São Paulo, Brazil, August, 9th 2018 - Metalfrio Solutions S.A. (FRIO3) ("Metalfrio"), one of the world's largest manufacturers of plug–in commercial refrigeration equipment, announces its results for the second quarter of 2018 ("2Q18"). Financial and operational information is given in accordance with international accounting standards (IFRS), in Brazilian Reais (R$). Comparisons are with the second quarter of 2017 ("2Q17") or as indicated.

2Q18 Highlights

- 2Q18 Net Revenues up 18.2% to R$359.6 million compared to the corresponding prior year period and 6 months revenues up 29.7% to R$652.8 million; both periods at historical high levels (R$503.5 million in 1H17)

- 2Q18 Gross Profit increased by 35.7% to R$64.5 million compared to R$47.6 million in 2Q17 and by 32.9% to R$108.0 million in 1H18 (R$81.3 million in 1H17)

- EBITDA for the quarter at R$47.1 million up 53.9% vs 2Q17 R$30.6 million; and R$67.1 million for the first half of 2018 up 32.2% vs R$50.7 million in 1H17

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

"Metalfrio has delivered a resilient operationally second quarter with growth in Sales, Gross Profit and improved EBITDA. Revenues at historical high levels for the second quarter, were underpinned by our global market position and strong and long-lasting relationships with our customers.

Recent investments in our Turkish plant allowed us to capture a sizeable part of the European demand achieving our best quarter whilst also reaping efficiency gains, despite the Turkish Lira devaluation. Market conditions improvement in Brazil combined with revenues to US customers through our Mexican plant also allowed further Revenue expansion.

We remain cautiously optimistic that despite the current volatility in commodities and currencies, we shall be able to maintain a steady course for the rest of the year, as we continue to execute our highly focused strategy on meeting the needs of our customers whilst driving further internal efficiencies, mitigating cost escalation and working towards our target of Net Debt to Adjusted EBITDA ratio of 2.5x in the near future ".

(R$ million)	2Q18	2Q17	% Var	1H18	1H17	% Var
Net Revenues	359.6	304.2	18.2	652.8	503.5	29.7
Gross Profit	64.5	47.6	35.7	108.0	81.3	32.9
Gross Margin	***17.9%***	***15.6%***		***16.5%***	***16.1%***	
Op. Profit	37.8	21.1	78.8	49.1	34.6	42.0
Adj. EBITDA	47.1	30.6	53.9	67.1	50.7	32.2
Adj. EBITDA Margin	***13.1%***	***10.1%***		***10,3%***	***10.1%***	

Outlook

Despite the positive Sales growth along the first half of the year, Metalfrio remains both vigilant and prepared with regards to the current political and economic conditions in Brazil and Turkey as well as the ongoing volatility in currencies and commodities. We believe that our strong market positions, operational excellence and highly focused sales execution will enable us to maintain good results across our established markets whilst pursuing further efficiency gains and cost structure optimisation.

Metalfrio will continue to prioritise customer value-creation, ensuring that it provides innovative, market-leading solutions that enable its customers to meet current and future challenges. Metalfrio has built a strong and unique position in its key markets, and will focus on further developing its superior after sales services offer. This constitutes a key differentiator in the value chain proposition for customers, further complimenting the company's well-invested, and well-located, production hubs. The recent production capacity increase in Turkey, together with the efficiency gains in Brazil and R&D developments in Mexico, are expected to facilitate further market share gains in our existing geographies and growth in exciting, high-growth potential regions such as the Near East, Asia and Africa.

Metalfrio applies a strong level of financial discipline on capital allocation and working capital improvements, as well as active margin management to improve the resilience of earnings and cash flow throughout the course of the economic cycle. Despite the adverse movements in currencies, Metalfrio is committed to deleveraging its medium term balance sheet through working capital and Capex optimisation, towards our target of Net Debt to EBITDA ratio of 2.5x (at year end) in the near future.

Net Revenue

Consolidated Net Revenues in 2Q18 reached R$359.6 million, an increase of 18.2% versus 2Q17 (R$ 304.2 million), driven by expansion across our operating geographies. 1H18 Net Revenues reached R$652.8 million, an increase of 29.7% versus the same period of last year (R$503.5 million).

(R$ million)	2Q18	2Q17	% Var	1H18	1H17	% Var
Americas	***178.0***	***135.3***	*31.5*	***313.5***	***254.0***	*23.4*
Europe	***181.6***	***168.8***	*7.6*	***339.3***	***249.5***	*36.0*

Americas

The positive momentum delivered by Metalfrio in the Americas during the last three quarters, continued into 2Q18, with revenue growth of 31.5% to R$178.0 million, compared to the same period last year.

Despite a lorry drivers' strike in Brazil, which stalled the economy for almost two weeks and caused disruptions to our supply chain including a production stoppage for one week, sales in Brazil grew 30% during the quarter and 23% during 1H18. Progress in the distributors channel continued to be a key-strategy for expansion of Revenues that together with growth in exports mainly to soft-drink customers through our newly-establish sales office in Argentina, sustained the sales momentum.

Mexico delivered the expected rebound relative to the first quarter, as deferred orders were realized in the second quarter, leading to a rise of 25% in Revenues during the second quarter compared to the previous year comparable period. Uncertainty due to elections, held at the beginning of July, impacted domestic sales in Mexico, however this was more than mitigated, by exports that included first time shipments to Coca-Cola bottlers in North America. A higher average realisation per unit from a favourable product mix with more innovative products was an important contributor to the revenue improvement.

Our LifeCycle operation continued experiencing solid growth in the whole region as new contracts across our main segments of beverage and ice-cream have been concluded including refurbishment operations for ice-cream freezers and beer coolers in Mexico.

Europe

The utilization of the recently invested capacity in our Turkish facility allowed our European operations to achieve Revenues at historical highs in both quarters of this year. Notwithstanding the significant devaluation of the Turkish Lira against the Brazilian Real, Sales in Europe increased by 7.6% to R$181.6 million in the second quarter even despite the strong comparable prior year period, when orders from the first quarter were postponed to the second quarter.

1H18 Revenues are up 36.0% to R$339.3m vs R$249.5 million in the same period of last year. It is worth noting that the Turkish lira depreciation headwind depressed revenues and when compared in a neutral currency scenario, Revenues in Europe would have increased by 42.5% in this period also vs. last year.

Sales in Europe grew in the soft-drink and beer segment with further share gains in the distributor as well as supermarket channel whilst exports revenue reached a historical high underpinned by diverse customer portfolio in 68 countries.

Gross Profit

In 2Q18 Gross Margin grew to 17.9% (R$64.5 million) against 15.6% (R$47.6 million) in the previous year. The effect of increased sales together with higher utilization levels more than compensated the cost escalation in material costs. In 1H18, Gross Margin also increased by 40bps when compared with the previous year (16.5% versus 16.1%) yielding a Gross Profit of R$108.0 million vs R$81.3 million last year.

Operating Expenses (SG&A)

SG&A decreased by 84 bps and 71 bps in 2Q18 and 1H18 respectively, compared to the previous year, due to the positive operating leverage and our relentless efforts on cost controlling.

EBITDA

Adjusted EBITDA reached R$47.1 million in 2Q18 with an EBITDA Margin of 13.1% (2Q17 at R$30.6 million and 10.1%), another important indicator at historical high. In 1H18 Adjusted EBITDA increased by 32.2% to R$67.1 million with a 10.3% margin versus R$50.7 with 10.1% in the previous year, highlighting our focus on both expansion and efficiency gains.

Reconciliation of consolidated EBITDA and Adjusted EBITDA

Consolidated EBITDA (R$ million)	2Q17	3Q17	4Q17	1Q18	2Q18
Operating result	21.1	8.5	30.1	11.3	37.8
Depreciation and amortization	7.2	7.2	7.3	7.9	8.6
EBITDA	**28.3**	**15.7**	**37.4**	**19.3**	**46.4**
Layoffs (i)	0.7	0.3	1.5	0.7	0.7
Other extraordinary expenses (ii)	1.6	-0.7	-0.3	0.0	0.0
Adjusted EBITDA	**30.6**	**15.3**	**38.5**	**20.0**	**47.1**

i. Layoffs: The adjustment mainly refers to restructuring charges related to efficiency projects, where certain positions were consolidated allowing further headcount reduction.

ii. Extraordinary one-time expenses is related to a tax installment agreement from prior years.

Financial Result

Net Finance Expenses were R$42.1 million in 2Q18 and R$61.2 million in 2Q17 affected by non-recurring items and adverse movements across our operating currencies. This led to negative FX variation, which was mitigated by the hedge operations. The Company was hedged in Brazil on its consolidated (including subsidiaries loans) net debt exposure as reflected by the gain in the hedge operations. However, the exposure in Turkey related to Turkish Lira vs US$ and Euro was not in place until May when we entered into a fully hedged position against this exposure.

It is also worth noting that 2Q18 Interest costs have been affected (1) by the movements in the debt currency mix with higher participation in R$ vs US$, (2) the seasonality in the business where sales and working capital requirements are at a high point in the cycle, causing a temporary rise in debt levels and (3) the higher sales level.

The securities market value change resulted in a R$7.6 million expense however the extension of loan maturities also made the reduction in the securities portfolio feasible with less volatility in the future.

Other Financial expenses also included the NPV adjustment for account balances that is reverted during the year as well as the tax effect on hedge operation gains.

(R$ Mn)	2Q17	2Q18	Chg. 18/17	1H17	1H18	Chg. 18/17
Result with cash investments	3,8	3,1	-18%	9,4	6,6	-29%
Securities market Value Change	0,0	0,0	nm	0,0	0,0	nm
Other financial income	0,4	0,5	29%	1,0	0,8	-22%
Interest and Other Income	**4,3**	**3,7**	**-14%**	**10,3**	**7,4**	**-29%**
Interest on loans and financing	-10,5	-15,1	43%	-19,5	-24,4	25%
Securities market Value Change	-21,4	-7,6	-64%	-10,9	-8,5	-22%
Other financial expenses	-10,0	-10,2	2%	-18,1	-20,0	11%
Interest and Other Expenses	**-41,9**	**-32,8**	**-22%**	**-48,5**	**-52,9**	**9%**
Hedge Operations Result	**0,1**	**46,2**	**42557%**	**0,2**	**47,6**	**29820%**
Net FX Variation	**-23,6**	**-59,1**	**150%**	**-14,4**	**-68,0**	**372%**
Net Financial Result	**-61,2**	**-42,1**	**-31%**	**-52,4**	**-66,0**	**26%**

Net Profit/Loss

Profit before taxes in 2Q18 resulted in a loss of R$4.3 million versus a loss of R$40.1 million in the corresponding period of last year.

Higher income tax related to cash financial gains resulted in a **Net Loss of** R$18.5 million in 2Q18, versus a Net loss of R$38.4 million in the previous year. In 1H18, Net loss was R$32.2 million versus R$19.1 million Net Profit in 1H17.

Working Capital

Due to the higher level of sales and increase in cash cycle days 2Q18 working capital less financial assets and liabilities, reached R$197.5 million compared with R$162.6 million at the end of 2Q17. The operational cash cycle in 2Q18 was 47 days, 7 days higher than in 2Q17 and 40 days higher than 4Q17.

WORKING CAPITAL (R$ million)	2Q17	3Q17	4Q17	1Q18	2Q18	Chg. 2Q18/ 2Q17	Chg. 2Q18/ 4Q17
Current assets:							
Cash and equivalents, bonds and securities	447.2	385.3	507.4	386.6	362.3	-84.9	-145.0
Accounts receivable	226.2	201.3	115.0	243.6	326.4	100.2	211.4
Inventory	178.1	181.3	206.3	232.2	235.4	57.3	29.1
Other	44.3	41.3	38.8	49.2	52.3	8.0	13.5
A) Total	**895.8**	**809.2**	**867.5**	**911.7**	**976.5**	80.7	109.0
B) Current assets (less fin. assets)	**448.6**	**423.9**	**360.1**	**525.0**	**614.1**	165.5	254.0
Current liabilities:							
Accounts payable	220.5	193.6	266.2	274.7	305.0	84.5	38.8
ST debt	657.3	520.5	511.2	574.5	390.3	-266.9	-120.9
Other	65.5	65.8	63.9	83.9	111.2	45.7	47.3
C) Total	**943.3**	**779.8**	**841.3**	**933.1**	**806.5**	-136.8	-34.8
D) Current liabilities (less fin. liab.)	**286.0**	**259.3**	**330.1**	**358.6**	**416.2**	130.2	86.1
Working capital (B-D)	**162.6**	**164.5**	**30.0**	**166.4**	**197.9**	35.4	167.9
Days of receivables	56	67	33	68	68	13	35
Days of inventory	62	85	89	84	72	9	-17
Days of suppliers	77	91	115	99	93	16	-22
Cash cycle	**41**	**61**	**7**	**53**	**47**	7	40
Current liquidity (A/C)	0,9x	1x	1x	1x	1.2x	n/a	n/a

Accounts Receivable

In 2Q18 accounts receivable from customers reached R$326.4 million, increased R$100.2 million when compared to 2Q17 (R$226.2 million) and increased R$ 211.4 million when compared to 4Q17 (R$115.0 million). Accounts receivable in terms of days were up 13 days when compared to 2Q17, at 68 days and up 35 days when compared to 33 days in the end of 4Q17.

Inventories

In 2Q18 inventories reached R$235.4 million and were up R$57.2 million when compared to 2Q17 (R$178.1million) and up R$ 29.1 million when compared to 4Q17. Inventory in number of days was higher at 72 at the end of 2Q18 vs 62 days at the end of 2Q17 but 17 days lower when compared to 89 days in the end of 4Q17.

Accounts Payable

In 2Q18 supplier outstanding payables were up R$84.5 million at R$305.0 million when compared with R$220.5 million in 2Q17 and were also higher by R$ 38.8 million when compared to 4Q17 (R$266.2 million). Payables days were up 16 days to 93 days when compared to 2Q17 and lower 22 days when compared to 4Q17 (115 days).

Investments

Fixed assets

In 2Q18 net property, plant and equipment was R$197.8 million, R$10.4 million higher than 2Q17 and R$4.7 million higher than 4Q17 (R$ 193.1 million).

Intangible assets

In 2Q18 total intangible assets reached R$156.5 million, increased R$3.8 million from R$152.7 million in 2Q17 and also increased R$3.6 million when compared to R$ 152.9 million in 4Q17.

FIXED ASSETS (R$ million)	2Q17	3Q17	4Q17	1Q18	2Q18	Chg. 2Q18/ 2Q17	Chg. 2Q18/ 4Q17
Net PP&E	187,3	181,1	193,1	194,5	**197,8**	+10,5	+4,7
Intangibles	152,7	151,9	152,9	154,0	**156,5**	+3,8	+3,6
Total	**340,0**	**333,1**	**345,9**	**348,5**	**354,3**	**+22,5**	**+8,3**

Capitalization and Liquidity

In 2Q18 cash and cash equivalents (including marketable securities) reached R$362.3 million, compared to R$447.2 million in 2Q17. In line with the seasonality of the business cycle where sales and working capital requirements are typically higher in the first half, gross debt in 2Q18 was R$883.5 million compared with R$879.8 million in 2Q17. **Net debt** in 2Q18 reached R$521.1 million compared to R$432.5 million in the previous year. It is worth noting that last twelve months Adjusted EBITDA stands at R$120.9 million versus R$77.8 million for the last twelve months ended 2Q17 (R$104.5 million in 4Q17 – full year 2017), improving net debt to adjusted EBITDA to 4.39x from 5.56x.

LIQUIDITY INDICATORS (R$ million)	2Q17	3Q17	4Q17	1Q18	2Q18	Chg. 2Q18/ 2Q17	Chg. 2Q18/ 4Q17
Cash and equivalents, bonds and securities	**447.2**	**385.3**	**507.4**	**386.6**	**362.3**	**-84.9**	**-145.0**
Short term debt (ST)	657.3	520.5	511.2	574.5	**390.3**	-266.9	-120.9
Long term debt (LT)	222.5	282.4	317.6	286.6	**493.1**	270.6	175.5
USD denominated debt	547.0	499.4	507.8	484.2	**223.2**	-323.8	-284.6
BRL denominated debt	29.8	27.8	28.2	27.5	**279.0**	249.2	250.8
Euro denominated debt	303.0	275.6	292.8	349.4	**381.3**	78.3	88.5
Other Currencies	0.0	0.0	0.0	0.0	**0.0**	0.0	0.0
Gross debt	**879.8**	**802.8**	**828.8**	**861.0**	**883.5**	**3.7**	**54.7**
Net cash / (Net debt)	**-432.5**	**-417.6**	**-321.4**	**-474.4**	**-521.1**	**-88.6**	**-199.7**
Shareholders' equity (Equity)	**116.0**	**126.1**	**97.9**	**84.8**	**70.6**	**-45.4**	**-27.3**
Cash and equiv. / ST debt	0.7x	0.7x	1x	0.7x	**0.9x**	n/a	n/a
ST debt / (ST + LT)	74.7%	64.8%	61.7%	66.7%	**44.2%**	n/a	n/a
Net cash (Net debt) / Equity	-3.7x	-3.3x	-3.3x	-5.6x	**-7.4x**	n/a	n/a
Net debt / (Net debt + Equity)	78.9%	76.8%	76.7%	84.8%	**88.1%**	n/a	n/a

In 2Q18 short-term debt was R$390.3 million compared to R$657.3 million in 2Q17 with long term debt as a percentage of total debt up from 25.3% in 2Q17 to 55.8% in 2Q18, as a result of the loan extensions including Brazil. The currency mix has been adjusted to provide a shield against further currency adversity with higher participation of R$ versus USD loans.

Shareholders´ equity

Shareholders´ equity at 2Q18 was R$70.6 million, which compares to R$97.9 million at 4Q17.

CONFERENCE CALL – 2Q18 – Metalfrio
August 10th 2018

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13h30 (Brasília Time)
12h30 (US- EST)
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Webcast

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English
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Other Information

Management Statement

In accordance with article 25 of Instruction 480/2009 of the CVM (Brazilian Securities Commission – Comissão de Valores Mobiliários), the Company's Management states it has discussed, revised and agreed with the Independent Auditor's Opinion and with the accounting statements relative to the business by June 30th, 2018.

Relationship with external auditors

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

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

Commitment Clause

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

Disclaimer

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

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

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

Consolidated Income Statement – 2nd Quarter

	2Q18	% Revenues	2Q17	% Revenues	Var. 2Q18 vs. 2Q17 (%)
NET REVENUES	359.6	100.0%	304.2	100.0%	18.2%
Cost of goods	(295.1)	-82.1%	(256.6)	-84.4%	15.0%
GROSS PROFIT	64.5	17.9%	47.6	15.6%	35.7%
OPERATING INCOMES (EXPENSES)					
Selling expenses	(24.7)	-6.9%	(20.1)	-6.6%	22.5%
Administrative and general expenses	(13.0)	-3.6%	(14.2)	-4.7%	-8.9%
Other operating income	10.9	3.0%	7.9	2.6%	36.9%
RESULTS BEFORE NET FINANCIAL	37.8	10.5%	21.1	6.9%	78.8%
NET FINANCIAL RESULT	(42.1)	-11.7%	(61.2)	-20.1%	-31.1%
Financial expenses	(68.8)	-19.1%	(41.7)	-13.7%	65.2%
Financial income	85.8	23.9%	4.1	1.3%	1994.8%
Net exchange variation	(59.1)	-16.4%	(23.6)	-7.8%	150.3%
RESULTS BEFORE TAXES	(4.3)	-1.2%	(40.0)	-13.2%	-89.1%
INCOME AND SOCIAL CONTRIB. TAXES					
Current	(10.3)	-2.9%	(3.3)	-1.1%	212.3%
Deferred	(3.9)	-1.1%	4.9	1.6%	nm
NET RESULT FOR THE PERIOD	(18.5)	-5.2%	(38.4)	-12.6%	-51.7%

Consolidated Income Statement – 1st Semester

	2018	% Revenues	2017	% Revenues	Var. 2018 vs. 2017 (%)
NET REVENUES	652.8	100.0%	503.5	100.0%	29.7%
Cost of goods	(544.8)	-83.5%	(422.2)	-83.9%	29.0%
GROSS PROFIT	108.0	16.5%	81.3	16.1%	32.9%
OPERATING INCOMES (EXPENSES)					
Selling expenses	(48.7)	-7.5%	(37.2)	-7.4%	30.8%
Administrative and general expenses	(27.0)	-4.1%	(24.8)	-4.9%	9.1%
Other operating income	16.9	2.6%	15.3	3.0%	9.9%
RESULTS BEFORE NET FINANCIAL	49.1	7.5%	34.6	6.9%	42.0%
NET FINANCIAL RESULT	(66.0)	-10.1%	(52.4)	-10.4%	26.0%
Financial expenses	(89.6)	-13.7%	(58.6)	-11.6%	52.8%
Financial income	91.6	14.0%	20.7	4.1%	343.1%
Net exchange variation	(68.0)	-10.4%	(14.4)	-2.9%	372.2%
RESULTS BEFORE TAXES	(16.9)	-2.6%	(17.8)	-3.5%	-5.1%
INCOME AND SOCIAL CONTRIB. TAXES					
Current	(13.8)	-2.1%	(4.3)	-0.9%	216.3%
Deferred	(1.6)	-0.2%	3.0	0.6%	nm
NET RESULT FOR THE PERIOD	(32.2)	-4.9%	(19.1)	-3.8%	68.7%

Consolidated Balance Sheet

ASSETS (R$ mn)	2Q18	4Q17
CURRENT ASSETS		
Cash and cash equivalents	162.6	294.4
Marketable securities	199.8	213.0
Trade accounts receivable	326.4	115.0
Inventories	235.4	206.3
Recoverable taxes	40.3	29.1
Accounts receivable on derivatives	-	1.0
Other accounts receivable	12.1	8.8
Total current assets	976.5	867.5
NON-CURRENT		
Long-term receivables:		
Deferred taxes	60.1	61.7
Recoverable taxes	3.8	3.8
Investments		
Property, plant and equipment	197.8	193.1
Intangible assets	156.5	152.9
Total non-current	418.2	411.4
TOTAL	1,394.6	1,278.9

LIABILITIES, NON-CONTROLLING INTEREST AND SHAREHOLDERS' EQUITY (R$ mn)	2Q18	4Q17
CURRENT LIABILITIES		
Accounts payable to suppliers	305.0	266.2
Loans and financing	390.3	511.2
Tax payable	15.8	10.4
Payroll and related charges	23.4	20.1
Other provisions	32.0	27.0
Accounts payable on derivatives	31.3	-
Other accounts payable	8.7	6.4
Total current liabilities	806.5	841.3
NON-CURRENT		
Loans and financing	493.1	317.6
Taxes payable	2.4	2.7
Provision for risks	9.1	8.3
Other accounts payable	12.9	11.2
Total non-current liabilities	517.5	339.7
SHAREHOLDERS' EQUITY		
Capital	244.0	244.0
Capital reserve	2.7	2.7
Profit reserve	0.1	0.2
Equity valuation adjustments	(82.6)	(89.2)
Capital transaction between shareholders	(69.3)	(69.3)
Accumulated profits (losses)	(64.6)	(30.9)
	30.3	57.5
Non-controlling interest	40.3	40.4
Total Shareholders' equity	70.6	97.9
TOTAL	1,394.6	1,278.9

Consolidated Cash Flow – 1H18

(R$ mn)	1H18	1H17
CASH FLOWS FROM OPERATING ACTIVITIES		
Result for the Period	**(32.2)**	**(19.1)**
Reconciliation of the result for the period to net cash generated by (used in) operating activities:		
Depreciation and amortization	16.5	13.9
Provision for risks	0.8	0.3
Other provisions	4.9	(9.2)
Provision for losses (gains) on derivatives	32.2	(0.5)
Exchange differences	82.9	21.7
Interest on borrowings	23.4	17.7
Residual value of fixed and intangible assets disposed of	0.8	10.4
Deferred income tax and social contribution	1.6	(3.0)
	130.9	**32.1**
(Increase) decrease in assets:		
Current:		
Trade receivables	(194.2)	(93.4)
Inventories	(29.1)	(43.8)
Taxes recoverable	(11.1)	(11.8)
Other receivables	(3.3)	(3.4)
Noncurrent:		
Taxes recoverable	(0.0)	(0.4)
	(237.8)	**(152.9)**
Increase (decrease) in liabilities:		
Current:		
Trade payables	26.2	62.5
Taxes payable	5.5	(1.2)
Payroll and related charges	3.3	4.5
Payables to related parties	-	0.2
Current Other payables	2.3	(2.1)
Noncurrent:		
Taxes payables	(0.3)	4.0
Non-Current Other payables	1.7	1.0
	38.7	68.9
Net cash generated by (used in) operating activities	**(68.2)**	**(51.9)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(14.6)	(22.5)
Additions to intangible assets	(7.0)	(5.3)
Marketable securities	13.2	16.4
Net cash generated by (used in) investing activities	**(8.4)**	**(11.3)**
CASH FLOWS FROM FINANCING ACTIVITIES		
New borrowings	638.9	264.6
Payment of principal	(685.7)	(145.1)
Payment of interest	(26.7)	(16.2)
Net cash (used in) generated by financing activities	**(73.6)**	**103.3**
EFFECTS OF EXCHANGE ON CASH AND CASH EQUIVALENTS	**18.4**	**14.5**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(131.8)**	**54.6**
CASH AND CASH EQUIVALENTS		
At the end of the period	162.6	232.7
At the beginning of the period	294.4	178.1
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(131.8)**	**54.6**