6,816.5 million in 2016, a decrease of 8.6% and 0.4% when compared to 4Q15 and 2015, respectively;
- EBITDA of R$ 189.2 million in 4Q16 and R$ 796.2 million in 2016, an increase of 15.4% when compared to 4Q15 and 6.0% when compared to 2015.
- Net income of R$ 16.8 million in 4Q16 and R$ 21.5 million, an increase of 201.3% when compared to 4Q15 and a decrease of 56.4% when compared to 2015;
- Net bank indebtedness of R$ 2,628.5 million at the end of 2016 (R$ 2,675.6 million at the end of 2015), with a consequent reduction in financial leverage (net bank indebtedness/ EBITDA) from 3.56x at the end of 2015 to 3.30x at the end of 2016.
- Increased production capacity in aluminum wheels in Brazil (Santo André and ramp-up of the Limeira plant), which, in line with the existing demand, generated a 57.0% increase in net revenue for this product during 2016.
- Continuous effort to reduce costs and increase productivity, with emphasis on the restructuring of our operations in Brazil.
- Conclusion in February 2017 (subsequent period) of the syndicated loan in the amount of EUR 130 million, improving the debt profile (lengthening of term and reduction of average cost) and the alignment of currencies between debt and the Company's cash generation.

- Conclusion in March 2017 (subsequent period) of the private capital increase in the proposed total amount of R$ 400.0 million, improving the Company's capital structure, through reduction of indebtedness and financial leverage.
- In addition, until March 2017 (subsequent period), there was a conversion of debentures of the 6th issue into shares in the amount of R$ 17.0 million and subscription of shares of the Company for the exercise of the subscription bonus issued as an additional advantage to the subscribers of the 7th issue of debentures, in the amount of R$ 136.0 million, contributing to the reduction of the Company's indebtedness and financial leverage.

3) MARKET

Production of vehicles and agricultural machinery in regions where the Company's highest percentage of consolidated revenues are concentrated, presented the following behavior in the periods indicated (in units):

PRODUCTION	BRAZIL[1]			NAFTA[2]			EUROPE[2]		
Segment	**4Q15**	**4Q16**	**Var.**	**4Q15**	**4Q16**	**Var.**	**4Q15**	**4Q16**	**Var.**
Light Vehicles	505,481	573,549	*13.5%*	4,328,782	4,360,728	*0.7%*	4,839,148	4,933,947	*2.0%*
Commercial Vehicles	17,549	18,322	*4.4%*	132,618	100,496	*-24.2%*	127,799	132,030	*3.3%*
Total Vehicles	**523,030**	**591,871**	***13.2%***	**4,461,400**	**4,461,224**	***0.0%***	**4,966,947**	**5,065,977**	***2.0%***
Agricultural Machinery	9,729	17,470	*79.6%*	N/A	N/A		N/A	N/A	

Segment	**2015**	**2016**	**Var.**	**2015**	**2016**	**Var.**	**2015**	**2016**	**Var.**
Light Vehicles	2,333,861	2,077,169	*-11.0%*	17,495,387	17,824,852	*1.9%*	19,351,808	20,114,621	*3.9%*
Commercial Vehicles	95,560	79,187	*-17.1%*	562,936	469,251	*-16.6%*	462,882	482,810	*4.3%*
Total Vehicles	**2,429,421**	**2,156,356**	***-11.2%***	**18,058,323**	**18,294,103**	***1.3%***	**19,814,690**	**20,597,431**	***4.0%***
Agricultural Machinery	55,938	54,032	*-3.4%*	N/A	N/A		N/A	N/A	

(1) Source: ANFAVEA
(2) Source: IHS Automotive (Light Vehicle) and LMC Automotive (Commercial Vehicles)
Europe: considers EU27 + Turkey

According to AmstedMaxion's estimates, the Brazilian railway equipment market presented the following behavior in the periods indicated:

Segment	4Q15	4Q16	Var.	2015	2016	Var.
Railway Freight Cars (unit)	1,130	1,079	*-4.5%*	4,608	3,903	*-15.3%*
Railway Wheels (unit)*	18,694	10,481	*-43.9%*	72,625	57,270	*-21.1%*
Castings (tonnes)*	756	786	*3.9%*	3,145	3,504	*11.4%*

*** Does not include wheels and castings used in assembling new railroad freight cars.**

4) OPERATING AND FINANCIAL PERFORMANCE

Consolidated I.S - R$ thousand	4Q15	4Q16	Var.	2015	2016	Var.
Net Operating Revenue	1,835,653	1,678,459	-8.6%	6,846,456	6,816,454	-0.4%
Cost of Goods Sold	(1,603,846)	(1,423,897)	-11.2%	(5,954,428)	(5,844,666)	-1.8%
Gross Profit	**231,806**	**254,562**	**9.8%**	**892,028**	**971,788**	**8.9%**
	12.6%	**15.2%**		**13.0%**	**14.3%**	
Operating Expenses	(146,738)	(140,517)	-4.2%	(513,074)	(463,667)	-9.6%
Equity Income	(4,808)	(3,097)	35.6%	70,648	(28,799)	-140.8%
Operating Income (EBIT)	**80,260**	**110,948**	**38.2%**	**449,602**	**479,322**	**6.6%**
	4.4%	**6.6%**		**6.6%**	**7.0%**	
Financial Results	(78,616)	(80,212)	2.0%	(316,760)	(344,490)	8.8%
Income Taxes	12,292	3,159	-74.3%	(12,993)	(45,702)	251.7%
Minority Shareholders	(30,567)	(17,047)	-44.2%	(70,483)	(67,599)	-4.1%
Net Income (Loss)	**(16,631)**	**16,847**	**201.3%**	**49,366**	**21,531**	**-56.4%**
	-0.9%	**1.0%**		**0.7%**	**0.3%**	
EBITDA	**164,062**	**189,250**	**15.4%**	**751,067**	**796,224**	**6.0%**
	8.9%	**11.3%**		**11.0%**	**11.7%**	
Equity Income	4,808	3,097	-35.6%	(70,648)	28,799	-140.8%
Adjusted EBITDA w/o Equity Income	**168,869**	**192,347**	**13.9%**	**680,419**	**825,024**	**21.3%**
	9.2%	**11.5%**		**9.9%**	**12.1%**	

4.1) Net operating revenue

Consolidated net operating revenue reached R$ 1,678.5 million in 4Q16 and R$ 6,816.5 million in 2016, a decrease of 8.6% when compared to 4Q15 and 0.4% when compared to 2015.

In 4Q16, this result was positively affected by the growth of domestic sales, mainly aluminum wheels and by the increase of the production of agricultural machinery, and adversely affected by (i) the decrease in Reais of the international revenue of the Company, due to the exchange rate variation and (ii) by the sharp reduction in the production of commercial vehicles in NAFTA.

Not considering the effects of the exchange rate variation (negative result of R$ 218.9 million), the net operating revenue in 4Q16 would have increased 3.4%.

Domestic sales reached R$ 376.5 million in 4Q16 and R$ 1,400.3 million in 2016 and accounted for 22.4% and 20.5%, respectively, of consolidated net operating revenue, an increase of 40.8% when compared to 4Q15 and 3.7% when compared to 2015.

International sales reached R$ 1,302.0 million (US$ 395.9 million) in 4Q16 and R$ 5,416.2 million (US$ 1,554.1 million), accounting for 77.6% and 79.5%, respectively, of consolidated net operating revenue, a decrease of 17.0% and 1.4% in *Reais* and a decrease of 3.0% and 5.5% in US$, when compared to 4Q15 and 2015, respectively.

The decrease of revenues in US$ is mainly due to the reduction in commercial vehicles production in NAFTA causing a negative impact in 4Q16 and 2016 of US$ 12.7 million and US$ 69.1 million, respectively, when compared to the same periods of 2015 .

The following table shows the performance of consolidated net operating revenue by origin and by product type in the periods indicated.

Net Operating Revenue- R$ thousand	4Q15	4Q16	Var.	2015	2016	Var.
Aluminum Wheels (Light vehicles)	45,858	83,671	*82.5%*	199,016	312,376	*57.0%*
Steel Wheels (Light vehicles)	65,775	77,519	*17.9%*	304,439	268,571	*-11.8%*
Steel Wheels (Commercial vehicles)	46,507	76,885	*65.3%*	299,630	295,083	*-1.5%*
Structural Components (Light vehicles)	39,296	40,634	*3.4%*	152,231	142,529	*-6.4%*
Structural Components (Commercial vehicles)	70,049	97,789	*39.6%*	395,301	381,697	*-3.4%*
South America	**267,484**	**376,497**	***40.8%***	**1,350,617**	**1,400,256**	***3.7%***
	14.6%	***22.4%***		***19.7%***	***20.5%***	
Aluminum Wheels (Light vehicles)	83,012	65,454	*-21.2%*	282,250	291,782	*3.4%*
Steel Wheels (Light vehicles)	299,216	262,169	*-12.4%*	1,098,581	1,078,141	*-1.9%*
Steel Wheels (Commercial vehicles)	63,410	57,592	*-9.2%*	266,686	241,862	*-9.3%*
Structural Components (Commercial vehicles)	192,858	119,574	*-38.0%*	698,744	532,585	*-23.8%*
North America	**638,496**	**504,789**	***-20.9%***	**2,346,260**	**2,144,369**	***-8.6%***
	34.8%	***30.1%***		***34.3%***	***31.5%***	
Aluminum Wheels (Light vehicles)	351,251	345,182	*-1.7%*	1,216,426	1,317,986	*8.3%*
Steel Wheels (Light vehicles)	266,500	200,233	*-24.9%*	809,035	814,205	*0.6%*
Steel Wheels (Commercial vehicles)	152,734	127,193	*-16.7%*	562,318	585,218	*4.1%*
Europe	**770,485**	**672,608**	***-12.7%***	**2,587,779**	**2,717,409**	***5.0%***
	42.0%	***40.1%***		***37.8%***	***39.9%***	
Aluminum Wheels (Light vehicles)	93,638	70,562	*-24.6%*	324,017	306,208	*-5.5%*
Steel Wheels (Light vehicles)	17,097	18,754	*9.7%*	67,650	75,418	*11.5%*
Steel Wheels (Commercial vehicles)	48,452	35,251	*-27.2%*	170,134	172,794	*1.6%*
Asia + Others	**159,186**	**124,566**	***-21.7%***	**561,800**	**554,420**	***-1.3%***
	8.7%	***7.4%***		***8.2%***	***8.1%***	
Iochpe-Maxion Consolidated	**1,835,652**	**1,678,460**	**-8.6%**	**6,846,456**	**6,816,454**	**-0.4%**
	100.0%	***100.0%***		***100.0%***	***100.0%***	
Maxion Wheels	1,533,450	1,420,463	*-7.4%*	5,600,180	5,759,644	*2.8%*
	83.5%	*84.6%*		*81.8%*	*84.5%*	
Maxion Structural Components	302,203	257,996	*-14.6%*	1,246,275	1,056,811	*-15.2%*
	16.5%	*15.4%*		*18.2%*	*15.5%*	

4.2) Cost of Goods Sold (COGS)

COGS reached R$ 1,423.9 million in 4Q16 and R$ 5,844.7 million in 2016, a decrease of 11.2% compared to 4Q15 and 1.8% compared to 2015. Its share of consolidated net operating revenue decreased from 87.4% in 4Q15 to 84.8% in 4Q16 and from 87.0% in 2015 to 85.7% in 2016.

4.3) Gross Profit

Gross profit stood at R$ 254.6 million in 4Q16, representing a gross margin of 15.2% and R$ 971.8 million in 2016, representing a gross margin of 14.3%, an increase of 9.8% compared to 4Q15 and 8.6% compared to 2015, when the amounts were R$ 231.8 million, representing a gross margin of 12.6%, and R$ 892 million, representing a gross margin of 13.0%, respectively.

4.4) Net Operating Expenses

Net operating expenses totaled R$ 140.5 million in 4Q16 and R$ 463.7 million in 2016, a decrease of 4.2% and 9.6%, when compared to 4Q15 and 2015, respectively. Its share of consolidated net operating revenue increased from 8.0% in 4Q15 to 8.4% in 4Q16 and decreased from 7.5% in 2015 to 6.8% in 2016.

Not considering the non-recurring gains in both periods (especially the gain generated by the sale of a real estate property of the Company located in Guarulhos, concluded in 1Q16), net operating expenses would have increased 8.1% compared to 2015, and its share of consolidated net operating revenue would have been 7.9% (7.3% in 2015).

4.5) Equity Income

Equity income totaled a negative result of R$ 3.1 million in 4Q16 and R$ 28.8 million in 2016, an improvement over the negative result of R$ 4.8 million in 4Q15 and a reduction when compared to the positive result of R$ 70.6 million in 2015.

Equity income in 2015 was positively impacted by the non-recurring gain of R$ 80.3 million related to the sale of a stake in "AmstedMaxion Equipamentos e Serviços Ferroviários S.A." and its resulting adjustment of the remaining investment at fair value.

The following table shows the values corresponding to the Iochpe-Maxion equity interest in the main lines of the income statements of these jointly-controlled subsidiaries recorded by the equity income method.

	4Q15			4Q16			
I.S - R$ thousand	**Amsted Maxion**	**Maxion Montich**	**Total**	**Amsted Maxion**	**Maxion Montich**	**Total**	**Var.**
Net Operating Revenue	39,689	19,521	59,210	109,075	35,321	144,396	*143.9%*
Cost of Goods Sold	(33,885)	(17,453)	(51,338)	(98,853)	(32,296)	(131,149)	*155.5%*
Gross Profit	**5,804**	**2,069**	**7,873**	**10,222**	**3,025**	**13,247**	***68.3%***
Operating Revenues	(5,289)	(2,033)	(7,322)	(11,329)	(1,118)	(12,447)	*70.0%*
Equity Income*	(1,313)	-	(1,313)	(2,732)	-	(2,732)	-
Financial Results	(5,077)	(440)	(5,517)	(11,866)	(2,050)	(13,917)	*152.3%*
Income Taxes	1,428	42	1,470	501	140	641	*56.4%*
Net Income (Loss)	**(4,446)**	**(362)**	**(4,808)**	**(15,204)**	**(3)**	**(15,207)**	*-216.3%*
EBITDA	**292**	**(201)**	**91**	**672**	**3,086**	**3,758**	***4013.5%***

	2015			2016			
I.S - R$ thousand	**Amsted Maxion**	**Maxion Montich**	**Total**	**Amsted Maxion**	**Maxion Montich**	**Total**	**Var.**
Net Operating Revenue	281,744	77,796	359,540	139,555	46,564	186,118	*-48.2%*
Cost of Goods Sold	(238,701)	(70,925)	(309,626)	(129,822)	(42,535)	(172,358)	*-44.3%*
Gross Profit	**43,043**	**6,871**	**49,914**	**9,732**	**4,028**	**13,761**	***-72.4%***
Operating Revenues (Expenses)	92,354	(6,793)	85,561	(15,136)	(2,196)	(17,332)	*-120.3%*
Equity Income	(550)	-	(550)	(6,030)	-	(6,030)	-
Financial Results	(24,733)	(2,008)	(26,741)	(15,613)	(2,859)	(18,472)	*-30.9%*
Income Taxes	(38,216)	679	(37,537)	836	268	1,105	*-102.9%*
Net Income (Loss)	**71,899**	**(1,251)**	**70,648**	**(26,210)**	**(758)**	**(26,968)**	*-138.2%*
EBITDA	**140,483**	**4,166**	**144,649**	**(7,028)**	**3,487**	**(3,541)**	***-102.4%***

**The joint controlled company AmstedMaxion started to book the results of AmstedMaxion Equipamentos Ferroviários e Serviços S.A through the equity income method, since the sale of a stake in that company in 2Q15.*

4.6) Earnings before Interest and Tax (EBIT)

EBIT totaled R$ 110.9 million in 4Q16 and R$ 479.3 million in 2016, an increase of 38.2% and 6.6% when compared to 4Q15 and 2015, respectively. Its share of consolidated net operating revenue increased from 4.4% in 4Q15 to 6.6% in 4Q16 and from 6.6% in 2015 to 7.0% in 2016.

Not considering the non-recurring effects mentioned in items 4.4 and 4.5 EBIT would have been R$ 404.5 million in 2016, an increase of 5.3% compared to 2015. Its share of consolidated net operating revenue would have increased from 5.6% in 2015 to 5.9% in 2016.

4.7) EBITDA

EBITDA was R$ 189.2 million in 4Q16 and R$ 796.2 million in 2016, an increase of 15.4% and 6.0% compared to 4Q15 and 2015, respectively. Its share of consolidated net operating revenue increased from 8.9% in 4Q15 to 11.3% in 4Q16 and from 11.0% in 2015 to 11.7% in 2016.

Not considering the non-recurring effects mentioned in items 4.4 and 4.5 EBITDA would have been R$ 721.4 in 2016, an increase of 5.2% compared to 2015. Its share of consolidated net operating revenue would have increased from 10.0% in 2015 to 10.6% in 2016.

Not considering the equity income result and the non-recurring effects in both periods, EBITDA would have been R$ 750.2 million in 2016, an increase of 7.9% compared to 2015. Its share of consolidated net operating revenue would have increased from 10.2% in 2015 to 11.0% in 2016.

The following table shows EBITDA evolution in the indicated periods.

EBITDA Reconciliation - R$ Thousand	4Q15	4Q16	Var.	2015	2016	Var.
Net Income (Loss)	(16,631)	16,849	*201.3%*	49,366	21,531	*-56.4%*
Minority Shareholders	30,567	17,047	*-44.2%*	70,483	67,599	*-4.1%*
Income Taxes	(12,292)	(3,159)	*-74.3%*	12,993	45,702	*251.7%*
Financial Results	78,616	80,212	*2.0%*	316,760	344,490	*8.8%*
Depreciation / Amortization	83,801	78,301	*-6.6%*	301,465	316,902	*5.1%*
EBITDA	**164,062**	**189,250**	***15.4%***	**751,067**	**796,225**	***6.0%***
Equity Income	4,808	3,097		(70,648)	28,799	
Adjusted EBITDA w/o Equity Income	**168,869**	**192,347**	***13.9%***	**680,419**	**825,024**	***21.3%***

4.8) Financial Result

The financial result was negative by R$ 80.2 million in 4Q16 and R$ 344.5 million in 2016, a decrease of 2.0% compared to 4Q15 and 8.8% compared to 2015.

The variation in 2016 is mainly due to the increase of R$ 10.6 million in interest expenses on financing and the cost of R$ 10.0 million related to the anticipated and non-recurring amortization of debentures (5th emission).

4.9) Net result

Net income amount of R$ 16.8 million (earnings per share of R$ 0.1782) in 4Q16 and R$ 21.5 million (earnings per share of R$ 0.2277) in 2016, an increase of 201.3% compared to the loss of R$ 16.6 million (loss per share of R$ 0.1758) in 4Q15 and a decrease of 56.4% compared to net income of R$ 49.4 million (earnings per share of R$ 0,5219) in 2015.

5) CAPITAL EXPENDITURES

Capital expenditures on new product development, on expanding manufacturing capacity and in plant maintenance and upgrades totaled R$ 104.3 million in 4Q16 and R$ 299.3 million in 2016 (R$ 140.4 million in 4Q15 and R$ 330.6 million in 2015).

6) LIQUIDITY AND INDEBTEDNESS

Consolidated cash and cash equivalents at the end of 4Q16 was R$ 431.6 million, of which 15.8% in Brazilian *Reais* and 84.2% in other currencies.

Financial investments accounted for 45.6% of that amount, being entirely recorded under current assets.

Consolidated gross bank debt reached R$ 3,060.1 million at the end of 2016, of which R$ 1,182.8 million (38.7%) was recorded under current liabilities and R$ 1,877.3 million (61.3%) as long term liabilities.

The main indicators of the consolidated gross bank indebtedness at the end of 2016 were: (i) instruments in U.S. Dollars (US$ + average of 6.4% per year) which accounted 47.8%, followed by (ii) instruments in *Reais* indexed to the CDI (Brazilian interbank rate) with 28.9% and (iii) Euros (Euro + 3.9% per year) with 9.5%.

Consolidated net bank indebtedness totaled R$ 2,628.5 million at the end of 2016, a decrease of 1.8% compared to the R$ 2,675.6 million at the end of 2015.

Net bank indebtedness at the end of 2016 represented 3.30x the EBITDA for the last 12 months (3.56x at the end of 2015).

7) SHAREHOLDERS' EQUITY

Shareholders' equity totaled R$ 2,017.1 million (equity book value of R$ 21.26 per share) in the end of 4Q16, a reduction of 17.9% compared to the shareholders' equity in the end of 4Q15 (R$ 2,456.5 million and an equity book value of R$ 25.90 per share).
O ajuste de avaliação patrimonial ao final do 4T16 registrou uma variação negativa de R$ 385,2 milhões, em relação ao final do 4T15, em virtude, principalmente, da variação cambial dos investimentos no exterior.

The equity valuation adjustment at the end of 4Q16 recorded a negative variation of R$ 385.2 million, in relation to the end of 4Q15, mainly due to the exchange variation of investments abroad.

Shareholders' equity attributed to controlling shareholders was R$ 1,784.0 million (equity value of R$ 18.81 per share) in the end of 4Q16, down by 17.2% the shareholders' equity attributed to controlling shareholders in the end of 4Q15 (R$ 2,153.4 million and equity value of R$ 22.70 per share).

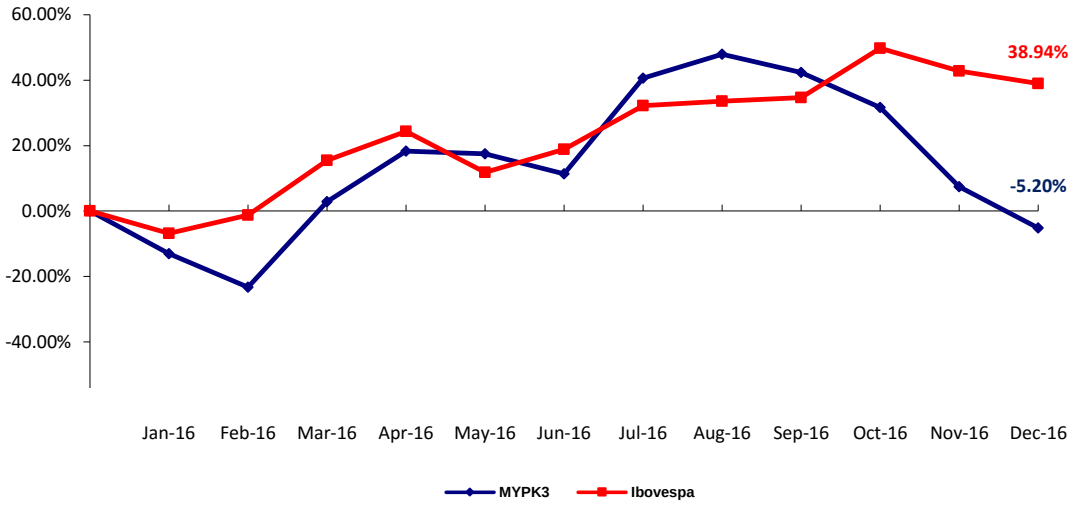
8) DIVIDENDS

Iochpe-Maxion by-laws provides for distribution of 37% of net income (after any accumulated losses from previous periods) as the mandatory dividend. Considering (i) the net income of R$ 21.5 million, (ii) the adoption of deemed cost to property, plant and equipment and its depreciation, which increased net income by R$ 6.7 million; the amount to be distributed to shareholders regarding 2016 should total R$ 10.4 million (R$ 20.9 million in the previous year) or R$ 0.07562660 per share considering the capital increase approved on March 21, 2017 (R$ 0.22077531 in the previous year).

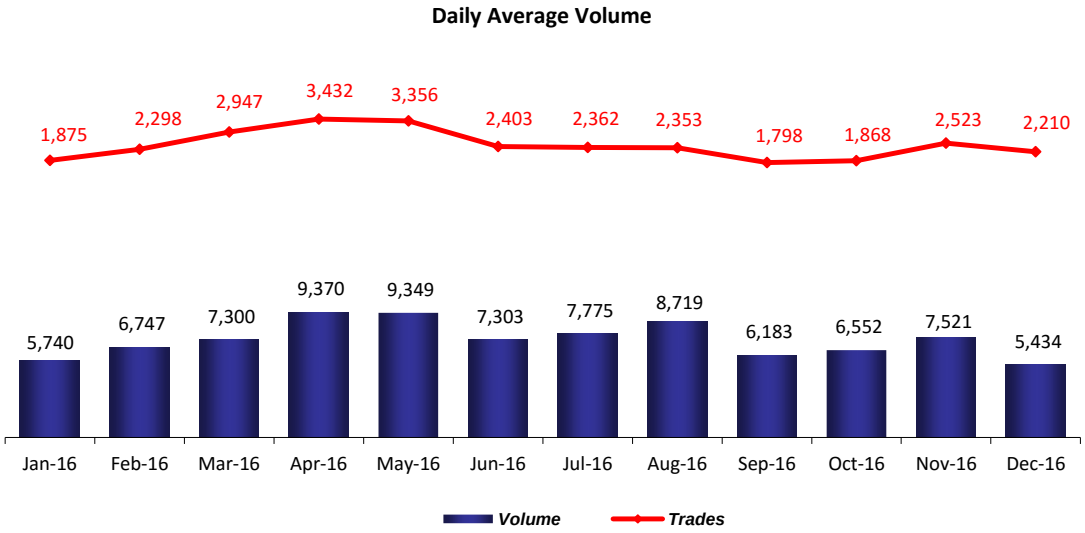
9) CAPITAL MARKETS

Iochpe-Maxion's common shares (BM&FBovespa:MYPK3) closed 2016 at R$ 11.66, down by 33.4% in 4Q16 and by 5.2% over the last 12 months. At the end of the 4Q16 Iochpe-Maxion's market capitalization was R$ 1,106.1 million (R$ 1.166.8 million at the end of 4Q15).

Share Performance – Last 12 months



Iochpe-Maxion's shares recorded a daily average trading volume on the São Paulo Stock Exchange of R$ 6.5 million in 4Q16 (R$ 7.0 million in 4Q15) and an average daily quantity of transactions of 2,201 (2,224 transactions in 4Q15).



10) ARBITRATION CLAUSE

The Company is bound to arbitration at the Arbitration Chamber of Novo Mercado, as provided for in the Arbitration Clause included in its By-laws.

11) SUBSEQUENT EVENT

On January 10, 2017, the Board of Directors approved a capital increase in the total amount of up to R$ 400.0 million, through the private issue of common shares, at the issue price of R$ 12.70 per share. On March 21, 2017, the Board of Directors approved the above mentioned capital increase in the total amount, of which R$ 272.2 million were paid in cash and R$ 126.8 million paid with debentures of the 7th issuance of debentures.

In addition, on February 15, March 6 and March 15, 2017, the Board of Directors approved new capital increases in the total amount of R$ 154.3 million, as a result of (i) the subscription of bonus issued by the Company as an additional advantage to the subscribers of the Debentures of the 7th Issue; and (ii) conversion of debentures of the 6th public issuance of debentures, according to conversion requests received and confirmed in the period.

On February 24, 2017, the Company concluded a syndicated loan in the amount of EUR 130 million, with a total duration of 5 years, with a grace period of 2 years, with the proceeds being used to pay short-term loans of the Company.

12) CVM INSTRUCTION No. 381

In accordance with CVM Instruction No. 381, we inform that during 2016, Iochpe-Maxion, its subsidiaries and its jointly-controlled business incurred the following services provided by the independent auditor:

Audit fees – R$ 5.7 million: audit fees include the audit of annual individual financial statements (Accounting practices adopted in Brazil) and consolidated (IFRS), the review of Company´s quarterly information (ITR) and the audit of financial statements of subsidiaries and jointly-controlled business in Brazil and abroad.

Non-Audit related fees – R$ 0.2 million: the non-audit related fees include: (i) eview of taxes abroad (R$ 167.1 thousand) and (ii) other services (R$ 57.0 thousand).

Iochpe-Maxion, its controlled subsidiaries and its joint-controlled businesses, in discussion with its independent auditors concluded that those services did not affect the independence and the objective of those, due to the definition of scope and the procedures performed. Iochpe-Maxion adopts as policy to attend the regulations that define restriction of services by the independent auditors.

In our relationship with the Independent Auditor, we evaluate conflicts of interest with non-audit work based on the following: the auditor should not (a) audit its own work, (b) carry out management functions and (c) promote our interests.

13) MANAGEMENT'S STATEMENT

Pursuant to article 25 of CVM Instruction No 480/09, of December 7, 2009, Management declares that they have discussed, reviewed and agreed with the independent auditors' report and the individual and consolidated financial statements as of December 31, 2016.

The Company's financial statements presented herein are in accordance with the criteria of the Brazilian corporate law, based on the revised quarterly accounting statements in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards - IFRS.

EBITDA should not be considered as an alternative to net income, as an indicator of the Company's operating performance or as an alternative to cash flow as an indicator of liquidity.

The Company's management believes that EBITDA is a useful measure to assess operating performance and enables comparison with other companies.

The Company calculates EBITDA according to CVM Instruction 527 of October 04, 2012. Consequently, EBITDA represents net income (loss) before interest, income and social contribution taxes and depreciation and amortization.

Cruzeiro, March 27, 2017.

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

IOCHPE-MAXION S.A. AND SUBSIDIARIES

BALANCE SHEETS AS AT DECEMBER 31, 2016 AND 2015
(In thousands of Brazilian reais - R$)

		Parent		Consolidated	
ASSETS	Note	12/31/2016	12/31/2015	12/31/2016	12/31/2015
CURRENT ASSETS					
Cash and cash equivalents	5	29,659	69,484	431,599	739,255
Trade receivables	6	184,973	121,546	835,158	865,496
Inventories	7	223,339	129,880	865,029	854,665
Recoverable taxes	8	20,533	21,328	125,249	135,447
Prepaid expenses		855	2,573	23,054	30,592
Other receivables		8,435	4,344	84,622	86,796
Assets held for sale		-	-	-	15,604
Total current assets		467,794	349,155	2,364,711	2,727,855
NONCURRENT ASSETS					
Recoverable taxes	8	32,503	19,421	34,002	22,273
Deferred income tax and social contribution	9	89,306	12,524	188,481	88,129
Escrow deposits		40,879	34,272	55,066	49,027
Other receivables		2,251	6,761	11,504	9,484
Investments	11	1,718,890	2,788,557	81,425	73,020
Property, plant and equipment	12	925,368	911,470	2,919,881	3,358,914
Intangible assets	13	2,100	2,561	1,402,045	1,686,380
Total noncurrent assets		2,811,297	3,775,566	4,692,404	5,287,227
TOTAL ASSETS		3,279,091	4,124,721	7,057,115	8,015,082

		Parent		Consolidated	
LIABILITIES AND EQUITY	Note	12/31/2016	12/31/2015	12/31/2016	12/31/2015
CURRENT LIABILITIES					
Borrowings, financing and debentures	14	517,903	546,266	1,182,808	1,684,702
Trade payables	15	93,033	52,194	856,084	936,491
Taxes payable	16	7,554	4,865	77,103	55,897
Payroll and related taxes	17	56,498	34,720	203,829	161,260
Advances from customers		50,511	20,172	55,942	89,559
Dividends and interest on capital		10,751	21,166	10,751	21,166
Other payables		30,989	14,461	135,202	139,675
Total current liabilities		767,239	693,844	2,521,719	3,088,750
NONCURRENT LIABILITIES					
Borrowings, financing and debentures	14	685,085	1,233,318	1,877,277	1,730,153
Provision for tax, civil and labor risks	18	40,482	41,271	70,650	73,382
Deferred income tax and social contribution	9	-	-	162,883	164,662
Pension plan	19	-	-	383,157	462,299
Other payables		2,300	2,841	24,352	39,346
Total noncurrent liabilities		727,867	1,277,430	2,518,319	2,469,842
EQUITY					
Share capital	20.a	700,000	700,000	700,000	700,000
Stock options		2,783	2,783	2,783	2,783
Capital reserves		300	300	300	300
Earnings reserves		309,893	292,107	309,893	292,107
Treasury shares		(8,091)	(6,042)	(8,091)	(6,042)
Valuation adjustments to equity		779,100	1,164,299	779,100	1,164,299
Equity attributable to Company owners		1,783,985	2,153,447	1,783,985	2,153,447
Noncontrolling interests in subsidiaries' equity		-	-	233,092	303,043
Total equity		1,783,985	2,153,447	2,017,077	2,456,490
TOTAL LIABILITIES AND EQUITY		3,279,091	4,124,721	7,057,115	8,015,082

The accompanying notes are an integral part of these financial statements.

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

IOCHPE-MAXION S.A. AND SUBSIDIARIES

STATEMENTS OF PROFIT AND LOSS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(In thousands of Brazilian reais - R$, except earnings per share)

	Note	Parent		Consolidated	
		12/31/2016	12/31/2015	12/31/2016	12/31/2015
NET SALES REVENUE	25	1,100,936	1,076,832	6,816,454	6,846,456
COST OF SALES AND SERVICES	26	(1,030,404)	(987,793)	(5,844,666)	(5,954,428)
GROSS PROFIT		70,532	89,039	971,788	892,028
OPERATING INCOME (EXPENSES)					
Selling expenses	26	(27,214)	(25,657)	(150,931)	(155,560)
General and administrative expenses	26	(67,068)	(55,288)	(368,226)	(317,558)
Management fees	10	(16,147)	(11,624)	(16,147)	(11,624)
Share of profit (loss) of subsidiaries	11	195,669	222,329	(28,799)	70,648
Other operating income (expenses), net	27	12,023	(30,863)	71,637	(28,332)
OPERATING INCOME BEFORE FINANCE INCOME (COSTS)		167,795	187,936	479,322	449,602
Finance income	23	43,077	23,205	57,837	37,250
Finance costs	23	(250,918)	(252,938)	(382,253)	(354,354)
Foreign exchange gains (losses), net	24	(8,296)	2,454	(20,074)	344
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(48,342)	(39,343)	134,832	132,842
INCOME TAX AND SOCIAL CONTRIBUTION					
Current	9.b	(6,909)	(75)	(112,502)	(68,873)
Deferred	9.b	76,782	88,784	66,800	55,880
PROFIT FOR THE YEAR		21,531	49,366	89,130	119,849
ATTRIBUTABLE TO					
Company owners		21,531	49,366	21,531	49,366
Noncontrolling interests		-	-	67,599	70,483
EARNINGS PER SHARE FOR THE YEAR:					
BASIC - R$	31	0.22769	0.52185	0.22769	0.52185
DILUTED - R$	31	0.22697	0.52039	0.22697	0.52039

The accompanying notes are an integral part of these financial statements.

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

IOCHPE-MAXION S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(In thousands of Brazilian reais - R$)

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
PROFIT FOR THE YEAR	21,531	49,366	89,130	119,849
OTHER COMPREHENSIVE INCOME				
Items that will be subsequently reclassified to profit or loss:				
Exchange gains (losses) on translating financial statements of foreign subsidiaries	(383,376)	724,903	(443,243)	793,382
Items that will not be subsequently reclassified to profit or loss:				
Effects of changes in actuarial assumptions, net of taxes	5,336	17,090	5,336	17,090
Total other comprehensive income	(378,040)	741,993	(437,907)	810,472
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(356,509)	791,359	(348,777)	930,321
Attributable to:				
Company owners	(356,509)	791,359	(356,509)	791,359
Noncontrolling interests	-	-	7,732	138,962
	(356,509)	791,359	(348,777)	930,321

The accompanying notes are an integral part of these financial statements.

IOCHPE-MAXION

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

IOCHPE-MAXION S.A. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(In thousands of Brazilian reais - R$)

				Capital reserves	Earnings reserves			Valuation adjustments to equity					
	Note	Share capital	Recognized stock options granted	Premium on sale of treasury shares	Legal reserve	By laws reserve for investment and working capital	Treasury shares	Deemed cost of property, plant and equipment	Other comprehensive income	Profit for the year	Equity attributed to Company owners	Noncontrolling interests in subsidiaries' equity	Total equity
BALANCES AS AT DECEMBER 31, 2014		700,000	2,783	300	63,880	192,666	(6,105)	111,574	318,296	-	1,383,394	221,109	1,604,503
Profit for the year		-	-	-	-	-	-	-	-	49,366	49,366	70,483	119,849
Other comprehensive income		-	-	-	-	-	-	-	741,993	-	741,993	68,479	810,472
Total comprehensive income		-	-	-	-	-	-	-	741,993	49,366	791,359	138,962	930,321
Treasury shares sold		-	-	-	-	-	63	-	-	-	63	-	63
Realization of deemed cost, net of taxes		-	-	-	-	-	-	(7,080)	-	7,080	-	-	-
Derecognition of deemed cost, net of taxes		-	-	-	-	-	-	(484)		-	(484)	-	(484)
Dividends paid to noncontrolling shareholders		-	-	-	-	-	-	-	-	-	-	(57,028)	(57,028)
Allocation of profit for the year:				-									
Legal reserve	20.c	-	-	-	2,822	-	-	-	-	(2,822)	-	-	-
Bylaws reserve for investments and working capital	20.c	-	-	-	-	32,739	-	-	-	(32,739)	-	-	-
Mandatory minimum dividends as an addition to interest on capital	20.c	-	-	-	-	-	-	-	-	(20,885)	(20,885)	-	(20,885)
BALANCES AS AT DECEMBER 31, 2015		700,000	2,783	300	66,702	225,405	(6,042)	104,010	1,060,289	-	2,153,447	303,043	2,456,490
BALANCES AS AT DECEMBER 31, 2015		700,000	2,783	300	66,702	225,405	(6,042)	104,010	1,060,289	-	2,153,447	303,043	2,456,490
Profit for the year		-	-	-	-	-	-	-	-	21,531	21,531	67,599	89,130
Other comprehensive income		-	-	-	-	-	-	-	(378,040)	-	(378,040)	(59,867)	(437,907)
Total comprehensive income		-	-	-	-	-	-	-	(378,040)	21,531	(356,509)	7,732	(348,777)
Treasury shares sold		-	-	-	-	-	106	-	-	-	106	-	106
Treasury shares acquired		-	-	-	-	-	(2,155)	-	-	-	(2,155)	-	(2,155)
Realization of deemed cost, net of taxes		-	-	-	-	-	-	(6,701)	-	6,701	-	-	-
Derecognition of deemed cost, net of taxes		-	-	-	-	-	-	(458)	-	-	(458)	-	(458)
Dividends paid to noncontrolling shareholders		-	-	-	-	-	-	-	-	-	-	(77,683)	(77,683)
Allocation of profit for the year:				-									
Legal reserve	20.c	-	-	-	1,412	-	-	-	-	(1,412)	-	-	-
Bylaws reserve for investments and working capital	20.c	-	-	-	-	16,374	-	-	-	(16,374)	-	-	-
Mandatory minimum dividends	20.c	-	-	-	-	-	-	-	-	(10,446)	(10,446)	-	(10,446)
BALANCES AS AT DECEMBER 31, 2016		700,000	2,783	300	68,114	241,779	(8,091)	96,851	682,249	-	1,783,985	233,092	2,017,077

The accompanying notes are an integral part of these financial statements.

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

IOCHPE-MAXION S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(In thousands of Brazilian reais - R$)

	Note	Parent		Consolidated	
		12/31/2016	12/31/2015	12/31/2016	12/31/2015
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the year		21,531	49,366	89,130	119,849
Adjustments to reconcile profit for the year to net cash generated by operating activities:					
Depreciation and amortization	12 & 13	44,251	38,892	316,903	301,464
Income tax and social contribution	9	(69,873)	(88,709)	45,702	12,993
Residual value of property, plant and equipment items written off	12	4,289	11,192	12,397	45,945
Share of profit (loss) of subsidiaries	11	(195,669)	(222,329)	28,799	(70,648)
Provision for tax, civil and labor risks, net of reversals and adjustments	18	1,123	1,750	14,397	24,829
Interest, inflation adjustments and exchange differences	14	222,089	234,119	327,335	297,939
Allowance for doubtful debts		271	27	3,354	3,138
Allowance for inventory losses		(3,442)	(866)	(9,762)	2,795
Finance costs (net) on pension plans and post-employment benefits	23	-	-	11,605	11,535
Gain on sale of property, plant and equipment		-	-	(68,710)	-
Decrease (increase) in assets:					
Trade receivables		(63,494)	52,114	(105,524)	(186,199)
Inventories		(47,306)	22,827	(76,966)	(192,052)
Other receivables and other assets		(16,757)	3,191	(18,859)	(77,201)
Increase (decrease) in liabilities:					
Trade payables		40,839	(99,421)	66,355	117,828
Payment of pension plan and post-employment benefits		-	-	(26,918)	(32,487)
Payment of interest on borrowings and financing	14	(87,360)	(43,938)	(192,894)	(102,587)
Payment of interest on debentures	14	(156,169)	(166,240)	(156,169)	(166,240)
Other payables and other liabilities		61,567	(65,441)	84,810	133,937
Payment of tax, civil and labor risks	18	(1,912)	(882)	(14,606)	(4,197)
Payment of income tax and social contribution		-	-	(76,416)	(90,687)
Net cash generated by (used in) operating activities		(246,022)	(274,348)	253,963	149,954
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital reduction in subsidiaries, net	11 & 34	887,306	161,169	-	-
Purchase of property, plant and equipment	12 & 34	(102,838)	(89,177)	(290,173)	(317,838)
Purchase of intangible assets	13	(75)	(3,682)	(3,280)	(3,682)
Proceeds from the sale of property, plant and equipment		-	-	18,913	-
Net cash generated by (used in) investing activities		784,393	68,310	(274,540)	(321,520)
CASH FLOWS FROM FINANCING ACTIVITIES					
Borrowings and financing	14	1,057,793	523,221	2,961,936	1,401,548
Repayment of borrowings and financing - principal	14	(956,650)	(384,026)	(2,338,890)	(1,283,017)
Redemption of debentures - principal	14	(656,299)	(36,219)	(656,299)	(36,219)
Payment of dividends	20	(20,885)	(28,621)	(20,885)	(28,621)
Dividends paid to noncontrolling interests	11	-	-	(77,683)	(57,028)
Acquisition of shares to be held in treasury		(2,155)	-	(2,155)	-
Net cash generated by (used in) financing activities		(578,196)	74,355	(133,976)	(3,337)
DECREASE IN CASH AND CASH EQUIVALENTS		(39,825)	(131,683)	(154,553)	(174,903)
Exchange differences on translating cash and cash equivalents of foreign subsidiaries		-	-	(153,103)	197,079
Cash and cash equivalents at the beginning of the year		69,484	201,167	739,255	717,079
Cash and cash equivalents at the end of the year		29,659	69,484	431,599	739,255
		-		-	
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(39,825)	(131,683)	(307,656)	22,176

The accompanying notes are an integral part of these financial statements.

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

IOCHPE-MAXION S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(In thousands of Brazilian reais - R$)

	Note	Parent		Consolidated	
		12/31/2016	12/31/2015	12/31/2016	12/31/2015
REVENUES					
Sale of goods and products	25	1,394,087	1,329,776	7,239,433	7,210,434
Allowance for doubtful debts	6	(271)	(27)	(3,354)	(3,138)
Other revenue		8,688	5,623	129,663	30,095
		1,402,504	1,335,372	7,365,742	7,237,391
INPUTS ACQUIRED FROM THIRD PARTIES (INCLUDING ICMS AND IPI)					
Raw materials		(538,918)	(561,169)	(3,722,794)	(3,926,281)
Materials, electric power, outside services and other items	26	(162,920)	(149,256)	(1,079,373)	(1,031,029)
		(701,838)	(710,425)	(4,802,167)	(4,957,310)
GROSS VALUE ADDED		700,666	624,947	2,563,575	2,280,081
RETENTIONS					
Depreciation and amortization	12 & 13	(44,251)	(38,892)	(316,903)	(301,464)
WEALTH CREATED					
BY THE COMPANY AND ITS SUBSIDIARIES		656,415	586,055	2,246,672	1,978,617
WEALTH RECEIVED IN TRANSFER					
Share of profit (loss) of subsidiaries	11	195,669	222,329	(28,799)	70,648
Finance income	23	43,077	23,205	57,837	37,250
Changes in foreign exchange rates	24	(8,296)	2,454	(20,074)	344
		230,450	247,988	8,964	108,242
TOTAL WEALTH FOR DISTRIBUTION		886,865	834,043	2,255,636	2,086,859
WEALTH DISTRIBUTED					
Personnel:					
Salaries and wages		361,808	349,388	1,314,741	1,263,809
Employees' profit sharing		18,174	8,011	59,650	11,613
Taxes:					
Federal		74,644	29,235	154,411	111,634
State		148,524	134,898	214,035	193,750
Municipal		110	103	110	103
Lenders and lessors:					
Interest/fees	23	250,918	252,938	382,253	354,354
Rentals		4,455	3,024	34,605	24,667
Shareholders:					
Proposed and additional dividends	20.c	10,446	20,885	10,446	20,885
Retained earnings		17,786	35,561	17,786	35,561
Noncontrolling interests in retained earnings		-	-	67,599	70,483
		886,865	834,043	2,255,636	2,086,859

The accompanying notes are an integral part of these financial statements.

1. GENERAL INFORMATION

Iochpe-Maxion S.A. ("Company") is a publicly-held company, headquartered at Rua Dr. Othon Barcellos, 83, city of Cruzeiro, State of São Paulo, registered with Bolsa de Valores, Mercadorias e Futuros de São Paulo - BM&FBOVESPA S.A. (São Paulo stock exchange) - under ticker symbol MYPK3.

The Company's and its subsidiaries' operations are carried out in 32 units located in Brazil and abroad, focused on the automotive segment, and divided into the wheels and structural component business, as follows:

(a) Manufacture and sale of heavy steel wheels.

(b) Manufacture and sale of light steel wheels for automobiles, pick-up trucks, SUVs and light and medium-sized commercial vehicles.

(c) Manufacture and sale of light aluminum wheels for vehicles.

(d) Manufacture and sale of heavy structural components (complete frames, sidebars, and crossbars) and metal stampings for commercial vehicles.

(e) Manufacture and sale of light structural and automotive components (metal stampings for passenger vehicles, brake levers, pedal sets, welded assemblies, structural parts and other automotive components).

Country	Location	Wheels	Structural components
South Africa	Johannesburg	(c)	
Germany	Konigswinter	(a) (b)	
Argentina	Cordoba		(d) (e)
Brazil	Cruzeiro	(a)	(d) (e)
Brazil	Contagem		(e)
Brazil	Juiz de Fora		(d)
Brazil	Limeira	(b) (c)	
Brazil	Resende		(d)
Brazil	Santo André	(c)	
Brazil	Sete Lagoas		(d)
China	Nantong	(a)	
Spain	Manresa	(b)	
USA	Akron	(a)	
USA	Sedalia	(b)	
India	Pune	(a) (b)	
Italy	Dello	(c)	
Mexico	Castaños		(d) (e)
Mexico	Chihuahua	(c)	
Mexico	San Luis Potosi	(a) (b)	
Czech Republic	Ostrava	(b) (c)	
Thailand	Saraburi	(c)	
Turkey	Manisa	(a) (b) (c)	
Uruguay	Canelones		(d)

The Company, through its non-wholly owned subsidiary Remon Resende Montadora Ltda. ("Remon"), also provides tire and wheel fitting and balancing services in the Resende unit, State of Rio de Janeiro.

The Company, through its joint venture Amsted-Maxion Fundição e Equipamentos Ferroviários S.A. ("AmstedMaxionFundição"), located in Cruzeiro, State of São Paulo, produces industrial castings and railroad wheels. AmstedMaxionFundição, through its joint venture Amsted Maxion Serviços e Equipamentos Ferroviários S.A. ("AmstedMaxionFerroviário"), located in Hortolândia, State of São Paulo, sells and produces freight cars.

Light and heavy wheels are also sold in the unit located in Novi, in the United States of America.

2. GROUP COMPANIES

The consolidation comprises the financial statements of the Company and the following direct and indirect subsidiaries:

		Direct interest - %		Indirect interest - %	
	Country	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Maxion Componentes Estruturais Ltda.	Brazil	100.00	100.00	-	-
Remon-Resende Montadora Ltda.	Brazil	33.33	33.33	-	-
Maxion (Nantong) Wheels Co., Ltd.	China	100.00	100.00	-	-
Newbridge Strategic Partners (1)	Cayman	100.00	100.00	-	-
Iochpe-Maxion Austria GmbH	Austria	100.00	100.00	-	-
Maxion Wheels Immobilien GmbH & Co. KG	Germany	-	-	5.10	5.10
Iochpe Sistemas Automotivos de México, S.A. de C.V.	Mexico	-	-	100.00	100.00
Ingenieria y Maquinaria de Guadalupe, S.A. de C.V.	Mexico	-	-	100.00	100.00
Servicios Corporativos Inmagusa, S.A. de C.V.	Mexico	-	-	100.00	100.00
Representaciones Inmagusa, S.A. de C.V.	Mexico	-	-	100.00	100.00
Maxion Wheels de Mexico, S. de R.L. de C.V.	Mexico	-	-	100.00	100.00
Servicios Maxion Wheels San Luis Potosí, S.A. de C.V.	Mexico	-	-	100.00	100.00
Servicios Maxion Wheels Chihuahua, S. de R.L. de C.V.	Mexico	-	-	100.00	100.00
Iochpe Holdings Austria GmbH	Austria	-	-	100.00	100.00
Iochpe Holdings, LLC	USA	-	-	100.00	100.00
Maxion Wheels	USA	-	-	100.00	100.00
Maxion Wheels U.S.A. LLC	USA	-	-	100.00	100.00
HLI Delaware Holdings, LLC	USA	-	-	100.00	100.00
Maxion Wheels Akron LLC	USA	-	-	100.00	100.00
Maxion Wheels Sedalia LLC	USA	-	-	100.00	100.00
Maxion Import LLC	USA	-	-	100.00	100.00
Maxion Luxembourg Holdings S.à.r.l.	Luxembourg	-	-	100.00	100.00
Maxion Wheels Europe S.à.r.l	Luxembourg	-	-	100.00	100.00
Maxion Wheels South Africa (Pty) Ltd.	South Africa	-	-	100.00	100.00
Maxion Wheels Japan K.K.	Japan	-	-	100.00	100.00
Maxion Wheels Czech s.r.o.	Czech Republic	-	-	100.00	100.00
Maxion Wheels EAAP Holding GmbH	Germany	-	-	100.00	100.00
Maxion Wheels España S.L.	Spain	-	-	100.00	100.00
Hayes Lemmerz Barcelona, S.L.	Spain	-	-	100.00	100.00
Maxion Wheels Italy Holding, S.r.l.	Italy	-	-	100.00	100.00
Maxion Wheels Italia S.r.l.	Italy	-	-	100.00	100.00
Maxion Wheels (Thailand) Co. Ltd.	Thailand	-	-	70.09	70.09
Maxion Wheels Germany Holding GmbH	Germany	-	-	100.00	100.00
Maxion Wheels Konigswinter GmbH	Germany	-	-	100.00	100.00
Maxion Wheels Immobilien GmbH & Co. KG	Germany	-	-	94.90	94.90
Kalyani Maxion Wheels Private Limited	India	-	-	85.00	85.00
Maxion Wheels Werke GmbH	Germany	-	-	100.00	100.00
Maxion Wheels do Brasil Ltda.	Brazil	-	-	100.00	100.00
Remon-Resende Montadora Ltda.	Brazil	-	-	33.33	33.33
Maxion Inci Jant Sanayi, A.S.	Turkey	-	-	60.00	60.00
Maxion Jantas Jant Sanayi ve Ticaret A.S	Turkey	-	-	60.00	60.00

(1) Refer to dormant subsidiary.

Joint ventures

The investments in joint ventures AmstedMaxionFundição and Maxion Montich S.A. ("Maxion Montich"), holding 40.25% and 50% stake, respectively, are accounted for under the equity method of accounting.

On August 1, 2016, as disclosed in a significant event notice at that date, Greenbrier do Brasil Participações Ltda. ("Greenbrier") subscribed, additionally, to 19.5% of the capital of the joint venture AmstedMaxionFundição, for R$32,740, and, accordingly, the Company now holds 40.25% of the net equity of its joint venture.

The nature of the joint ventures' operations is as follows:

- AmstedMaxionFundição and AmstedMaxionFerroviário
  - Engaged in the production and sale of industrial castings, railroad wheels, and rail freight cars in Cruzeiro and Hortolândia, State of São Paulo, Brazil, respectively.
- Maxion Montich
  - Engaged in the manufacturing and sale of heavy structural components (complete frames, sidebars and crossbars), metal stampings and welded assemblies for commercial and light vehicles in Cordoba - Argentina, Sete Lagoas - Brazil, and Canelones – Uruguay.

The main asset, liability and profit or loss groups of these unconsolidated joint ventures are as follows:

	AmstedMaxionFundição		Maxion Montich	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Balance sheets				
Current assets	70,741	98,888	42,194	35,472
Noncurrent assets	449,149	474,654	27,654	39,113
Total assets	519,890	573,542	69,848	74,585
Current liabilities	201,609	278,671	48,888	42,217
Noncurrent liabilities	133,570	169,251	7,124	12,270
Equity	184,711	125,620	13,836	20,098
Total liabilities and equity	519,890	573,542	69,848	74,585

	AmstedMaxionFundição		Maxion Montich	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Statements of profit and loss				
Net sales revenue	299,265	563,488	93,127	155,592
Cost of sales	(279,142)	(477,402)	(84,137)	(141,850)
Gross profit	20,123	86,086	8,990	13,742
Operating income (expenses), net	(66,412)	135,243	(10,109)	(17,593)
Share of profit (loss) of subsidiaries	(13,111)	(1,100)	-	-
Income tax and social contribution	2,036	(76,432)	536	1,349
Profit (loss) for the year	(57,364)	143,797	(583)	(2,502)

Commitments assumed

The joint venture AmstedMaxionFundição, through its joint venture AmstedMaxionFerroviário, has a five-year lease agreement, dated June 14, 2013, with possibility of renewal, of the property where its Hortolândia plant, State of São Paulo, Brazil, is located.

As at December 31, 2016, the estimated future lease obligation is limited to the aggregate amounts described in the table below, which do not include possible amounts incurred in renovations:

	R$
2017	15,384
2018	7,692
Total	23,076

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

a) Basis of preparation

The Company's individual and consolidated financial statements have been prepared and are being presented in accordance with the accounting practices adopted in Brazil, which include the standards issued by the Brazilian Securities Commission (CVM) and the pronouncements issued by the Accounting Pronouncements Committee (CPC), and the International Financial Reporting Standards (IFRSs).

Note 31 is being restated to adjust diluted earnings per share calculations, since potentially dilutive financial instruments are "out-of-the-money" in the financial statements for December 31, 2015.

b) Measurement basis

The individual and consolidated financial statements have been prepared using the historical cost as value basis and available-for-sale financial assets and financial assets and financial liabilities measured at fair value.

c) Functional and reporting currency

Items in the financial statements of the Company and each of the subsidiaries included in the consolidated financial statements are measured based on the functional currency of each of these companies, which corresponds to the currency of the main economic environment where they operate.

In the consolidated financial statements, assets and liabilities were translated using the closing exchange rate effective on the respective balance sheet date, and income and expenses were translated into Brazilian reais (R$), which is the Company's functional and reporting currency, using the average exchange rate in effect in the months when the transactions were carried out.

d) Exchange rates

The exchange rates in Brazilian reais (R$) in effect at the end of the reporting period are as follows:

Closing rate	12/31/2016	12/31/2015
U.S. dollar (US$)	3.2591	3.9048
Euro (€)	3.4384	4.2504

Average rate	12/31/2016	12/31/2015
U.S. dollar (US$)	3.4901	3.3315
Euro (€)	3.8615	3.6929

e) Use of estimates and judgments

In applying the accounting policies described in note 4, Management makes judgments and estimates regarding the reported assets and liabilities' carrying amounts, which are not easily obtained from other sources. The estimates and associated assumptions are based on past experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

Estimates and assumptions are reviewed on an ongoing basis. The effects from the revisions to accounting estimates are recognized in profit or loss for the current year.

Below are the main areas at judgments and accounting estimates:

e.1) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units (CGUs) to which goodwill has been allocated. The calculation of the value in use requires Management to estimate expected future cash flows generated by the CGU and an adequate discount rate to calculate the present value.

e.2) Useful lives of property, plant and equipment

As described in note 4.i.3, the Company reviews the estimated remaining useful lives of property, plant and equipment items at the end of each fiscal year. For further details on the useful lives of assets, see note 12.

e.3) Other areas that involved estimates and judgments are as follows:

- Notes 4.f) and 6 - Allowance for doubtful debts.
- Notes 4.g) and 7 – Allowance for inventory losses.
- Note 9 – Income tax and social contribution.
- Note 18 – Provision for tax, civil and labor risks.
- Note 19 – Employee pension plan and post-employment benefits.
- Note 21 – Stock option plan.
- Note 22 – Long-term incentive plan.
- Note 28 – Risk management and financial instruments.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Consolidation of financial statements

a.1) Definition of subsidiaries

Subsidiaries are all entities whose financial and operating activities can be conducted by the Company and in which the latter holds a majority stake. The Company has the control over an entity when it is exposed or has rights to variable returns from its involvement with the entity and has ability to affect those returns through power over an entity. The existence and the effect of potential voting rights, currently exercisable or convertible, are taken into consideration to determine whether the Company controls or not another entity. Subsidiaries are fully consolidated from the date on which control is transferred until the date control ceases.

a.2) Consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, for the same reporting period and consistent with the Company's accounting policies.

The main consolidation criteria include:

- Elimination of intergroup asset and liability balances between the consolidated companies.
- Elimination of the parent's interests in the equity of its direct and indirect subsidiaries.
- Elimination of intercompany transactions, balances and gains or losses not realized in transactions between the group companies. Unrealized losses are also eliminated unless the transaction has evidence of impairment loss on the transferred asset.

a.3) Translation of the financial statements of foreign subsidiaries

The Company reviews the accounting practices of the foreign subsidiaries and should there be any differences with accounting practices adopted in Brazil, adjustments are made to equity and profit or loss for the year before calculating the share of profit (loss) of subsidiaries.

In preparing the consolidated financial statements, the income statement and the statements of comprehensive income, cash flows and value added and all other movements in assets and liabilities are translated into Brazilian reais (R$) at the average exchange rate, which is considered a rate close to the exchange rate prevailing on the date of the underlying transactions. The balance sheet is translated into Brazilian reais (R$) at the exchange rates prevailing at the end of the reporting period.

Gains or losses resulting from the translation of the financial statements of foreign subsidiaries into the Company's reporting currency are recognized as 'Other comprehensive income'.

a.4) Joint ventures

These joint arrangements are entities where the Company holds joint control, contractually provided for, on such entities' business and which exist only when strategic, financial, and operating decisions related to their operations require the unanimous consent of the parties that share control. Joint ventures are accounted for under the equity method in the Company's individual and consolidated financial statements.

b) General revenue recognition principles and criteria

Assets, liabilities, income and expenses are recognized on the accrual basis.

Revenue is measured at fair value of consideration received or receivable, less any estimated returns, trade discounts and/or bonus granted to the buyer and other similar deductions. It is recognized in the statement of profit or loss for the year, less deductions, including taxes on sales.

Revenue from product sales

It is recognized when: (i) the risks and rewards inherent to the products and goods sold are transferred to the buyers; (ii) the payment of amounts owed to the Company and its subsidiaries is probable; and (iii) there is no longer any involvement of the Management with the products. More specifically, revenue from product sales is recognized when the products are delivered and legal ownership is transferred.

c) Foreign currency-denominated transactions

These are translated into the functional currencies of the Company and its subsidiaries at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting periods are retranslated into the functional currency at the rates prevailing at that date. Foreign exchange gains or losses on monetary items correspond to the difference between the amortized cost of the functional currency at the beginning of the year, adjusted by interest and actual payments during the year, and the amortized cost in foreign currency at the exchange rate prevailing at the end of each year. Foreign currency-denominated nonmonetary assets and liabilities that are measured at fair value are retranslated into the functional currency at the exchange rate prevailing at the date their fair values were determined.

d) Financial instruments

Classification

The Company and its subsidiaries classify their financial assets into the following categories: (i) financial assets measured at fair value through profit or loss; (ii) held-to-maturity financial assets; (iii) loans and receivables; and (iv) available-for-sale financial assets. Classification depends on the purpose for which the financial assets were acquired.

Financial assets

(i) Measured at fair value through profit or loss

As at December 31, 2016, the Company and its subsidiaries had financial instruments classified in this category.

(ii) Held-to-maturity financial assets

As at December 31, 2016 and 2015, the Company and its subsidiaries did not have financial instruments classified in this category.

(iii) Loans and receivables

Include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are stated in current assets, except for maturities greater than 12 months after the end of each year, which are classified as noncurrent assets. The Company's loans and receivables comprise trade receivables (note 6), related parties (note 10) and cash and cash equivalents (note 5).

(iv) Financial assets available for sale

As at December 31, 2016 and 2015, the Company and its subsidiaries did not have financial assets classified in this category.

Financial liabilities

(i) Measured at fair value through profit or loss

Financial liabilities are classified at fair value through profit or loss when they are either held for trading or designated at fair value through profit or loss.

As at December 31, 2016 and 2015, they refer to the derivative embedded in the convertible debentures, as shown in note 14.

(ii) Stated at amortized cost

Measured at amortized cost using the effective interest method. As at December 31, 2016 and 2015, they comprise bank borrowings and financing, including debentures (note 14), trade payables (note 15), and due to related parties (note 10), which are presented at their original amounts plus interest, inflation and exchange adjustments, incurred up to the end of each year.

Effective interest method

It is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Measurement

Regular-way purchases or sales of financial assets are recognized on a trade date basis, i.e., the date on which the Company and its subsidiaries agree to buy or sell the asset. Financial assets at fair value through profit or loss are initially recognized at fair value, and transaction costs are recorded in the income statement. Loans and receivables are carried at amortized cost.

Gains or losses arising on changes in the fair value of financial assets at fair value through profit or loss are recognized in profit or loss, in line items 'Finance income' or 'Finance costs', respectively, in the year in which they are earned or incurred.

Offset of financial instruments

Financial assets and financial liabilities are offset and the net amount is recorded in the balance sheet when there is a legally enforceable right to set off recognized amounts and intention to either settle them on a net basis, or to recognize the asset and settle the liability simultaneously.

e) Cash and cash equivalents

Comprise cash, banks and highly liquid short-term investments maturing within up to 90 days from investment date, immediately convertible into a known amount of cash and subject to an insignificant risk of change in value, which are carried at cost plus income earned through the end of each reporting period, which does not exceed their fair or realizable values.

f) Trade receivables and allowance for doubtful debts

Recognized and held in the balance sheet at the original amount of the receivables, less the allowance for doubtful debts, which is recognized taking into account the breakdown of the past-due receivables, and an allowance is recognized for all receivables past due for more than 90 days for which there is no evidence of negotiation, and refer to insolvent or bankrupt customers.

g) Inventories

Stated at average acquisition or production cost, adjusted to their realizable fair value and probable losses, when applicable. The average cost includes all costs incurred on purchase, production and processing costs, and costs incurred in bringing the inventories to their present location and condition. In the case of finished product and work in process inventories, cost includes a proportional share of manufacturing overheads based on normal production capacity.

The net realizable fair value is the estimated sales price in the normal course of business less estimated completion costs and selling expenses. The amounts are disclosed in note 7.

The Company and its subsidiaries make estimates to determine the allowance for losses on inventories, which they consider to be in an amount considered sufficient to cover probable losses on inventories, according to the criteria below.

The allowance for losses on slow-moving inventories is recognized based on a Management policy that takes into consideration the history of consumption on an item-by-item basis for the past 12 months compared to the existing balance of inventories at the end of the reporting period.

The allowance for losses on inventories that exceed historic consumption for the past 12 months and of which no future sales are expected is recognized as the difference between their carrying amount and their recoverable amount.

h) Investments

h.1) Investments in subsidiaries: accounted for under the equity method

h.2) Interests in joint ventures

The Company discloses its interests in joint ventures in its individual and consolidated financial statements under the equity method of accounting.

i) Property, plant and equipment

i.1) Recognition and measurement

Stated at purchase or construction cost, plus the deemed cost recognized at the time of the adoption of the IFRSs in 2010 and, when applicable, interest capitalized during the construction period, in the case of qualifying assets, less accumulated depreciation and allowance for impairment losses on discontinued assets without expectation of reuse or realization.

When applicable, property, plant and equipment include all expenses allocable to the assets during their construction and/or preoperating testing phase.

Any gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in net amounts as "Other operating income (expenses)" in profit or loss.

Machinery spare parts necessary to the regular operation of the items of property, plant and equipment and that result in an increase of an asset's useful life by more than twelve months, are classified as property, plant and equipment.

i.2) Subsequent costs

The cost of replacement of an item of property, plant and equipment is recognized at the carrying amount of the item when it is probable that the economic benefits arising from the item will flow to the Company and its subsidiaries and its cost can be reliably measured. Maintenance costs are recognized in profit or loss as incurred.

i.3) Depreciation

Calculated on the depreciable amount, which is the purchase cost of an asset or another cost value after deducting its residual value.

Depreciation is recognized in profit or loss on a straight-line basis, based on the estimated useful lives of each part of an item of property, plant and equipment, as this method is more representative of the time pattern in which economic benefits from the asset are consumed. Land is not depreciated.

The estimated useful lives are disclosed in note 12.

The depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, and possible adjustments are subsequently recognized as changes in accounting estimates.

j) Intangible assets

j.1) Separately acquired intangible assets, including those acquired through business combinations

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, where applicable. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less impairment losses, when applicable.

They comprise: (i) trademarks; (ii) property use rights; (iii) software licenses, including implementation costs; (iv) portfolio of customers purchased from third parties; and (v) goodwill on acquisition of subsidiaries. Assets with finite useful lives are amortized based on the estimated useful lives of the assets. Assets with indefinite useful lives, consisting mainly of goodwill paid on the acquisition of subsidiaries, are annually tested for impairment and/or when there are any indications that they might be impaired.

Purchased software licenses, including the related implementation costs, and ERP systems licenses are capitalized and amortized according to the estimated useful lives of the assets, and software maintenance-related costs are recognized as expenses when incurred.

j.2) Product research and development expenses

These costs are expensed when incurred.

k) Impairment testing

k.1) Assets (other than goodwill)

The Company and its subsidiaries analyze on an annual basis whether there is evidence that the carrying amount of an asset might be impaired. If there is any evidence of impairment, the recoverable value of the asset is estimated. The recoverable value of an asset is the higher of: (i) its fair value less costs to sell, and (ii) its value in use. The value in use is equivalent to pretax discounted cash flows arising from the continuing use of the asset. When the residual value of the asset exceeds its recoverable amount, an impairment loss is recognized.

For impairment purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, or CGUs).

k.2) Goodwill on subsidiaries

For impairment testing purposes, Management defined that CGUs correspond to the automotive segment and each business which goodwill was allocated and are annually tested for impairment or more frequently when there are indications that the CGU may be impaired. If the recoverable amount of a CGU is less than its carrying amount, impairment losses are firstly allocated to write down the carrying amount of any goodwill allocated to CGU and subsequently to the other assets of the CGU, "pro rata" to the carrying amount of each of its assets. An impairment loss on goodwill is not reversed in a subsequent period.

k.3) Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at the end of each fiscal year to determine whether there is any evidence that it is impaired.

l) Post-employment benefits

l.1) Defined contribution plan

Payments to defined contribution plans are recognized as expenses in profit or loss when the services they entitle to are provided. In the case of the Company, the defined contribution plan consists of an open plan with fixed contributions and no actuarial risk or a legal or constructive obligation to pay additional amounts. For further details, see note 19.

l.2) Defined benefit plans

For these plans, the cost of the benefits is determined under the projected unit credit method, based on the actuarial valuation undertaken at the end of each fiscal year. Past service cost is recognized immediately to the extent that the benefits are already vested or are otherwise amortized on a straight-line basis over the average period until the benefits become vested.

Pension benefit obligations recognized in the balance sheet represent the present value of the liability from defined benefits, less the fair value of plan assets. In the case of the Company, the consolidated financial statements disclose defined-benefit plans sponsored by the indirect subsidiary Maxion Wheels, as shown in note 19.

m) Employee benefits

m.1) Profit sharing

The Company and its subsidiaries recognize a profit sharing liability and expense, which is contingent on the attainment of operating goals and specific objectives set and approved at the beginning of each year. The Company and its subsidiaries recognize an accrual for profit sharing when it is contractually obliged or when there is a past practice that created a constructive obligation.

The liability is recognized at the expected value to be paid in the cash bonus plan or short-term profit sharing, if the Company and its subsidiaries have a legal or constructive obligation to pay this amount due to a past service provided by the employee and the obligation may be reliably estimated, as disclosed in note 17.

m.2) Share-based compensation

For plan participants, the fair value of stock options granted set on the grant date is recognized on a straight-line basis as expenses in profit or loss for the year over the vesting period, based on the Company's estimates on which options granted will become eventually vested, with a corresponding increase in equity.

At the end of each year, the Company reviews its estimates of the number of equity instruments to be vested, and the impact of the review with respect to original estimates, if any, is recognized in profit or loss for the year, so that accumulated expenses reflect the reviewed estimates, including the corresponding adjustment to equity in line item 'Recognized options granted' that recorded the benefit to employees.

n) Provisions

Provisions are recognized when the Company and its subsidiaries have a legal or constructive obligation as a result of past events and it is probable that an outflow of funds will be required to settle the obligation and its present value can be reliably estimated. Provisions are quantified at present value of the expected disbursement to settle the obligation using the appropriate discount rate, according to related risks.

It is adjusted up to the end of each fiscal year for the probable loss amount, according to the nature of each contingency and based on the opinion of the Company's and its subsidiaries' legal counsel. The bases for and nature of the provisions for tax, civil and labor risks are described in note 18.

o) Taxation

o.1) Current taxes

The provision for income tax and social contribution is based on the taxable profit. Taxable income differs from the income in the statement of profit or loss as it excludes income or expenses taxable or deductible in other years, and also nontaxable or nondeductible items on a permanent basis. The provision for income tax and social contribution is calculated individually by the Company and its subsidiaries based on the tax rates in effect at the end of each reporting period, except for foreign subsidiaries, which must comply with the tax rates prevailing in each country where they are located; the income tax and social contribution of the Company and its subsidiaries located in Brazil are calculated at a 15% tax rate, plus a 10% surtax on taxable profit exceeding R$240 (annual basis) for income tax, and social contribution is calculated at 9% on taxable profit, taking into account the offset of tax loss carryforwards, limited to 30% of the annual taxable profit.

Current income tax and social contribution expenses are calculated using the tax laws enacted or substantially enacted by the end of each reporting period, pursuant to Brazilian tax regulations. Management periodically measures the positions assumed in the income tax returns regarding situations in which applicable tax regulations are subject to possibly different interpretations and, when appropriate, recognizes provisions based on the amounts it expects to pay to tax authorities.

o.2) Deferred taxes

Deferred income tax and social contribution ("deferred taxes") are recognized on temporary differences between the balances of assets and liabilities recognized in the financial statements and the related tax bases adopted to calculate taxable profit, including tax loss carryforwards, when applicable. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, only when it is probable that the Company and its subsidiaries will generate future taxable profit in a sufficient amount so that these deductible temporary differences can be utilized.

The recovery of deferred tax assets is reviewed at the end of each reporting period and, when it is no longer probable that future taxable profit will be available to allow the recovery of all or part of the asset, these are adjusted for the expected recoverable amount.

Deferred tax assets and liabilities are measured using the tax rates applicable for the year in which the liability is expected to be settled or the asset is expected to be realized, based on the tax rates set forth in the tax law prevailing at the end of each reporting period, or when new legislation has been substantially enacted. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company and its subsidiaries expect, at the end of each year, to recover or settle the carrying amount of these assets and liabilities.

Deferred tax assets and liabilities are offset only when the current tax asset can be offset against the current tax liability and when they are related to taxes managed by the same tax authority e a Company and its subsidiaries intend to settle the net amount of its current tax assets and liabilities.

o.3) Current and deferred taxes

Current and deferred taxes are recognized as expenses or income in profit or loss for the year, except when related to items recognized directly in 'Other comprehensive income' or in equity, when taxes are also recognized directly in other comprehensive income or in equity, or when arising on the initial recognition of a business combination. In the case of a business combination, the tax effect is considered in accounting for the business combination, when applicable.

o.4) Income tax rates of foreign subsidiaries

Country	Tax rate - %
Mexico	30.00
United States of America	35.00
China	25.00
Luxembourg	29.22
Germany	32.30
Spain	25.00
Italy	31.40
Czech Republic	19.00
Thailand	20.00
Turkey	20.00
India	33.99
South Africa	28.00
Japan	34.22
Austria	25.00

p) Net earnings per share

Basic earnings per share are calculated by means of the profit for the year attributable to Company owners and noncontrolling interests and the weighted average number of common shares outstanding in the related year. Diluted earnings per share are calculated by means of the average number of shares outstanding, adjusted by instruments potentially convertible into shares, with diluting effect, in the reported years.

q) New standards, amendments and interpretations of standards issued by IASB, applicable to the Company and not yet effective:

- IFRS 9 - Financial Instruments: introduces new requirements for the classification, measurement and derecognition of financial assets and financial liabilities. (effective for annual periods beginning on or after January 1, 2018).

- IFRS 15 - Revenue from Contracts with Customers: introduces new requirements for the recognition of revenue from the sale of goods and services. (effective for annual periods beginning on or after January 1, 2018).

- IFRS 16 - Leases: lessees are required to recognize a lease liability for the obligation to make future lease payments and a right-of-use asset for practically all the lease agreements, except for certain short-term leases and leases of low-value assets (effective for annual periods beginning on or after January 1, 2019).

- Amendments to IFRS 2 - Classification and Measurement of Share-based Payment Transactions: clarify some aspects relating to the treatment attributable to the estimated fair value of cash-settled share-based payments and related recognition (effective for annual periods beginning on or after January 1, 2018).

- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: address situations involving the sale or contribution of assets between an investor and its associate or joint venture (effective on a date to be determined).

- Amendments to IAS 7 - Disclosure Initiative: require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities (effective for annual periods beginning on or after January 1, 2017).

- IFRIC 22 – Foreign Currency Transactions and Advance Consideration: this interpretation clarifies the accounting treatments attributable to foreign currency transactions of non-monetary items and related impacts.

The Company's management assessed these standards and does not anticipate any significant effects on the reported amounts. The other standards, interpretations and amendments thereto that were subject to mandatory amendments for financial statements, beginning January 1, 2016, were not listed above as they were inapplicable or immaterial to the Company.

5. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Cash and banks:				
In Brazil	15,648	13,840	26,772	32,176
Abroad	-	-	208,224	449,422
	15,648	13,840	234,996	481,598
Highly liquid short-term investments:				
In Brazil	14,011	55,644	41,216	155,822
Abroad	-	-	155,387	101,835
	14,011	55,644	196,603	257,657
Total	29,659	69,484	431,599	739,255

Transactions	Average yield	Liquidity	Country	Parent 12/31/2016	Parent 12/31/2015	Consolidated 12/31/2016	Consolidated 12/31/2015
Bank Certificates of Deposit (CDBs)	100.3% of CDI	Immediate	Brazil	7,007	20,024	18,286	49,042
Debentures under repurchase agreements	85.7% of CDI	Immediate	Brazil	7,004	35,620	22,930	106,780
Investment in Mexican pesos	4.6% p.a.	Immediate	Mexico	-	-	21,265	21,656
Investment in U.S. dollars	0.4% p.a.	Immediate	Mexico	-	-	16,893	80,179
Investment in euros	0.9% p.a.	Immediate	Turkey	-	-	37,994	-
Investment in U.S. dollars	1.6% p.a.	Immediate	Turkey	-	-	65,657	-
Investment in Turkish lira	9.9% p.a.	Immediate	Turkey	-	-	13,578	-
Total				14,011	55,644	196,603	257,657

6. TRADE RECEIVABLES

a) Breakdown

	Parent 12/31/2016	Parent 12/31/2015	Consolidated 12/31/2016	Consolidated 12/31/2015
In Brazil	154,045	89,544	202,316	124,991
Abroad	6,221	6,312	632,142	730,453
Related parties (Note 10.b)	25,122	26,038	6,517	17,146
Allowance for doubtful debts	(415)	(348)	(5,817)	(7,094)
Total	184,973	121,546	835,158	865,496

Variations in the allowance for doubtful debts

	Parent 12/31/2016	Parent 12/31/2015	Consolidated 12/31/2016	Consolidated 12/31/2015
Balance at the beginning of the year	(348)	(321)	(7,094)	(3,712)
Recovered amounts	204	-	3,435	771
Amounts written-off as uncollectible	186	658	1,144	3,319
Allowance for increases	(457)	(685)	(4,498)	(6,457)
Exchange rate changes	-	-	1,196	(1,015)
Balance at the end of the year	(415)	(348)	(5,817)	(7,094)

b) Aging list

	Parent 12/31/2016	Parent 12/31/2015	Consolidated 12/31/2016	Consolidated 12/31/2015
Current	145,897	100,631	743,648	778,635
Past-due:				
1 to 30 days	29,641	15,265	69,313	63,620
31 to 60 days	5,692	3,756	12,602	10,093
61 to 90 days	2,073	1,068	5,349	3,847
91 to 180 days	724	947	3,251	5,830
Over 181 days	1,361	227	6,812	10,565
Total	185,388	121,894	840,975	872,590

7. INVENTORIES

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Finished products	32,750	26,762	255,439	297,857
Work in process and semi-finished products	40,483	24,830	133,807	152,653
Tooling for resale in process	31,742	36,379	72,642	71,726
Raw materials	57,650	31,036	234,566	210,188
Auxiliary and packaging materials	60,307	12,854	195,937	170,479
Advances to suppliers	8,272	9,146	15,845	11,855
Imports in transit	1,163	1,343	1,073	1,343
Allowance for inventory losses	(9,028)	(12,470)	(44,280)	(61,436)
Total	223,339	129,880	865,029	854,665

Variations in the allowance for inventory losses

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Balance at the beginning of the year	(12,470)	(13,336)	(61,436)	(45,861)
Reversals	11,859	10,946	43,034	15,936
Allowance for increases	(8,417)	(10,080)	(33,272)	(18,731)
Exchange rate changes	-	-	7,394	(12,780)
Balance at the end of the year	(9,028)	(12,470)	(44,280)	(61,436)

8. RECOVERABLE TAXES

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Income tax (IRPJ) and social contribution (CSLL) (a)	25,562	13,988	53,111	43,947
ICMS (State VAT)	15,846	14,169	19,070	18,119
IPI (Federal VAT)	6,178	8,224	7,072	9,300
Export tax credits (REINTEGRA)	3,117	3,330	3,174	3,665
COFINS (tax on revenue)	1,786	747	2,682	4,440
PIS (tax on revenue)	388	170	1,188	2,152
Other	159	121	2,175	2,135
Valued Added Tax - VAT - foreign subsidiaries:				
Mexico	-	-	40,765	39,372
Turkey	-	-	16,797	19,309
Italy	-	-	2,165	2,110
Other countries	-	-	11,052	13,171
Total	53,036	40,749	159,251	157,720
Current assets	20,533	21,328	125,249	135,447
Noncurrent assets	32,503	19,421	34,002	22,273

(a) In 1994, the Company filed the common civil action No. 94.0033988-7 claiming for the right to deduct from the debt balance of the supplementary inflation adjustment of the balance sheet the amount related to the elimination of the inflation effects for January and February 1989, which affected the tax bases of IRPJ and CSLL paid in 1990. The plan was known as "Verão" (Summer) Plan. The acceptance of the new calculation by the Court permitted to recalculate and demonstrate the overpayment and the Company's right to utilize the tax credit in future offsets, properly updated from the payment date. A final and unappealable decision favorable to the Company was issued on June 8, 2016. Consequently, the Company recognized the income tax and social contribution credit of R$34,017, and their balancing items under the captions "Financial income" and "Income tax and social contribution" in the amounts of R$25,703 and R$8,314, respectively. The Brazilian Federal Revenue's authorization to utilize the credit was approved in September 2016 and the credit is being utilized for offset against equivalent federal taxes.

9. INCOME TAX AND SOCIAL CONTRIBUTION

a) Deferred

The origin of deferred income tax and social contribution recognized in noncurrent assets and noncurrent liabilities is as follows:

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Tax loss carryforwards	150,093	101,989	218,259	140,034
Social contribution tax (loss) carryforwards	52,079	36,378	60,127	45,938
Provision for labor, tax and civil risks	13,764	14,032	25,312	24,950
Accrued profit-sharing	6,533	2,726	6,533	14,591
Allowance for inventory losses	3,070	4,240	7,733	20,888
Allowance for doubtful accounts	182	118	4,504	2,412
Research and development and other expenses	-	-	18,220	26,498
Reserve for accrued actuarial liability	-	-	54,638	62,036
Stock option - India	-	-	2,169	5,466
Depreciation and amortization difference	(48,881)	(60,357)	(283,566)	(321,872)
Deemed cost - property, plant and equipment - CPC 27	(70,310)	(52,266)	(70,310)	(52,266)
Amortization of goodwill on investments (*)	(40,465)	(40,465)	(40,465)	(40,465)
Capitalized finance costs - CPC 08	(1,510)	(5,061)	(1,510)	(5,061)
Others	24,751	11,190	23,954	318
Total	89,306	12,524	25,598	(76,533)
Deferred tax assets, net	89,306	12,524	188,481	88,129
Deferred tax liabilities, net	-	-	(162,883)	(164,662)

(*) Refer to goodwill tax benefit arising on the acquisition of former subsidiary Meritor Comércio e Indústria de Sistemas Automotivos Ltda., amounting to R$119,015.

Breakdown of credits on tax loss carryforwards - consolidated

	12/31/2016	12/31/2015
Iochpe Maxion S.A. (parent)	202,172	138,367
Iochpe Holdings, LLC and subsidiaries	76,214	35,365
Maxion Wheels de Mexico S. de R.L. de CV.	-	12,240
Total	278,386	185,972

The Company also has unrecognized tax credits on tax loss carryforwards in the consolidated financial statements, arising on some of its foreign subsidiaries, as follows:

	12/31/2016			12/31/2015
Country	Amount (iii)	Statute of limitations	Limit per year	Amount (iii)
United States of America - Federal (i)	696,448	2024 to 2037	(iv)	802,316
United States of America - State (i)	435,793	2021 to 2037	(ii)	478,521
China (i)	54,054	2017 to 2022	None	170,956
Spain (i)	19,640	None	25% to 50%	161,805
Italy (i)	-	-	-	121,130
South Africa (i)	77,480	None	None	65,429
Thailand (i)	29,942	2018 to 2021	None	38,233
Austria (i)	12,947	None	75%	12,908
Total	1,326,304			1,851,298

(i) As there are no taxable income projections, the Company did not recognize the deferred income tax and social contribution asset on these amounts.

(ii) Depends on the State where the deferred tax credit was determined.

(iii) Tax credits on unrecognized tax loss carryforwards translated at the final exchange rate at that date.

(iv) For federal tax losses there are various utilization rules in accordance with the local tax law related to the year of each loss and to the taxable income generated.

Based on taxable profit projections approved by Management, the Company estimates to recover the tax credit arising on tax loss carryforwards recognized in consolidated as at December 31, 2016 in the following years:

	R$
2017	13,950
2018	21,352
2019	32,427
2020	77,056
2021 and thereafter	133,601
Total	278,386

The estimated recoverability of tax credits was based on the taxable profit projections, considering several financial and business assumptions. In the case of the Parent, the estimated recoverability also considered actions that are being implemented, notably the Company's operating and financial restructuring, as described in notes 13 and 36.

b) Reconciliation of income tax and social contribution credit (expense):

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Income (loss) before income tax and social contribution	(48,342)	(39,343)	134,832	132,842
Combined rate - %	34	34	34	34
Income tax and social contribution credit (expense) at combined rate	16,436	13,377	(45,843)	(45,166)
Share of profit (loss) of subsidiaries	66,527	75,592	(9,792)	24,020
Nondeductible expenses	(3,098)	-	(20,558)	(14,892)

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Unrecognized tax credit on temporary differences and tax loss carryforwards	-	-	(2,681)	(9,328)
Taxes on foreign declared dividends	-	-	(17,335)	(4,997)
Difference in tax rates of foreign subsidiaries	-	-	32,379	33,652
Tax incentives from subsidiaries	-	-	25,515	-
Other permanent differences (*)	(9,992)	(260)	(7,387)	3,718
Income tax and social contribution credit (expense) in profit or loss	69,873	88,709	(45,702)	(12,993)
Current	(6,909)	(75)	(112,502)	(68,873)
Deferred	76,782	88,784	66,800	55,880

(*) Includes other permanent differences and tax credits arising from lawsuits for which final and unappealable decisions have been issued, as described in note 8.

10. RELATED PARTIES

a) Management compensation

	12/31/2016	12/31/2015
Board of Directors and Statutory Officers	16,147	11,624
Key Management personnel (salaries and benefits)	132,647	126,818
Agreed profit-sharing (bonuses) (i)	32,053	1,462

(i) As at December 31, 2016, foreign profit sharing amounted to R$22,782 (R$0 in 2015).

The Company made contributions to the private pension plan totaling R$870 (R$825 as at December 31, 2015) on behalf of the statutory officers and key Management personnel.

The balances of stock options and the related strike prices for the plans granted to the statutory officers and key Management personnel are described in detail in note 21.

The balances of the provision for long-term incentive plan, granted to statutory officers and key Management personnel are described in note 22.

b) In the normal course of business, the Company, its subsidiaries and its joint ventures conducted intragroup transactions under prices, terms, finance charges and other conditions agreed upon among the parties. These transactions include, but are not limited to, shared service agreements, loan agreements and provision of guarantees under the terms detailed below:

	12/31/2016			
	Assets	Liabilities	Profit or loss	
	Trade receivables	Trade payables	Sales	Purchases
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	1,569	-	17,442	-
Maxion Wheels and its subsidiaries	15,427	5,089	118,377	11
Maxion (Nantong) Wheels, Co., Ltd.	-	-	6	-
Maxion Wheels de Mexico S. de R.L. de CV.	3,178	77	20,220	-
Maxion Montich S.A.	4,948	-	11,391	-
Total	25,122	5,166	167,436	11

	12/31/2015			
	Assets	Liabilities	Profit or loss	
	Trade receivables	Trade payables	Sales	Purchases
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	15,285	-	14,104	-
Maxion Wheels and its subsidiaries	8,825	4,110	114,389	2,404
Maxion (Nantong) Wheels, Co., Ltd.	17	-	-	2,093
Maxion Wheels de Mexico S. de R.L. de CV.	50	-	5,581	-
Maxion Montich S.A.	1,861	-	8,480	-
Total	26,038	4,110	142,554	4,497

c) Sureties and guarantees granted

The Company recorded the following amounts as sureties on transactions conducted by its subsidiaries and joint ventures, basically related to the borrowings and financing disclosed in note 14:

Subsidiaries

	12/31/2016	12/31/2015
Ingenieria y Maquinaria de Guadalupe S.A. de C.V.	427,217	615,168
Maxion Wheels and its subsidiaries	1,318,769	698,931
Maxion (Nantong) Wheels, Co., Ltd.	34,374	83,413

Joint ventures

	12/31/2016	12/31/2015
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	92,722	107,947
Amsted-Maxion Equipamentos e Serviços Ferroviários S.A.	40,330	90,206
Maxion Montich do Brasil Ltda.	2,043	5,425

11. INVESTMENTS

a) Breakdown

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Equity interests in subsidiaries	1,617,176	2,695,248	-	-
Equity interests in joint ventures	81,264	72,859	81,264	72,859
Subtotal - investments	1,698,440	2,768,107	81,264	72,859
Goodwill on acquisition of equity interests (*)	20,292	20,292	-	-
Other investments	158	158	161	161
Total investments	1,718,890	2,788,557	81,425	73,020

(*) Refers to goodwill arising on the acquisition of Meritor Comércio e Indústria de Sistemas Automotivos Ltda. merged into the Company on November 2, 2009.

b) Variations

	Balance as at 12/31/2015	Capital increase (decrease)	Exchange rate changes on investments abroad	Effects of changes in actuarial assumptions	Share of profit (loss) of subsidiaries: Profit or loss for the year	Share of profit (loss) of subsidiaries: Loss on the dilution of investments	Dividends paid	Other	Balance as at 12/31/2016
Iochpe Maxion Austria GmbH (i)	2,682,267	(964,907)	(379,421)	5,336	237,240	-	-	-	1,580,515
Maxion (Nantong) Wheels, Co., Ltd. (ii)	12,042	37,566	(1,114)	-	(12,828)	-	-	-	35,666
Remon Resende Montadora Ltda.	(53)	-	-	-	56	-	-	-	3
Maxion Componentes Estruturais Ltda.	992	-	-	-	-	-	-	-	992
Maxion Montich S.A. (iv)	10,049	-	(2,841)	-	(292)	-	-	2	6,918
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A. (iii) (iv)	62,810	48,946	-	-	(26,210)	(2,297)	(8,911)	8	74,346
Total	2,768,107	(878,395)	(383,376)	5,336	197,966	(2,297)	(8,911)	10	1,698,440

	Balance as at 12/31/2014	Capital increase (decrease)	Exchange rate changes on investments abroad	Effects of changes in actuarial assumptions	Share of profit (loss) of subsidiaries	Other	Balance as at 12/31/2015
Iochpe Maxion Austria GmbH	1,950,322	(175,193)	717,766	17,090	172,282	-	2,682,267
Maxion (Nantong) Wheels, Co., Ltd.	11,368	13,032	8,010	-	(20,368)	-	12,042
Maxion Montich S.A.	12,173	-	(873)	-	(1,251)	-	10,049
Remon Resende Montadora Ltda.	180	-	-	-	(233)	-	(53)
Maxion Componentes Estruturais Ltda.	-	992	-	-	-	-	992
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	(9,250)	-	-	-	71,899	161	62,810
Total	1,964,793	(161,169)	724,903	17,090	222,329	161	2,768,107

(i) On January 7, February 26, March 11, March 30, June 15, August 5, August 19 and December 9, 2016, capital was reduced by R$39,900 (US$9,900 thousand), R$94,970 (US$24,000 thousand), R$32,639 (US$9,000 thousand), R$18,055 (US$5,000 thousand), R$640,351 (US$184,210 thousand), R$37,392 (US$12,000 thousand), R$67,748 (US$21,000 thousand) and R$33,852 (US$10,000 thousand), respectively.

(ii) On September 9, 2016, capital was increased by R$37,566 (US$12,000 thousand).

(iii) On March 1 and June 24, 2016, capital was increased by R$40,035 and R$8,911, respectively. Net losses for the seven-month period ended July 31, 2016 amounted to R$32,015 and R$25,349 for the five-month period ended December 31, 2016.

(iv) Share of profit (loss) of joint ventures considered in the Parent and Consolidated.

c) Information on subsidiaries and joint ventures

	12/31/2016								
	Number of shares or quotas (in thousands)	Equity interests (%)	Assets	Liabilities	Capital	Equity	Noncontrolling interests	Net revenue	Net income (loss) for the year
Iochpe Maxion Austria GmbH (i)	-	100	5,330,474	3,516,868	964,093	1,580,515	233,091	5,803,550	237,240
Maxion (Nantong) Wheels, Co., Ltd. (i)	-	100	84,265	48,599	222,470	35,666	-	31,210	(12,828)
Remon Resende Montadora Ltda. (ii)	30	66.66	586	582	90	3	1	1,096	84
Maxion Componentes Estruturais Ltda.	130	-	992	-	4,864	992	-	-	-
Maxion Montich S.A.	2,813	50	69,848	56,012	1,199	13,836	-	93,127	(583)
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	6,020,031	40.25	519,890	335,179	174,334	184,711	-	299,265	(57,364)

	12/31/2015								
	Number of shares or quotas (in thousands)	Equity interests (%)	Assets	Liabilities	Capital	Equity	Noncontrolling interests	Net revenue	Net income (loss) for the year
Iochpe Maxion Austria GmbH (i)	-	100	6,467,912	3,482,576	2,239,088	2,682,267	303,069	5,869,047	172,282
Maxion (Nantong) Wheels, Co., Ltd.	-	100	110,561	98,519	237,009	12,042	-	32,910	(20,368)
Remon Resende Montadora Ltda.	30	66.66	428	534	90	(80)	(26)	1,298	(619)
Maxion Componentes Estruturais Ltda.	130	-	992	-	4,864	992	-	-	-
Maxion Montich S.A.	2,813	50	74,585	54,487	1,697	20,098	-	155,592	(2,502)
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	6,020,031	50	573,542	447,922	43,702	125,620	-	563,488	143,797

(i) Local legislation does not provide for the concept of number of shares or private equity units.

(ii) Based on the financial information as at November 30, 2016.

d) Detailed information on subsidiaries with noncontrolling interests

Subsidiary	Core business	Country	Equity interest and voting capital held 12/31/2016	12/31/2015
Maxion Inci Jant Sanayi, A.S.	Manufacture and sale of wheels	Turkey	60%	60%
Maxion Jantas Jant Sanayi ve Ticaret A.S.	Manufacture and sale of wheels	Turkey	60%	60%
Maxion Wheels (Thailand) Co., Ltd.	Manufacture and sale of wheels	Thailand	70.09%	70.09%
Kalyani Maxion Wheels Limited	Manufacture and sale of wheels	India	85%	85%
Resende Montadora Ltda.	Provision of services	Brazil	66.66%	66.66%

The table below shows the summarized financial information on each of the Company's subsidiaries before the eliminations of transactions with other Company's subsidiaries:

	Maxion Inci Jant Sanayi, A.S.		Maxion Jantas Jant Sanayi ve Ticaret A.S.		Maxion Wheels (Thailand) Co., Ltd.	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Balance sheets						
Current assets	285,868	329,481	154,652	180,249	61,709	89,954
Noncurrent assets	283,317	382,300	79,914	114,333	66,503	100,403
Total assets	569,185	711,781	234,566	294,582	128,212	190,357
Current liabilities	157,529	163,398	76,194	76,877	88,366	120,254
Noncurrent liabilities	15,455	45,225	15,519	32,732	32,838	43,363
Equity	396,201	503,158	142,853	184,973	7,008	26,740
Total liabilities and equity	569,185	711,781	234,566	294,582	128,212	190,357

	Maxion Inci Jant Sanayi, A.S.		Maxion Jantas Jant Sanayi ve Ticaret A.S.		Maxion Wheels (Thailand) Co., Ltd.	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Statements of profit and loss						
Net sales revenue	889,923	840,344	292,077	298,006	190,472	201,642
Cost of sales	(661,349)	(619,662)	(204,226)	(221,037)	(188,914)	(194,455)
Gross profit	228,574	220,682	87,851	76,969	1,558	7,187
Operating expenses, net	(60,911)	(54,587)	(32,249)	(20,457)	(18,010)	(17,623)
Income tax	(26,771)	(28,465)	(14,108)	(13,181)	-	(53)
Net income (loss) for the year	140,892	137,630	41,494	43,331	(16,452)	(10,489)

	Kalyani Maxion Wheels Limited		Resende Montadora Ltda.	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Balance sheets				
Current assets	92,617	98,047	525	350
Noncurrent assets	127,069	170,479	61	77
Total assets	219,686	268,526	586	427
Current liabilities	80,557	80,107	582	507
Noncurrent liabilities	36,640	56,291	-	-
Equity	102,489	132,128	4	(80)
Total liabilities and equity	219,686	268,526	586	427

	Kalyani Maxion Wheels Limited		Resende Montadora Ltda.	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Statements of profit and loss				
Net sales revenue	244,042	246,377	1,096	1,064
Cost of sales	(204,556)	(204,026)	(921)	(1,002)
Gross profit	39,486	42,351	175	62
Operating expenses, net	(36,589)	(27,882)	(46)	(567)
Income tax	(5,979)	(4,852)	(45)	(30)
Net income (loss) for the year	(3,082)	9,617	84	(535)

In 2016, dividends amounting to R$57,195 and R$20,488 were paid to noncontrolling shareholders in indirect subsidiaries Maxion Inci Jant Sanayi, A.S. and Maxion Jantas Jant Sanayi ve Ticaret A.S., respectively.

12. PROPERTY, PLANT AND EQUIPMENT

a) Parent

	Parent							
	Buildings and improvements	Machinery and equipment	Land	Construction (i)	Machinery parts	Tooling	Others	Total
Balance as at December 31, 2014	134,230	458,000	24,251	90,393	75,174	46,922	43,214	872,184
Additions	258	3,141	-	76,629	3,506	1	6,822	90,357
Write-offs, net	(485)	(842)	-	(886)	(8,980)	418	(417)	(11,192)
Depreciation	(6,389)	(24,747)	-	-	(1,256)	(2,438)	(5,049)	(39,879)
Transfers	14,436	42,014	-	(34,226)	(111)	(13,949)	(8,164)	-
Balance as at December 31, 2015	142,050	477,566	24,251	131,910	68,333	30,954	36,406	911,470
Additions	94	1,180	-	93,275	4,377	14	5,673	104,613
Write-offs, net	-	-	-	(52)	(4,110)	-	(127)	(4,289)
Depreciation	(6,751)	(27,436)	-	-	(1,313)	(2,357)	(5,537)	(43,394)
Transfers (iv)	18,926	78,529	-	(101,421)	(42,683)	540	3,077	(43,032)
Balance as at December 31, 2016	154,319	529,839	24,251	123,712	24,604	29,151	39,492	925,368
As at December 31, 2015								
Cost	224,462	919,554	24,251	131,910	70,325	77,964	102,706	1,551,172
Accumulated depreciation	(82,412)	(441,988)	-	-	(1,992)	(47,010)	(66,300)	(639,702)
Carrying amount, net	142,050	477,566	24,251	131,910	68,333	30,954	36,406	911,470
As at December 31, 2016								
Cost	240,108	997,894	24,251	123,712	27,531	78,514	110,064	1,602,074
Accumulated depreciation	(85,789)	(468,055)	-	-	(2,927)	(49,363)	(70,572)	(676,706)
Carrying amount, net	154,319	529,839	24,251	123,712	24,604	29,151	39,492	925,368
Depreciation rate	4%	5%	-	-	5%	3%	5% to 40%	-

b) Consolidated

	Consolidated							
	Buildings and improvements	Machinery and equipment	Land	Construction in progress (ii)	Machinery spare parts	Tooling	Others	Total
Balance as at December 31, 2014	507,032	1,716,214	175,659	105,705	89,381	79,720	68,251	2,741,962
Additions	18,298	46,450	-	240,637	13,289	9,035	15,893	343,602
Write-offs, net	(3,969)	(24,623)	(5,994)	-	(8,542)	(1,003)	(1,814)	(45,945)
Depreciation	(21,670)	(222,905)	-	-	(8,116)	(22,198)	(11,177)	(286,066)
Transfers	(67,770)	73,112	9,784	(39,879)	8,174	(11,039)	10,816	(16,802)
Transfers of assets held for sale (vi)	(6,649)	-	(8,955)	-	-	-	-	(15,604)
Exchange rate changes	127,049	437,550	47,559	(842)	4,489	10,334	11,628	637,767
Balance as at December 31, 2015	552,321	2,025,798	218,053	305,621	98,675	64,849	93,597	3,358,914
Additions (iii)	1,074	9,684	3,474	262,771	20,473	10,535	20,191	328,202
Write-offs, net	-	-	-	(4,877)	(6,117)	(781)	(622)	(12,397)
Depreciation	(39,430)	(213,772)	-	-	(9,463)	(19,651)	(17,695)	(300,011)
Transfers (v)	96,822	102,940	-	(232,275)	(42,207)	5,790	21,662	(47,268)
Exchange rate changes	(78,997)	(234,519)	(33,977)	(33,501)	(5,171)	(4,840)	(16,554)	(407,559)
Balance as at December 31, 2016	531,790	1,690,131	187,550	297,739	56,190	55,902	100,579	2,919,881
As at December 31, 2015								
Cost	879,542	3,368,630	218,053	305,621	111,893	178,180	218,193	5,280,112
Accumulated depreciation	(327,221)	(1,342,832)	-	-	(13,218)	(113,331)	(124,596)	(1,921,198)
Carrying amount, net	552,321	2,025,798	218,053	305,621	98,675	64,849	93,597	3,358,914
As at December 31, 2016								
Cost	801,673	3,125,638	187,550	297,739	74,852	207,424	234,217	4,929,093
Accumulated depreciation	(269,883)	(1,435,507)	-	-	(18,662)	(151,522)	(133,638)	(2,009,212)
Carrying amount, net	531,790	1,690,131	187,550	297,739	56,190	55,902	100,579	2,919,881
Depreciation rate	7%	14%	-	-	18%	33%	11% to 47%	-

(i) As at December 31, 2016, it consists of projects related to: (1) buildings, amounting to R$23,973 (R$38,114 as at December 31, 2015); (2) machinery and equipment, amounting to R$96,504 (R$90,819 as at December 31, 2015); and (3) other assets, amounting to R$3,235 (R$2,977 as at December 31, 2015), basically related to the expansions of the Cruzeiro and Limeira (aluminum wheel) units.

(ii) As at December 31, 2016, it consists of projects related to: (1) buildings, amounting to R$24,371 (R$38,889 as at December 31, 2015); (2) machinery and equipment, amounting to R$268,419 (R$261,772 as at December 31, 2015); and (3) other assets, amounting to R$4,949 (R$4,960 as at December 31, 2015), related to the expansions of the Mexico, Limeira (aluminum wheel), Cruzeiro, Czech Republic, India and Italy units.

(iii) Of total additions in the year, most of the investments was made by Maxion Wheels, Limeira (aluminum wheel) and Maxion Inmagusa units, in the amounts of R$191,294, R$81,035 and R$48,038, respectively.

(iv) Include the transfers made between the captions "Property, plant and equipment" and "Intangible assets", amounting to R$321, and between the captions "Property, plant and equipment" and "Inventories", amounting to R$42,711.

(v) Include the transfers made between the captions "Property, plant and equipment" and "Intangible assets", amounting to R$4,557, and between the captions "Property, plant and equipment" and "Inventories", amounting to R$42,711.

(vi) Transfers made according to technical pronouncement CPC 31/IFRS 5 - Noncurrent Assets Held for Sale and Discontinued Operations.

The amounts of property, plant and equipment items pledged as collaterals in borrowing and financing transactions are shown in note 14.

13. INTANGIBLE ASSETS - CONSOLIDATED

	Average annual amortization rate	Amortization method	Cost - amortization: Balance as at 12/31/2015	Additions	Exchange rate changes	Amortization	Transfers (i)	Balance as at 12/31/2016
Assets with finite useful lives:								
Cost:								
Software	20%	Straight line	53,106	1,651	(8,104)	-	5,399	52,052
Land use rights (a)	2%	Straight line	8,076	-	(1,772)	-	-	6,304
Versastyle Technology (b)	20%	Straight line	11,133	-	(1,841)	-	-	9,292
Relationship with customers (d)	5%	Straight line	154,630	-	(25,569)	-	-	129,061
Tooling	8%	Straight line	6,087	899	(1,274)	-	-	5,712
Others	Sundry	Straight line	35,041	443	(7,906)	-	7,297	34,875
			268,073	2,993	(46,466)	-	12,696	237,296
Accumulated amortization:								
Software	20%	Straight line	(35,618)	-	5,659	(8,204)	(742)	(38,905)
Land use rights (a)	2%	Straight line	(1,305)	-	301	(141)	-	(1,145)
Versastyle Technology (b)	20%	Straight line	(11,133)	-	1,841	-	-	(9,292)
Relationship with customers (d)	5%	Straight line	(30,282)	-	5,465	(6,910)	-	(31,727)
Tooling	8%	Straight line	(5,573)	-	1,138	(705)	-	(5,140)
Others	Sundry	Straight line	(32,461)	-	7,472	(932)	(7,397)	(33,318)
Accumulated amortization			(116,372)	-	21,876	(16,892)	(8,139)	(119,527)
Assets with indefinite useful lives:								
Trademarks (c)			95,668	-	(15,820)	-	-	79,848
Goodwill on acquisition of subsidiaries:								
Meritor Comércio e Indústria de Sistemas Automotivos Ltda. (e)			20,292	-	-	-	-	20,292
Iochpe Sistemas Automotivos de México S.A de C.V. (f)			2,478	-	(443)	-	-	2,035
Hayes Lemmerz International, Inc. (g)			1,012,003	-	(167,398)	-	-	844,605
Grupo Galaz and subsidiaries (h)			404,238	-	(66,742)	-	-	337,496
Total			1,534,679	-	(250,403)	-	-	1,284,276
Grand total			1,686,380	2,993	(274,993)	(16,892)	4,557	1,402,045

	Average annual amortization rate	Amortization method	Cost - amortization: Balance as at 12/31/2014	Additions	Exchange rate changes	Amortization	Transfers (i)	Balance as at 12/31/2015
Assets with finite useful lives:								
Cost:								
Software	20%	Straight line	7,568	3,118	5,507	-	36,913	53,106
Land use rights (a)	2%	Straight line	5,748	-	2,328	-	-	8,076
Versastyle Technology (b)	20%	Straight line	7,361	-	3,501	-	271	11,133
Relationship with customers (d)	5%	Straight line	105,186	-	49,444	-	-	154,630
Tooling	8%	Straight line	-	534	480	-	5,073	6,087
Others	Sundry	Straight line	10,005	30	7,187	-	17,819	35,041
			135,868	3,682	68,447	-	60,076	268,073
Accumulated amortization:								
Software	20%	Straight line	(5,557)	-	(3,587)	(7,802)	(18,672)	(35,618)
Land use rights (a)	2%	Straight line	(814)	-	(349)	(142)	-	(1,305)
Versastyle Technology (b)	20%	Straight line	(7,361)	-	(3,501)	-	(271)	(11,133)
Relationship with customers (d)	5%	Straight line	(15,340)	-	(8,235)	(6,707)	-	(30,282)
Tooling	8%	Straight line	-	-	(443)	(594)	(4,536)	(5,573)
Others	Sundry	Straight line	(6,478)	-	(6,035)	(153)	(19,795)	(32,461)
Accumulated amortization			(35,550)	-	(22,150)	(15,398)	(43,274)	(116,372)
Assets with indefinite useful lives:								
Trademarks (c)			65,077	-	30,591	-	-	95,668
Goodwill on acquisition of subsidiaries:								
Meritor Comércio e Indústria de Sistemas Automotivos Ltda. (e)			20,292	-	-	-	-	20,292
Iochpe Sistemas Automotivos de México S.A de C.V. (f)			1,686	-	792	-	-	2,478
Hayes Lemmerz International, Inc. (g)			688,428	-	323,575	-	-	1,012,003
Grupo Galaz and subsidiaries (h)			274,988	-	129,250	-	-	404,238
Total			1,050,471	-	484,208	-	-	1,534,679
Grand total			1,150,789	3,682	530,505	(15,398)	16,802	1,686,380

(a) Refers to rights to use the land in which the subsidiary Maxion (Nantong) Wheels Co. Ltd. is located. Amortization is calculated on a straight-line basis over a 50-year period, as provided for in the concession agreement entered into with the municipality.

(b) "Versastyle technology" trademark was an asset identified in the acquisition process of subsidiary Maxion Wheels.

(c) "Hayes Lemmerz" trademark was an asset identified in the acquisition process of subsidiary Maxion Wheels, which has an indefinite useful life. As at December 31, 2016, due to the absence of indicators that the subsidiary will not generate the expected future benefits, no allowance for impairment was recognized.

(d) The relationship with customers was identified in the acquisition process of subsidiary Maxion Wheels, and its remaining useful life is 16 years, to be fully amortized through January 31, 2033. As at December 31, 2016, due to the absence of indicators that the subsidiary will not generate future benefits, no allowance for impairment was recognized.

(e) Refers to goodwill arising on the acquisition of Meritor Comércio e Indústria de Sistemas Automotivos Ltda., merged into the Company on November 2, 2009.

(f) Refers to goodwill arising on the acquisition of Iochpe Sistemas Automotivos de México S.A. de C.V. (formerly Delancre S.A. de C.V.).

(g) Refers to goodwill arising on the acquisition of Hayes Lemmerz International, Inc. and its subsidiaries (currently Maxion Wheels).

(h) Refer to goodwill arising on the acquisition of Grupo Galaz (currently Inmagusa).

(i) Transfers made between the captions "Property, plant and equipment" and "Intangible assets" (see note 12).

As at December 31, 2016, the Company tested for impairment the balances of goodwill shown in the table above. Determining the value in use requires the use of assumptions, judgments and estimates on the cash flows, such as revenue growth rates, costs and expenses, future investment and working capital estimates and discount rates. The assumptions on the future cash flow growth projections are based on the Company's business plan, as well as comparable market inputs, and the Company's capitalization assumptions disclosed in note 36, and represent Management's best estimate about the economic conditions that will exist over the useful lives of the different CGUs to which goodwill is related.

The value-in-use calculation is made for a five-year period and, from then on, considering the perpetuity of the assumptions taking into consideration the ability to continue as a going concern for an indefinite term. The period used was ten years and the discount and growth rates used to extrapolate the December 31, 2016 projections vary from 12.49% to 8.01% per year, respectively, depending on the tested CGU.

The impairment test of the Company's and its subsidiaries' goodwill balances and net assets did not result in the need to recognize losses for the year ended December 31, 2016. The Company conducted a sensitivity analysis of the perpetuity discount and growth rate variables, in light of their key impacts on cash flows and the value-in-use. A 0.5 percentage point increase or decrease in each CGU's cash flow perpetuity discount rate or growth rate would not result in the need to recognize an impairment loss.

14. BORROWINGS, FINANCING AND DEBENTURES

a) Parent

	Index	Annual interest rate - %	Final maturity date	Amortized transaction cost	Balance of unamortized transaction cost	12/31/2016	12/31/2015
Local currency							
BNDES EXIM (xviii)		10.33	September 2018	-	-	147,124	190,562
BNDES – Finame (ii)	TJLP	4.79	March 2021	-	-	430	208
BNDES - Finem and Automatic (iii) (iv)	TJLP	3.23	July 2022	-	-	15,841	14,066
BNDES – Automatic (iv)	Currency basket	4.40	December 2019	-	-	961	1,534
FINAME – PSI (ii) (iii)	-	5.35	January 2024	-	-	16,225	18,749
Export financing - compulsory (vii)	-	11.00	September 2018	-	-	17,525	20,561
FINDES PRO-INVEST (v)	IPCA	3.91	December 2019	-	-	17,286	23,976
FINEP	-	3.23	June 2022	-	-	8,169	8,911
FINEM	-	5.41	December 2018	-	-	4,399	6,127
Forfaiting transactions (xii)	-	17.24	February 2017	-	-	95,135	54,092
Leases	-	13.89	March 2017	-	-	135	677
Export Credit Bill (viii) (xi) (xv)	CDI	3.60	September 2018	-	-	231,214	102,714
Working capital (xiii) (xvii) (xviii)	CDI	3.64	February 2017	-	-	100,379	-
Subtotal in local currency						654,823	442,177
Foreign currency							
Export Credit Bill in US$ (vi)	-	4.60	September 2017	-	-	24,134	141,052
BNDES loan - U.S. dollar (iii)	-	6.96	July 2022	-	-	12,666	6,949
Subtotal in foreign currency						36,800	148,001
Total borrowings and financing						691,623	590,178
5th issue simple debentures			March 2022	21.408	-	-	642,133
6th issue convertible debentures	CDI	2.00	April 2018	7.257	1.602	177,009	176,180
7th issue simple debentures with subscription warrants	CDI	2.00	April 2019	5.000	2.838	334,356	371,093
Total debentures				33.665	4.440	511,365	1,189,406
Total borrowings, financing and debentures						1,202,988	1,779,584
Current liabilities						520,296	550,357
Unamortized costs						(2,393)	(4,091)
Total						517,903	546,266
Noncurrent liabilities						687,132	1,244,112
Unamortized costs						(2,047)	(10,794)
Total						685,085	1,233,318

b) Consolidated

	Index	Annual interest rate - %	Final maturity date	Amortized transaction cost	Balance of unamortized transaction cost	12/31/2016	12/31/2015
Local currency							
BNDES EXIM (xviii)	-	10.16	September 2018	-	-	158,803	202,247
BNDES – Finame (ii)	TJLP	4.79	March 2021	-	-	430	208
BNDES - Finem and Automatic (iii) (iv)	TJLP	3.05	July 2022	-	-	20,920	19,075
BNDES – Automatic (iv)	Currency basket	4.40	December 2019	-	-	961	1,534
FINAME – PSI (ii) (iii)	-	5.35	January 2024	-	-	17,078	19,624
Export financing - compulsory (vii)	-	11.00	September 2018	-	-	17,525	20,561
FINDES PRO-INVEST (v)	IPCA	3.91	December 2019	-	-	17,286	23,976
FINEP	-	3.23	June 2022	-	-	8,169	8,911
FINEM	-	5.41	December 2018	-	-	4,399	6,127
Forfaiting transactions (xii)	-	17.24	February 2017	-	-	95,135	87,446
Leases	-	13.89	March 2017	-	-	135	677
Export Credit Bill (viii) (xi) (xv)	CDI	3.60	September 2018	-	-	231,214	102,714
Working capital (xiii) (xvi) (xvii)	CDI	3.64	February 2017	-	-	100,379	-
Subtotal in local currency						672,434	493,100
Foreign currency							
Export Credit Bill in US$ (vi)	-	4.60	September 2017	-	-	24,134	141,052
BNDES loan - US$ (iii)	-	6.96	July 2022	-	-	18,649	13,133
Long-term loan - US$ - (i) (x)	-	6.07	October 2020	-	-	427,217	615,168
Syndicate - US$ (xiv)	Libor	5.45	June 2021	3.040	18.522	881,923	-
Export credit - euro	-	4.78	August 2019	-	-	4,528	7,227
Working capital - U.S. dollar (xix)	-	5.05	December 2017	-	-	134,243	361,489
Working capital - Renminbi Yuan	-	5.03	May 2017	-	-	34,374	83,413
Working capital - Euro	-	3.74	July 2026	37	25	285,096	438,716
Working capital - Rupee (ix)	-	7.13	March 2017	-	-	21,862	21,280
Working capital - Baht	-	4.15	January 2017	-	-	44,260	50,871
Subtotal in foreign currency				3.077	18.547	1,876,286	1,732,349
Total borrowings and financing						2,548,720	2,225,449
5th issue simple debentures			March 2022	21.408	-	-	642,133
6th issue convertible debentures	CDI	2.00	April 2018	7.257	1.602	177,009	176,180
7th issue simple debentures with subscription warrants	CDI	2.00	April 2019	5.000	2.838	334,356	371,093
Total debentures				33.665	4.440	511,365	1,189,406
Total borrowings, financing and debentures				36.742	22.987	3,060,085	3,414,855
Current liabilities						1,190,687	1,688,793
Unamortized costs						(7,879)	(4,091)
Total						1,182,808	1,684,702
Noncurrent liabilities						1,892,385	1,740,947
Unamortized costs						(15,108)	(10,794)
Total						1,877,277	1,730,153

(i) The nominal amount of US$200,000,000 refers to the take-out of the bridge loan raised through indirect subsidiary Ingenieria Y Maquinaria de Guadalupe S.A. de C.V. ("Inmagusa") with Banco Itaú BBA in the United States of America for the acquisition of Grupo Galaz, the final maturity of which is December 16, 2019. As at December 31, 2016, represents the R$356,650 balance in consolidated (R$569,418 as at December 31, 2015). This loan is subject to the financial ratios, as described in section 'Debentures Terms and Conditions', item b).

(ii) FINAME and FINAME - PSI (Federal equipment financing authority) financing is collateralized by the financed assets, in the net amount of R$16,655 in parent and R$17,508 on a consolidated basis as at December 31, 2016 (R$18,957 in parent and R$19,832 in consolidated as at December 31, 2015).

(iii) Direct National Bank for Economic and Social Development (BNDES) facility granted to the Company and subsidiary Maxion Wheels do Brasil Ltda., under FINEM, FINAME PSI, and U.S. dollar-denominated loan terms, totaling R$55,530. The balance as at December 31, 2016 is R$36,756. It is intended to finance the investments in the new aluminum wheel plant built in Limeira, and the expansion of the Santo André aluminum wheel unit. Subject to the financial ratios described in section "Debentures terms and conditions", item b), and collateralized by a mortgage of part of the Limeira plant.

(iv) BNDES Automatic are agreements entered into through Banco de Desenvolvimento de Minas Gerais - BDMG, a state development bank, as agent of the BNDES Automatic financing program intended for the expansion or upgrading of the unit's research and development assets and projects. As at December 31, 2016, the balance under these agreements is R$3,692, and the agreements are guaranteed by the mortgage of the Contagem plant, State of Minas Gerais.

(v) Minas Gerais State Government credit facility granted through BNDES that supports the development and the upgrading of the Contagem plant, and the agreements are guaranteed by the mortgage of the Contagem plant, State of Minas Gerais.

(vi) U.S. dollar-denominated Export Credit Bill bearing interest of 4.6% per year to finance export working capital, and the Company contracted a swap transaction in Brazilian reais with Banco ABC Brasil S.A. The swap consists of swapping United States dollars plus 4.6% per year for Brazilian reais plus 112.50% of the Certificate of Interbank Deposit. As at December 31, 2016, the balance of these agreements is R$24,134, including swap fair value in the amount of R$5,234.

(vii) Export Financing: mandatory loan raised with Caixa Econômica Federal. This loan is subject to financial ratios, as described in section "Debentures terms and conditions", item b). As at December 31, 2016, the balance is R$17,525.

(viii) Export Credit Bill contracted by the Company with Caixa Econômica Federal. This loan is subject to financial ratios, as described in the section "Debentures terms and conditions", item b). As at December 31, 2016, the balance is R$41,658.

(ix) Rupee-denominated working capital loan raised by Kalyani Maxion Wheels Limited - India with the State Bank of India, and the agreement is guaranteed by the mortgage of the India plant.

(x) Long-term loan with Banco Bladex S.A. to invest in capital assets and working capital, amounting to US$11,600 thousand. In 2016, the Company raised an additional US$13,400 thousand. As at December 31, 2016, represents the R$70,567 balance in consolidated (R$45,750 as at December 31, 2015).

(xi) Export Credit Bill contracted by the Company with Banco do Brasil S.A., in November 2015. As at December 31, 2016, the balance is R$10,029.

(xii) The Company purchased raw materials from domestic steel suppliers, which in turn factored their receivables with financial institutions, through a receivables assignment transaction (forfaiting), which basically consists of selling these receivables, without recourse, with interest rate of 1.33% per month.

(xiii) Working capital loan raised with Banco do Brasil S.A. in 2016. As at December 31, 2016, the balance is R$40,306.

(xiv) On June 14, 2016, the subsidiary Iochpe Holdings, LLC raised a syndicated loan, involving seven banks, amounting to US$275,000 thousand, with average rate of 5.44% plus six-month Libor divided into two tranches. Tranche A - US$150,000 thousand with maturity in June 2021, two-year grace period and amounts earmarked for early redemption of the Company's 5th Issue Debentures; and Tranche B - US$125,000 thousand, with maturity in June 2019, two-year grace period and amounts earmarked for payment of the Company's short-term loans. As at December 31, 2016, the balance of this loan in consolidated was R$881,923 (equivalent to US$270,603 thousand, plus interest less unamortized cost). Such loan contains covenants for compliance with the same financial ratios as described in the section "Debentures terms and conditions", item b).

(xv) In 2016, the Company contracted an export credit bill from Banco Santander S.A. As at December 31, 2016, the balance is R$179,527.

(xvi) Working capital loan raised with Banco Itaú S.A. in 2016. As at December 31, 2016, the balance is R$40,049.

(xvii) In 2016, the Company contracted a bank credit note from Banco Itaú S.A. As at December 31, 2016, the balance is R$20,025.

(xviii) BNDES Exim - Pre-shipment contracted by the Company in 2016, in the amount of R$116,160, represented by the following banks: ABC Brasil S.A - R$46,000, Banco Daycoval S.A - R$10,838, Banco Bradesco S.A. - R$18,948 and Banco Santander S.A. - R$40,374. As at December 31, 2016, the total balance is R$158,803.

(xix) On December 7, 2016, the subsidiary Maxion Wheels de Mexico S. de R.L. De C.V. raised a working capital loan with Banco do Brasil NY, in the amount of US$24,000 thousand, bearing interest rate of 4.10% per year and maturing in December 2017; it has also raised a working capital loan with Banco Itaú NY, in the amount of US$17,000 thousand. As at December 31, 2016, the balance of this loan in the consolidated was R$134,243.

Variations in borrowings, financing and debentures

	Parent	Consolidated
Balance as at December 31, 2014	1,709,858	2,892,406
Funding	523,221	1,401,548
Accrued interest and exchange rate changes	234,119	297,939
Principal repayment	(420,245)	(1,319,236)
Repayment of import and inputs financing	(57,191)	(70,128)
Payment of interest	(210,178)	(268,827)
Exchange rate changes on translation	-	481,153
Balance as at December 31, 2015	1,779,584	3,414,855

	Parent	Consolidated
Balance as at December 31, 2015	1,779,584	3,414,855
Funding	1,057,793	2,961,936
Accrued interest and exchange rate changes	222,089	327,335
Principal repayment	(1,612,949)	(2,995,189)
Payment of interest	(243,529)	(349,063)
Unamortized cost	-	(22,677)
Exchange rate changes on translation	-	(277,112)
Balance as at December 31, 2016	1,202,988	3,060,085

As at December 31, 2016, the installments recorded in noncurrent liabilities mature as follows:

	Parent	Consolidated
2018	329,507	874,113
2019	336,301	746,930
2020	9,072	169,528
2021	6,402	77,526
2022 and thereafter	3,803	9,180
Total	685,085	1,877,277

The foreign currency-denominated working capital loans raised by foreign subsidiaries are guaranteed by the Company's sureties, in the total net amount of R$447,795 (R$758,964 as at December 31, 2015).

Debentures

On June 16, 2016, the Company made the optional early redemption of all the debentures subject of the indenture of the Company's 5th issue of simple nonconvertible debentures, with secured guarantee and additional personal guarantee, entered into on March 14, 2013. The optional early redemption of all of the debentures was made based on the balance of the unit par value of the debentures, plus yield calculated on a pro rata basis from the last yield payment date through the amortization and redemption date, plus a premium of 0.20% on the amount of the early redemption, as provided for in the indenture.

Debentures issued by the Company are: (i) 6th issue convertible debentures (CVM Instruction 400); and (ii) 7th issue simple (CVM Instruction 400), registered, book-entry, unsecured debentures with subscription warrants, in a single series, the issue of which was approved at Board of Directors' meetings. Debentures were subscribed at the unit par value, paid in local currency, in cash, upon subscription, with interest repaid on a semiannual basis. Details are as follows:

Debentures	Category	Principal on issue date	Issue date	Final maturity	Finance charges	Principal as at 12/31/2016
6th issue	Convertible	320,000	05/02/2013	04/01/2018	100% CDI + 2% p.a.	172,268
7th issue	Simple with subscription warrant	397,732	04/30/2014	04/01/2019	100% CDI + 2% p.a.	325,213

6th issue - convertible debentures (CVM Instruction 400)

If not converted into shares, the debentures will be repaid on maturity, and interest will be paid semiannually, on the first of April and October of each year. They can be converted into common shares issued by the Company, at any time and at the sole discretion of debentureholders, at the fixed par value of R$30.303030.

The changes in fair value through profit or loss will have an inversely proportional impact on liabilities and their impact on the effective interest rate, in the Company's finance costs, will be the same.

The fair value of the debentures conversion options was determined at December 31, 2016 using the Black & Scholes option pricing model, as follows:

Company's share price	R$11.66
Conversion option price	R$30.303030
Remaining vesting period (business days)	315
Interest rate	12.66%
Volatility (per year)	38.97%

The bifurcating calculation of the debenture conversion options' and debt's fair value as at December 31, 2016 is detailed as follows:

Debt instrument - debentures	171,734
Embedded derivative	534
Subtotal	172,268
Unamortized transaction cost	(1,602)
Accumulated interest incurred	89,972
Accumulated interest paid	(83,629)
Total	177,009

7th issue - simple debentures with subscription warrants (CVM Instruction 400)

Interest on debentures will be paid semiannually on the first of April and October of each year, and principal will be repaid on maturity.

Each debenture entitles its holder to 32 subscription warrants, which are separate securities, not bound to debentures and that will float freely and remain valid from their issue date through the strike date or April 1, 2019, whichever occurs first. Each subscription warrant entitles its holder to one Company common share, which can be subscribed at any time, at the sole discretion of the debentureholder, at the fixed par value of R$31.25.

The fair value of the subscription warrants was determined as at December 31, 2016 using the Black & Scholes option pricing model, as follows:

Company's share price	R$11.66
Conversion option price	R$31.25
Remaining vesting period (business days)	567
Interest rate	11.97%
Volatility (per year)	38.97%

The bifurcating calculation of the debenture conversion options' and debt's fair value as at December 31, 2016 is detailed as follows:

Debt instrument - debentures	319,087
Embedded derivative	6,126
Subtotal	325,213
Unamortized transaction cost	(2,838)
Accumulated interest incurred	137,813
Accumulated interest paid	(125,832)
Total	334,356

On August 27, 2015, the Company acquired 36,219 of 7th issue debentures, for R$37,277 in aggregate. At this date, the principal of this number of debentures plus yield calculated on a pro rata basis from the last yield payment date through the acquisition date was equivalent to R$38,238. The Company recognized a financial gain of R$961 in that period.

On May 24, 2016, the Company acquired 36,300 of 7th issue debentures, for R$35,431. At this date, the principal of this number of debentures plus yield calculated on a pro rata basis from the last yield payment date through the acquisition date was equivalent to R$37,096. The Company recognized a financial gain of R$1,665 in that period.

Debenture terms and conditions

a) The accelerated maturity of debentures will be declared under the terms and conditions set forth in the indenture. Compensatory interest corresponding to 100% of the accumulated CDI fluctuation, plus 2% per year will levy on the outstanding balance of the par value of the 6th and 7th issues of debentures, based on 252 business days, exponentially and cumulatively calculated on a pro rata basis, based on the business days elapsed, from the immediately prior yield payment date through the actual payment date.

b) The trustee will declare the accelerated maturity of the obligations arising from the debentures, notwithstanding the provisions in the indenture in connection with the failure to meet the financial ratio, subject to the terms and procedures set out in the issue indenture, resulting from the division of net debt and EBITDA, calculated semiannually, on the defined dates, which will be equal to or lower than:

(i) 4.00 times on December 31, 2016.

(ii) 3.75 times on June 30, 2017.

(iii) 3.50 times on December 31, 2017.

(iv) 3.25 times on June 30, 2018.

(v) 3.00 times on December 31, 2018 and June 30 and December 31 thereafter.

The agreements are subject to restrictive covenants ("Debentures terms and conditions"), according to usual market practices, which require compliance with financial ratios based on the Company's consolidated financial statements prepared as at June 30 and December 31 of each year. As at December 31, 2016, the Company was compliant with all the "Debenture terms and conditions" covenants.

15. TRADE PAYABLES

	Parent		Consolidated	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Domestic	86,541	46,669	100,981	56,712
Abroad	1,326	1,415	755,103	879,779
Foreign related parties (note 10.b)	5,166	4,110	-	-
Total	93,033	52,194	856,084	936,491

16. TAXES PAYABLE

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Income tax of foreign subsidiaries	-	-	42,625	35,252
State VAT (ICMS)	1,286	701	4,667	2,966
Social contribution (CSLL)	548	460	681	460
Withholding Income Tax (IRRF)	2,844	1,797	1,687	2,111
Social security tax (INSS) on gross revenue	2,654	1,296	2,656	1,296
Others	222	611	3,494	1,703
Valued Added Tax - VAT - foreign subsidiaries:				
Mexico	-	-	19,645	10,297
Other countries	-	-	1,648	1,812
Total	7,554	4,865	77,103	55,897

17. PAYROLL AND RELATED TAXES

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Payroll	1,253	863	41,491	45,729
Related taxes	9,157	7,203	28,692	26,918
Vacation pay	27,241	18,636	53,719	45,699
Profit sharing	18,847	8,018	79,927	42,914
Total	56,498	34,720	203,829	161,260

18. PROVISION FOR LABOR, TAX AND CIVIL RISKS

The Company and its subsidiaries are parties to lawsuits and administrative proceedings before various courts and governmental bodies, arising in the normal course of business and involving tax, labor, civil and other matters.

Management, based on information from its legal counsel, analyzed ongoing proceedings and has recognized a provision in an amount considered sufficient to cover probable losses on ongoing proceedings, as follows:

	Parent				Consolidated			
	Labor	Tax	Civil	Total	Labor	Tax	Civil	Total
Balance as at 12/31/2014	2,569	28,343	9,491	40,403	9,235	30,517	11,541	51,293
Additions	5,328	2,535	42	7,905	10,529	15,882	1,901	28,312
Payments	(882)	-	-	(882)	(2,124)	-	(2,073)	(4,197)
Reversals	(4,950)	(5,246)	-	(10,196)	(5,813)	(5,506)	-	(11,319)
Adjustments	1,137	2,826	78	4,041	4,652	2,859	325	7,836
Exchange rate changes	-	-	-	-	1,832	(46)	(329)	1,457
Balance as at 12/31/2015	3,202	28,458	9,611	41,271	18,311	43,706	11,365	73,382
Additions	5,127	2,162	141	7,430	7,008	13,961	191	21,160
Payments	(1,765)	(147)	-	(1,912)	(3,677)	(10,509)	(420)	(14,606)
Reversals	(829)	(8,657)	(117)	(9,603)	(2,457)	(10,833)	(503)	(13,793)
Adjustments	1,176	2,002	118	3,296	4,391	2,274	365	7,030
Exchange rate changes	-	-	-	-	(268)	(2,219)	(36)	(2,523)
Balance as at 12/31/2016	6,911	23,818	9,753	40,482	23,308	36,380	10,962	70,650

The following is a summary of the proceedings assessed as probable or possible loss to which the Company and its subsidiaries are parties, broken down by type:

Labor lawsuits

As at December 31, 2016, the Company and its subsidiaries were parties to labor lawsuits. The main claims are, among others, the payment of hazardous duty and health-hazard premiums, recognition of employment guarantees, lawsuits filed against third parties/service providers claiming joint/subsidiary liability of the Company and/or its subsidiaries, as well as indemnity claims deriving from typical work accidents or professional and occupational diseases. However, none of these lawsuits involves individually material loss amounts.

In parent, the total amount under litigation with a probable or possible likelihood of unfavorable outcomes is R$17,067 (R$10,066 as at December 31, 2015), of which R$6,911 (R$3,202 as at December 31, 2015) is provided for, representing the best estimate of probable losses.

In the consolidated, the total amount under litigation with a probable or possible likelihood of unfavorable outcomes is R$92,386 (R$51,398 as at December 31, 2015), of which R$23,308 (R$18,311 as at December 31, 2015) is provided for, representing the best estimate of probable losses.

Tax lawsuits

Below is list of the provisions related to tax lawsuits to which the Company and its subsidiaries are parties and whose likelihood of loss was assessed by legal counsel as probable:

	Parent	Consolidated
PIS/COFINS (a)	6,677	6,677
INSS (b)	11,995	11,995
IPI (c)	4,139	4,139
IR - Corporate Income Tax (d)	-	10,524
Others	1,007	3,045
Total	23,818	36,380

In parent and in the consolidated, the amounts provided for refer mainly to:

(a) Legal disputes challenging the payment of contributions on: (i) agents' commissions paid abroad, beginning May 2005; and (ii) freight on transfers between branches, beginning May 2008.

(b) Legal disputes challenging the suspension of the Accident Prevention Factor (FAP) in the Occupational Accident Insurance (SAT) calculation.

(c) Lawsuit claiming the annulment of the IPI debt related to an administrative proceeding under the Company's responsibility.

(d) Audit of income tax and other taxes conducted by German tax authorities involving the Company's indirect subsidiaries operating in Germany, covering the period 2009-2011, which challenges: (i) the amount of interest deducted from taxation related to an intragroup promissory note; and (ii) the valuation of certain rights capitalized by a subsidiary in 2011.

Civil lawsuits

As at December 31, 2016, the Company was a party to civil lawsuits involving contingent liabilities, of which a total of R$9,753 (R$9,611 as at December 31, 2015) under litigation was assessed by the legal counsel as probable losses.

In consolidated, the total contingent liabilities assessed as probable losses was R$10,962 (R$11,365 as at December 31, 2015).

Risks assessed as possible losses

The Company and its subsidiaries are parties to tax and civil lawsuits involving contingent liabilities that are not provided for because they involve a likelihood of loss classified by Management and its legal counsel either as possible or remote. As at December 31, 2016, in consolidated, these lawsuits, classified as possible losses, totaled R$296,989 (R$278,360 as at December 31, 2015). These amounts are mainly related to:

a) Administrative proceeding No. 3.127.787-1 filed against the Company, which addresses: (i) the alleged failure to send invoices on shipment of goods arising on alleged inventory differences, determined based on a tax inventory-taking, in return from manufacturing shipments; (ii) the alleged receipt of goods without tax documentation (invoices) arising on alleged inventory differences, determined based on a tax inventory-taking, in return from manufacturing shipments; (iii) the utilization of ICMS credits claimed on acquisitions from entities subject to Simples (simplified taxation regime); and (iv) the alleged delivery of a digital file (SINTEGRA file) noncompliant with the required statutory template or format. The item (i) of the tax assessment notice above was definitively canceled at the administrative level, and a request was filed for the amendment of the decision in light of the remaining items, which is pending judgment, totaling R$164,966, classified as a possible loss.

b) Tax assessment notices issued by Spanish tax authorities for the periods between 2004 and 2009, under proceedings No. 08/8972/2012 and No. 08/01138/2013, deriving from tax audits, involving the subsidiaries Maxion Wheels Europe S.à.r.l. (formerly HLI European Holdings ETVE, S.L.), Maxion Wheels España S.L. (formerly Hayes Lemmerz Manresa, S.L.) and Hayes Lemmerz Barcelona, S.L., where the tax deductibility of interest on intragroup loans made as part of the corporate and financial restructuring process is challenged. The total amount under litigation is R$28,497.

c) Administrative tax proceeding No. 16045.720014/2015-51 filed against the Company, which addresses the collection of corporate income tax, plus interest and assessment fine of 75%, by alleging that the Company has not settled the monthly estimates of calendar year 2011 ("Unapproved Offsets"). The total amount under litigation classified as a possible loss is R$19,098.

d) Administrative proceedings No. 16045.720012/2015-62 and No. 16045.720013/2015-15, which address: (i) the collection of corporate income tax for the alleged undue deduction of income tax paid abroad for calendar year 2011; and (ii) the collection of social contribution as a result of the corporate income tax due as alleged in item (i) above, both plus interest and assessment fine of 75%, as well as administrative proceedings No. 10860.901849/2015-11 and No. 10860.901848/2015-76 that address the disallowance of the negative IRPJ and CSLL balance for calendar year 2012, due to alleged undue deduction of income tax paid abroad mentioned in item (i) above. The total amount under litigation classified as a possible loss is R$18,680.

Escrow deposits related to provision - consolidated

Represent restricted assets of the Company and its subsidiaries and are related to amounts deposited for filing with courts lawsuits that usually have a probable likelihood of unfavorable outcomes, which will be held by courts until a final decision of the related litigation is reached. As at December 31, 2016, the balance is R$24,929 (R$24,703 as at December 31, 2015).

19. EMPLOYEE PENSION PLAN AND POST-EMPLOYMENT BENEFITS

a) Supplementary pension plan - defined contribution

Parent

Since August 1, 2004, the Company sponsors an open pension plan, managed by Brasilprev Seguros e Previdência S.A., which provides supplementary pensions, lump-sum payment and health benefits. The pension plan is a defined contribution plan, using the funded pension scheme for the actuarial calculation of reserves. As at December 31, 2016, 4,012 Company's employees participated in this plan (3,820 as at December 31, 2015). The Company's contributions totaled R$1,811 as at December 31, 2016 (R$1,290 as at December 31, 2015).

Maxion Wheels

Indirect subsidiary Maxion Wheels has contribution plans with the employees' retirement savings that cover substantially all employees of the units located in the United States of America. The subsidiary's contribution totaled R$2,933 as at December 31, 2016 (R$4,049 as at December 31, 2015).

b) Supplementary pension plan (defined benefit) and post-employment health care plan - consolidated

	12/31/2016					12/31/2015				
	Germany	Spain	Mexico	Others	Total	Germany	Spain	Mexico	Others	Total
Fair value of plan assets	1,251	18,393	746	3,536	23,926	1,551	22,383	1,026	3,587	28,547
Present value of obligations	(339,610)	(24,327)	(3,069)	(40,077)	(407,083)	(406,552)	(30,383)	(4,515)	(49,396)	(490,846)
Plan deficit	(338,359)	(5,934)	(2,323)	(36,541)	(383,157)	(405,001)	(8,000)	(3,489)	(45,809)	(462,299)
Total noncurrent liabilities	(338,359)	(5,934)	(2,323)	(36,541)	(383,157)	(405,001)	(8,000)	(3,489)	(45,809)	(462,299)

	12/31/2016					12/31/2015				
	Germany	Spain	Mexico	Others	Total	Germany	Spain	Mexico	Others	Total
Active employees	286	205	121	3,384	4,002	319	211	121	3,389	4,040
Retired employee	1,623	220	-	-	1,843	1,647	224	-	-	1,871

b.1) Supplementary pension plan (defined benefit)

The Company sponsors, through its indirect subsidiary Maxion Wheels, several defined benefit pension plans, post-employment health care plans and life insurance. The subsidiary sponsors pension benefits based on the funding requirements provided for in relevant international laws and regulations, and prior to the payment of benefits. It also sponsors other benefits as these benefits are granted to the employees.

Variations in the present value of defined benefit obligations

Defined benefit obligations	12/31/2016					12/31/2015				
	Defined benefit plan					Defined benefit plan				
	Germany	Spain	Mexico	Others	Total	Germany	Spain	Mexico	Others	Total
Obligations assumed at the beginning of year	(406,552)	(30,383)	(4,514)	(49,396)	(490,845)	(329,414)	(25,377)	(3,095)	(38,001)	(395,887)
Benefits paid by the plan	21,528	1,662	-	4,597	27,787	25,884	2,729	-	3,493	32,106
Cost of current service and interest	(9,227)	(663)	378	(8,513)	(18,025)	(8,772)	(660)	(590)	(7,889)	(17,911)
Effect of changes in financial assumptions	(27,111)	(607)	264	584	(26,870)	11,570	813	310	3,866	16,559
Effect of experience adjustment	3,299	(147)	(516)	1,070	3,706	693	333	(340)	(1,667)	(981)
Exchange rate changes arising on the translation of the financial statements	78,453	5,811	1,319	11,581	97,164	(106,513)	(8,221)	(800)	(9,198)	(124,732)
Defined benefit obligations	(339,610)	(24,327)	(3,069)	(40,077)	(407,083)	(406,552)	(30,383)	(4,515)	(49,396)	(490,846)

Fair value of plan assets	12/31/2016					12/31/2015				
	Defined benefit plan					Defined benefit plan				
	Germany	Spain	Mexico	Others	Total	Germany	Spain	Mexico	Others	Total
Plan assets at the beginning of the year	1,550	22,382	1,027	3,589	28,548	1,645	18,230	811	2,053	22,739
Finance income	30	376	59	250	715	37	381	62	213	693
Contributions made to plans	21,477	443	-	4,998	26,918	27,521	988	-	3,978	32,487
Benefits paid by the plans	(21,528)	(1,662)	-	(4,597)	(27,787)	(25,884)	(2,729)	-	(3,493)	(32,106)
Expected return on plan assets	18	1,154	(30)	(9)	1,133	(2,307)	(337)	(56)	(1)	(2,701)
Exchange rate changes arising on the translation of the financial statements	(296)	(4,300)	(310)	(695)	(5,601)	539	5,850	209	837	7,435
Fair value of plan assets at the end of the year	1,251	18,393	746	3,536	23,926	1,551	22,383	1,026	3,587	28,547

Net cost of benefit	12/31/2016					12/31/2015				
	Defined benefit plan					Defined benefit plan				
	Germany	Spain	Mexico	Others	Total	Germany	Spain	Mexico	Others	Total
Service cost	(1,497)	(150)	638	(4,696)	(5,705)	(1,446)	(157)	(348)	(4,425)	(6,376)
Finance cost	(7,730)	(513)	(260)	(3,817)	(12,320)	(7,326)	(503)	(242)	(3,464)	(11,535)
Net cost of benefit	(9,227)	(663)	378	(8,513)	(18,025)	(8,772)	(660)	(590)	(7,889)	(17,911)

The actuarial assumptions used to determine the calculation of cost were as follows:

Weighted average of the assumptions used to calculate cost	12/31/2016		12/31/2015	
	Pension	Other benefits	Pension	Other benefits
Discount rate - international	2.75%	10.67%	2.44%	9.53%
Wage increase rate - international	2.51%	5.00%	2.47%	5.00%
Inflation growth rate - international	1.98%	4.68%	1.97%	4.35%
Pension plan increase rate - international	1.75%	-	1.75%	-

The actuarial assumptions used to determine the calculation of obligations were as follows:

Weighted average of the assumptions used in obligation calculation	12/31/2016		12/31/2015	
	Pension	Other benefits	Pension	Other benefits
Discount rate - international	2.06%	10.16%	2.75%	10.67%
Wage increase rate - international	2.47%	5.00%	2.47%	5.00%
Inflation growth rate - international	1.72%	4.75%	1.98%	4.68%
Pension plan increase rate - international	1.73%	-	1.75%	-

The discount rate was calculated using specific interest rates with 0.5% increments for each of the next 30 years, based on the price and yield data for top-tier companies, with maturity ranging between 12 months and 30 years.

Sensitivity analysis of obligations

As at December 31, 2016, changes in the discount rates used to value the benefit obligations would produce the following impacts on the defined benefit plan obligations and on the weighted average duration of the defined benefit obligation (in years), as follows:

	Pension plan
Scenario using a 50-basis point decrease in the rate at 1.55%:	
Increase in the defined benefit obligation	22,394
Weighted average duration of the defined benefit obligation (in years)	12
Scenario using a 50-basis point increase in the rate at 2.55%:	
Decrease in the defined benefit obligation	21,006
Weighted average duration of the defined benefit obligation (in years)	12

	Other plans
Scenario using a 50-basis point decrease in the rate at 9.03%:	
Increase in the defined benefit obligation	2,102
Weighted average duration of the obligation (in years)	11
Scenario using a 50-basis point increase in the rate at 10.03%:	
Decrease in the defined benefit obligation	1,989
Weighted average duration of the obligation (in years)	11

Expected return on pension plan assets

As at December 31, 2016, plan assets include:

	R$
Insurance	23,211
Fixed income	715
Total	23,926

In order to develop the expected long-term return rate assumption of the assets, the historical return and expected future return for each type of asset were taken into consideration, as well as the pension plan portfolio asset allocation purpose.

Contributions made to plans

The indirect subsidiary Maxion Wheels contributed R$21,920 to defined benefit plans as at December 31, 2016 (R$28,509 as at December 31, 2015).

20. EQUITY

a) Share capital

As at December 31, 2016 and December 31, 2015, paid-in capital is R$700,000, represented by 94,863,372 registered common shares without par value.

In addition to the 94,863,372 common shares, the Company is authorized to increase its capital, without any amendment to its bylaws, up to a ceiling of 33,600,000 registered common shares without par value, by issuing new common shares, under a Board of Directors' decision, which will set the number of shares issued, the issue date, and the payment terms.

The Company may, within the authorized capital ceiling and in accordance with the plan approved by the Shareholders' Meeting, grant stock options to its officers, employees or individuals who provide services to the Company, pursuant to article 168, paragraph 3, of Law 6404/76.

b) Reserve for investment and working capital

Aimed at ensuring investment in production assets and increase in working capital, even though upon the Company's debt repayment, as well as capitalization and financing of subsidiaries and joint ventures. This reserve will be recognized with a minimum annual portion of 10% and maximum of 58% of profit for the year, and its amount cannot exceed, together with the legal reserve, the amount of capital.

c) Allocation of profit

Profit for the year, determined in accordance with article 191 of Law 6404/76, is allocated as follows: (i) 5% to the legal reserve, which cannot exceed 20% of capital; (ii) 37% for distribution as mandatory dividends; and (iii) the remaining, which is not allocated to the bylaws investment and working capital reserve or retained as provided for in the capital budget approved by the Shareholders' Meeting, is distributed as additional dividend to the shareholders.

On March 15, 2016, the Company paid dividends related to 2015 totaling R$20,885.

	12/31/2016	12/31/2015
Profit for the year	21,531	49,366
Realization of the depreciation of the deemed cost, net of taxes	6,701	7,080
Undistributed total	28,232	56,446
(-) Legal reserve (5%)	(1,412)	(2,822)
Allocation of profit:		
Mandatory minimum dividends - 37%	(10,446)	(20,885)
(-) Reserve for investment and working capital	(16,374)	(32,739)

d) Stock options granted and treasury shares

- Share-based payments: refer to the results obtained with 2015, 2014, 2012, 2011, and 2010 stock option plans, less the vested and exercised stock options. As at December 31, 2016, 94,285 options were canceled. As at December 31, 2015, no share was exercised, and 136,826 options were canceled.

- Treasury shares: as at December 31, 2016, the Company held 266,043 common shares under the stock plans in the amount of R$5,936 (R$6,042 as at December 31, 2015), as commitment under the stock option plan.

- Treasury shares: As at December 31, 2016, the Company acquired 120,000 common shares in the amount of R$2,155. The Company will hold the acquired shares in treasury and may sell them on the stock exchange so as to use the funds to pay for the Long-Term Incentive Program ("2016 Program"), as mentioned in note 22.

- As at December 31, 2016, the market value of the 386,043 common shares in treasury totaled R$4,501, corresponding to the quotation as at December 31, 2016, at the price of R$11.66 per share.

21. STOCK OPTION PLAN

The Extraordinary Shareholders' Meeting (ESM) held on December 1, 2009 approved the stock option plan for the Company's officers. This plan sets the individual conditions for each beneficiary.

A beneficiary should assign part of the annual bonus paid by the Company, as profit sharing, net of income tax and other applicable charges ("profit sharing") so as to purchase on the stock market the Company's shares ("own shares"). For this purpose, the beneficiary must elect to allocate its profit-sharing bonus in the defined percentages of 75%, 50% or 25%. The percentage elected by the beneficiary to purchase own shares will determine the number of stock options he/she will be able to exercise. If the beneficiary fails to allocate any percentage of his/her profit-sharing bonus to the purchase of own shares, he/she is not to be granted any stock options.

The profit-sharing bonus percentage committed to the purchase of own shares must be elected and, consequently, supported by the beneficiary to the Company by filing a brokerage invoice within up to five days after the deadline for purchasing own shares. The deadline for purchasing own shares starts on the day following the day on which the Company informs the strike price to beneficiaries and lasts 15 consecutive days. After the deadline, the Board sets the number of stock options granted to each beneficiary, by applying the following formula:

O = (B*M)/P

Where:

O = number of stock options granted to the beneficiary.

B = amount, in reais, of the profit-sharing bonus allocated by the beneficiary to the purchase of own shares.

M = multiple on the profit-sharing bonus allocated to the purchase of own shares, set according to specifications below.

P = average price per Company share in the 20 São Paulo Stock Exchange trading sessions immediately following the deadline.

Said "M" multiple must have a fixed numerical value for each beneficiary, as follows:

a) If the beneficiary allocates 75% of his/her profit-sharing bonus to the purchase of own shares, "M" is equal to 2.0.

b) If the beneficiary allocates 50% of his/her profit-sharing bonus to the purchase of own shares, "M" is equal to 1.5.

c) If the beneficiary allocates 25% of his/her profit-sharing bonus to the purchase of own shares, "M" is equal to 1.0.

On the stock option grant date, the Company enters into the related Stock Option Agreement with the beneficiary, governing the grant terms and conditions.

The stock options' strike price shall be equivalent to the average price of each Company share on the 20 BM&FBOVESPA trading sessions immediately before the start of the own shares' vesting period.

The stock options' strike price shall be adjusted using the Broad Consumer Price Index released by the Brazilian Statistics Bureau (IPCA/IBGE) to be applied to the option strike price from the plan's date to the option exercise date.

Vesting period: the options are divided into three equal annual allotments, in terms of number of options, vesting within two, three and four years from each plan's date, respectively. After the corresponding vesting period, each annual allotment can be exercised, fully or in part, in one or several occasions, and at any time, before the final, forfeiting deadline of three years, by notifying the Company of each exercise with a 10-day prior notice. After this period, the beneficiary forfeits the right to exercise the stock options of the corresponding annual allotment, without compensation.

The Company granted 109,639, 206,446, 62,285 and 27,581 options under the 2010, 2011, 2012 and 2014 Stock Option Programs, with a strike price of R$14.88, R$20.95, R$32.13 and R$23.34, respectively.

As prescribed by Plan rules, no Stock Option Program was created in 2013.

In such fifth program, created in 2015, the Board of Directors decided to grant to management, under Clause 3.2.1 of the Stock Option Plan, as amended by Extraordinary Shareholders' Meeting (ESM) held on May 9, 2014, a number of options corresponding to 25% of its share in 2014 profits, without the acquisition of own shares on stock exchange. Executive officers who decide to invest their share in 2014 profits, as set forth in prior plans, in addition to the abovementioned 25%, will receive additional options, according to Plan rules.

The Company granted 50,393 stock options under the fifth stock options program, with a strike price of R$10.38.

The changes in the number of outstanding share call options and their corresponding weighted average prices for the year are as follows:

	12/31/2016		12/31/2015	
	Average strike price per option - R$	Outstanding options	Average strike price per option - R$	Outstanding options
Balance at the beginning of the year	22.26	242,963	20.88	329,396
Granted	-	-	10.38	50,393
Forfeited	28.61	(94,285)	29.96	(136,826)
Balance at the end of year	24.03	148,678	22.26	242,963

Of the 148,678 stock options outstanding on December 31, 2016 (242,963 stock options outstanding on December 31, 2015), 79,899 stock options (157,555 stock options on December 31, 2015) are vested.

The maturities and strike prices of the stock options outstanding at the end of the year are as follows:

As at December 31, 2016

Grant date	Option fair value at grant date - R$	Option fair value	Strike price - R$	Outstanding options	Remaining contractual life (years)	Vested options
March 2010	10.67	-	14.88	13,532	0.2	13,532
March 2011	7.12	-	20.95	19,188	0.2	19,188
March 2011	8.14	0.04	20.95	19,188	1.2	19,188
March 2012	7.45	-	32.13	6,278	0.2	6,278
March 2012	9.09	-	32.13	6,259	1.2	6,259
March 2012	10.59	0.07	32.13	6,259	2.2	6,259
April 2014	7.13	0.42	23.34	9,195	2.2	9,195
April 2014	9.43	0.92	23.34	9,193	3.3	-
April 2014	10.37	1.43	23.34	9,193	4.3	-
April 2015	4.81	4.04	10.38	16,821	3.3	-
April 2015	5.35	4.71	10.38	16,786	4.3	-
April 2015	6.29	5.24	10.38	16,786	5.3	-
Total				148,678		79,899

As at December 31, 2015

Grant date	Option fair value at grant date - R$	Option fair value	Strike price - R$	Outstanding options	Remaining contractual life (years)	Vested options
March 2010	9.87	0.00	14.88	9,102	0.2	9,102
March 2010	10.67	0.42	14.88	27,589	1.2	27,589
March 2011	6.05	0.00	20.95	32,532	0.2	32,532
March 2011	7.12	0.10	20.95	36,722	1.2	36,722
March 2011	8.14	0.59	20.95	36,722	2.2	36,722
March 2012	7.45	0.01	32.13	7,454	1.2	7,454
March 2012	9.09	0.14	32.13	7,434	2.2	7,434
March 2012	10.59	0.50	32.13	7,434	3.2	-
April 2014	7.13	1.33	23.34	9,195	3.2	-
April 2014	9.43	2.12	23.34	9,193	4.3	-
April 2014	10.37	3.16	23.34	9,193	5.3	-
April 2015	4.81	6.21	10.38	16,821	4.3	-
April 2015	5.35	6.88	10.38	16,786	5.3	-
April 2015	6.29	7.58	10.38	16,786	6.3	-
Total				242,963		157,555

As at December 31, 2016, the market price of the Company's shares was R$11.66 (R$12.30 as at December 31, 2015).

The stock options were measured at fair value on the grant date, as prescribed by technical pronouncement CPC 10 (R1) - Share-based Payment. The weighted average fair value of the stock options as at December 31, 2016 is R$1.76 (R$1.85 as at December 31, 2015).

The stock options were priced using the Black-Scholes model and the significant data included in the fair value pricing model of the stock options granted was:

- Volatility of 38.21% estimated based on the standard deviation of the daily share closing price over the past five years.
- Expected stock option life from one to five years.
- Annual risk-free interest rate of 13.36%, 11.87%, 11.28%, 11.16% and 11.24% for one, two, three, four and five years, respectively.

22. LONG-TERM INCENTIVE PLAN

On April 27, 2016, the Board of Directors approved a long-term incentive plan relating to profit or loss for 2016-2019 period ("2016 Program"), which aims to: i) promote the Company's good performance and fulfill its shareholders' interests through a long-term commitment assumed by the Company's management and employees; and ii) align the compensation and benefits granted to some Company's officers and employees with the performance of the Company's shares on stock exchanges and the Company's economic and financial performance.

Under the long-term incentive plan terms and conditions, the 2016 Program beneficiaries will be entitled to referenced cash premiums (i) in the price of the Company's shares on stock exchanges; and (ii) in the return on capital invested in the Company ("Return On Invested Capital" or "ROIC"). The premium received is designated as "Restricted Stock Unit", in the first case, and "Performance Share", in the second case.

The Company granted 229,703 Restricted Stock Units ("RSUs") and 229,703 Performance Shares ("PSs"), in the amount of R$14.26 each, respectively, which is equivalent to the weighted average price of shares (MYPK3) in the twenty (20) trading sessions on the São Paulo Stock Exchange (BM&FBOVESPA) prior to the grant date on April 27, 2016.

The RSUs will be settled in three different tranches, i.e., 33.4% on April 27, 2018 and 33.3% on April 27, 2019 and 2020, respectively. The amount payable for each settled RSU will be equivalent to the weighted average price of the shares (MYPK3) in the ten (10) trading sessions prior to the settlement date.

PSs will be settled on April 27, 2020 only if the Company's average ROIC determined from January 1, 2016 to December 31, 2019 is met as per the ratios determined by the Board of Directors for the 2016 Program.

As at December 31, 2016, the amount accrued relating to the 2016 Program is R$889, recorded in caption "Other payables" in noncurrent liabilities. Treasury shares acquired for purposes of using the funds in the payment of the "2016 Program" are shown in Note 20.d).

23. FINANCE INCOME (COSTS)

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Finance income:				
Income from short-term investments	9,850	8,817	18,146	20,810
Pension plan interest income	-	-	715	693
Discounts obtained and interest receivable	308	177	412	392
Financial gain on reversal of court decisions	4,395	4,482	4,398	4,482
CACEX rate inflation adjustment (a)	-	5,168	-	5,168
Inflation adjustment of escrow deposits	1,619	2,686	2,155	2,686
Tax credit gain (b)	25,703	-	25,703	-
Others	1,202	1,875	6,308	3,019
Total	43,077	23,205	57,837	37,250

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Finance cost:				
Interest expense and finance charges	(207,600)	(228,242)	(311,755)	(301,160)
Pension plan interest	-	-	(12,320)	(11,535)
Inflation adjustment of provision for risks	(3,296)	(4,041)	(7,030)	(7,836)
Tax on financial transactions (IOF)	(6,286)	(3,930)	(6,288)	(3,930)
Amortized cost of debentures issued	(18,365)	(8,383)	(18,365)	(8,383)
Bank charges	(5,953)	(7,906)	(14,303)	(11,361)
Others	(9,418)	(436)	(12,192)	(10,149)
Total	(250,918)	(252,938)	(382,253)	(354,354)

(a) Based on the credit application filed with Federal Revenue Service of Brazil, the Company recognized an inflation adjustment increase related to federal tax credits.

(b) Recognition of tax credits, as detailed in note 8 (a).

24. EXCHANGE RATE GAINS (LOSSES), NET

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Trade receivables	(2,940)	74	(8,233)	2,531
Borrowings and financing	7,894	6,500	9,181	5,945
Trade payables	(90)	(1,299)	(7,776)	(12,693)
Short-term investments	-	-	(83)	11,587
Derivatives	(8,642)	(6,549)	(7,826)	(6,796)
Others	(4,518)	3,728	(5,337)	(230)
Total	(8,296)	2,454	(20,074)	344

25. NET SALES REVENUE

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Gross sales revenue	1,424,840	1,344,590	7,273,282	7,235,258
Revenue deductions:				
Taxes on sales	(293,151)	(252,944)	(422,979)	(363,978)
Discounts, returns and cancelations	(30,753)	(14,814)	(33,849)	(24,824)
Net sales revenue	1,100,936	1,076,832	6,816,454	6,846,456

26. EXPENSES BY NATURE

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Raw materials	(511,479)	(490,733)	(3,390,744)	(3,586,003)
Salaries and benefits	(370,430)	(351,687)	(1,365,359)	(1,269,738)
Supplies/maintenance	(61,596)	(68,193)	(510,142)	(493,782)
Electric power	(36,057)	(25,547)	(255,960)	(246,328)
Depreciation and amortization	(44,251)	(38,892)	(316,903)	(301,465)
Outside services	(43,434)	(34,116)	(166,179)	(154,398)
Freight	(21,833)	(21,400)	(147,092)	(136,521)
Management fees	(16,147)	(11,624)	(16,147)	(11,624)
Transportation/communication	(13,375)	(11,402)	(51,498)	(47,246)
Other costs and expenses	(22,231)	(26,768)	(159,946)	(192,065)
Total	(1,140,833)	(1,080,362)	(6,379,970)	(6,439,170)
Classified as:				
Cost of sales and services provided	(1,030,404)	(987,793)	(5,844,666)	(5,954,428)
Selling expenses	(27,214)	(25,657)	(150,931)	(155,560)
General and administrative expenses	(67,068)	(55,288)	(368,226)	(317,558)
Management fees (note 10)	(16,147)	(11,624)	(16,147)	(11,624)
Total	(1,140,833)	(1,080,362)	(6,379,970)	(6,439,170)

27. OTHER OPERATING INCOME (EXPENSES)

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Gain (loss) on sale of assets (a)	-	(978)	68,710	(605)
Court settlement (b)	-	-	21,629	-
Gain on valuation of stock option - India	-	-	7,337	-
Restructuring expenses (c)	-	(23,629)	-	(29,899)
Restructuring expenses – Guarulhos plant (d)	-	-	(28,722)	-
Other operating income (expenses)	12,023	(6,256)	2,683	2,172
Total	12,023	(30,863)	71,637	(28,332)

(a) On February 22, 2016, the indirect subsidiary Maxion Wheels do Brasil concluded the sale of its properties, located in the city of Guarulhos, State of São Paulo, for a total of R$84,058, fully received on that date. In this transaction a net gain of R$68,710 was recorded, less the residual cost of the assets and brokerage expenses.

(b) In September 2016, the Company entered into an agreement relating to a legal dispute, thus recognizing a gain of R$21,629 for the quarter, net of the respective attorneys' fees.

(c) Nonrecurring expense incurred to adjust the cost structure to the current demand in the Brazilian automotive market in 2015.

(d) Nonrecurring expenses related to the transfer of the steel wheel production from the Guarulhos plant to the Limeira plant (light wheel) and to the Cruzeiro plant (heavy wheel), in order to improve the utilization of the installed capacity in Brazil.

28. RISK AND FINANCIAL INSTRUMENT MANAGEMENT

a) General considerations and policies

The Company and its subsidiaries conduct transactions involving financial instruments, including derivatives, when applicable, all of which recorded in balance sheet accounts, which are intended to meet their operating and financial needs. These instruments are represented by short-term investments, borrowings and financing, and intragroup loans, as well as derivatives.

These financial instruments are managed based on policies, strategies and control systems, and are monitored by the Company's Board of Directors, through its Financial Committee.

The policy related to entering into financial instrument contracts for hedging purposes is also approved by the Board of Directors, which is then regularly reviewed as to the risk exposure that the Management intends to hedge. Gains or losses on these transactions are consistent with the policies and strategies designed by the Company's Management. The Company and its subsidiaries do not make speculative investments in derivatives or any other risk assets.

The Company's Board of Directors oversees how Management monitors the compliance with the risk management policies and procedures and reviews the appropriateness of the risk management model for risks accepted by the Company and its subsidiaries.

Classification of financial instruments - by category

	Note	Parent 12/31/2016 Loans and receivables	Other financial liabilities	Fair value	12/31/2015 Loans and receivables	Other financial liabilities	Fair value
Assets:							
Cash and cash equivalents	5	29,659	-	-	69,484	-	-
Trade receivables	6	184,973	-	-	121,546	-	-
Total		214,632	-	-	191,030	-	-
Liabilities:							
Borrowings and financing	14	-	691,623	-	-	590,178	-
Debentures	14	-	504,705	-	-	1,168,646	-
Embedded derivatives	14	-	-	6,660	-	-	20,760
Trade payables	15	-	93,033	-	-	52,194	-
Total		-	1,289,361	6,660	-	1,811,018	20,760

	Note	Consolidated 12/31/2016 Loans and receivables	Other financial liabilities	Fair value	12/31/2015 Loans and receivables	Other financial liabilities	Fair value
Assets:							
Cash and cash equivalents	5	431,599	-	-	739,255	-	-
Trade receivables	6	835,158	-	-	865,496	-	-
Total		1,266,757	-	-	1,604,751	-	-
Liabilities:							
Borrowings and financing	14	-	2,548,720	-	-	2,225,449	-
Debentures	14	-	504,705	-	-	1,168,646	-
Embedded derivatives	14	-	-	6,660	-	-	20,760
Trade payables	15	-	856,084	-	-	936,491	-
Total		-	3,909,509	6,660	-	4,330,586	20,760

b) Fair values

The Company and its subsidiaries adopt hierarchy rules to measure the fair value of their financial instruments, as set out in technical pronouncement CPC 40/IFRS 7 - Financial Instruments: Disclosure, for financial instruments measured in the balance sheet, which requires the disclosure of fair value measurements at the fair value levels 1, 2 and 3.

In the case of the Company and its subsidiaries, the financial instruments disclosed in balance sheets, such as bank accounts, short-term investments, trade receivables and trade payables, approximate their market values.

The comparison between the fair value and the carrying amount of the loans is as follows:

Carrying amount	Fair value
2,548,720	2,525,761

The fair value of convertible debentures was determined as at December 31, 2016 using the Black & Scholes pricing model and was recorded as disclosed in note 14.

The fair value of the debt arising from the 6th issue of Company's debentures is calculated based on the secondary market quotations (level 1) published by ANBIMA at the balance sheet dates. The comparison between the fair value and the carrying amount of the debentures is as follows:

Carrying amount	Fair value
175,407	168,812

The fair value of the subscription warrants of the 7th issue debentures was determined as at December 31, 2016 using the Black & Scholes pricing model and was recorded as disclosed in note 14.

The fair value of the debt arising from the 7th issue of Company's debentures is calculated based on the secondary market quotations (level 1) published by ANBIMA at the balance sheet dates.

The fair value of other financial liabilities measured at amortized cost is as follows:

Carrying amount	Fair value
331,518	333,789

The Company discloses the fair value of the financial instruments measured at amortized cost, the fair values of which differ from their carrying amounts, as prescribed by technical pronouncement CPC 46 (IFRS 13) - Fair Value Measurement, which refer to assessment and disclosure requirement concepts.

The fair values of cash and cash equivalents, trade receivables, short-term debt and trade payables correspond to their carrying amounts.

c) Financial risk management

The Company's and its subsidiaries' operations are subject to the following risk factors:

Credit risk

Arises from the possibility that the Company and its subsidiaries incur losses as a result of default by their counterparties or financial institutions that are depositaries of funds or financial investments. To mitigate this risk, the Company and its subsidiaries adopt the procedure of analyzing the financial position of their counterparties, as well as establishing credit limits, and constantly monitoring their balances. Concerning the financial institutions, the Company and its subsidiaries only conduct transactions with financial institutions highly rated by credit rating agencies.

In relation to customers' credit lines, the Company understands that, due to the: (i) strict credit analysis; (ii) ongoing monitoring of the outstanding balances; and (iii) the fact that the customers are represented by large assemblers highly rated by credit rating agencies, the credit risk is controlled.

The Company's Management believes that the existing allowance is sufficient to cover any default, as referred to in note 6.

Liquidity risk

Effectively managing liquidity risk implies maintaining sufficient cash and securities, funds available through committed credit facilities and the ability to settle market positions. Due to the active nature of the Company's and its subsidiaries' businesses, the treasury area is flexible in raising funds through the maintenance of committed credit lines.

Management monitors the Company's consolidated liquidity level considering the expected cash flow against unused credit lines and cash and cash equivalents. This forecast takes into consideration the Company's debt financing plans, fulfillment with internal balance sheet ratio goals and, when applicable, external regulatory or legal requirements (e.g., currency restrictions). Through its Risk Management Policy, the Company establishes a minimum consolidated cash limit and debt management financial indicators.

Surplus cash held by the operating entities above the balance required for working capital management is maintained in the entities themselves but managed by the Corporate Finance Department. The Company invests its liquidity according to its financial risk management policy, approved by the Board of Directors, in short-term investments, with maturities of less than 90 days, through deposits in financial institutions.

The table below illustrates the Company's and its subsidiaries' nonderivative financial liabilities, by maturity ranges, corresponding to the remaining year in the balance sheet through the contractual maturity date:

	12/31/2016					
	Parent			Consolidated		
	Less than 1 year	1 to 2 years	Over 2 years	Less than 1 year	1 to 2 years	Over 2 years
Trade payables	93,033	-	-	856,084	-	-
Borrowings, financing and debentures	517,903	329,507	355,578	1,182,808	874,114	1,003,163
Total	610,936	329,507	355,578	2,038,892	874,114	1,003,163

	12/31/2015					
	Parent			Consolidated		
	Less than 1 year	1 to 2 years	Over 2 years	Less than 1 year	1 to 2 years	Over 2 years
Trade payables	52,194	-	-	936,491	-	-
Borrowings, financing and debentures	546,266	187,938	1,045,380	1,684,702	353,246	1,376,907
Total	598,460	187,938	1,045,380	2,621,193	353,246	1,376,907

Interest rate risk

Arises from the possibility of the Company and its subsidiaries incurring gains or losses due to fluctuations in the interest rates applied to their financial assets and financial liabilities. To mitigate this risk, the Company and its subsidiaries try to diversify their borrowings into fixed and floating rates.

Foreign exchange risk

Arises from possible fluctuations in the exchange rates of the foreign currencies used by the Company and its subsidiaries to purchase inputs, sell products, and contract financial instruments. Besides payables and receivables in foreign currencies, the Company and its subsidiaries invest in foreign direct and indirect subsidiaries and have operating purchase and sale flows denominated in other currencies. The Company and its subsidiaries have a specific policy to conduct hedging transactions aimed at mitigating these risks.

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Assets:				
Trade receivables (i)	6,221	6,312	632,143	730,453
Foreign related parties	23,553	10,753	4,948	1,861
Total assets	29,774	17,065	735,401	732,314
Liabilities:				
Borrowings, financing and debentures (ii)	31,566	148,789	1,871,052	1,733,137
Trade payables (iii)	1,326	1,415	755,103	879,779
Foreign related parties	5,166	4,110	-	-
Total liabilities	38,058	154,314	2,626,155	2,612,916

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Net exposure	(8,284)	(137,249)	(1,890,754)	(1,880,602)
(-) Foreign subsidiaries with local functional currency	-	-	1,863,047	1,732,388
(+) Swap position (iv)	18,900	141,840	18,900	141,840
Total exposure for sensitivity analysis purposes	10,616	4,591	(8,807)	(6,374)

(i) In consolidated, as at December 31, 2016, 75.7% (84.4% as at December 31, 2015) refers to trade receivables of foreign subsidiaries and which are denominated in U.S. dollars, euros and yuans.

(ii) In consolidated, as at December 31, 2016, 61.1% (50.8% as at December 31, 2015) refer to borrowings obtained in local currency by foreign subsidiaries, which are denominated in U.S. dollars, as shown in note 14.

(iii) In consolidated, as at December 31, 2016, 88.2% (93.9% as at December 31, 2015) refers to trade payables of foreign subsidiaries and which are denominated in U.S. dollars, euros and yuans.

(iv) As at December 31, 2016, refers to the notional amount of the swap that swaps US$ for R$, and has a long position of R$18,900 (R$141,840 as at December 31, 2015).

Foreign exchange risk arises from fluctuations in foreign exchange rates on foreign currency-denominated borrowings and financing, trade receivables, and trade payables.

Concentration risk

The Company's and its subsidiaries' products are usually sold under purchase orders in material amounts, periodically issued by a restricted number of customers, which account for a significant volume of their sales. Currently, approximately 65% of their operating revenue is concentrated on ten customers. The loss of a major customer or the decrease of the volume such customer purchases could have an adverse impact on the Company and its subsidiaries.

Steel and aluminum price fluctuation risk

A significant portion of the Company's and its subsidiaries' operations depends on their ability to purchase steel and aluminum at competitive prices. If the price of steel and aluminum increases significantly, and the Company and its subsidiaries are unable to pass on the price increase to products or reduce operating costs to offset such increase, the operating margin will be lower.

Sensitivity analysis - consolidated

Financial instruments, including, when applicable, derivatives, are exposed to changes due to fluctuations in exchange rates, interest rates (Long-term Interest Rate, or TJLP) and the CDI. The sensitivity analyses of the financial instruments to these variables were taken into consideration by the Company's Management and are shown below:

i) Selection of risks

The Company and its subsidiaries selected four market risks that could have a higher impact on the value of financial instruments held by them, as follows: (1) U.S. dollar/Brazilian real exchange rate; (2) interest rates on borrowings and financing (TJLP), (IPCA), (CDI) and (LIBOR); and (3) yield rate of short-term investments (CDI).

ii) Selection of scenarios

The tables below take into consideration three risk sensitivity-analysis scenarios for the indices on these financial assets and financial liabilities, adopted by the Company as the probable scenario. CVM Instruction 475/08 established two additional scenarios with stresses of 25% and 50% in the risk variables considered as at December 31, 2016.

The probable scenario used by the Company is the actual Brazilian real versus U.S. dollar exchange rate, and TJLP, CDI and IPCA indices as at September 31, 2016. Accordingly, the Company consulted the Central Bank of Brazil's website to obtain the U.S. dollar/Brazilian real quotation, the BNDES's website for TJLP, the CETIP S.A.'s website for CDI, - the Brazilian Institute of Geography and Statistics (IBGE)'s website for the IPCA and Bloomberg portal for LIBOR.

Sensitivity analysis of exchange rate changes

In the consolidated foreign exchange exposure sensitivity analysis as at December 31, 2016, as shown in the foreign exchange exposure table of paragraph "Foreign exchange risk", the balances of trade receivables, trade payables and borrowings and financing of foreign subsidiaries were disregarded because they are denominated in the local functional currencies of each foreign subsidiary, and, therefore, the Company's Management believes that they are not exposed to foreign exchange risks.

Considering these foreign exchange exposures as at December 31, 2016, the sensitivity analysis of outstanding position is as follows:

	Loss	
	Possible	Remote
Company risk	scenario	scenario
U.S. dollar rate drop	2,202	4,403

The possible scenario considers a 25% depreciation of the Brazilian real against the U.S. dollar over the exchange rate as at December 31, 2016 of R$3.2591/US$1.00 (R$4.0739/US$1.00), and the remote scenario considers a 50% depreciation (R$4.8887/US$1.00).

In light of the parities considered, results would correspond to a loss of R$2,202 in the possible scenario and a loss of R$4,403 in the remote scenario, respectively.

Management did not consider the sensitivity analysis for the probable scenario because it understands that this scenario reflects the exchange rate changes already recognized in the financial statements for the year ended December 31, 2016.

Sensitivity analysis of interest rate changes - Company's exposure to interest rate increase

	Scenarios		
Borrowings and financing - TJLP and currency baskets	Probable	Possible + 25%	Remote + 50%
TJLP as at December 31, 2016	7.50%	9.38%	11.25%
Indexed financing - TJLP - R$22,311:			
Estimated finance costs	1,673	2,093	2,510
Effect - loss		(419)	(837)

	Scenarios		
Borrowings and financing - IPCA	Probable	Possible + 25%	Remote + 50%
IPCA as at December 31, 2016	6.29%	7.86%	9.44%
Indexed financing – IPCA - R$17,286:			
Estimated finance costs	1,087	1,359	1,632
Effect - loss		(271)	(545)

Borrowings and financing - CDI	Scenarios		
	Probable	Possible + 25%	Remote + 50%
CDI as at December 31, 2016	16.55%	20.75%	24.98%
Indexed borrowing – 119.9% of CDI – R$355,727:			
Estimated finance costs	58,873	73,813	88,861
Effect - loss		(14,941)	(29,988)

Borrowings and financing - LIBOR	Scenarios		
	Probable	Possible + 25%	Remote + 50%
LIBOR as at December 31, 2016	1.32%	1.65%	1.98%
Indexed borrowing – LIBOR – R$900,445:			
Estimated finance costs	11,865	14,857	17,829
Effect - loss		(2,992)	(5,964)

Debentures - CDI	Scenarios		
	Probable	Possible + 25%	Remote + 50%
CDI as at December 31, 2016	13.63%	17.04%	20.44%
Indexed debentures - 100% of CDI - R$515,805:			
Estimated finance costs	70,304	87,893	105,431
Effect - loss		(17,589)	(35,126)

Sensitivity analysis of changes in short-term investments - Company's exposure to interest rate decrease

Short-term investments - CDI	Scenarios		
	Probable	Possible (-) 25%	Remote (-) 50%
CDI – R$ as at December 31, 2016	12.55%	9.42%	6.29%
Short-term investments – 92.5% of CDI - R$43,158:			
Estimated finance income	5,416	4,065	2,715
Effect - loss		(1,351)	(2,702)

Derivative financial instruments

Swaps

This line item includes unrealized losses on outstanding swap transaction amounting to R$5,234, offset by exchange rate changes on hedged items, as shown below (see details in note 14):

	12/31/2016						
Hedged item	Counterparty	Notional amount (US$)	Start date	Maturity date	Long position	Short position	Fair value (loss)
							R$
Export Credit Bill	Banco ABC Brasil S.A.	9.650	09/25/2015	09/14/2017	US$ + 4.6% p.a.	R$ + (112.5% CDI)	(5,234)

There is no margin call for this contract, which will be settled in Brazilian reais based on the difference between the long position and the short position in the contract, therefore, without receipt of the notional amount in cash, on maturity.

In June 2016, the subsidiaries Maxion Jantas Jant Sanayi ve Ticaret A.S. and Maxion Inci Jant Sanayi A.S., due to the forecast of future purchases of steel and aluminum and to hedge against the risk of price fluctuations, entered into forward contracts to set the price of such commodity. As at December 31, 2016, total unrealized net gains on these steel and aluminum forward contracts, recognized in line item "Raw materials" (note 7), were R$2,598, with a balancing item in "Cost of sales and services" (note 25) in the statement of profit and loss.

The transactions have settlement terms, which take into consideration the forecast of purchases, between three and eight months from the contract date. As at December 31, 2016, the outstanding transactions total two contracts, have maturities between January 1, 2017 and February 28, 2017, and are summarized as follows:

Hedged item	Risk	Counterparty	Notional amount (in thousands) €	Notional amount (in thousands) R$	Fair value gain
Inventories	Commodity price	Türkiye İş Bankası A.Ş.	14,850	53,588	2,598

29. CAPITAL MANAGEMENT

It is the Management's policy to sustain a solid capital basis to obtain the confidence of investors, creditors and the market, and to maintain the business's future development. The Executive Board monitors the returns on capital, defined by the Company as the operating activities' results divided by total equity.

The Company's Management seeks to strike a balance between the possible highest returns with more appropriate financing levels and the benefits and security provided by a healthy capital position. The goal is to reach a return compatible with its cost of capital reviewed annually based on the Weighted Average Cost of Capital - WACC approach.

The debt-to-capital ratio is as follows:

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Total borrowings, financing and debentures	1,202,988	1,779,584	3,060,085	3,414,855
Cash and cash equivalents and short-term investments	(29,659)	(69,484)	(431,599)	(739,255)
Net debt	1,173,329	1,710,100	2,628,486	2,675,600
Total equity	1,783,985	2,153,447	2,017,077	2,456,490
Net debt-to-equity ratio	66%	79%	130%	109%

30. COMMITMENTS ASSUMED - OPERATING LEASES

The Company and its subsidiaries have property leases, in the amount of R$86,672, effective for varying periods between 2017 and 2021, with automatic renewal clauses. These agreements are expected to be renewed.

In 2016, the costs on these lease agreements in consolidated were R$34,605 (R$24,667 in 2015).

These transactions include the usual restrictive covenants, such as, but not limited to, guarantees against early termination, which were all complied with by the Company and its subsidiaries as at December 31, 2016, and thus none of the lease agreements effective on this date was qualified by the Company's Management as an onerous agreement. In addition, no contingent payment was made by the Company during the years ended December 31, 2016 and 2015, respectively.

Additionally, the Company and its subsidiaries do not have other long-term commitments with third parties.

31. EARNINGS PER SHARE (Restated)

	12/31/2016	12/31/2015
Denominator:		
Weighted average of the number of shares	94,863,372	94,863,372
Weighted number of treasury shares	(299,703)	(266,043)
Weighted average number of outstanding shares	94,563,669	94,597,329
Numerator – basic:		
Profit for the year - R$	21,531,476	49,365,712
Basic earnings per share - R$	0.22769	0.52185
Numerator – diluted:		
Weighted average number of outstanding shares	94,563,669	94,597,329
Number of treasury shares	266,043	266,043
Number of shares for the 2016 Program	33,660	-
Weighted average of the number of shares	94,863,372	94,863,372
Profit for the year	21,531,476	49,365,712
Diluted earnings per share - R$	0.22697	0.52039

There was no dilutive financial instruments on the balance sheet date. Debentures corresponding to the 6th issue and subscription warrants corresponding to the 7th issue, both convertible into shares, were "out-of-the-money" on the balance sheet dates.

32. SEGMENT INFORMATION

Technical pronouncement CPC 22/IFRS 08 - Segment Reporting requires segment reporting consistently with managerial reports provided and revised by the chief operating decision-maker to assess the performance of each segment and the allocation of funds. The Company's chief operating decision-maker is the Chief Executive Officer - CEO.

The Company and its subsidiaries operate in a single sector (automotive), whose management structure determines that solely the sales revenues must be analyzed by the decision-maker in detail, as the products produced and sold by the Company and its subsidiaries are divided between the Maxion Wheels and Maxion Structural Components divisions.

Net revenue is represented as follows for the years ended December 31, 2016 and 2015:

Equity interest	12/31/2016	12/31/2015
Operations in South America - Brazil	20.5%	19.7%
International operations:		
North America	31.5%	34.3%
Europe	39.9%	37.8%
Others	8.1%	8.2%

Net revenue	12/31/2016	12/31/2015
Operations in South America - Brazil	1,400,256	1,350,617
International operations:		
North America	2,144,369	2,346,260
Europe	2,717,409	2,587,779
Others	554,420	561,800
Total	6,816,454	6,846,456

33. INSURANCE

The Company and its subsidiaries contracted insurance for certain inventory items, property, plant and equipment, civil liability, and other assets. As at December 31, 2016, the insurance policies and coverage are as follows:

Insured assets	Coverage	Insured amount
Inventory and property, plant and equipment	Fire, lightning, explosion, windstorm, machinery breakdown and other perils	1,716,595
Freight	Highway risk and cargo carrier civil liability and transportation risk during imports and exports	68,397
Civil and professional liability	Third-party claims	531,679

34. ADDITIONAL DISCLOSURES TO THE STATEMENTS OF CASH FLOWS

Transactions without cash disbursements

	Parent		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Capital increase with dividends paid of joint venture	8,911	-	8,911	-
Property, plant and equipment purchases paid with bank financing, recognized in line item "Trade payables"	1,775	1,180	38,029	25,764

35. OFFICERS' STATEMENT OF COMPLIANCE

In compliance with the provisions of CVM Instruction 480/09, the executive committee hereby declares that it has reviewed, discusses, and agrees with the financial statements for the year ended December 31, 2016, and also agreed with the respective independent auditor's report, as well as for purposes of compliance with CVM Resolution 727/14, it states that all the relevant information, disclosed in the financial statements, and only this information, is being disclosed and correspond to the information used by the executive committee to manage the Company.

36. EVENT AFTER THE REPORTING DATE

The Company has been presenting negative working capital in the past years and, in order to stabilize its financial condition and improve its debt profile, Management been working on a series of measures to change this situation, which may be summarized as follows:

a) Company's capitalization upon the issuance of new shares, encouraging the conversion of part of the debentures issued into capital and the exercise of subscription warrants issued by the Company;

b) Obtaining long-term foreign credit facilities at a lower cost to settle short-term liabilities; and

c) Growth of profitability of Brazilian operations, seeking to obtain production synergies and profit growth.

Part of the aforementioned measures resulted in actions that were already implemented, the results of which were observed at the beginning of 2017, as detailed below:

On January 10, 2017, the Board of Directors approved the Company's capital increase in the total amount of up to R$400,000, upon the private issuance of up to 31,496,063 registered common shares, without par value, at the issuance price of R$12.70 per share. On March 21, 2017, the Board of Directors homologated the above mentioned Company's capital increase in full ("Capital Increase"), of which R$275,159 was paid in local currency and R$124,841 was paid in kind upon assignment of debentures of the 7th public issuance of non-convertible debentures, unsecured, of a single series, issued by the Company on April 1th, 2014 ("Debentures of the 7th Issuance").

Moreover, on February 15, March 6 and March 15, 2017, the Board of Directors homologated new Company's capital increases in the total amount of R$154,323, upon the issuance of 12,151,415 registered common shares, without par value, within the limit of the authorized capital, as a result of (i) exercise of subscription warrants issued by the Company on April 1th, 2014, as an additional benefit to the subscribers of the Debentures of the 7th Issuance, at the strike price of R$12.70 per share, pursuant to the exercise requests received and confirmed between January 17, 2017 and March 13, 2017 ("Exercise of Subscription Warrants"); and (ii) conversion of debentures of the 6th public issuance of convertible debentures, unsecured, of a single series, issued by the Company on April 1th, 2013, at the conversion price of R$12.70 per share, pursuant to the conversion requests received and confirmed in the abovementioned period. On March 21, 2017, it was ratified and approved the cancellation of 172,277 Debentures of the 7th Issuance that were given in payment of the subscription of shares within the scope of the Capital Increase and of the Exercise of Subscription Warrants.

Accordingly, the Company's capital stock, fully subscribed and paid in, increased from R$700,000, comprised of 94,863,372 registered common shares, without par value, to R$1,254,323, comprised of 138,510,850 registered common shares, without par value.

On February 24, 2017, the Company's subsidiary Maxion Wheels EAAP Holding GmbH raised a syndicated loan, involving 7 banks, in the amount of €$130,000 thousand, at the rate of 3-month Euribor + 3.6% p.a., with five-year term and two-year grace period, and proceeds allocated to the payment of the Company's short-term loans. Such loan also contains covenants for compliance with the same financial ratios as described in the section "Debentures terms and conditions", item b).

On March 27, 2017, as a result of the measures already implemented, the Company starts to operate with a positive net working capital.

37. AUTHORIZATION FOR ISSUANCE AND DISCLOSURE OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Company's Executive Committee and authorized for disclosure and issue on March 27, 2017.

Marcos S. de Oliveira
Chief Executive Officer

Augusto Ribeiro Junior
Chief Financial and Investor Relations Officer

Paulo Marcio Almada dos Santos
Chief Human Resources Officer

Renato J. Salum Junior
Accountant
CRC nº 1 SP 237586/O-4