

## Contents

### Company Data

Capital Breakdown.....	1
Cash proceeds .....	2

### Individual financial statements

Balance Sheet - Assets .....	3
Balance Sheet - Liabilities .....	4
Income Statement .....	5
Statement of Comprehensive Income .....	6
Cash Flow Statement .....	7
SCE - 01/01/2016 to 09/30/2016 .....	8
SCE - 01/01/2015 to 09/30/2015 .....	9
Statements of Value Added .....	10

### Consolidated Financial Statements

Balance Sheet - Assets .....	11
Balance Sheet - Liabilities .....	12
Income Statement .....	13
Statement of Comprehensive Income .....	14
Cash Flow Statement .....	15
SCE - 01/01/2016 to 09/30/2016 .....	16
SCE - 01/01/2015 to 09/30/2015 .....	17
Statements of Value Added .....	18
Comments on Performance .....	19
Notes .....	30

### Opinions and Representations

Special Review Report - Unqualified.....	47
Declaration of the Directors on the Financial Statements.....	49
Declaration of the directors on the Independent Auditor's Review Report on quarterly information....	50

## Company Information / Capital Breakdown

Number of Shares (Units)	Current quarter 09/30/2016
Paid-in Capital	
Common shares	66,086,346
Preferred shares	0
Total	66,086,346
Treasury shares	
Common shares	0
Preferred shares	0
Total	0

## Company Information / Cash Proceeds

Event	Approval	Proceeds	Beginning of Payment	Share Type	Share Class	Earnings per Share (Reais / Share)
General Shareholders' Meeting	04/28/2016	Interest on Equity	05/25/2016	Common shares		0.11350

## Individual Financial Statements / Balance Sheet - Assets

(In thousands of reais)

Account Code	Account Description	Current quarter 09/30/2016	Prior year 12/31/2015
1	Total assets	254,205	256,798
1.01	Current assets	108,172	104,730
1.01.01	Cash and cash equivalents	36,043	32,354
1.01.01.01	Cash and banks	3,015	1,103
1.01.01.02	Short-term investments	33,028	31,251
1.01.03	Accounts receivable	33,975	34,620
1.01.03.01	Trade accounts receivable	33,975	34,620
1.01.04	Inventory items	22,972	23,717
1.01.06	Taxes recoverable	7,560	6,660
1.01.08	Other current assets	7,622	7,379
1.01.08.03	Other	7,622	7,379
1.01.08.03.01	Prepayments and advances	412	855
1.01.08.03.02	Loans granted	2,304	3,838
1.01.08.03.03	Prepaid expenses	2,509	945
1.01.08.03.04	Other assets	2,397	1,741
1.02	Noncurrent assets	146,033	152,068
1.02.01	Long-term receivables	43,291	45,653
1.02.01.01	Short-term investments at fair value	4,937	4,446
1.02.01.03	Accounts receivable	13,484	18,018
1.02.01.03.01	Trade accounts receivable	13,484	18,018
1.02.01.06	Deferred taxes	7,128	9,058
1.02.01.06.01	Deferred income and social contribution taxes	7,128	9,058
1.02.01.09	Other noncurrent assets	17,742	14,131
1.02.01.09.01	Noncurrent assets for sale	9,808	6,949
1.02.01.09.04	Judicial deposits	4,166	4,877
1.02.01.09.05	Loans granted	3,453	1,960
1.02.01.09.06	Other assets	315	345
1.02.02	Investments	893	1,697
1.02.02.01	Equity interests	893	1,697
1.02.02.01.02	Investments in subsidiaries	811	1,615
1.02.02.01.04	Other investments	82	82
1.02.03	Property, plant and equipment	83,256	81,551
1.02.03.01	Property, plant and equipment in use	83,256	81,551
1.02.04	Intangible assets	18,593	23,167
1.02.04.01	Intangible assets	18,593	23,167

## Individual Financial Statements / Balance Sheet - Liabilities

(In thousands of reais)

Account Code	Account Description	Current quarter 09/30/2016	Prior year 12/31/2015
2	Total liabilities	254,205	256,798
2.01	Current liabilities	48,757	51,662
2.01.01	Labor and social charges	6,163	3,689
2.01.01.01	Social charges	448	493
2.01.01.02	Labor liabilities	5,715	3,196
2.01.02	Trade accounts payable	7,502	2,093
2.01.03	Tax liabilities	3,192	3,344
2.01.03.01	Federal tax liabilities	2,046	2,187
2.01.03.02	State tax liabilities	1,138	1,147
2.01.03.03	Local tax liabilities	8	10
2.01.05	Other liabilities	24,351	33,062
2.01.05.02	Other	24,351	33,062
2.01.05.02.01	Dividends and interest on equity payable	0	6,774
2.01.05.02.04	Advances from customers	20,290	24,212
2.01.05.02.05	Other current liabilities	4,061	2,076
2.01.06	Provisions	7,549	9,474
2.01.06.02	Other provisions	7,549	9,474
2.01.06.02.04	Provision for termination of business relationship with reseller	7,549	9,474
2.02	Noncurrent liabilities	7,098	6,643
2.02.04	Provisions	7,098	6,643
2.02.04.01	Provisions for tax, social security, labor and civil contingencies	7,098	6,643
2.03	Equity	198,350	198,493
2.03.01	Paid-in capital	187,709	187,709
2.03.02	Capital reserves	-2,658	-2,658
2.03.02.07	Share issue costs	-2,658	-2,658
2.03.04	Income reserves	13,442	13,442
2.03.04.01	Legal reserve	8,493	8,493
2.03.04.02	Statutory reserve	4,949	4,949
2.03.05	Retained earnings (accumulated losses)	-143	0

## Individual Financial Statements / Income Statement

(In thousands of reais)

Account Code	Account Description	Current quarter 07/01/2016 to 09/30/2016	Accumulated - current year 01/01/2016 to 09/30/2016	Same quarter of prior year 07/01/2015 to 09/30/2015	Accumulated - prior year 01/01/2015 to 09/30/2015
3.01	Revenue from sales of goods and/or services	42,601	126,649	50,375	152,906
3.02	Cost of sales and/or services	-27,376	-79,296	-29,898	-89,823
3.03	Gross profit	15,225	47,353	20,477	63,083
3.04	Operating income (expenses)	-21,062	-51,736	-19,504	-53,257
3.04.01	Selling expenses	-14,579	-35,668	-16,095	-43,711
3.04.02	General and administrative expenses	-6,505	-17,029	-5,111	-13,624
3.04.04	Other operating income	657	2,394	1,320	4,762
3.04.05	Other operating expenses	-300	-629	0	-560
3.04.06	Equity pickup	-335	-804	382	-124
3.05	Income before financial income (expense) and taxes	-5,837	-4,383	973	9,826
3.06	Financial income (expenses)	2,306	6,170	2,374	5,662
3.06.01	Financial income	2,954	9,040	3,589	9,026
3.06.02	Financial expenses	-648	-2,870	-1,215	-3,364
3.07	Income before income taxes	-3,531	1,787	3,347	15,488
3.08	Corporate Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL)	-762	-1,930	-462	-3,550
3.08.01	Current	0	0	-354	-2,646
3.08.02	Deferred	-762	-1,930	-108	-904
3.09	Net income from continuing operations	-4,293	-143	2,885	11,938
3.11	Net income (loss) for the period	-4,293	-143	2,885	11,938
3.99	Earnings per share (Reais/Share)				
3.99.01	Basic earnings per share				
3.99.01.01	Registered common shares	-0.06496	-0.00216	0.04366	0.18064

## Individual Financial Statements / Statement of Comprehensive Income (Loss)

(In thousands of reais)

Account Code	Account Description	Current quarter 07/01/2016 to 09/30/2016	Accumulated - current year 01/01/2016 to 09/30/2016	Same quarter of prior year 07/01/2015 to 09/30/2015	Accumulated - prior year 01/01/2015 to 09/30/2015
4.01	Net income for the period	-4,293	-143	2,885	11,938
4.03	Comprehensive income for the period	-4,293	-143	2,885	11,938

## Individual Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of reais)

Account Code	Account Description	Accumulated - current year 01/01/2016 to 09/30/2016	Accumulated - prior year 01/01/2015 to 09/30/2015
6.01	Net cash from operating activities	17,677	21,578
6.01.01	Cash from operations	13,752	31,016
6.01.01.01	Income before income and social contribution taxes	1,787	15,488
6.01.01.02	Depreciation and amortization	8,156	7,857
6.01.01.03	Foreign exchange gains (losses) – customers	324	-611
6.01.01.06	Provision for risks – tax, labor, civil and end of business relationship	455	309
6.01.01.07	Provision for obsolescence	-245	-55
6.01.01.08	Allowance for doubtful accounts	743	7,853
6.01.01.10	Other provisions	292	0
6.01.01.14	Disposals of property, plant and equipment	1,436	51
6.01.01.15	Equity pickup	804	124
6.01.02	Changes in assets and liabilities	3,925	-9,438
6.01.02.01	Trade accounts receivable	4,112	-2,940
6.01.02.02	Inventory items	990	-6,974
6.01.02.03	Taxes recoverable	-410	-470
6.01.02.05	Loans granted	41	615
6.01.02.08	Other current and noncurrent assets	-1,036	-2,754
6.01.02.09	Noncurrent assets for sale	-2,859	864
6.01.02.14	Trade accounts payable	5,409	3,485
6.01.02.15	Advances from customers	-3,922	3,998
6.01.02.17	Other current and noncurrent liabilities	2,090	-4,934
6.01.02.18	Payment of income and social contribution taxes	-490	-328
6.02	Net cash from investing activities	-7,214	-8,150
6.02.01	Short-term investments	-491	-4,297
6.02.02	Investment in subsidiary	0	-1,001
6.02.03	Acquisition of fixed assets	-5,774	-2,700
6.02.04	Acquisition of intangible assets	-949	-152
6.03	Net cash from financing activities	-6,774	-9,069
6.03.05	Payment of interest on equity	-6,774	-9,069
6.05	Increase (decrease) in cash and cash equivalents	3,689	4,359
6.05.01	Cash and cash equivalents at beginning of period	32,354	27,215
6.05.02	Cash and cash equivalents at end of period	36,043	31,574

## Individual Financial Statements / Statement of Changes in Equity (SCE) - 01/01/2016 to 09/30/2016

(In thousands of reais)

Account Code	Account Description	Capital Paid in	Capital reserves, Options granted and Treasury shares	Income reserves	Retained earnings/ (accumulated losses)	Other comprehensive income/ (loss)	Equity
5.01	Opening balances	187,709	-2,658	13,442	0	0	198,493
5.03	Adjusted opening balances	187,709	-2,658	13,442	0	0	198,493
5.05	Total comprehensive income	0	0	0	-143	0	-143
5.05.01	Net income for the period	0	0	0	-143	0	-143
5.07	Closing balances	187,709	-2,658	13,442	-143	0	198,350

## Individual Financial Statements / Statement of Changes in Equity / SCE - 01/01/2015 to 09/30/2015

(In thousands of reais)

Account Code	Account Description	Capital Paid-in	Capital reserves, Options granted and Treasury shares	Income reserves	Retained earnings/ (accumulated losses)	Other comprehensive income/ (loss)	Equity
5.01	Opening balances	187,709	-2,658	7,838	0	0	192,889
5.03	Adjusted opening balances	187,709	-2,658	7,838	0	0	192,889
5.05	Total comprehensive income	0	0	0	11,938	0	11,938
5.05.01	Net income for the period	0	0	0	11,938	0	11,938
5.07	Closing balances	187,709	-2,658	7,838	11,938	0	204,827

## Individual Financial Statements / Statement of Value Added

(In thousands of reais)

Account Code	Account Description	Accumulated - current year 01/01/2016 to 09/30/2016	Accumulated - prior year 01/01/2015 to 09/30/2015
7.01	Revenues	172,124	198,343
7.01.01	Sales of goods, products and services	172,205	202,280
7.01.02	Other revenues	662	3,916
7.01.04	Setting up (reversal) of allowance for doubtful accounts	-743	-7,853
7.02	Inputs acquired from third parties	-109,540	-122,523
7.02.01	Cost of sales	-75,173	-90,718
7.02.02	Materials, energy, third-party services and other expenses	-26,604	-32,479
7.02.04	Other	-7,763	674
7.03	Gross value added	62,584	75,820
7.04	Retentions	-8,156	-7,857
7.04.01	Depreciation, amortization and depletion	-8,156	-7,857
7.05	Net value added produced	54,428	67,963
7.06	Value added received in transfer	8,542	8,990
7.06.01	Equity pickup	-804	-124
7.06.02	Financial income	9,346	9,114
7.07	Total value added to be distributed	62,970	76,953
7.08	Distribution of value added	62,970	76,953
7.08.01	Personnel	27,230	28,763
7.08.01.01	Direct compensation	21,924	23,594
7.08.01.02	Benefits	2,840	2,674
7.08.01.03	Unemployment compensation fund (FGTS)	2,466	2,495
7.08.02	Taxes, charges and contributions	32,068	31,757
7.08.02.01	Federal	20,669	20,022
7.08.02.02	State	11,307	11,631
7.08.02.03	Local	92	104
7.08.03	Debt remuneration	3,815	4,495
7.08.03.02	Rent	1,558	1,218
7.08.03.03	Other	2,257	3,277
7.08.04	Equity remuneration	-143	11,938
7.08.04.03	Retained earnings (accumulated losses) for the period	-143	11,938

## Consolidated Financial Statements / Balance Sheet - Assets

(In thousands of reais)

Account Code	Account Description	Current quarter 09/30/2016	Prior year 12/31/2015
1	Total assets	264,968	267,816
1.01	Current assets	111,343	109,565
1.01.01	Cash and cash equivalents	37,730	33,204
1.01.01.01	Cash and banks	3,510	1,494
1.01.01.02	Short-term investments	34,220	31,710
1.01.03	Accounts receivable	32,715	36,005
1.01.03.01	Trade accounts receivable	32,715	36,005
1.01.04	Inventory items	25,374	25,946
1.01.06	Taxes recoverable	7,757	6,794
1.01.08	Other current assets	7,767	7,616
1.01.08.03	Other	7,767	7,616
1.01.08.03.01	Prepayments and advances	530	1,066
1.01.08.03.02	Loans granted	2,304	3,838
1.01.08.03.03	Prepaid expenses	2,536	971
1.01.08.03.04	Other assets	2,397	1,741
1.02	Noncurrent assets	153,625	158,251
1.02.01	Long-term receivables	49,778	51,722
1.02.01.01	Short-term investments at fair value	4,937	4,446
1.02.01.03	Accounts receivable	13,484	18,018
1.02.01.03.01	Trade accounts receivable	13,484	18,018
1.02.01.06	Deferred taxes	13,582	15,113
1.02.01.06.01	Deferred income and social contribution taxes	13,582	15,113
1.02.01.09	Other noncurrent assets	17,775	14,145
1.02.01.09.01	Noncurrent assets for sale	9,808	6,949
1.02.01.09.04	Judicial deposits	4,199	4,891
1.02.01.09.05	Loans granted	3,453	1,960
1.02.01.09.06	Other assets	315	345
1.02.02	Investments	82	82
1.02.03	Property, plant and equipment	85,155	83,277
1.02.03.01	Property, plant and equipment in use	85,155	83,277
1.02.04	Intangible assets	18,610	23,170
1.02.04.01	Intangible assets	18,610	23,170

## Consolidated Financial Statements / Balance Sheet - Liabilities

(In thousands of reais)

Account Code	Account Description	Current quarter 09/30/2016	Prior year 12/31/2015
2	Total liabilities	264,968	267,816
2.01	Current liabilities	59,520	62,680
2.01.01	Labor and social charges	7,501	4,693
2.01.01.01	Social charges	557	642
2.01.01.02	Labor liabilities	6,944	4,051
2.01.02	Trade accounts payable	7,822	2,204
2.01.03	Tax liabilities	3,766	3,823
2.01.03.01	Federal tax liabilities	2,398	2,502
2.01.03.02	State tax liabilities	1,359	1,311
2.01.03.03	Local tax liabilities	9	10
2.01.05	Other liabilities	32,882	42,486
2.01.05.02	Other	32,882	42,486
2.01.05.02.01	Dividends and interest on equity payable	0	6,774
2.01.05.02.04	Advances from customers	28,820	33,608
2.01.05.02.05	Other current liabilities	4,062	2,104
2.01.06	Provisions	7,549	9,474
2.01.06.02	Other provisions	7,549	9,474
2.01.06.02.04	Provision for termination of business relationship with reseller	7,549	9,474
2.02	Noncurrent liabilities	7,098	6,643
2.02.04	Provisions	7,098	6,643
2.02.04.01	Provisions for tax, social security, labor and civil contingencies	7,098	6,643
2.03	Equity - Consolidated	198,350	198,493
2.03.01	Paid-in capital	187,709	187,709
2.03.02	Capital reserves	-2,658	-2,658
2.03.02.07	Share issue costs	-2,658	-2,658
2.03.04	Income reserves	13,442	13,442
2.03.04.01	Legal reserve	8,493	8,493
2.03.04.02	Statutory reserve	4,949	4,949
2.03.05	Retained earnings (accumulated losses)	-143	0

## Consolidated Financial Statements / Income statement

(In thousands of reais)

Account Code	Account Description	Current quarter 07/01/2016 to 09/30/2016	Accumulated - current year 01/01/2016 to 09/30/2016	Same quarter of prior year 07/01/2015 to 09/30/2015	Accumulated - prior year 01/01/2015 to 09/30/2015
3.01	Revenue from sales of goods and/or services	46,790	138,793	55,769	165,712
3.02	Cost of sales and/or services	-27,061	-78,411	-29,827	-88,695
3.03	Gross profit	19,729	60,382	25,942	77,017
3.04	Operating income (expenses)	-25,744	-65,222	-24,859	-67,280
3.04.01	Selling expenses	-19,603	-50,055	-21,091	-57,940
3.04.02	General and administrative expenses	-6,505	-17,029	-5,111	-13,624
3.04.04	Other operating income	664	2,494	1,343	4,844
3.04.05	Other operating expenses	-300	-632	0	-560
3.05	Income before financial income (expense) and taxes	-6,015	-4,840	1,083	9,737
3.06	Financial income (expenses)	2,328	6,228	2,402	5,706
3.06.01	Financial income	3,012	9,204	3,654	9,182
3.06.02	Financial expenses	-684	-2,976	-1,252	-3,476
3.07	Income before income taxes	570	1,388	3,485	15,443
3.08	Corporate Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL)	-3,687	-1,531	-600	-3,505
3.08.01	Current	-606	0	-432	-2,724
3.08.02	Deferred	-906	-1,531	-168	-781
3.09	Net income from continuing operations	-4,293	-143	2,885	11,938
3.11	Consolidated income/loss for the period	-4,293	-143	2,885	11,938
3.11.01	Allocated to shareholders of parent company	-4,293	-143	2,885	11,938
3.99	Earnings per share (Reais/Share)				
3.99.01	Basic earnings per share				
3.99.01.01	Registered common shares	-0.06496	-0.00216	0.04365	0.18064

## Consolidated Financial Statements / Statement of Comprehensive Income

(In thousands of reais)

Account Code	Account Description	Current quarter 07/01/2016 to 09/30/2016	Accumulated - current year 01/01/2016 to 09/30/2016	Same quarter of prior year 07/01/2015 to 09/30/2015	Accumulated - prior year 01/01/2015 to 09/30/2015
4.01	Consolidated net income for the period	-4,293	-143	2,885	11,938
4.03	Consolidated comprehensive income for the period	-4,293	-143	2,885	11,938
4.03.01	Allocated to shareholders of parent company	-4,293	-143	2,885	11,938

## Consolidated Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of reais)

Account Code	Account Description	Accumulated - current year 01/01/2016 to 09/30/2016	Accumulated - prior year 01/01/2015 to 09/30/2015
6.01	Net cash from operating activities	18,838	21,955
6.01.01	Cash from operations	12,988	31,664
6.01.01.01	Income before income and social contribution taxes	1,388	15,443
6.01.01.02	Depreciation and amortization	8,287	7,982
6.01.01.03	Foreign exchange gains (losses) – customers	324	-611
6.01.01.06	Provision for risks – tax, labor, civil and end of business relationship	455	309
6.01.01.07	Provision for obsolescence	-245	-55
6.01.01.08	Allowance for doubtful accounts	1,045	8,395
6.01.01.10	Other provisions	292	0
6.01.01.14	Disposals of property, plant and equipment	1,442	201
6.01.02	Changes in assets and liabilities	5,850	-9,709
6.01.02.01	Trade accounts receivable	6,455	-3,950
6.01.02.02	Inventory items	817	-7,217
6.01.02.03	Taxes recoverable	-467	-456
6.01.02.05	Loans granted	41	615
6.01.02.08	Other current and noncurrent assets	-963	-2,688
6.01.02.09	Noncurrent assets for sale	-2,859	864
6.01.02.14	Trade accounts payable	5,618	3,877
6.01.02.15	Advances from customers	-4,788	4,401
6.01.02.17	Other current and noncurrent liabilities	2,492	-4,783
6.01.02.18	Payment of income and social contribution taxes	-496	-372
6.02	Net cash from investing activities	-7,538	-7,323
6.02.01	Short-term investments	-491	-4,297
6.02.03	Acquisition of fixed assets	-6,083	-2,874
6.02.04	Acquisition of intangible assets	-964	-152
6.03	Net cash from financing activities	-6,774	-9,069
6.03.05	Payment of interest on equity	-6,774	-9,069
6.05	Increase (decrease) in cash and cash equivalents	4,526	5,563
6.05.01	Cash and cash equivalents at beginning of period	33,204	27,879
6.05.02	Cash and cash equivalents at end of period	37,730	33,442

## Consolidated Financial Statements / Statement of Changes in Equity (SCE) - 01/01/2016 to 09/30/2016

(In thousands of reais)

Account Code	Account Description	Capital Paid in	Capital reserves, Options granted and Treasury shares	Income reserves	Retained earnings/ (accumulated losses)	Other comprehensive income/ (loss)	Equity	Noncontrolling interests	Equity Consolidated
5.01	Opening balances	187,709	-2,658	13,442	0	0	198,493	0	198,493
5.03	Adjusted opening balances	187,709	-2,658	13,442	0	0	198,493	0	198,493
5.05	Total comprehensive income	0	0	0	-143	0	-143	0	-143
5.05.01	Net income for the period	0	0	0	-143	0	-143	0	-143
5.07	Closing balances	187,709	-2,658	13,442	-143	0	198,350	0	198,350

## Consolidated Financial Statements / Statement of Changes in Equity / SCE - 01/01/2015 to 09/30/2015

(In thousands of reais)

Account Code	Account Description	Capital Paid-in	Capital reserves, Options granted and Treasury shares	Income reserves	Retained earnings/ (accumulated losses)	Other comprehensive income/ (loss)	Equity	Noncontrolling interests	Equity Consolidated
5.01	Opening balances	187,709	-2,658	7,838	0	0	192,889	0	192,889
5,03	Adjusted opening balances	187,709	-2,658	7,838	0	0	192,889	0	192,889
5.05	Total comprehensive income	0	0	0	11,938	0	11,938	0	11,938
5.05.01	Net income for the period	0	0	0	11,938	0	11,938	0	11,938
5.07	Closing balances	187,709	-2,658	7,838	11,938	0	204,827	0	204,827

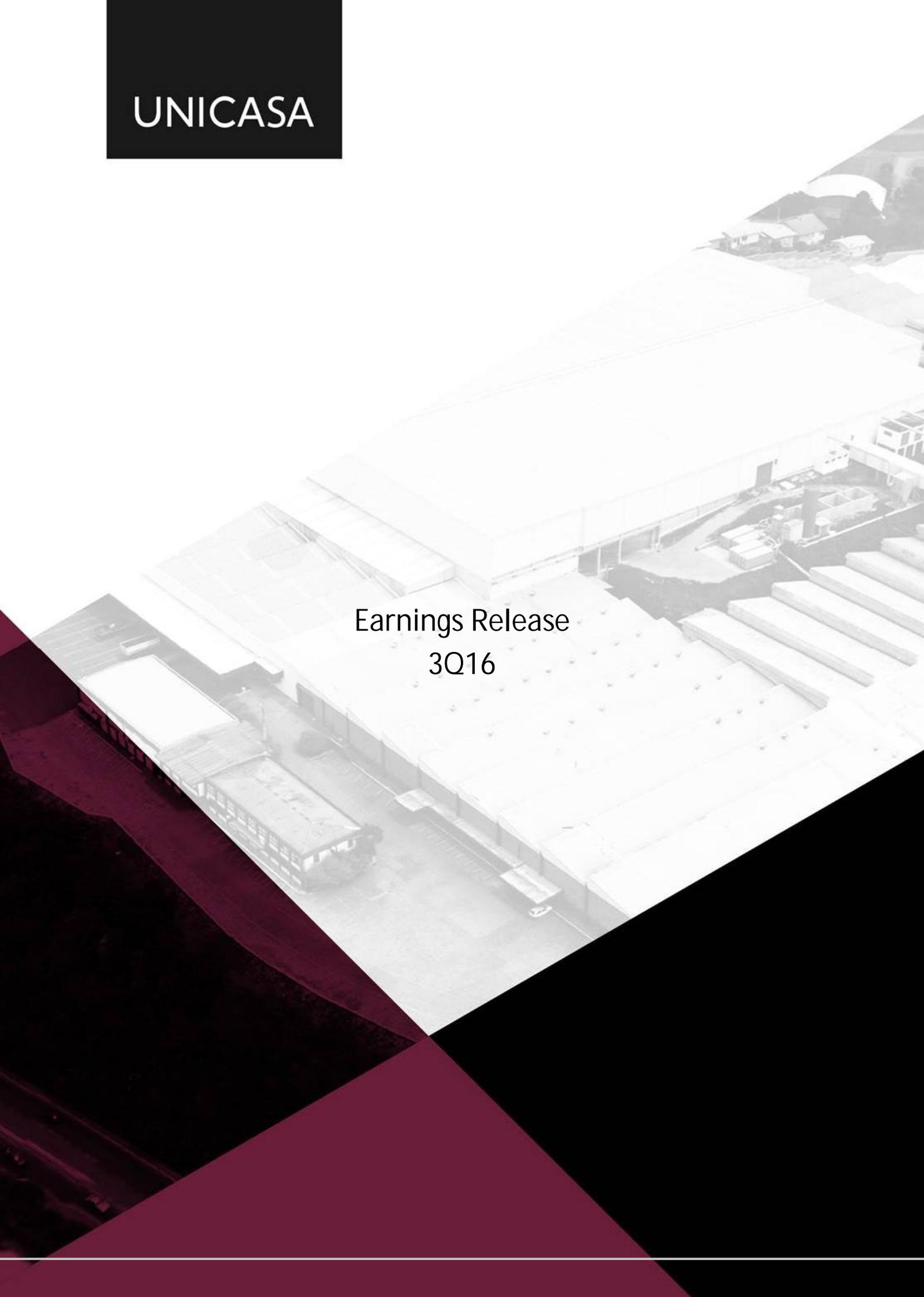
## Consolidated Financial Statements / Statement of Value Added

(In thousands of reais)

Account Code	Account Description	Accumulated - current year 01/01/2016 to 09/30/2016	Accumulated - prior year 01/01/2015 to 09/30/2015
7.01	Revenues	189,553	216,180
7.01.01	Sales of goods, products and services	189,839	220,577
7.01.02	Other revenues	759	3,998
7.01.04	Setting up (reversal) of allowance for doubtful accounts	-1,045	-8,395
7.02	Inputs acquired from third parties	-115,797	-127,592
7.02.01	Cost of sales	-75,714	-91,100
7.02.02	Materials, energy, third-party services and other expenses	-32,025	-37,093
7.02.04	Other	-8,058	601
7.03	Gross value added	73,756	88,588
7.04	Retentions	-8,287	-7,982
7.04.01	Depreciation, amortization and depletion	-8,287	-7,982
7.05	Net value added produced	65,469	80,606
7.06	Value added received in transfer	9,518	9,273
7.06.02	Financial income	9,518	9,273
7.07	Total value added to be distributed	74,987	89,879
7.08	Distribution of value added	74,987	89,879
7.08.01	Personnel	33,227	35,159
7.08.01.01	Direct compensation	27,028	29,011
7.08.01.02	Benefits	3,248	3,117
7.08.01.03	Unemployment compensation fund (FGTS)	2,951	3,031
7.08.02	Taxes, charges and contributions	36,138	36,043
7.08.02.01	Federal	22,823	22,264
7.08.02.02	State	13,127	13,606
7.08.02.03	Local	188	173
7.08.03	Debt remuneration	5,765	6,739
7.08.03.02	Rent	3,402	3,350
7.08.03.03	Other	2,363	3,389
7.08.04	Equity remuneration	-143	11,938
7.08.04.03	Retained earnings (accumulated losses) for the period	-143	11,938

UNICASA

Earnings Release  
3Q16





Market data as of August 11th, 2016  
 Stock price: R\$3.55  
 Market capitalization: R\$234,606,528.30

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Bento Gonçalves (RS), November 08th, 2016. Unicasa Móveis S.A. (BM&FBOVESPA: UCAS3, Bloomberg: UCAS3:BZ, Reuters: UCAS3.SA), one of the leading companies in Brazil's custom-made furniture industry and the only Brazilian publicly held company in the sector, announces today its results for the third quarter of 2016. Except where stated otherwise, all variations and comparisons are in relation to the same period of the previous year. The following financial and operating information, except where stated otherwise, is presented with consolidated data (with Unicasa Comércio de Móveis Ltda), in thousands of Brazilian reais and in accordance with the International Financial Reporting Standards (IFRS).

## *Destaques do período*

- Surplus cash of R\$42.7 million, 13.1% higher than in the same period last year;
- Decrease of 0.4% with Selling, General and Administrative Expenses
- Net Revenue of R\$62.3 million, 13.5% below than in the same period last year;
- Higher social security tax (INSS) expenses significantly contributed to the 4.3 p.p. gross margin contraction in the quarter, which reached 42.2%;

Executive Summary	3Q15	3Q16	Δ	9M15	9M16	Δ
Gross Revenue ex-IPI	71,983	62,278	-13.5%	213,712	183,897	-14.0%
Net Revenue	55,769	46,790	-16.1%	165,712	138,793	-16.2%
Gross Income	25,942	19,729	-23.9%	77,017	60,382	-21.6%
Gross Margin	46.5%	42.2%	-4.3 p.p.	46.5%	43.5%	-3.0 p.p.
Selling and Administrative Expenses	(26,202)	(26,108)	-0.4%	(71,564)	(67,084)	-6.3%
Other Revenues and Operating Expenses	1,343	364	-72.9%	4,284	1,862	-56.5%
Operating Income	1,083	(6,015)	-655.4%	9,737	(4,840)	-149.7%
Operating Margin	1.9%	-12.9%	-14.8 p.p.	5.9%	-3.5%	-9.4 p.p.
Financial Income (Expenses) Net	2,402	2,328	-3.1%	5,706	6,228	+9.1%
Operating Income before Income Tax and Social Contribution	3,485	(3,687)	-205.8%	15,443	1,388	-91.0%
Net Profit	2,885	(4,293)	-248.8%	11,938	(143)	-101.2%
Net Margin	5.2%	-9.2%	-14.3 p.p.	7.2%	-0.1%	-7.3 p.p.
EBITDA	3,775	(3,236)	-185.7%	17,719	3,447	-80.5%
EBITDA Margin	6.8%	-6.9%	-13.7 p.p.	10.7%	2.5%	-8.2 p.p.

*Disclaimer: The forward-looking statements in this document related to the business prospects, projections of operating and financial results and growth prospects of Unicasa are merely estimates and as such are based exclusively on Management's expectations for the future of the business. These expectations depend substantially on market conditions, the performance of the Brazilian economy, industry and international markets, and are subject to known and unknown risks and uncertainties, which can cause such expectations not to materialize or cause actual results to differ materially from those expected and, therefore, are subject to change without prior notice.*

## SALES PERFORMANCE

Following the same dynamic of the previous quarter, the worsening macroeconomic scenario continues to be the principal factor behind the decline in our sales and we believe that the adverse economic scenario in our sector will have a longer recovery curve.

The Multibrand channel registered a milder decline than the Exclusive channel, mainly due to the maturation of important stores opened last year.

The segments Unicasa Corporate and Export Markets are affected by significant fluctuation due to particularities of the projects sold in the period.

Dell Anno and Favorita – Exclusive and Own Stores	3Q15	3Q16	Δ	9M15	9M16	Δ
Gross Revenue, ex-IPI	40,385	32,025	-20.7%	114,423	94,293	-17.6%
Number of Modules Sold (thousand units)	106.1	93.3	-12.1%	300.9	259.2	-13.9%

New and Casa Brasileira Exclusive Dealers	3Q15	3Q16	Δ	9M15	9M16	Δ
Gross Revenue, ex-IPI	20,999	17,071	-18.7%	61,895	51,099	-17.4%
Number of Modules Sold (thousand units)	108.1	92.1	-14.8%	315.9	292.7	-7.3%

Multibrands	3Q15	3Q16	Δ	9M15	9M16	Δ
Gross Revenue, ex-IPI	7,893	7,884	-0.1%	24,932	23,839	-4.4%
Number of Modules Sold (thousand units)	46.9	42.4	-9.6%	148.4	140.9	-5.1%

Unicasa Corporate	3Q15	3Q16	Δ	9M15	9M16	Δ
Gross Revenue, ex-IPI	894	3,040	+240.0%	3,698	8,601	+132.6%
Number of Modules Sold (thousand units)	3.9	8.5	+117.9%	15.9	29.0	+82.4%

Export Market	3Q15	3Q16	Δ	9M15	9M16	Δ
Gross Revenue, ex-IPI	1,277	1,346	+5.4%	6,488	4,007	-38.2%
Number of Modules Sold (thousand units)	4.2	7.2	+71.4%	28.4	20.0	-29.6%

## Consolidated Indicators - Unicasa

Unicasa Indústria de Móveis	3Q15	3Q16	Δ	9M15	9M16	Δ
Gross Revenue, ex-IPI	71,983	62,278	-13.5%	213,712	183,897	-14.0%
Number of Modules Sold (thousand units)	276.2	249.9	-9.5%	832.4	761.8	-8.5%

## SALES AND DISTRIBUTION CHANNELS

Period	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	Δ
Exclusive and Own Stores	619	574	522	480	463	448	433	(15)
Dell Anno and Favorita	253	233	217	204	190	184	182	(2)
New and Casa Brasileira	366	341	305	276	273	264	251	(13)
Multibrand	696	718	669	639	634	626	622	(4)
New and Casa Brasileira Multibrand	696	718	669	639	634	626	622	(4)

<sup>(1)</sup> Variation compared to 2Q16.

Average productivity per Dell Anno and Favorita store in 3Q16 was R\$175.0 million, which was 2.5% lower than the R\$179.5 million in 3Q15, due to weaker economic activity in the period. Average productivity per New and Casa Brasileira store in 3Q16 was R\$66.3 million, which was 2.0% higher than the R\$65.0 million in 3Q15, due to the closure of less productive operations.

### Gross Profit and Gross Margin

Gross profit in the quarter was R\$19.7 million. Gross margin decreased 4.3 p.p., from 46.5% in 3Q15 to 42.2% this quarter. Around 1.2 p.p. is related to the increase in the INSS (social security tax) rate on revenue, from 1.0% to 2.5% in 2016, while the remainder is mainly related to the increased share of sales to customers with higher purchasing volume and lower base for the dilution of fixed expenses.

### Selling, General and Administrative Expenses (SG&A)

Selling General and Administrative Expenses	3Q15	3Q16	Δ	9M15	9M16	Δ
Total	(26,202)	(26,108)	-0.4%	(71,564)	(67,084)	-6.3%
Selling Expenses	(21,091)	(19,603)	-7.1%	(57,940)	(50,055)	-13.6%
% of Net Revenue	37.8%	41.9%	+4.1 p.p.	35.0%	36.1%	+1.1 p.p.
Administrative Expenses	(5,111)	(6,505)	+27.3%	(13,624)	(17,029)	+25.0%
% of Net Revenue	9.2%	13.9%	+4.7 p.p.	8.2%	12.3%	+4.1 p.p.
SG&A % of Net Revenue	47.0%	55.8%	+8.8 p.p.	43.2%	48.4%	+5.2 p.p.

The following chart presents the reconciliation of Selling, General and Administrative Expenses in 3Q15x3Q16<sup>(1)</sup>:



<sup>(1)</sup>In Million.

This quarter, expenses with provisions were R\$2.9 million lower compared to the same period last year. This reduction is mainly due to the lower allowance for doubtful accounts.

Expenses with own stores increased by R\$0.5 million, mainly due to pre-operating expenses of a new unit.

Customer service expenses increased R\$1.4 million. These are related to servicing customers of closed stores and include freight, assembling, merchandise and lawsuits.

This quarter we decided to terminate an operation in which we had invested in the acquisition of exploration rights of a point of sale and hence wrote off its residual value of R\$1.4 million as an expense.

## Other Operating Income and Expenses

Other operating income and expenses fell 72.9%, mainly due to the sale of brand exploration rights, which in 3Q16 reached R\$0.3 million, and also due to the result of the divestment of assets held for sale.

Other Operating Income and Expenses	3Q15	3Q16	Δ	1H15	1H16	Δ
Total	1,343	364	-72.9%	4,284	1,862	-56.5%
Operating Expenses	-	(300)	n/a	(560)	(632)	12.9%
Operating Income	1,343	664	-50.6%	4,844	2,494	-48.5%
Bank Premium	633	621	-1.9%	1,998	1,999	0.1%
Trademark Rights	320	-	-100.0%			
Other Operating Income	390	43	-89.0%	922	495	-46.3%
% of Net Revenue	2.4%	0.8%	-1.6 p.p.	2.6%	1.3%	-1.3 p.p.

## Financial Result

Financial result decreased 3.1%, mainly due to the lower gain from currency exchange variation. Financial expenses were lower due to the lower volume of financial discounts granted.

Financial Result	3Q15	3Q16	Δ	9M15	9M16	Δ
Net Financial Result	2,402	2,328	-3.1%	5,706	6,228	9.1%
Financial Expenses	(1,252)	(684)	-45.4%	(3,476)	(2,976)	-14.4%
Financial Income	3,654	3,012	-17.6%	9,182	9,204	0.2%

## EBITDA and EBITDA Margin

EBITDA	3Q15	3Q16	Δ	9M15	9M16	Δ
Net Income for the Period	2,885	(4,293)	-248.8%	11,938	(143)	-101.2%
Income Tax and Social Contribution	600	606	+1.0%	3,505	1,531	-56.3%
Financial Result	(2,402)	(2,328)	-3.1%	(5,706)	(6,228)	+9.1%
EBIT	1,083	(6,015)	-655.4%	9,737	(4,840)	-149.7%
Depreciation and Amortization	2,692	2,779	+3.2%	7,982	8,287	+3.8%
EBITDA	3,775	(3,236)	-185.7%	17,719	3,447	-80.5%
EBITDA Margin	6.8%	-6.9%	-13.7 p.p.	10.7%	2.5%	-8.2 p.p.

## Cash Flow

Cash Flow	3Q15	3Q16	Δ
Cash generated by operational activities	8,282	530	-93.6%
Cash generated by investment activities	(1,398)	(5,241)	+274.9%
Cash generated by financing activities	-	-	+0.0%
Cash flow (burn)	6,884	(4,711)	-168.4%

In 3Q16, the Company reduced its cash balance in relation to 3Q15, mainly due to:

- i. Lower volume of cash generated from operating activities, chiefly due to the decline in revenue in the quarter;
- ii. Consumption of cash by investments made in the plant.

## Working capital

Working Capital <sup>(1)</sup>	3Q15	3Q16	Δ
Average trade accounts receivable	58,094	49,757	-8,337
Average term for receipt of sales (days)	70	70	-0
Average inventory	31,747	27,287	-4,461
Average term for inventory replenishment (days)	76	80	+4
Average trade accounts payable	32,460	26,140	-6,320
Average term for payment of suppliers (days)	21	20	-1
Average advances from customers	33,256	30,513	-2,743
Average term for advances from customers (days)	40	43	+3
Working capital	24,126	20,391	-3,735

<sup>(1)</sup> Last twelve months

The company's working capital needs declined by R\$3.7 million in the period, mainly due to the drop in revenue, which affects the lower volume of accounts receivable and inventory requirements. The increase in the average term of Inventories is due to the lower elasticity of inventory in relation to the decrease in revenue.

## Net Cash

Net Cash	9/30/2015	9/30/2016	Δ
Short Term Debt	-	-	n/a
Long Term Debt	-	-	n/a
Gross Debt	-	-	n/a
Cash and Cash Equivalents	33,442	37,730	+12.8%
Financial Investments	4,297	4,937	+14.9%
Net Debt/(Cash Surplus)	(37,739)	(42,667)	+13.1%

The Company ended the quarter with 13.1% more cash than in the same period last year. In the last 12 months, our operational cash flow has consistently been higher than our net income. This is mainly due to the share of provisions for depreciation/amortization in the Company's net income.

## Return on Invested Capital (ROIC)

The Company's net ROIC in the last twelve months (LTM) to 3Q16 was 0.4%, up 6.3 p.p. from the same period last year.

Return on Invested Capital (ROIC)	3Q15	3Q16	Δ
EBIT (LTM)	-10,458	626	-106.0%
Average of Operating Assets	176,703	161,386	-8.7%
ROIC	-5.9%	0.4%	+6.3 p.p.
Effective IR + CSLL rate (LTM)	83.5%	12.0%	-71.5 p.p.
ROIC, Net	-1.0%	0.4%	+1.4 p.p.

## ANNEX I – FINANCIAL STATEMENTS - INCOME STATEMENT - CONSOLIDATED

Income Statement	3Q15	3Q16	AV	AH	1H15	AV	1H16	AV	AH
Gross Revenue from Sales	75,076	64,979	138.9%	-13.4%	222,926	134.5%	191,862	138.2%	-13.9%
Domestic Market	73,799	63,633	136.0%	-13.8%	216,438	130.6%	187,855	135.3%	-13.2%
Dell Anno and Favorita	41,986	33,295	71.2%	-20.7%	119,081	71.9%	98,029	70.6%	-17.7%
New and Casa Brasileira Exclusive Dealers	22,041	17,922	38.3%	-18.7%	64,967	39.2%	53,640	38.6%	-17.4%
New and Casa Brasileira Multibrand	8,287	8,279	17.7%	-0.1%	26,178	15.8%	25,028	18.0%	-4.4%
Unicasa Corporate	928	3,192	6.8%	+244.0%	3,846	2.3%	9,025	6.5%	+134.7%
Other Revenues	557	945	2.0%	+69.7%	2,366	1.4%	2,133	1.5%	-9.8%
Exports	1,277	1,346	2.9%	+5.4%	6,488	3.9%	4,007	2.9%	-38.2%
Sales Deductions	(19,307)	(18,189)	-38.9%	-5.8%	(57,214)	-34.5%	(53,069)	-38.2%	-7.2%
Net Revenue from Sales	55,769	46,790	100.0%	-16.1%	165,712	100.0%	138,793	100.0%	-16.2%
Cost of Goods Sold	(29,827)	(27,061)	-57.8%	-9.3%	(88,695)	-53.5%	(78,411)	-56.5%	-11.6%
Gross Profit	25,942	19,729	42.2%	-23.9%	77,017	46.5%	60,382	43.5%	-21.6%
Selling Expenses	(21,091)	(19,603)	-41.9%	-7.1%	(57,940)	-35.0%	(50,055)	-36.1%	-13.6%
General and Administrative Expenses	(5,111)	(6,505)	-13.9%	+27.3%	(13,624)	-8.2%	(17,029)	-12.3%	+25.0%
Other Operating Income, Net	1,343	364	0.8%	-72.9%	4,284	2.6%	1,862	1.3%	-56.5%
Operating Income	1,083	(6,015)	-12.9%	-655.4%	9,737	5.9%	(4,840)	-3.5%	-149.7%
Financial Expenses	(1,252)	(684)	-1.5%	-45.4%	(3,476)	-2.1%	(2,976)	-2.1%	-14.4%
Financial Income	3,654	3,012	6.4%	-17.6%	9,182	5.5%	9,204	6.6%	+0.2%
Operating Income before Income Tax and Social Contribution	3,485	(3,687)	-7.9%	-205.8%	15,443	9.3%	1,388	1.0%	-91.0%
Income Tax and Social Contribution	(600)	(606)	-1.3%	+1.0%	(3,505)	-2.1%	(1,531)	-1.1%	-56.3%
Current	(432)	-	0.0%	-100.0%	(2,724)	-1.6%	-	0.0%	-100.0%
Deferred	(168)	(606)	-1.3%	+260.7%	(781)	-0.5%	(1,531)	-1.1%	+96.0%
Net Income for the Period	2,885	(4,293)	-9.2%	-248.8%	11,938	7.2%	(143)	-0.1%	-101.2%
Earnings per Share (R\$)	0.04	(0.07)	0.0%	-248.7%	0.18	+0.0%	(0.00)	+0.0%	-101.2%

## ANNEX II - FINANCIAL STATEMENTS – BALANCE SHEET - CONSOLIDATED

Assets	12/31/2015	AV	9/30/2016	AV	Δ
<b>Current Assets</b>	109,565	40.9%	111,343	40.9%	+1.6%
Cash and Cash Equivalents	33,204	12.4%	37,730	12.4%	+13.6%
Trade Accounts Receivable	36,005	13.4%	32,715	13.4%	-9.1%
Inventories	25,946	9.7%	25,374	9.7%	-2.2%
Advances to Suppliers	1,066	0.4%	530	0.4%	-50.3%
Loans Granted	3,838	1.4%	2,304	1.4%	-40.0%
Prepaid Expenses	971	0.4%	2,536	0.4%	+161.2%
Recoverable Taxes	6,794	2.5%	7,757	2.5%	+14.2%
Other Assets	1,741	0.7%	2,397	0.7%	+37.7%
<b>Non-Current Assets</b>	158,251	59.1%	153,625	59.1%	-2.9%
Financial Investments	4,446	1.7%	4,937	1.7%	+11.0%
Trade Accounts Receivable	18,018	6.7%	13,484	6.7%	-25.2%
Loans Granted	1,960	0.7%	3,453	0.7%	+76.2%
Assets Held for Sale	6,949	2.6%	9,808	2.6%	+41.1%
Deferred Income and Social Contribution Taxes	15,113	5.6%	13,582	5.6%	-10.1%
Recoverable Taxes	7	0.0%	-	0.0%	-100.0%
Judicial Deposits	4,891	1.8%	4,199	1.8%	-14.1%
Other Assets	338	0.1%	315	0.1%	-6.8%
Investments	82	0.0%	82	0.0%	+0.0%
Property, Plant and Equipment	83,277	31.1%	85,155	31.1%	+2.3%
Intangible Assets	23,170	8.7%	18,610	8.7%	-19.7%
<b>Total Assets</b>	<b>267,816</b>	<b>100%</b>	<b>264,968</b>	<b>100%</b>	<b>-0.0</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>	62,680	23.4%	59,520	23.4%	-5.0%
Suppliers	2,204	0.8%	7,822	0.8%	+254.9%
Tax Liabilities	3,823	1.4%	3,766	1.4%	-1.5%
Dividends and interest on Equity Payable	6,774	2.5%	-	2.5%	-100.0%
Payroll and Related Charges	4,693	1.8%	7,501	1.8%	+59.8%
Advances from Customers	33,608	12.5%	28,820	12.5%	-14.2%
Provisions	9,474	3.5%	7,549	3.5%	-20.3%
Other Liabilities	2,104	0.8%	4,062	0.8%	+93.1%
<b>Non-Current Liabilities</b>	6,643	2.5%	7,098	2.5%	+6.8%
Provisions	6,643	2.5%	7,098	2.5%	+6.8%
<b>Shareholders' equity</b>	198,493	74.1%	198,350	74.1%	-0.1%
Capital Stock	187,709	70.1%	187,709	70.1%	+0.0%
Capital Reserve	(2,658)	-1.0%	(2,658)	-1.0%	+0.0%
Retained Profits Reserve	13,442	5.0%	13,442	5.0%	+0.0%
Profit/(Loss) Accumulated	-	0.0%	(143)	0.0%	n/a
<b>Total Liabilities and Shareholders' Equity</b>	<b>267,816</b>	<b>100%</b>	<b>264,968</b>	<b>100%</b>	<b>-1.1%</b>

## ANNEX III – FINANCIAL STATEMENTS – CASH FLOW STATEMENT – CONSOLIDATED<sup>(1)</sup>

Cash Flow Statement	3Q15	3Q16	Δ	1H15	1H16	Δ
Operating Income Before Income And Social Contribution Taxes	3,485	(3,687)	-205.8%	15,443	1,388	-91.0%
Adjustment to Reconcile the Net Income to Cash from Operating Activities:						
Depreciation and Amortization	2,692	2,779	+3.2%	7,982	8,287	+3.8%
Foreign Exchange Variation	(598)	(183)	-69.4%	(611)	324	-153.0%
Provision for Litigation	161	279	+73.3%	309	455	+47.2%
Provision for Obsolescence	(48)	(236)	+391.7%	(55)	(245)	+345.5%
Allowance for Doubtful Accounts	3,166	180	-94.3%	8,395	1,045	-87.6%
Provison for PPR	-	257	n/a	-	292	n/a
Disposal of Property, Plant and Equipment	11	1,425	+12854.5%	201	1,442	+617.4%
Cash Flows from Operating Activities	8,869	814	-90.8%	31,664	12,988	-59.0%
Changes in Assets and Liabilities						
Trade Accounts Receivable	62	1,690	+2625.8%	(3,950)	6,455	-263.4%
Inventories	(2,065)	(1,903)	-7.8%	(7,217)	817	-111.3%
Recoverable Taxes	(158)	(108)	-31.6%	(456)	(467)	+2.4%
Loans Granted	699	(806)	-215.3%	615	41	-93.3%
Other Current ou Non-Current Assets	1,314	2,162	+64.5%	(2,688)	(963)	-64.2%
Non-Current Assets Available for Sale	(294)	(2,157)	+633.7%	864	(2,859)	-430.9%
Suppliers	1,532	484	-68.4%	3,877	5,618	+44.9%
Advance from Customers	522	1,399	+168.0%	4,401	(4,788)	-208.8%
Other Current ou Non-Current Liabilities	(2,123)	(747)	-64.8%	(4,783)	2,492	-152.1%
Payment of Income and Social Contribution Taxes	(76)	(298)	+292.1%	(372)	(496)	+33.3%
Net Cash from Operating Activities	8,282	530	-93.6%	21,955	18,838	-14.2%
Cash Flows from Investing Activities						
Financial Investments	(149)	(174)	+16.8%	(4,297)	(491)	-88.6%
Property, Plant and Equipment	(1,192)	(4,937)	+314.2%	(2,874)	(6,083)	+111.7%
Intangible Assets	(57)	(130)	+128.1%	(152)	(964)	+534.2%
Net Cash used in Investing Activities	(1,398)	(5,241)	+274.9%	(7,323)	(7,538)	+2.9%
Cash Flows from Financing Activities						
Payment of Interest on Shareholders' Equity	-	-	n/a	(9,069)	(6,774)	-25.3%
Cash Flows (used in) from Financing Activities	-	-	n/a	(9,069)	(6,774)	-25.3%
Increase (Decrease) in Cash and Cash Equivalents	6,884	(4,711)	-168.4%	5,563	4,526	-18.6%
Changes in Cash and Cash Equivalents						
At the Beginning of the Period	26,558	42,441	+59.8%	27,879	33,204	+19.1%
At the End of the Period	33,442	37,730	+12.8%	33,442	37,730	+12.8%
Increase (Decrease) in Cash and Cash Equivalents	6,884	(4,711)	-168.4%	5,563	4,526	-18.6%

1) The Statement of Cash Flow was prepared by the indirect method and is shown in accordance with CPC 3 - Statement of Cash Flows, issued by Brazil's Accounting Pronouncements Committee (CPC). Transactions that do not affect cash are described in Note 26 to the Quarterly Information (ITR).

## ANNEX IV – GROSS REVENUE, GROSS REVENUE EX-IPI AND MODULES SOLD – CONSOLIDATED

Gross Revenue	1Q15	1Q16	2Q15	2Q16	3Q15	3Q16	4Q15	1S15	1S16	2S15	9M15	9M16	2015
Total Gross Revenue	67.674	61.723	80.176	65.160	75.076	64.979	76.589	147.850	126.883	151.665	222.926	191.862	299.515
Domestic Market	65.559	60.447	77.080	63.775	73.799	63.633	73.990	142.639	124.222	147.789	216.438	187.855	290.428
Dell Anno and Favorita - Exclusive Dealers and Own Stores	34.359	33.108	42.736	31.626	41.986	33.295	42.422	77.095	64.734	84.408	119.081	98.029	161.503
New and Casa Brasileira Exclusive Dealers	19.933	16.803	22.993	18.915	22.041	17.922	19.770	42.926	35.718	41.811	64.967	53.640	84.737
New and Casa Brasileira Multibrand	8.575	7.521	9.316	9.228	8.287	8.279	8.293	17.891	16.749	16.580	26.178	25.028	34.471
Unicasa Corporate	1.898	2.511	1.020	3.322	928	3.192	2.773	2.918	5.833	3.701	3.846	9.025	6.619
Other Revenues	794	504	1.015	684	557	945	732	1.809	1.188	1.289	2.366	2.133	3.098
Export Market	2.115	1.276	3.096	1.385	1.277	1.346	2.599	5.211	2.661	3.876	6.488	4.007	9.087

Gross Revenue from Sales Ex-IPI	1Q15	1Q16	2Q15	2Q16	3Q15	3Q16	4Q15	1S15	1S16	2S15	9M15	9M16	2015
Total Gross Revenue	64.842	59.168	76.887	62.451	71.983	62.278	73.455	141.729	121.619	145.438	213.712	183.897	287.167
Domestic Market	62.727	57.892	73.791	61.066	70.706	60.932	70.856	136.518	118.958	141.562	207.224	179.890	278.080
Dell Anno and Favorita - Exclusive Dealers and Own Stores	32.975	31.839	41.063	30.429	40.385	32.025	40.770	74.038	62.268	81.155	114.423	94.293	155.193
New and Casa Brasileira Exclusive Dealers	18.993	16.008	21.903	18.020	20.999	17.071	18.833	40.896	34.028	39.832	61.895	51.099	80.728
New and Casa Brasileira Multibrand	8.168	7.165	8.871	8.790	7.893	7.884	7.900	17.039	15.955	15.793	24.932	23.839	32.832
Unicasa Corporate	1.824	2.396	980	3.165	894	3.040	2.647	2.804	5.561	3.541	3.698	8.601	6.345
Other Revenues	767	484	974	662	535	912	706	1.741	1.146	1.241	2.276	2.058	2.982
Export Market	2.115	1.276	3.096	1.385	1.277	1.346	2.599	5.211	2.661	3.876	6.488	4.007	9.087

Modules Sold (Units)	1Q15	1Q16	2Q15	2Q16	3Q15	3Q16	4Q15	1S15	1S16	2S15	9M15	9M16	2015
Total Gross Revenue	255.905	239.072	300.250	272.787	276.185	249.949	281.876	556.155	511.859	558.061	832.340	761.808	1.114.216
Domestic Market	247.507	232.888	284.436	266.184	271.982	242.777	272.478	531.943	499.072	544.460	803.925	741.849	1.076.403
Dell Anno and Favorita - Exclusive Dealers and Own Stores	88.647	83.947	106.122	82.038	106.082	93.264	109.105	194.769	165.985	215.187	300.851	259.249	409.956
New and Casa Brasileira Exclusive Dealers	96.260	91.389	111.521	109.186	108.103	92.124	99.547	207.781	200.575	207.650	315.884	292.699	415.431
New and Casa Brasileira Multibrand	48.862	43.906	52.563	54.621	46.949	42.410	46.932	101.425	98.527	93.881	148.374	140.937	195.306
Unicasa Corporate	6.497	7.780	5.494	12.682	3.873	8.537	8.896	11.991	20.462	12.769	15.864	28.999	24.760
Other Revenues	7.241	5.866	8.736	7.657	6.975	6.442	7.998	15.977	13.523	14.973	22.952	19.965	30.950
Export Market	8.398	6.184	15.814	6.603	4.203	7.172	9.398	24.212	12.787	13.601	28.415	19.959	37.813

## 1. Operations

Unicasa Indústria de Móveis S.A. (the “Company”) was established in 1985 and is primarily engaged in the manufacturing, sale, import and export of furniture made from wood, iron, steel and aluminum, kitchen furniture and other commercial and residential furniture items. The Company is a publicly-held company, headquartered in the city of Bento Gonçalves, state of Rio Grande do Sul. Its shares have been traded in the New Market segment of Brazilian Securities, Commodities and Futures Exchange (BM&FBovespa S.A.), under the stock ticker symbol UCAS3 since April 27, 2012.

The Company has a broad chain of exclusive resellers and multi-brand stores in Brazil and abroad selling products of the following brands: “Dell Anno”, “Favorita”, “New” and “Casa Brasileira”.

Unicasa Comércio de Móveis Ltda. (subsidiary), included in the consolidated quarterly information, was incorporated on October 8, 2012 and started operations in April, 2013, being engaged in the retail sale of planned furniture, and has active stores established in the cities of São Paulo and Manaus.

### **Approval of quarterly information**

The presentation of the quarterly information was approved and authorized in the Executive Board meeting of November 01, 2016.

## 2. Summary of significant accounting practices

The individual and consolidated quarterly financial statements were prepared and are being presented for the quarter ended September 30, 2016, in accordance with CPC 21 (R1) - Interim Financial Statements issued by Brazil's FASB (CPC), IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and the standards established by Brazil's SEC (CVM) applicable to the preparation of Quarterly Information (ITR). The interim quarterly financial information was prepared by the Company to update users on the significant information stated in the period and should be analyzed together with the complete financial statements for the year ended December 31, 2015.

The accounting policies, the use of certain accounting estimates, the exercise of judgment by Company management and calculation methods adopted in quarterly information are the same as those adopted in the preparation of the annual financial statements for the year ended December 31, 2015, as mentioned in Note 2 of those financial statements.

### **2.1 IFRS pronouncements not yet effective at September 30, 2016**

In management's opinion no pronouncement, interpretation or guidance issued by the CPC or the IASB in the period had a significant impact on the Company's individual or consolidated financial statements.

### 3. Cash and cash equivalents

	Company		Consolidated	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Cash and banks	3,015	1,103	3,510	1,494
Short-term investments - CDBs	33,028	31,251	34,220	31,710
	<b>36,043</b>	<b>32,354</b>	<b>37,730</b>	<b>33,204</b>

These highly liquid short-term investments are immediately convertible into known cash amounts and subject to insignificant risk of any changes in value.

Short-term investments are made with top-tier banks (Brazil's ten largest banking institutions), earnings of which are pegged to the Interbank Deposit Certificate (CDI), with average rate of 101.58% of CDI at September 30, 2016 (101.7% at December 31, 2015).

### 4. Trade accounts receivable

	Company		Consolidated	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
<b>Domestic market</b>				
Third parties	54,881	61,494	55,845	63,548
Related parties (Note 16)	1,920	643	12	-
<b>Foreign market</b>				
Third parties	2,212	3,113	2,212	3,113
<b>Checks receivable</b>	7,189	7,826	7,734	8,359
	<b>66,202</b>	<b>73,076</b>	<b>65,803</b>	<b>75,020</b>
(-) Allowance for doubtful accounts	(18,020)	(19,277)	(18,881)	(19,836)
(-) Adjusted present value (APV)	(723)	(1,161)	(723)	(1,161)
	<b>47,459</b>	<b>52,638</b>	<b>46,199</b>	<b>54,023</b>
Current assets	33,975	34,620	32,715	36,005
Noncurrent assets	13,484	18,018	13,484	18,018
	<b>47,459</b>	<b>52,638</b>	<b>46,199</b>	<b>54,023</b>

The amounts classified under noncurrent assets refer to the novation of credit agreements with store chain customers. This novation of agreements is usually undertaken in a period exceeding one year, with balances monetarily restated plus interest rates comparable with those on the market.

The average day sales outstanding at September 30, 2016 and December 31, 2015 were 24 and 25 days respectively.

Changes in the allowance for doubtful accounts:

	Company		Consolidated	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Balance at beginning of period	(19,277)	(13,541)	(19,836)	(13,541)
Additions	(2,960)	(10,506)	(3,377)	(11,229)
Amounts recovered / realized	2,217	1,010	2,332	1,113
Write-off of bad debt	2,000	3,760	2,000	3,821
Balance at end of period	<b>(18,020)</b>	<b>(19,277)</b>	<b>(18,881)</b>	<b>(19,836)</b>

#### 4. Trade accounts receivable (Continued)

At September 30, 2016 and December 31, 2015, the aging list of trade accounts receivable is as follows:

	Company		Consolidated	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Falling due	41,221	44,995	39,837	46,006
Past due:				
From 1 to 30 days	2,165	3,199	2,223	3,438
From 31 to 60 days	1,507	1,569	1,531	1,705
From 61 to 90 days	805	1,069	847	1,277
From 91 to 180 days	1,957	4,942	2,116	5,029
Over 181 days	18,547	17,302	19,249	17,565
	<b>66,202</b>	<b>73,076</b>	<b>65,803</b>	<b>75,020</b>

#### 5. Inventory items

Inventories are stated at cost or net realizable value, whichever is lower. Costs incurred in bringing each product to its current location and conditions are accounted as follows:

- (i) Raw-materials - acquisition cost based on average cost.
- (ii) Finished goods and goods in process - cost of direct materials and labor and proportional indirect overhead based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

	Company		Consolidated	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Finished goods	82	33	1,977	1,703
Goods in process	3,081	1,762	3,081	1,762
Goods for resale	385	259	892	818
Raw material	17,476	20,031	17,476	20,031
Advances to suppliers	753	729	753	729
Sundry materials	1,550	1,503	1,550	1,503
Provision for obsolescence	(355)	(600)	(355)	(600)
	<b>22,972</b>	<b>23,717</b>	<b>25,374</b>	<b>25,946</b>

Provisions for slow-moving or obsolete inventories are recognized when deemed necessary by Company management. Changes in the provision for obsolescence are as follows:

	Company and Consolidated	
	09/30/2016	12/31/2015
Balance at beginning of period	(600)	(646)
Additions	(441)	(723)
Amounts recovered / realized	686	769
Balance at end of period	<b>(355)</b>	<b>(600)</b>

## 6. Assets held for sale

At September 30, 2016, the balance of R\$ 9,808 (R\$ 6,949 at December 31, 2015) is mainly comprised of land, apartments and other real estate properties received in debt negotiations with customers and are available for immediate sale. The Company engaged brokers specialist in sales of real estate in order to promote the sale of these assets and believes that such items shall be sold in the next few years. The amounts are kept at acquisition cost and are lower than their market value, less sales expenses.

## 7. Loans granted

	<b>Company and Consolidated</b>	
	<b>09/30/2016</b>	<b>12/31/2015</b>
Loans granted	5,783	5,885
(-) Adjusted present value (APV)	(26)	(87)
	<b>5,757</b>	<b>5,798</b>
Current assets	2,304	3,838
Noncurrent assets	3,453	1,960
	<b>5,757</b>	<b>5,798</b>

These refer to loans granted by the Company to customers, with the purpose of financing the expansion of authorized and exclusive retailers' chain stores. The loans bear average interest of 17.20% p.a. (18.08% in 2015). The Company has letters of credit from the store partners, as well as first degree mortgage guarantees, pledged as collateral for the loans granted.

## 8. Investments

The Company's investments in its subsidiary are accounted for using the equity method in accordance with CPC 18(R2). Breakdown of investments is as follows:

	<b>Unicasa Comércio de Móveis Ltda.</b>	
	<b>09/30/2016</b>	<b>12/31/2015</b>
Current assets	5,145	5,781
Noncurrent assets	8,403	7,798
Liabilities	12,426	11,607
Equity	1,122	1,972
Capital	13,600	13,600

	<b>Unicasa Comércio de Móveis Ltda.</b>	
	<b>09/30/2016</b>	<b>09/30/2015</b>
Net revenue	20,052	22,346
P&L for the period	(850)	(115)
% Interest	99.99%	99.99%
Equity pickup	(850)	(115)
Effect from unrealized profit	46	(9)
Total equity pickup	<b>(804)</b>	<b>(124)</b>

Changes in investments are as follows:

	<b>Company</b>	
	<b>09/30/2016</b>	<b>12/31/2015</b>
	<b>Period</b>	<b>Year</b>
Balance at beginning of period	1,615	625
Advance for future capital increase	-	300
Capital paid in	-	700
Equity pickup	(804)	(10)
Balance at end of period	<b>811</b>	<b>1,615</b>

## 9. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction cost. Depreciation is calculated on a straight-line basis at rates considering the estimated useful life of assets. The depreciation methods, useful lives and net book values are reviewed at each year-end and adjustments, if any, are recognized as a change in accounting estimates. PP&E are net of Contribution Tax on Gross Revenue for Social Integration Program (PIS), Contribution Tax on Gross Revenue for Social Security Financing (COFINS) and State VAT (ICMS) credits and the balancing entry is to taxes recoverable. A property, plant and equipment item is derecognized on disposal or when no future economic benefit is expected from its use or sale. Any gain or loss arising from derecognition of an asset (calculated as the difference between the net sales price and the carrying amount of the asset) is recognized in the income statement for the period in which the asset is derecognized.

The assets' residual values, useful life and methods of depreciation are periodically reviewed, adjusted prospectively, if appropriate. Breakdown of property, plant and equipment is as follows:

### Company

PP&E costs	Land	Buildings	Leasehold Improvements	Facilities	Machinery and equipment	Vehicles	Furniture and fixtures	IT equipment	Construction in progress	Advances	Total
Balances at 12/31/2015	2,285	21,557	7,387	5,157	96,183	120	2,480	4,796	1,029	10	141,004
Acquisitions	-	10	55	90	225	-	41	83	569	4,701	5,774
Reversals	-	-	-	-	(29)	(24)	(65)	(1,143)	-	-	(1,261)
Transfers	-	2	153	280	873	-	47	246	(1,319)	(282)	-
<b>Balances at 09/30/2016</b>	<b>2,285</b>	<b>21,569</b>	<b>7,595</b>	<b>5,527</b>	<b>97,252</b>	<b>96</b>	<b>2,503</b>	<b>3,982</b>	<b>279</b>	<b>4,429</b>	<b>145,517</b>

Accumulated depreciation	Land	Buildings	Leasehold Improvements	Facilities	Machinery and equipment	Vehicles	Furniture and fixtures	IT equipment	Construction in progress	Advances	Total
Balances at 12/31/2015	-	(5,939)	(1,944)	(1,595)	(45,191)	(71)	(1,369)	(3,344)	-	-	(59,453)
Depreciation	-	(174)	(458)	(217)	(2,852)	(3)	(94)	(252)	-	-	(4,050)
Reversals	-	-	-	-	27	23	65	1,127	-	-	1,242
<b>Balances at 09/30/2016</b>	<b>-</b>	<b>(6,113)</b>	<b>(2,402)</b>	<b>(1,812)</b>	<b>(48,016)</b>	<b>(51)</b>	<b>(1,398)</b>	<b>(2,469)</b>	<b>-</b>	<b>-</b>	<b>(62,261)</b>

### Net property, plant and equipment

Balances at 12/31/2015	2,285	15,618	5,443	3,562	50,992	49	1,111	1,452	1,029	10	81,551
<b>Balances at 09/30/2016</b>	<b>2,285</b>	<b>15,456</b>	<b>5,193</b>	<b>3,715</b>	<b>49,236</b>	<b>45</b>	<b>1,105</b>	<b>1,513</b>	<b>279</b>	<b>4,429</b>	<b>83,256</b>

### Consolidated

PP&E costs	Land	Buildings	Leasehold Improvements	Facilities	Machinery and equipment	Vehicles	Furniture and fixtures	IT equipment	Construction in progress	Advances	Total
Balances at 12/31/2015	2,285	21,557	8,176	5,301	96,211	120	3,215	5,154	1,029	10	143,058
Acquisitions	-	10	103	98	225	-	178	199	569	4,701	6,083
Reversals	-	-	-	-	(29)	(24)	(65)	(1,151)	-	-	(1,269)
Transfers	-	2	153	280	873	-	47	246	(1,319)	(282)	-
<b>Balances at 09/30/2016</b>	<b>2,285</b>	<b>21,569</b>	<b>8,432</b>	<b>5,679</b>	<b>97,280</b>	<b>96</b>	<b>3,375</b>	<b>4,448</b>	<b>279</b>	<b>4,429</b>	<b>147,872</b>

Accumulated depreciation	Land	Buildings	Leasehold Improvements	Facilities	Machinery and equipment	Vehicles	Furniture and fixtures	IT equipment	Construction in progress	Advances	Total
Balances at 12/31/2015	-	(5,939)	(2,072)	(1,603)	(45,193)	(71)	(1,478)	(3,425)	-	-	(59,781)
Depreciation	-	(174)	(503)	(222)	(2,853)	(3)	(136)	(289)	-	-	(4,180)
Reversals	-	-	-	-	27	23	65	1,129	-	-	1,244
<b>Balances at 09/30/2016</b>	<b>-</b>	<b>(6,113)</b>	<b>(2,575)</b>	<b>(1,825)</b>	<b>(48,019)</b>	<b>(51)</b>	<b>(1,549)</b>	<b>(2,585)</b>	<b>-</b>	<b>-</b>	<b>(62,717)</b>

### Net property, plant and equipment

Balances at 12/31/2015	2,285	15,618	6,104	3,698	51,018	49	1,737	1,729	1,029	10	83,277
<b>Balances at 09/30/2016</b>	<b>2,285</b>	<b>15,456</b>	<b>5,857</b>	<b>3,854</b>	<b>49,261</b>	<b>45</b>	<b>1,826</b>	<b>1,863</b>	<b>279</b>	<b>4,429</b>	<b>85,155</b>

Average useful life in years	-	77.98	22.47	21.79	18.76	16.58	15.63	7.63	-	-	-
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## 10. Intangible assets

Finite-lived intangible assets are stated at cost, less accumulated amortization over their economic useful lives and are tested for impairment whenever there is any indication of impairment loss. The amortization period and method for finite-lived intangible assets are reviewed at least at each fiscal year-end. The amortization of finite-lived intangible assets is recognized in the income statement as expenses consistently with the use of the intangible asset.

At September 30, 2016, the Company ended its goodwill operations due to macroeconomic factors, and recognized write-off of such intangible asset for R\$ 1,417 in profit or loss.

### Company

	Software	Trademarks and patents	Goodwill	Total
Balances at 12/31/2015	1,345	67	21,755	23,167
Acquisitions	619	-	330	949
Reversals	-	-	(1,417)	(1,417)
Amortization	(289)	(9)	(3,808)	(4,106)
Balances at 09/30/2016	<u>1,675</u>	<u>58</u>	<u>16,860</u>	<u>18,593</u>

### Consolidated

	Software	Trademarks and patents	Goodwill	Total
Balances at 12/31/2015	1,348	67	21,755	23,170
Acquisitions	634	-	330	964
Reversals	-	-	(1,417)	(1,417)
Amortization	(290)	(9)	(3,808)	(4,107)
Balances at 09/30/2016	<u>1,692</u>	<u>58</u>	<u>16,860</u>	<u>18,610</u>

Average useful life in years	6.50	12.88	7.57
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### Research and development

Expenses with research and development of new Company products, for not meeting the capitalization criteria, were recognized in P&L for the period, at September 30, 2016, Company and Consolidated, in the amount of R\$ 1,181 (R\$ 848 at September 30, 2015).

## 11. Income and social contribution taxes

Income and social contribution taxes are calculated at ruling statutory tax rates. Current and deferred taxes are recognized in P&L for the period, except for transactions directly recognized in comprehensive income, for which the tax is also recognized in comprehensive income.

Recognition of deferred tax is based on temporary differences between book value and tax value of assets and liabilities, income and social contribution tax losses, to the extent that their realization against future taxable profits is considered probable. Deferred tax assets and deferred tax liabilities are offset if there is a legal right of offsetting current tax liabilities and tax assets and they relate to income taxes managed by the same tax authority levied on the same taxed entity.

## 11. Income and social contribution taxes (Continued)

### Reconciliation of tax expense and statutory tax rates

Reconciliation between the tax expense and the result from the multiplication of book profit by the local tax rate in the periods ended September 30, 2016 and 2015 is as follows:

	Company		Consolidated	
	09/30/2016	09/30/2015	09/30/2016	09/30/2015
Pretax income	1,787	15,488	1,388	15,443
IRPJ and CSLL at statutory rate of 25% and 9%, respectively	(608)	(5,266)	(472)	(5,250)
Adjustments to determine effective rate:				
Adjustments to make expected IRPJ and CSLL expenses linear	-	1,700	-	1,700
Equity pickup	(273)	(42)	-	-
Nondeductible expenses	(511)	(15)	(531)	(42)
Deferred taxes recognized from prior years	(400)	-	(400)	-
Other exclusions/ additions	(138)	73	(128)	87
Total income and social contribution taxes:	<u>(1,930)</u>	<u>(3,550)</u>	<u>(1,531)</u>	<u>(3,505)</u>
Current income and social contribution tax expense	-	(2,646)	-	(2,724)
Deferred income and social contribution tax relating to:				
Set up and reversal of temporary differences	(1,930)	(904)	(1,828)	(740)
Set up and reversal of income tax loss	-	-	297	(41)
	<u>(1,930)</u>	<u>(3,550)</u>	<u>(1,531)</u>	<u>(3,505)</u>
Effective rate	108%	23%	110%	23%

### Deferred income and social contribution taxes

Breakdown of deferred income and social contribution taxes:

	Company				Consolidated			
	Balance sheet		P&L		Balance sheet		P&L	
	09/30/16	12/31/15	09/30/16	09/30/15	09/30/16	12/31/15	09/30/16	09/30/15
<b>On temporary differences:</b>								
<b>Assets</b>								
Allowance for doubtful accounts	6,127	6,554	(427)	1,625	6,419	6,744	(325)	1,789
Provision for obsolete inventory items	121	204	(83)	(19)	121	204	(83)	(19)
Provision for losses on sureties	1,351	1,351	-	-	1,351	1,351	-	-
Provision for tax, civil and labor contingencies and termination of business relationship	4,980	5,480	(500)	(2,171)	4,980	5,480	(500)	(2,171)
Present value adjustment	254	424	(170)	(32)	254	424	(170)	(32)
Adjustments to make expected IRPJ and CSLL expenses linear	-	-	-	1,700	-	-	-	1,700
Other temporary differences	576	721	(145)	(268)	576	721	(145)	(268)
	<u>13,409</u>	<u>14,734</u>	<u>(1,325)</u>	<u>835</u>	<u>13,701</u>	<u>14,924</u>	<u>(1,223)</u>	<u>999</u>
<b>Liabilities</b>								
Depreciation difference per tax and accounting records	(6,281)	(5,676)	(605)	(1,739)	(6,281)	(5,676)	(605)	(1,739)
	<u>7,128</u>	<u>9,058</u>	<u>(1,930)</u>	<u>(904)</u>	<u>7,420</u>	<u>9,248</u>	<u>(1,828)</u>	<u>(740)</u>
<b>On tax loss bases</b>	-	-	-	-	6,162	5,865	297	(41)
Total	<u>7,128</u>	<u>9,058</u>	<u>(1,930)</u>	<u>(904)</u>	<u>13,582</u>	<u>15,113</u>	<u>(1,531)</u>	<u>(781)</u>

## 11. Income and social contribution taxes (Continued)

### Deferred income and social contribution taxes (Continued)

Projections indicate that the balance of deferred tax assets recorded at September 30, 2016, shall be offset against estimated future taxable profits over the next 10 years, as follows:

	<u>Company</u>	<u>Consolidated</u>
2016	1,948	2,211
2017	6,583	6,978
2018	2,961	3,442
2019	-	416
From 2019 onwards	1,917	6,816
Total	<u>13,409</u>	<u>19,863</u>

## 12. Provisions

### a) Provisions for labor, tax and civil contingencies

A provision is recognized in connection with past events if the Company has a legal or constructive obligation that may be reliably estimated and it is probable that economic resources will be required to settle it.

The Company is defendant in several labor, tax and civil proceedings. The provision for contingencies was set up based on the legal counsel's opinion, at an amount deemed sufficient to cover probable losses arising from unfavorable court decisions. The provision is comprised as follows:

	<u>Company and Consolidated</u>	
	<u>09/30/2016</u>	<u>12/31/2015</u>
Provision for labor contingencies	1,607	2,084
Provision for tax contingencies	1,550	1,199
Provision for civil contingencies	3,941	3,360
	<u>7,098</u>	<u>6,643</u>

Labor – these refer to lawsuits essentially seeking overtime pay, and health and risk exposure premiums, among others.

Tax – the Company is party to tax proceedings relating to import tax (II) and Social Security Tax (INSS).

Civil – the Company is party to civil proceedings involving retailers and end consumers in which the Company may come to be considered as a jointly liable party.

At September 30, 2016, the civil proceedings assessed as possible losses totaled R\$ 20,486, possible losses for labor proceedings - R\$ 4,385 and possible losses for tax proceedings - R\$ 1,084. Changes in the provision for labor, tax and civil proceedings are as follows:

	<u>Company and Consolidated</u>	
	<u>09/30/2016</u>	<u>12/31/2015</u>
Balance at beginning of period	6,643	6,118
Additions	5,627	4,575
Amounts recovered / realized	(5,172)	(4,050)
Balance at end of period	<u>7,098</u>	<u>6,643</u>

## 12. Provisions (Continued)

### b) Judicial deposits

The Company has judicial deposits related to various tax, labor and civil proceedings, as follows:

	Company		Consolidated	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Judicial deposits - labor	902	871	902	871
Judicial deposits – tax	750	716	750	716
Judicial deposits – civil	2,514	3,290	2,547	3,304
	<u>4,166</u>	<u>4,877</u>	<u>4,199</u>	<u>4,891</u>

### c) Provision for termination of business relationship with dealer

In accordance with the material news release disclosed to the market on November 28, 2014, the Company decided to end the business relationship it held with one of its largest retail networks that operated in the region of São Paulo. Based on a technical study prepared by management, the Company recorded a provision to cover the obligations assumed on signed orders with consumers which were pending delivery and assembly on the dissolution date. Changes in the period are as follows:

	Company and Consolidated	
	09/30/2016	12/31/2015
Balance at beginning of period	9,474	16,398
Additions	-	1,301
Realization	(1,925)	(8,225)
Balance at end of period	<u>7,549</u>	<u>9,474</u>

## 13. Equity

### a) Capital

The Company's capital amounts to R\$ 187,709 at September 30, 2016 and December 31, 2015, and is divided into 66,086,364 common registered no-par-value shares.

### b) Reserves and retained profits

#### Capital reserve

The capital reserve is in connection with distribution costs, attributed to the Company, arising from the initial public offering of shares, in the amount of R\$4,027 (R\$2,658 net of tax effects).

#### Legal reserve

Legal reserve is set up under the Brazilian Corporation Law and the Articles of Incorporation, at 5% of net income for each period, up to 20% of the amount of capital.

#### Expansion reserve

The expansion reserve secures investments in fixed assets, working capital and the Company's network expansion plans. It is set up using the balance of adjusted net income for the year, after deducting minimum mandatory dividends, until the maximum limit not exceeding, together with the legal reserve, the total amount of capital.

## 13. Equity (Continued)

### c) Dividends and interest on equity

In accordance with the Company's Charter, the minimum mandatory dividends are calculated based on 25% of the adjusted net income for the year, after the recognition of the reserves pursuant to the Law. At the Board of Directors' meeting held on December 11, 2015, the board members approved the proposal for distribution of interest on equity of R\$ 7,501 (R\$ 0.1135 per share) (R\$ 6,774 net of withholding tax effects), based on the TJLP (Long Term Interest Rate), calculated on the net equity of the Company up to 12/31/2015. The payment occurred in May 25, 2016, as approved at the Shareholders' Meeting held on April 28, 2016. On such interest, income tax was withheld at source at the rate of 15% except for shareholders that evidence to be exempt or immune or shareholders domiciled in countries or jurisdictions for which the law establishes different tax rate.

### d) Earnings (loss) per share

At September 30, 2016 and 2015, the amount of the Company's diluted and basic earnings per share is the same, since there are no potentially diluting shares.

	<b>Company and Consolidated</b>	
	<b>09/30/2016</b>	<b>09/30/2015</b>
Net income (loss) for the period	<b>(143)</b>	11,938
Weighted average of shares issued (in thousands)	<b>66,086</b>	66,086
Basic and diluted earnings (loss) per share - in R\$	<b>(0.00216)</b>	0.18064

## 14. Other operating revenue

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2016</b>	<b>09/30/2015</b>
Bank premium (*)	<b>1,864</b>	1,998	<b>1,864</b>	1,998
Trademark exploration right	-	1,924	-	1,924
Gain on disposal of PP&E items	<b>135</b>	58	<b>135</b>	70
Other operating revenue	<b>395</b>	782	<b>495</b>	852
<b>Other operating revenue</b>	<b>2,394</b>	<b>4,762</b>	<b>2,494</b>	<b>4,844</b>

(\*) This refers to amounts received from financial institutions based on the volume of financing contracted through the chain of stores served by the Company and recorded against other assets.

## 15. Financial income (expenses)

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2016</b>	<b>09/30/2015</b>
<b>Financial expenses</b>				
Tax on financial transactions (IOF) and banking fees	<b>(299)</b>	(347)	<b>(393)</b>	(453)
Foreign exchange losses	<b>(881)</b>	(142)	<b>(881)</b>	(142)
Present value adjustment	<b>(172)</b>	(602)	<b>(172)</b>	(602)
Discounts granted	<b>(1,496)</b>	(2,259)	<b>(1,500)</b>	(2,261)
Other financial expenses	<b>(22)</b>	(14)	<b>(30)</b>	(18)
	<b>(2,870)</b>	(3,364)	<b>(2,976)</b>	(3,476)
<b>Financial income</b>				
Interest received	<b>1,796</b>	1,934	<b>1,831</b>	1,940
Short-term investment yield	<b>3,838</b>	2,629	<b>3,965</b>	2,777
Foreign exchange gains	<b>482</b>	1,453	<b>482</b>	1,453
Present value adjustment	<b>2,251</b>	2,511	<b>2,251</b>	2,511
Other financial income	<b>673</b>	499	<b>675</b>	501
	<b>9,040</b>	9,026	<b>9,204</b>	9,182
<b>Net financial income</b>	<b>6,170</b>	5,662	<b>6,228</b>	5,706

## 16. Related-party transactions and balances

During the period ended September 30, 2016 and the year ended December 31, 2015, the Company carried out the following transactions with related parties:

	Company		Consolidated		Company		Consolidated	
	Current assets		Current assets		Sales revenue		Sales revenue	
	09/30/16	12/31/15	09/30/16	12/31/15	09/30/16	09/30/15	09/30/16	09/30/15
Accounts receivable:								
Unicasa Comércio de Móveis Ltda.	1,908	643	-	-	7,908	9,540	-	-
Telasul S.A.	12	-	12	-	69	160	69	160
	<b>1,920</b>	<b>643</b>	<b>12</b>	<b>-</b>	<b>7,977</b>	<b>9,700</b>	<b>69</b>	<b>160</b>

In 2015, the Company discontinued its transactions with related party Telasul S.A., entity controlled by the Company's controlling shareholders. These transactions referred to purchases of inputs (aluminum doors, aluminum profiles and metal accessories) used in the production process for manufacturing modular furniture. Unicasa's sales to Telasul refer to finished products (mostly modular furniture) and scrap wood pieces. These transactions are carried out under conditions agreed to by the parties, and average days sales outstanding is 14 days.

Transactions involving the Company and the subsidiary Unicasa Comércio de Móveis Ltda. refer to purchase of finished goods (office furniture, modular furniture, among others) for the purpose of resale to end consumers. These transactions were conducted under the conditions agreed by the parties with an average payment term of approximately 60 days.

No guarantees were given or received in relation to any accounts receivable or payable of the related parties. Settlement of all the balances will be in legal tender.

### Key management compensation

The Company paid its managing officers (Statutory Officers, Board of Directors and Supervisory Board) compensation of R\$1,513 in the period ended September 30, 2016 (R\$1,292 at September 30, 2015). The Company does not provide its key personnel with the following compensation benefits: (i) post-employment benefit, (ii) long-term benefit, (iii) termination benefits and (iv) share-based payment.

## 17. Net sales revenue

The breakdown of net sales revenue is as follows:

	Company		Consolidated	
	09/30/2016	09/30/2015	09/30/2016	09/30/2015
Gross sales revenue	174,189	204,575	191,862	222,926
IPI on sales	(7,963)	(9,214)	(7,963)	(9,214)
ICMS tax substitution on sales	(2)	(4)	(2)	(4)
Gross sales revenue ( - ) IPI and tax substitution on sales	166,224	195,357	183,897	213,708
ICMS on sales	(18,614)	(21,009)	(21,084)	(23,623)
Other sales taxes (PIS/COFINS/CPRB)	(18,977)	(19,147)	(21,997)	(22,024)
Sales returns	(404)	(481)	(443)	(535)
Present value adjustment	(1,580)	(1,814)	(1,580)	(1,814)
	<b>126,649</b>	<b>152,906</b>	<b>138,793</b>	<b>165,712</b>

## 18. Expenses by nature

	Company		Consolidated	
	09/30/2016	09/30/2015	09/30/2016	09/30/2015
<b>Expenses by function</b>				
Cost of goods sold and/or services rendered	(79,296)	(89,823)	(78,411)	(88,695)
Selling expenses	(35,668)	(43,711)	(50,055)	(57,940)
Administrative expenses	(17,029)	(13,624)	(17,029)	(13,624)
	<b>(131,993)</b>	<b>(147,158)</b>	<b>(145,495)</b>	<b>(160,259)</b>
<b>Expenses by nature</b>				
Personnel expenses	(30,693)	(31,280)	(37,084)	(38,081)
Expenses with inputs	(58,305)	(68,157)	(57,599)	(67,107)
Depreciation and amortization expenses	(8,156)	(7,857)	(8,287)	(7,982)
Expenses with third-party services	(10,386)	(10,950)	(14,385)	(14,466)
Advertising expenses	(4,512)	(4,540)	(4,937)	(4,833)
Commission expenses	(764)	(1,286)	(764)	(1,293)
Provision expenses	(1,245)	(8,107)	(1,547)	(8,649)
Other expenses	(17,932)	(14,981)	(20,892)	(17,848)
	<b>(131,993)</b>	<b>(147,158)</b>	<b>(145,495)</b>	<b>(160,259)</b>

## 19. Financial risk management objectives and policies

The Company engages in transactions with financial instruments of which the risks are managed using financial position strategies and related exposure limit systems, all of which are recorded in balance sheet accounts, intended to meet its operating needs.

### a) Financial instruments – Fair value

In the period ended September 30, 2016 and the year ended December 31, 2015, the main financial instruments as well as the methods and assumptions adopted in determining fair value are described below:

- **Cash and cash equivalents** - These arise directly from the Company's operations and are presented at market value, which corresponds to the book value at the balance sheet date.
- **Short-term investments** - These arise directly from operations, and their book values in the balance sheet approximate their fair value since their interest rates are based on Interbank Deposit Certificate (CDI) variation.
- **Trade accounts receivable and payable** - These arise directly from the Company's commercial operations, and are measured at amortized cost and recorded at their original values, net of provision for losses and present value adjustment when applicable. Book value approximates fair value given the short-term settlement of these transactions.
- **Loans granted** - These are classified as financial assets not measured at fair value and are recorded at amortized cost method in accordance with contractual conditions, net of present value adjustment. This definition was adopted, because the amounts are not held for trading and, according to management's understanding, reflect the most significant accounting information. The fair values of loans granted differ from their book values, for being financial instruments with fixed interest rates that differ from current observable market rates.
- **Other financial liabilities** - These are classified as financial liabilities not measured at fair value and are recorded at amortized cost method in accordance with contractual conditions. This definition was adopted, because the amounts are not held for trading and, according to management's understanding, reflect the most significant accounting information.

## 19. Financial risk management objectives and policies (Continued)

### a) Financial instruments – Fair value (Continued)

All transactions with financial instruments are recorded in the Company's quarterly information. Outstanding balances at September 30, 2016 and December 31, 2015, as well as their fair values, are stated below:

	Book value				Fair value			
	Company		Consolidated		Company		Consolidated	
	09/30/16	12/31/15	09/30/16	12/31/15	09/30/16	12/31/15	09/30/16	12/31/15
<b>Assets</b>								
<b>Loans and receivables</b>								
Cash and cash equivalents	36,043	32,354	37,730	33,204	36,043	32,354	37,730	33,204
Short-term investments	4,937	4,446	4,937	4,446	4,937	4,446	4,937	4,446
Trade accounts receivable	47,459	52,638	46,199	54,023	47,459	52,638	46,199	54,023
Loans granted	5,757	5,798	5,757	5,798	5,992	6,076	5,992	6,076
<b>Liabilities</b>								
<b>Other financial liabilities</b>								
Trade accounts payable	(7,502)	(2,093)	(7,822)	(2,204)	(7,502)	(2,093)	(7,822)	(2,204)

The Company adopted the evaluation of observable prices method ("Level 2") to determine the fair value of its financial instruments.

### b) Risk management

The Company is exposed to market risk (including interest rate risk, currency risk, and commodity price risk), credit risk and liquidity risk. Financial instruments affected by these risks include short-term investments classified as cash and cash equivalents, trade accounts receivable, and loans granted to customers.

Risk management activities are consistent with the Company's risk management policy and are managed by its directors. These risks are managed based on control policy, which establishes exposure ongoing monitoring and measurement methods.

The Company does not carry out transactions with derivative instruments or any other type of transaction for speculative purposes.

#### • Market risk

Market risk is the risk that the fair value of future cash flows from a financial instrument may vary due to market price changes. Market prices are subject to three types of risk: interest rate risk, foreign exchange risk and price risk, including commodities. Financial instruments affected by market risk basically include loans receivable, loans payable and trade accounts payable.

#### I. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument may vary due to changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to long-term liabilities subject to floating interest rates.

The Company manages the interest rate risk by maintaining a balanced portfolio of loans receivable and payable at fixed and floating rates. In order to mitigate these risks, the Company adopts the practice to spread fund raising in terms of fixed and floating rates.

## 19. Financial risk management objectives and policies (Continued)

### b) Risk management (Continued)

- **Market risk** (Continued)

#### **II. Currency risks**

Company's P&L is subject to variation, due to volatility effects of floating exchange rate on transactions pegged to foreign currencies, basically in the export of finished goods. The Company adjusts its cost structure and sales prices so as to absorb foreign exchange rate fluctuation. At September 30, 2016, the Company reported a trade accounts receivable balance for sales in the foreign market of USD 681 thousand and did not report balances payable in foreign currency.

#### **Foreign currency sensitivity**

A foreign currency sensitivity analysis was performed with two different scenarios in order to check sensitivity to changes in exchange rate. This analysis considers deterioration by 25% and 50% in the foreign exchange rate in relation to the exchange rate of R\$3.25 at September 30, 2016 and identifies the possible impacts on total accounts receivable in the foreign market at said date amounting to R\$2,212. Based on these scenarios, there would be a decrease in the balance of accounts receivable to R\$1,660 and R\$1,106, respectively, with negative effect on pretax income of R\$553 and R\$1,107. These assumptions were defined based on management's expectation for exchange rate variation on the date of maturity of the contracts subject to these risks.

#### **III. Commodity price risk**

This risk is related to the likelihood of floating in the price of raw materials and other inputs used in the production process. Because it uses commodities, such as raw material (MDF and MDP boards), the Company's cost of sales may be affected by price changes of these materials. In order to minimize this risk, the Company monitors on an ongoing basis price fluctuations and establishes strategic inventories to maintain its business activities, as applicable. The Company has achieved success in the adoption of this policy.

- **Credit risk**

This risk arises from the Company's likelihood to record losses due to the default of its counterparties or of financial institutions depository of funds or investments. In order to mitigate these risks, the Company reviews the financial position of its counterparties, defines credit limits and monitors, on an ongoing basis, the outstanding positions. In relation to financial institutions, the Company only carries out operations with financial institutions considered by management as involving low risk. In relation to trade accounts receivable, the Company has also recorded an allowance for doubtful accounts, as mentioned in Note 4.

## 19. Financial risk management objectives and policies (Continued)

### b) Risk management (Continued)

- **Credit risk** (Continued)

#### Accounts receivable

The customer's credit risk is managed in a centralized manner, and subject to the procedures, controls and policies established by the Company in relation to this risk. Credit limits are set for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating system. Outstanding trade accounts receivable are monitored regularly. At September 30, 2016, the Company has 27 customers (19 customers at December 31, 2015) who represent 50.02% (50.03% at December 31, 2015) of all outstanding receivables. The Company holds security interests and monitors its exposure. These customers operate with various stores in Brazil. The Company does not have customers that individually represent more than 10% of sales.

The need to set up a provision for impairment is analyzed at each reporting date, individually for the major customers. Furthermore, a large number of trade accounts receivable with lower balances is grouped into homogenous groups and, in such cases, the need to record provision is analyzed collectively. The allowance for doubtful accounts was set up for an amount considered sufficient by management to cover losses, if any, on receivables and was based on the analysis of individual balances receivable from customers presenting risk of default.

#### Financial instruments and bank deposits

The credit risk of bank and financial institution balances is managed by the Company's financial department and monitored by the Executive Board. Surplus funds are invested only in top tier financial institutions authorized by the Executive Board. The amounts invested are monitored to minimize the concentration of risks and, as such, mitigate the financial loss in the event of the bankruptcy of any counterparty.

- **Liquidity risk**

The liquidity risk is the risk of the Company not to have sufficient funds to meet its commitments due to different currencies and terms for settlement of its rights and obligations.

Cash flow and liquidity control is monitored daily by the Company's financial department so as to ensure that cash generation and preliminary fund raising, when needed, are sufficient to cover their scheduled commitments, thereby not exposing the Company to liquidity risk. The consolidated financial liabilities profile at September 30, 2016, consists of the trade accounts payable balance, amounting to R\$20, falling due within three months and R\$20 falling due from three months to one year, thereby the Company does not incur contracted interest in the future.

## 19. Financial risk management objectives and policies (Continued)

### c) Capital management

The Company manages its capital structure and makes adjustments considering changes in economic conditions. The capital structure or financial risk stems from the choice between using own capital (capital subscription and retained earnings) and third party capital that the Company uses to finance its operations. In order to mitigate liquidity risks and leverage the weighted average cost of capital, the Company permanently monitors its debt to equity levels in accordance with market standards. There were no changes in the objectives, policies or processes in the period ended September 30, 2016 and year ended December 31, 2015.

The main objective of the Company's capital management is to ensure that it retains a strong credit rating and a problem free capital classification in order to support its business and maximize value to its shareholders.

The Company includes in its net debt the loans and financing less cash and cash equivalents and restricted long-term investments not immediately redeemable as follows

	<u>Company</u>		<u>Consolidated</u>	
	<u>09/30/2016</u>	<u>12/31/2015</u>	<u>09/30/2016</u>	<u>12/31/2015</u>
Trade accounts payable	7,502	2,093	7,822	2,204
(-) Cash and cash equivalents	(36,043)	(32,354)	(37,730)	(33,204)
(-) Restricted long-term investments not immediately redeemable	(4,937)	(4,446)	(4,937)	(4,446)
Net debt	<b>(33,478)</b>	<b>(34,707)</b>	<b>(34,845)</b>	<b>(35,446)</b>
Equity	198,350	198,493	198,350	198,493
Equity and net debt	<b>164,872</b>	<b>163,786</b>	<b>163,505</b>	<b>163,047</b>

## 20. Insurance

The Company takes out insurance coverage considered sufficient by management to protect against risks to which the assets and/or liabilities are subject. The main insurance categories are stated below:

<u>Coverage</u>	<u>Effective term</u>		<u>Amount insured</u>
	<u>From</u>	<u>Up to</u>	
<b>Fire, storm and electrical damage</b>			
Machinery, equipment and buildings	2015	2016	142,800
Inventories	2015	2016	21,000
<b>Loss of profits</b>	2015	2016	21,360
<b>Civil liability</b>	2015	2016	5,727
<b>Directors and Officers Liability (D&amp;O)</b>	2015	2016	10,000

## 21. Segment information

The Company manufactures and sells planned furniture. The Company's products, although sold to various end consumers, are not controlled or managed by management as independent segments; accordingly, the Company's profit or loss is managed, monitored and assessed as a single operating segment.

Gross sales revenue in the domestic and foreign markets is as follows:

	Consolidated	
	09/30/2016	09/30/2015
Domestic market		
Dell Anno and Favorita – exclusive and own stores	98,029	119,081
New and Casa Brasileira – exclusive stores	53,640	64,967
New and Casa Brasileira – multi brands	25,028	26,178
Unicasa Corporate	9,025	3,846
Other revenues	2,133	2,366
	<b>187,855</b>	<b>216,438</b>
Foreign market	4,007	6,488
Total gross revenue from sales	<b>191,862</b>	<b>222,926</b>

Revenue in foreign market is not being stated separately by geographic area since it represents at September 30, 2016 2.1% of gross revenue (2.9% at September 30, 2015).

## 22. Operating lease commitments – lease of stores

At September 30, 2016, the Company had lease agreements entered into with third parties, of which the Company analyzed and concluded fall under the classification of operating lease agreements. The operating lease payments are recognized as expenses in P&L on a straight-line basis over the lease term.

The consolidated minimum future lease payments of non-revocable operating leases within one year total R\$2,539, and from one year to five years, R\$6,106.

The average monthly lease expense at September 30, 2016 totaled R\$ 222 and at December 31, 2015 is R\$ 175. These lease agreements mature between four to five years, subject to financial charges related to the General Price Index – Market (IGPM) variation, as specified in each agreement.

Lease amounts are settled within the current month, leaving no outstanding balance payable at the end of the period.

A substantial portion of some lease amounts is linked to store turnover, and a minimum amount is established. In addition, the contractual grace period is not representative for purposes of compliance with the expected linear expenses.

## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF QUARTERLY FINANCIAL INFORMATION (ITR)**

The Shareholders, Board of Directors and Officers  
**Unicasa Indústria de Móveis S.A.**  
Bento Gonçalves – RS

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of Unicasa Indústria de Móveis S.A. ("Company") contained in the Quarterly Information Form – ITR for the quarter ended September 30, 2016, which comprises the balance sheet as at September 30, 2016 and the related income statements and statements of comprehensive income for the three and nine-month periods then ended, and the related statements of changes in equity and cash flow statements for the nine-month period then ended, including the explanatory notes.

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

### **Scope of the review**

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

### **Conclusion on the individual and consolidated interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, applicable to the preparation of Quarterly Financial Information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission.

## **Other matters**

### **Statements of value added**

We have also reviewed the individual and consolidated Statements of Value Added for the nine-month period ended September 30, 2016, prepared under the responsibility of Company management, the presentation of which in the interim information is required by the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to preparation of Quarterly Information, and as supplementary information under the IFRS, whereby no statement of value added presentation is required. These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in accordance with the overall interim financial statements.

Porto Alegre (RS), November 01, 2016.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC 2SP015199/F-6

Américo F. Ferreira Neto  
Accountant CRC-1SP192685/O-9

## **Reports and Representations/ Directors' Representation on Financial Statements**

### Directors' Representation on Financial Statements

In accordance with item VI of article 25 of CVM Ruling No. 480, dated December 7, 2009, management revised, discussed and agreed upon the Company's quarterly information for the third quarter of 2016, and authorized conclusion on that date.

Bento Gonçalves, November 01, 2016.

Frank Zietolie

Chief Executive Officer, Chief Finance Officer and Investor Relations Officer

Kelly Zietolie

Director Vice President

## **Report and Representations/ Directors' Representation on Independent Auditor's Report**

In accordance with item VI of article 25 of CVM Ruling No. 480, dated December 7, 2009, management revised and discussed on the content and opinion expressed in the Independent Auditor's Report on the Company's Quarterly Information for the third quarter of 2016, issued on that date.

Management represents that it is in agreement with the content and the opinion expressed in that report.

Bento Gonçalves, November 01, 2016.

Frank Zietolie  
Chief Executive Officer, Chief Finance Officer and Investor Relations Officer

Kelly Zietolie  
Director Vice President