

São Paulo, Brazil, August, 8th 2017 - Metalfrio Solutions S.A. (FRIO3) (“Metalfrio”), one of the world’s largest manufacturers of plug-in commercial refrigeration equipment, announces its results for the second quarter of 2017 (“2Q17”). Financial and operational information given is in accordance with international accounting standards (IFRS), in Brazilian Reais (R\$). Comparisons are with the second quarter of 2016 (“2Q16”) or as indicated.

2Q17 Highlights

- ❄ 2Q17 Net Revenues reached R\$304.2 million, 4.7% below prior year, with revenues in Europe at historical high levels
- ❄ 2Q17 Gross Profit down 4.9% to R\$47.6 million compared to R\$50.0 million in 2Q16
- ❄ EBITDA for the quarter at R\$30.6 million (2Q16: R\$34.8 million)

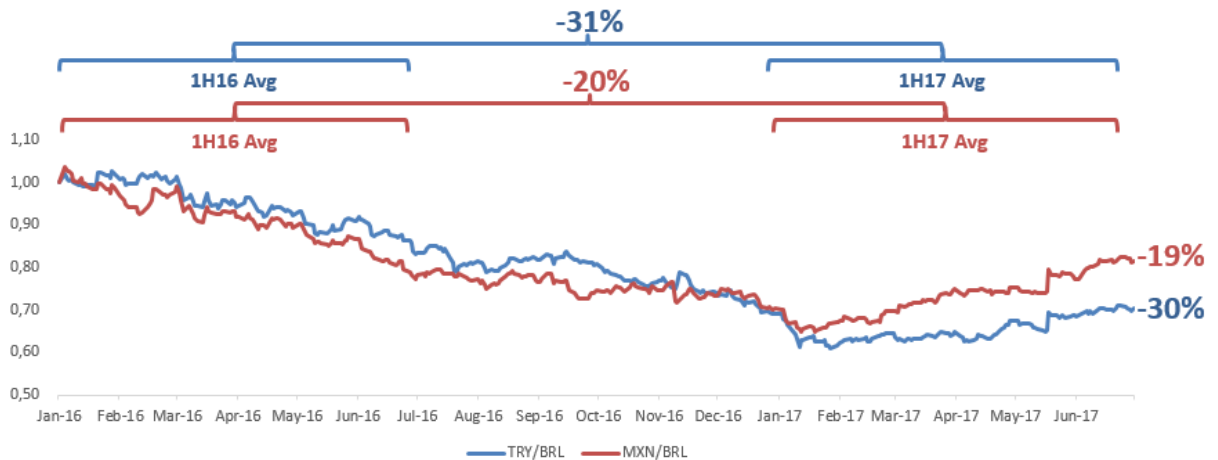
Commenting on the results, President & CEO Petros Diamantides said:

“We continue to deliver resilient performance in line with our expectations despite the economic backdrop and the comparable period that we are reporting against. The market conditions in Brazil together with currency movements in consolidation and financials, affected second quarter.

With the new capacity coming on stream in Turkey we have been able to capture a sizeable part of the European demand achieving our best quarter, despite the Turkish Lira devaluation. The successful engagement with our customers also continues to generate share gains in Mexico where we had one of our best quarters in last few years.

We remain cautiously optimistic that in the current volatile macroeconomic environment, we shall be able to maintain a steady course for the rest of the year, as we continue to execute on our highly focused strategy on addressing the needs of our customers whilst driving further internal efficiencies. Our commitment to deleverage the company is stronger than ever and the recently announced recapitalization is expected to be concluded in September”.

(R\$ million)	2Q17	2Q16	% Var	1H17	1H16	% Var
Net Revenues	304.2	319.2	(4.7)	503.5	610.1	(17.5)
Gross Profit	47.6	50.0	(4.9)	81.3	98.8	(17.7)
<i>Gross Margin</i>	15.6%	15.7%		16.1%	16.2%	
Op. Profit	21.1	25.3	(16.5)	34.6	46.2	(25.1)
Adj. EBITDA	30.6	34.8	(12.1)	50.8	63.6	(20.2)
<i>Adj. EBITDA Margin</i>	10.1%	10.9%		10.1%	10.4%	



Outlook

Metalfrio believes that better trading momentum over the course of the second half of the year will deliver further improvement in its underlying profitability and capital structure for full year 2017 driven by its proven superior focus on customer engagement and operational efficiencies across its global operations.

Metalfrio will continue to prioritise customer value-creation, ensuring that it provides innovative, market-leading solutions that enable its customers to meet current and future challenges. Metalfrio has built a strong and unique position in its key markets, and will focus on further developing its superior after sales services offer. This constitutes a key differentiator in the value chain proposition for customers, further complimenting the company's well invested, and well located, global production hubs. In 2017, increase in production capacity of 25% in Turkey will facilitate further market share gains from our existing geographies, whilst also pursuing international commercial expansion into new and exciting high growth markets with low Metalfrio presence, such as Asia and Africa.

Metalfrio continues to apply a strong level of financial discipline on capital allocation and working capital improvements, as well as active margin management to improve the resilience of earnings and cash flow throughout the course of the economic cycle. Despite the adverse movements in currency and bond portfolio that impacted 2Q17, Metalfrio is confident that its strategic plans combined with the recently approved capital increase of up to R\$100 million, will continue to move towards its new goal of a net debt to EBITDA ratio of below 2.5x.

Net Revenue

Consolidated Net Revenues in 2Q17 reached R\$304.2 million (R\$358.6 million on a currency neutral basis) compared to R\$ 319.2 million in 2Q16, driven primarily by foreign exchange developments. In the 1H17 Net Revenues stood at R\$ 503.5 million against R\$ 610.1million in the previous year, largely due to exchange rate movements and the continued challenging macro-economic environment in Brazil.

(R\$ million)	2Q17	2Q16	% Var	1H17	1H16	% Var
<i>Americas</i>	135.3	164.8	(17.9)	254.0	306.0	(17.0)
<i>Europe</i>	168.8	154.3	9.4	249.5	304.1	(18.0)

Americas

Revenues in the Americas declined by 17.9% in the second quarter, to R\$135.3 million, and by 17.0% to R\$254.0 million for the 1H17. Brazil continued to be impacted by the domestic macro-economic conditions, with revenues contracting by 21.5% in the quarter and 19.8% in the 1H17. The deterioration of the Mexico Peso which declined on average 10.8% versus the Brazilian Real (2Q17 vs 2Q16) and 20.1% (1H17 vs 1H16) also negatively impacted the Revenues of the region.

Against the high revenues in the prior year period in Brazil which were boosted by increased placements ahead of the Olympic Games, the continued progress in the Distributors channel, new contracts in Lifecycle and regional business development including Argentina, are increasingly compensating reduced investment levels by key accounts.

Mexico delivered good underlying volume behind market share gains with local currency revenue at the highest 5-year level. Importantly, Mexico continues to gain new accounts in the region with notable Lifecycle contracts finalized in Peru whilst innovation is driving business momentum in North America. The deterioration of the Mexico Peso continues to have a negative effect on the translation of our financials on consolidation, eliminating all revenue gains in local currency.

Europe

Turkey delivered the expected rebound relative to the first quarter, as deferred orders were realized in the second quarter, leading to a rise of 9.4% in the European Revenues during the second quarter compared to the previous year comparable period. The recent investment in capacity and productivity gains, allowed us to reach unprecedented throughput levels and revenue of R\$ 168.8 million for 2Q17 versus R\$ 154.3 million in the prior year, a historical high. In 2Q17 local revenues were up 51.2% but the 25.9% devaluation of the Turkish Lira translated to an increase of 11.9% in Brazilian Reais.

Whilst 1H17 revenues in Turkish Lira were up by 16.7% the deep depreciation of the local currency by 31.1% against the Brazilian Real, resulted in a 19,0% reported net revenue reduction during the period.

Russia remained broadly flat at 1.6% in the 1H17 versus year ago. It is worth noting that a successful partnership with a key-account in Russia, paved the way for incremental export business and further customer portfolio expansion - a key objective for the Russian operation.

Gross Profit & Gross Margin

In the 2Q17 Gross Margin remained stable at 15.6% (R\$ 47.6 million) against 15.7% (R\$ 50.0 million) in the previous year, highlighting the ability to rapidly adjust costs to the prevailing conditions. In the 1H17 Gross Margin was stable compared with the previous year (16.1% versus 16.2%).

Operating Expenses (SG&A)

SG&A increased by 112 bps and 156bps in 2Q17 and 1H17 respectively, compared to previous year explained by the strategic decision to maintain infrastructure for the expected improvement in sales momentum over the next couple of quarters as well as a non-recurrent charge of R\$1.6mn related to a prior year adjustment.

Consolidated EBITDA & EBITDA Margin

Adjusted EBITDA reached R\$30.6 million in 2Q17 (2Q16 at R\$34.8 million), explained by lower sales, together with the devaluation of key currencies. In 1H17 Adjusted EBITDA Margin decreased 30bps compared to the previous year, highlighting the capability of adjusting the cost base to meet prevailing market conditions.

Reconciliation of consolidated EBITDA and Adjusted EBITDA

Consolidated EBITDA (R\$ million)	2Q16	3Q16	4Q16	1Q17	2Q17
Operating result	25.3	4.7	6.2	13.5	21.1
Depreciation and amortization	7.3	7.0	7.1	6.7	7.2
EBITDA	32.6	11.7	13.3	20.1	28.3
Layoffs (i)	2.2	1.6	0.4	0.0	0.7
Other extraordinary expenses (ii)	0.0	0.0	0.0	0.0	1.6
Adjusted EBITDA	34.8	13.3	13.7	20.1	30.6

- i. Layoffs: The adjustment refers to restructuring charges related to efficiency projects at the Tres Lagoas, VSA/Pernambuco plants and Sao Paulo office, where certain positions were consolidated allowing further headcount reduction.
- ii. Extraordinary one-time expenses in 2Q17 is related to a tax installment agreement from prior years.

Financial Result

Net Finance items went down from positive R\$2.2 million in 2Q16 to negative R\$61.2 million in 2Q17. This reflected the currency and market movements towards the end of the quarter which subsequently partially recovered.

(R\$ Mn)	2Q16	2Q17	Chg. 17/16	1H16	1H17	Chg. 17/16
Result with cash investments	4.1	3.8	-7%	8.8	9.4	7%
Securities market Value Change	4.5	0.0	nm	15.8	0.0	nm
Other financial income	0.0	0.4	nm	0.3	1.0	198%
Interest and Other Income	8.5	4.3	-50%	24.8	10.3	-58%
Interest on loans and financing	-3.0	-10.5	248%	-14.9	-19.5	31%
Securities market Value Change	0.0	-21.3	nm	0.0	-10.9	nm
Other financial expenses	-4.4	-10.0	123%	-16.0	-18.1	12%
Interest and Other Expenses	-7.5	-41.9	461%	-31.0	-48.5	57%
Hedge Operations Result	-26.8	0.1	nm	-38.7	0.2	nm
Net FX Variation	27.9	-23.6	-184%	50.3	-14.4	nm
Net Financial Result	2.2	-61.2	nm	5.5	-52.4	nm

Net Profit/Loss

In the 2Q17 we registered a **Net Loss of R\$38.4 million**, versus a Net profit of R\$22.2 million in the previous year. In the 1H17, Net loss was R\$19.1 million, versus R\$42.3 million Net Profit in 1H16.

Working Capital

In the 2Q17 working capital less financial assets and liabilities reached R\$162.6 million compared with R\$102.5 million at the end of 2Q16. The operational cash cycle in the 2Q17 was 41 days, 9 days higher than in the 2Q16 and 4 days higher than the 4Q16.

WORKING CAPITAL (R\$ million)	2Q16	3Q16	4Q16	1Q17	2Q17	Chg. 2Q17/ 2Q16	Chg. 2Q17/ 4Q16
Current assets:							
Cash and equivalents, bonds and securities	306.0	329.1	409.0	379.8	447.2	141.2	38.2
Accounts receivable	212.9	142.9	130.9	178.4	226.2	13.2	95.3
Inventory	160.7	161.9	134.4	194.3	178.1	17.5	43.8
Other	31.6	28.1	29.0	45.6	44.3	12.7	15.3
A) Total	711.2	662.0	703.3	798.1	895.8	184.6	192.5
B) Current assets (less fin. assets)	405.2	332.9	294.3	418.3	448.6	43.4	154.3
Current liabilities:							
Accounts payable	214.7	156.0	158.9	220.1	220.5	5.8	61.6
ST debt	545.0	246.1	283.7	551.0	657.3	112.3	373.5
Other	88.0	73.2	73.7	66.4	65.5	-22.5	-8.2
C) Total	847.7	475.3	516.4	837.6	943.1	95.4	426.7
D) Current liabilities (less fin. liab.)	302.7	229.2	232.6	286.6	286.0	-16.7	53.4
Working capital (B-D)	102.5	103.7	61.6	131.7	162.6	60.1	100.9
Days of receivables	50	58	49	73	56	6	7
Days of inventory	54	92	63	106	62	8	-1
Days of suppliers	72	88	75	120	77	5	2
Cash cycle	32	61	37	59	41	9	4
Current liquidity (A/C)	0.8x	1.4x	1.4x	1x	0,9x	n/a	n/a

Accounts Receivable

In 2Q17 accounts receivable from customers reached R\$226.2 million, increased R\$13.2 million when compared to 2Q16 (R\$212.9 million) and increased R\$ 95.3 million when compared to 4Q16 (R\$130.9 million). Accounts receivables in terms of days were up 6 days when compared to 2Q16, at 56 days and up 7 days when compared to 49 days at the end of 4Q16.

Inventories

In 2Q17 inventories reached R\$178.1 million and were up R\$17.5 million when compared to 2Q16 (R\$160.7 million) and up R\$ 43.8 million when compared to 4Q16. Inventory in number of days was higher at 62 at the end of 2Q17 vs 54 days at the end of 2Q16 but 1 day lower when compared to 63 days at the end of 4Q16.

Accounts Payable

In 2Q17 supplier outstanding payables were up R\$5.8 million at R\$220.5 million when compared with R\$214.7 million in 2Q16 and were also higher by R\$ 61.6 million when compared to 4Q16 (R\$158.0 million). Payables days were up 5 days to 77 days when compared to 2Q16 and higher 2 days when compared to 4Q16 (75 days).

Investments

Fixed assets

In 2Q17 net property, plant and equipment was R\$187.3 million, R\$7.9 million higher than 2Q16 and R\$8.2 million higher than 4Q16 (R\$ 179.1 million).

Intangible assets

In 2Q17 total intangible assets reached R\$152.7 million, increased R\$1.3 million from R\$151.4 million at 2Q16 and also increased R\$3.2 million when compared to R\$ 149.5 million in 4Q16.

FIXED ASSETS (R\$ million)	2Q16	3Q16	4Q16	1Q17	2Q17	Chg. 2Q17/2Q16	Chg. 2Q17/4Q16
Net PP&E	179.4	177.0	179.1	181.9	187.3	+7.9	+8.2
Intangibles	151.4	151.7	149.5	149.9	152.7	+1.3	+3.2
Total	330.8	328.7	328.5	331.8	340.0	+9.3	+11.5

Capitalization and Liquidity

In 2Q17 cash and cash equivalents (including marketable securities) reached R\$447.2 million, compared to R\$306.0 million at 2Q16. Gross debt at 2Q17 was R\$879.8 million compared with R\$746.1 million in 2Q16.

Net debt in 2Q17 reached R\$432.5 million compared to R\$440.1 million in the same period of the previous year.

LIQUIDITY INDICATORS (R\$ million)	2Q16	3Q16	4Q16	1Q17	2Q17	Chg. 2Q17/2Q16	Chg. 2Q17/4Q16
Cash and equivalents, bonds and securities	306.0	329.1	409.0	379.8	447.2	141.2	38.2
Short term debt (ST)	545.0	246.1	283.7	551.0	657.3	112.3	373.5
Long term debt (LT)	201.2	413.1	441.2	197.7	222.5	21.3	-218.7
USD denominated debt	448.0	451.1	454.6	483.9	547.0	99.0	92.4
BRL denominated debt	102.1	11.4	10.5	9.6	29.8	-72.3	19.3
Euro denominated debt	196.1	196.8	259.8	254.3	303.0	106.9	43.2
Other Currencies	0.0	0.0	0.0	1.0	0.0	0.0	0.0
Gross debt	746.1	659.2	725.0	748.8	879.8	133.6	154.8
Net cash / (Net debt)	-440.1	-330.1	-315.9	-369.0	-432.5	7.6	-116.6
Shareholders' equity (Equity)	41.7	150.4	121.8	139.8	116.0	74.3	-5.8
Cash and equiv. / ST debt	0.6x	1.3x	1.4x	0.7x	0.7x	n/a	n/a
ST debt / (ST + LT)	73.0%	37.3%	39.1%	73.6%	74.7%	n/a	n/a
Net cash (Net debt) / Equity	-10.5x	-2.2x	-2.6x	-2.6x	-3.7x	n/a	n/a
Net debt / (Net debt + Equity)	91.3%	68.7%	72.2%	72.5%	78.9%	n/a	n/a

In 2Q17 short-term debt was R\$657.3 million compared to R\$545.0 million at 2Q16 with long term debt as a percentage of total debt down from 27.0% in 2Q16 to 25.3% in 2Q17.

Shareholders' equity

Shareholders' equity at 2Q17 was R\$116.0 million, which compares to R\$121.8 million at 4Q16.

CONFERENCE CALL – 2Q17 – Metalfrio
August 09th 2017

Português

10h00 (Horário de Brasília)

09h00 (US- EST)

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Código do Replay: 75667809

English

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Other Information

Management Statement

In accordance with article 25 of Instruction 480/2009 of the CVM (Brazilian Securities Commission – Comissão de Valores Mobiliários), the Company's Management states it has discussed, revised and agreed with the Independent Auditor's Opinion and with the accounting statements relative to the business by June 30th, 2017.

Relationship with external auditors

In accordance with Instruction 381/2003 of the CVM (Brazilian Securities Commission – Comissão de Valores Mobiliários), we report that during the second quarter of 2017 we did not hire our Independent Auditors for services not related to external auditing.

The Company policy for hiring independent auditing services assures there are no conflict of interests, loss of independency or objectivity for services eventually rendered by independent auditors not related to external auditing.

Commitment Clause

The Company, its shareholders, administrators and members of its Tax Board, if installed, are responsible for solving, through arbitration, any and every dispute or controversy that might arise among them, related or resulting, specially, of application, validity, effectiveness, interpretation, violation and its effects, of provisions set forth in the Business Corporation Act, the Company's Bylaws, in the rules edited by CMN, by the Central Bank of Brazil and by CVM, as well as in other rules applicable to operation of general capital markets, besides those included in the Regulation of *Novo Mercado*, Agreement for Participation in *Novo Mercado* and Arbitration Regulation.

Disclaimer

Information in this report on performance that is not directly derived from the financial statements, such as, for example, information on the market, quantities produced and sold, production capacity, and the calculation of EBITDA and adjusted EBITDA has not been revised by our external auditors.

We make forward-looking statements that are subject to risks and uncertainties. These statements are based on our Management's beliefs and assumptions and information to which the company currently has access. Forward-looking statements include information about our present intentions, beliefs or expectations, and those of the members of the company's Board of Directors, and Executive Officers. Reservations in relation to statements and information about the future also include information about possible or presumed operational results, and also statements that are preceded, followed by or include the words "believe", "may", "will", "continue", "expect", "forecast", "intend", "plan", "estimate", or similar expressions.

Statements and information about the future are not guarantees of performance. They involve risks, uncertainties and suppositions because they refer to future events, and thus depend on circumstances which may or may not occur. Future results and the creation of value for stockholders may differ significantly from those expressed or suggested by forward-looking statements. Many of the factors that will determine these results and amounts are beyond Metalfrío's capacity to control or forecast.

Consolidated Income Statement – 2nd Quarter

(R\$ mn)	2Q17	% Revenues	2Q16	% Revenues	Var. 2Q17 vs. 2Q16 (%)
NET REVENUES	304,2	100,0%	319,2	100,0%	-4,7%
Cost of goods	(256,6)	-84,4%	(269,1)	-84,3%	-4,7%
GROSS PROFIT	47,6	15,6%	50,0	15,7%	-4,9%
OPERATING INCOMES (EXPENSES)					
Selling expenses	(20,1)	-6,6%	(20,1)	-6,3%	-0,1%
Administrative and general expenses	(14,2)	-4,7%	(12,3)	-3,9%	15,5%
Other operating income	7,9	2,6%	7,8	2,4%	2,2%
RESULTS BEFORE NET FINANCIAL	21,1	6,9%	25,3	7,9%	-16,5%
NET FINANCIAL RESULT					
Financial expenses	(41,7)	-13,7%	(35,4)	-11,1%	17,7%
Financial income	4,1	1,3%	9,6	3,0%	-57,5%
Net exchange variation	(23,6)	-7,8%	27,9	8,8%	-184,5%
RESULTS BEFORE TAXES	(40,0)	-13,2%	27,5	8,6%	-245,6%
INCOME AND SOCIAL CONTRIB. TAXES					
Current	(3,3)	-1,1%	(2,8)	-0,9%	17,0%
Deferred	5,0	1,6%	(2,5)	-0,8%	-299,1%
NET RESULT FOR THE PERIOD	(38,4)	-12,6%	22,2	7,0%	-273,0%

Consolidated Income Statement – 1st Semester

(R\$ mn)	2017	% Revenues	2016	% Revenues	Var. 2017 vs. 2016 (%)
NET REVENUES	503,5	100,0%	610,1	100,0%	-17,5%
Cost of goods	(422,2)	-83,9%	(511,3)	-83,8%	-17,4%
GROSS PROFIT	81,3	16,1%	98,8	16,2%	-17,7%
OPERATING INCOMES (EXPENSES)					
Selling expenses	(37,2)	-7,4%	(39,7)	-6,5%	-6,3%
Administrative and general expenses	(24,8)	-4,9%	(25,9)	-4,3%	-4,4%
Other operating income	15,3	3,0%	13,0	2,1%	17,6%
RESULTS BEFORE NET FINANCIAL	34,6	6,9%	46,2	7,6%	-25,1%
NET FINANCIAL RESULT					
Financial expenses	(58,6)	-11,6%	(73,1)	-12,0%	-19,8%
Financial income	20,7	4,1%	28,2	4,6%	-26,7%
Net exchange variation	(14,4)	-2,9%	50,3	8,2%	-128,6%
RESULTS BEFORE TAXES	(17,8)	-3,5%	51,6	8,5%	-134,4%
INCOME AND SOCIAL CONTRIB. TAXES					
Current	(4,3)	-0,9%	(3,7)	-0,6%	16,2%
Deferred	3,0	0,6%	(5,7)	-0,9%	-153,2%
NET RESULT FOR THE PERIOD	(19,1)	-3,8%	42,3	6,9%	-145,2%

Consolidated Balance Sheet

Assets (R\$ million)	2Q17	2Q16	Liabilities, Non-Controlling Interest And Shareholders' Equity (R\$ million)	2Q17	2Q16
CURRENT			CURRENT		
Cash and cash equivalents	232,7	178,1	Accounts payable to suppliers	220,5	158,9
Marketable securities	214,5	230,9	Related parties	3,6	3,3
Trade accounts receivable	226,2	130,9	Loans and financing	657,3	283,7
Inventories	178,1	134,4	Tax payable	8,1	9,3
Recoverable taxes	32,3	20,5	Payroll and related charges	24,2	19,7
Other accounts receivable	12,0	8,6	Other provisions	24,7	33,9
Total current assets	895,8	703,3	Accounts payable on derivatives	-	0,5
			Other accounts payable	5,0	7,0
			Total current liabilities	943,3	516,4
NON-CURRENT			NON-CURRENT		
Long-term receivables:			Loans and financing	222,5	441,2
Deferred taxes	62,8	63,5	Taxes payable	3,4	3,2
Recoverable taxes	3,6	3,2	Provision for risks	8,5	8,3
			Other accounts payable	8,6	7,7
Investments			Total non-current liabilities	243,0	460,4
Property, plant and equipment	187,3	179,1			
Intangible assets	152,7	149,5	SHAREHOLDERS' EQUITY		
Total non-current	406,5	395,3	Capital	244,0	244,0
			Capital reserve	2,7	2,7
TOTAL	1.302,3	1.098,6	Profit reserve	0,2	0,3
			Equity valuation adjustments	(74,6)	(87,3)
			Capital transaction between shareholders	(69,3)	(69,3)
			Accumulated profits (losses)	(27,2)	(7,2)
				75,8	83,3
			Non-controlling interest	40,1	38,6
			Total Shareholders' equity	116,0	121,8
			TOTAL	1.302,3	1.098,6

Consolidated Cash Flow – 2Q17

(R\$ mn)	2Q17	2Q16
CASH FLOWS FROM OPERATING ACTIVITIES		
Result for the Period	(38,4)	22,2
Reconciliation of the result for the period to net cash generated by (used in) operating activities:		
Depreciation and amortization	7,2	7,3
Provision for risks	(0,3)	0,6
Other provisions	(3,1)	2,9
Provision for (losses) gains on derivatives	(0,4)	10,5
Exchange differences	13,3	(14,5)
Interest on borrowings	9,4	2,4
Residual value of fixed and intangible assets disposed of	6,9	2,0
Deferred income tax and social contribution	(4,9)	2,5
	(10,2)	35,9
(Increase) decrease in assets:		
Current:		
Trade receivables	(47,4)	(42,1)
Inventories	16,1	49,3
Taxes recoverable	(0,8)	9,3
Other receivables	2,1	0,1
Noncurrent:		
Taxes recoverable	(0,2)	0,1
	(30,2)	16,7
<i>Increase (decrease) in liabilities:</i>		
Current:		
Trade payables	0,7	(53,8)
Taxes payable	(1,2)	0,4
Payroll and related charges	2,9	(0,6)
Payables to related parties	0,3	1,4
Current Other payables	0,6	(1,8)
Noncurrent:		
Taxes payables	4,1	(0,1)
Non-Current Other payables	0,7	(1,2)
	8,0	(55,7)
Net cash generated by (used in) operating activities	(32,4)	(3,1)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(11,0)	(6,1)
Additions to intangible assets	(2,8)	(3,1)
Marketable securities	38,0	24,0
Net cash generated by (used in) investing activities	24,3	15,5
CASH FLOWS FROM FINANCING ACTIVITIES		
New borrowings	169,1	253,3
Payment of principal	(87,8)	(206,6)
Payment of interest	(7,8)	(10,8)
Loans to related parties	-	2,1
Net cash (used in) generated by financing activities	73,5	38,0
EFFECTS OF EXCHANGE ON CASH AND CASH EQUIVALENTS	40,1	(71,4)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	105,5	(21,0)
CASH AND CASH EQUIVALENTS		
At the end of the period	232,7	167,2
At the beginning of the period	127,2	188,2
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	105,5	(21,0)

Consolidated Cash Flow – 1H17

(R\$ mn)	1H17	1H16
CASH FLOWS FROM OPERATING ACTIVITIES		
Result for the Period	(19,1)	42,3
Reconciliation of the result for the period to net cash generated by (used in) operating activities:		
Depreciation and amortization	13,9	15,2
Provision for risks	0,3	1,2
Other provisions	(9,2)	3,8
Provision for (losses) gains on derivatives	(0,5)	22,4
Exchange differences	21,7	(22,8)
Interest on borrowings	17,7	14,0
Residual value of fixed and intangible assets disposed of	10,4	2,2
Deferred income tax and social contribution	(3,0)	5,7
	32,1	84,1
(Increase) decrease in assets:		
Current:		
Trade receivables	(93,4)	(101,7)
Inventories	(43,8)	3,3
Taxes recoverable	(11,8)	11,0
Other receivables	(3,4)	(2,9)
Noncurrent:		
Taxes recoverable	(0,4)	2,2
	(152,9)	(88,1)
<i>Increase (decrease) in liabilities:</i>		
Current:		
Trade payables	62,5	21,7
Taxes payable	(1,2)	(2,8)
Payroll and related charges	4,5	2,7
Payables to related parties	0,2	0,8
Current Other payables	(2,1)	(3,5)
Noncurrent:		
Taxes payables	4,0	(0,3)
Non-Current Other payables	1,0	(1,2)
	68,9	17,3
Net cash generated by (used in) operating activities	(51,9)	13,3
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(22,5)	(11,2)
Additions to intangible assets	(5,3)	(6,1)
Marketable securities	16,4	15,7
Net cash generated by (used in) investing activities	(11,3)	(0,8)
CASH FLOWS FROM FINANCING ACTIVITIES		
New borrowings	264,6	253,3
Payment of principal	(145,1)	(265,4)
Payment of interest	(16,2)	(15,6)
Loans to related parties	-	(2,5)
Net cash (used in) generated by financing activities	103,3	(30,2)
EFFECTS OF EXCHANGE ON CASH AND CASH EQUIVALENTS	14,5	(110,6)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	54,6	(128,3)
CASH AND CASH EQUIVALENTS		
At the end of the period	232,7	167,2
At the beginning of the period	178,1	295,5
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	54,6	(128,3)