ITAÚSA

Conference Call
2017

Alfredo Egydio Setubal
CEO and Investor Relations Officer

Agenda

ITAÚSA

Itaú

Duratex

Elekeiroz

ALPARGATAS

Ownership structure(1)

Moreira Salles Family

100.00% total

Cia. E. Johnston de Participações

50.00% C
0.00% P
33.47% Total

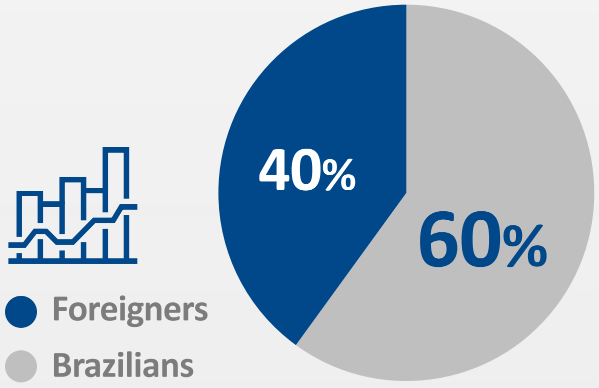
Egydio Souza Aranha Family

63.26% C
16.94% P
34.44% total

Free Float (2)

36.74% C
83.06% P
65.56% total

% in number of shares



IUPAR

50.00% C
100.00% P
66.53% Total

ITAÚSA

51.71% C
0.00% P
26.44% total

37.64% (3)
3Q17: 37.41%
Δ +0.23 bps

39.21% C
0.004% P
20.05% total

42.89% C
10.82% P
27.55% total

BW/ Cambuhy
42.89% C
10.82% P
27.55% Total

Cia. Ligna e Família Seibel
20.07% C
20.07% Total

3Q17: 36.41%
Δ +0.27 bps
36.68% C
36.68% Total

7.65% C
7.65% Total

98.23% C
94.99% P
96.49% Total

100.00% total
Itaúsa Empreend.
0.21% P
0.11% total

98.93% C
98.93% Total

Itaú | Alpargatas | Duratex | nts (4) | Elekeiroz | Itautec

Itaú:
7.81% C
99.61% P
52.67% Total
Free Float (2)

Alpargatas:
14.22% C
78.36% P
44.90% Total
Free Float (2)

Duratex:
39.78% C
39.78% Total
Free Float (2)

Elekeiroz:
1.76% C
4.80% P
3.40% total
Free Float (2)

Itautec:
0.82% C
0.82% Total
Free Float (2)

(1) The Interest presented consider the outstanding shares.

(2) controladoresExcluding the shares held by controlling interests

(3) Represents the direct/ indirect Itaúsa interest in the Capital of Itaú Unibanco Holding.

(4) Investment not valued by the Equity Method

Itaúsa’s Governance

Reinforcement of **Itaúsa’s Governance Structure**

Shareholders General **Meetings**

Fiscal **Council**

Fiscal Council will be permanent from April 2018, in line with the best practices of **corporate governance**

External Audit

Board of **Directors**

Executive **Directors**

Internal Audit

Itaúsa's Governance

Reinforcement of the **Itaúsa's Governance Structure** with the creation of new **Advisory Commissions**

Advisory Committe and Commissions

- Disclosure & Trading Committe
- Finance Commission
- Sustainability and Risk Commission **[Internal Audit]**
- Investiments Commission
- People and Ethics Comission

New

Renewal of Itaúsa Shareholders' Agreement

- Itaúsa Shareholders' Agreement will be **automatically renewed on 06/24/2019 for another 10 years**, guaranteeing the sustainability and perenniality of the company.

R$ Million

Itaúsa Results - Main indicators

	Parent Company		Non-controlling interests		Consolidated	
	12/31/17	12/31/16	12/31/17	12/31/16	12/31/17	12/31/16
Net income	8,403	8,211	119	5	8,522	8,216
Recurring net income	9,120	8,643	192	(9)	9,312	8,634
Stockholders' equity	53,229	47,729	2,993	2,950	56,222	50,679
Annualized return on average equity (%)	16.8%	17.7%	4.0%	0.2%	16.1%	16.6%
Annualized recurring return on average equity (%)	18.2%	18.6%	6.5%	-0.3%	17.6%	17.5%

Financial Highlights

Main indicators - Dec/2017 x Dec/2016

Main Results per share

Results per share - in R$	12/31/17	12/31/16	Change	
Net income of parent company	1.13	1.11	0.02	1.9%
Recurring net income of parent company	1.22	1.17	0.05	5.0%
Book value of parent company	7.12	6.45	0.67	10.5%
Dividends/ interest on capital, net	0.88	0.50	0.38	75.1%
Price of preferred share (PN) [1]	10.82	8.22	2.60	31.6%
Market capitalization [2] - R$ million	80,865	60,855	20,010	32.9%

[1] Based on the average quotation of preferred shares on the last day of the period.

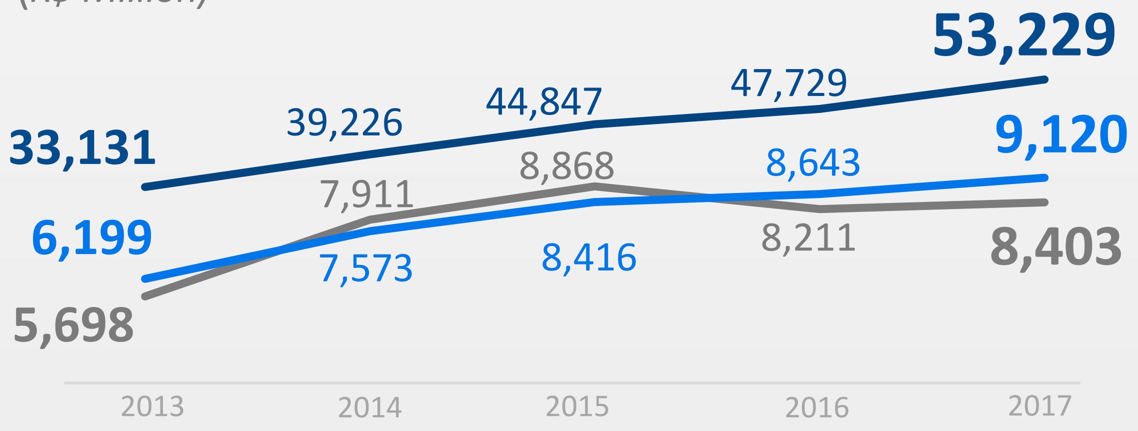
[2] Calculated based on the average quotation of preferred shares on the last day of the period (quotation of average PN multiplied by the number of outstanding shares at the end of the period).

Financial Highlights

Stockholders' equity and Net income of the Parent Company[1]

Stockholders’ Equity and Net Income

(R$ Million)



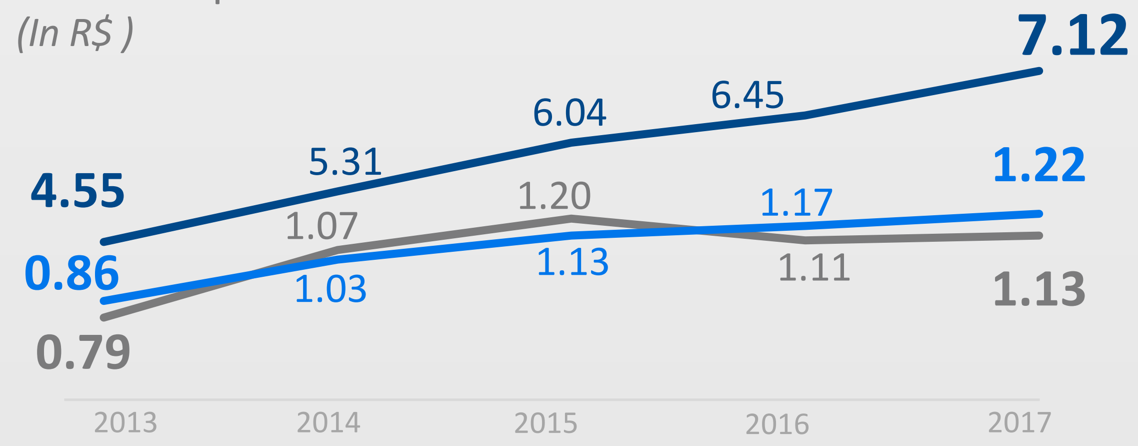
Stockholders' Equity
CAGR **12.6%**

Recurring Net Income
CAGR **10.1%**

Net Income
CAGR **10.2%**

Indicators per Share [2]

(In R$)



Book Value of Parent Company
CAGR **11.8%**

Recurring Net Income of Parent Company
CAGR **9.1%**

Net Income of Parent Company
CAGR **9.4%**

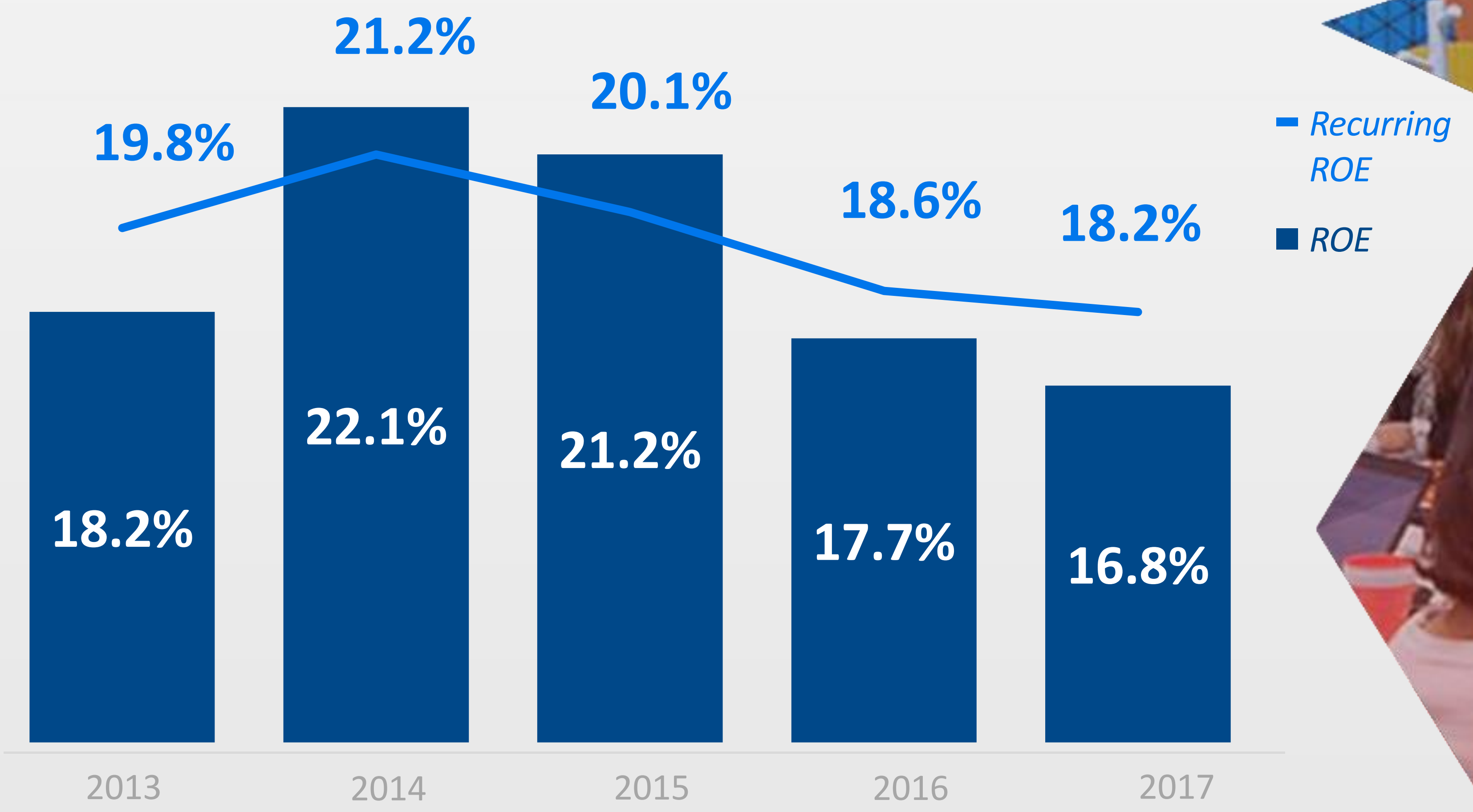
[1] Stockholders’ Equity at the end of year(x). Net Income accumulated in the year(x).

[2] Adjusted to reflect the bonuses in the period

Financial Highlights

ROE of the Parent Company

ROE [1] and Recurring ROE
(%)

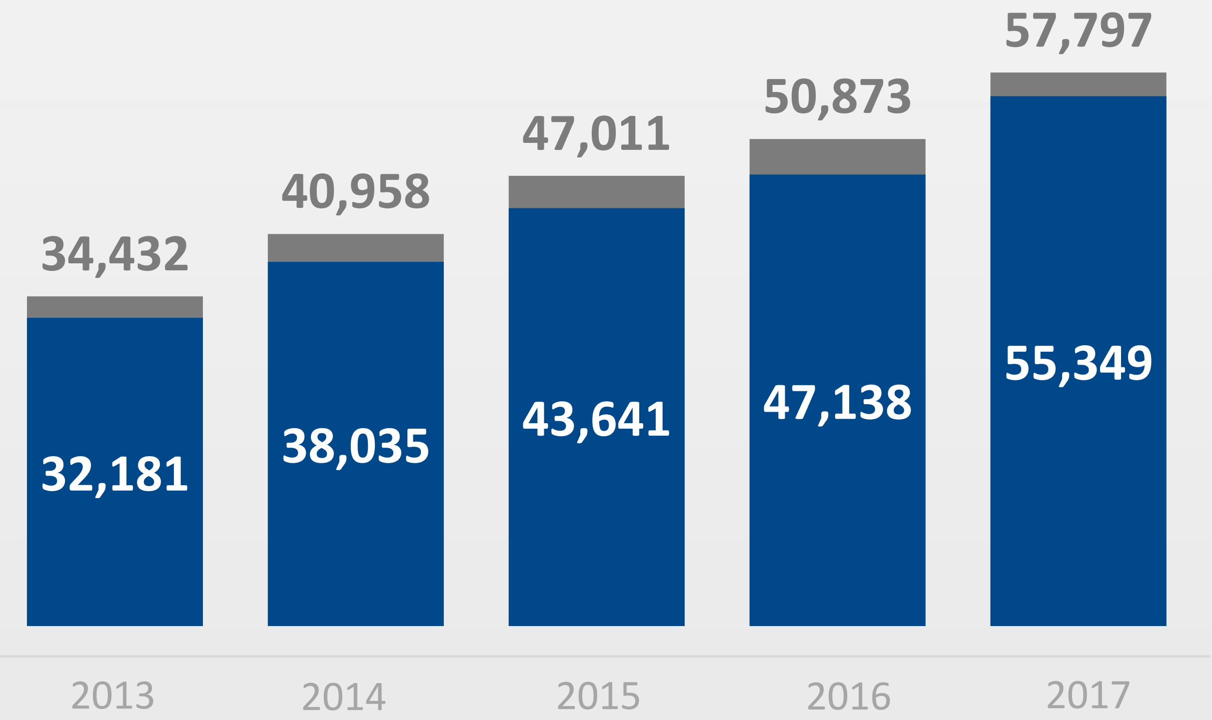


[1] Represents the ratio of Net Income of the period and the Average Shareholders' Equity.

Financial Highlights

Assets Composition in R$ million[1]

Total Assets



CAGR [2] :
14.5% | **Investiments[3]**

CAGR [2] :
13.8% | **Total Assets**

[1] Individual balance sheet [2] Period: 12/31/2013 until 12/31/2017 [3] In 2017 includes investments in NTS (share + debentures)

Financial Highlights

Assets Composition in R$ million[1]

Investments by Sector

Invest. [2]
55,349

Total Assets Itaúsa 12/31/2017	
Financial Sector	50,005 (90.3%)
Non-Financial Sector	5,004 (9.1%)
Other	340 (0.6%)

Investments in Non-Financial Sector	
ALPARGATAS	1,749
duratex	1,722
nts	1,387
Elekeiroz	146

[1] Individual balance sheet [2] In 2017 includes investments in NTS (share + debentures)

Itaúsa and Invested Companies Financial Highlights (2017)

ITAÚSA (*)

R$ 9.1 billion	R$ 6.6 billion	R$ 53.2 billion	R$ 80.9 billion	18.2%
▲ +5.5%	▲ +76.8%	▲ +11.5%	▲ +32.9%	▼ -0.4p.p.
Recurring net income 2017	Dividends/ IOC 2017	Stockholders' equity Dec/17	Market Value Dec/17	ROE recurring

Itaú (*)

R$ 23.9 billion	R$ 134.8 billion	R$ 275.5 billion	19.7%
▲ +2.8%	▲ +10.0%	▲ +25.6%	▼ -0.4p.p.
Net income 2017	Stockholders' equity Dec/17	Market Value Dec/17	ROE

(*) compared to previous year

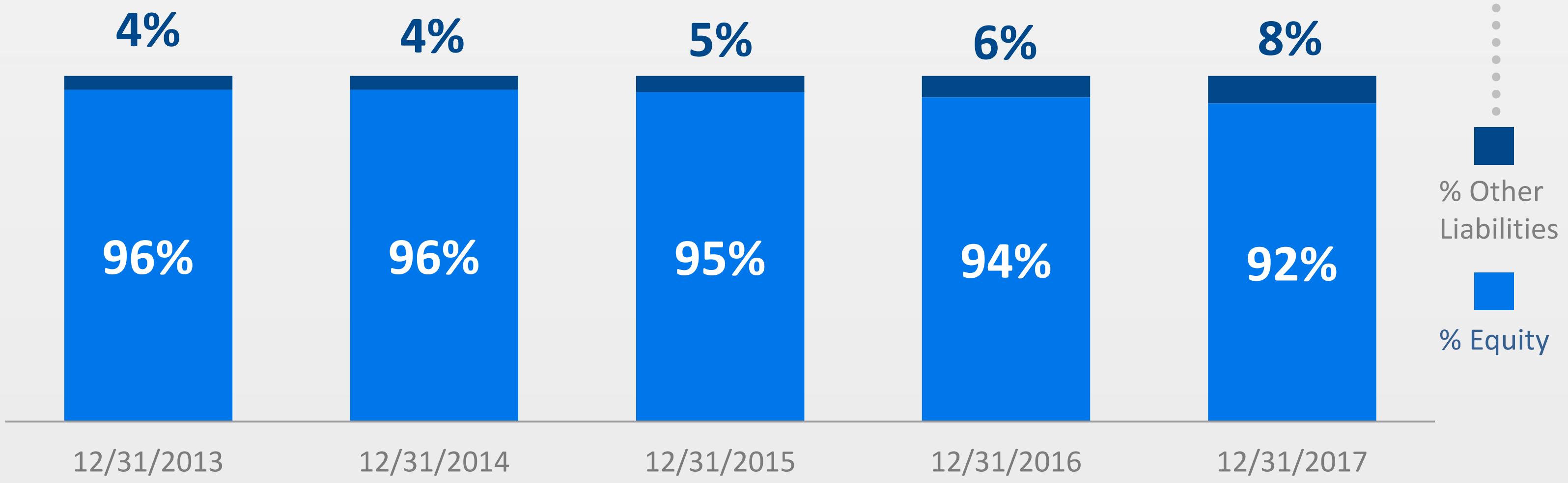
Itaúsa and Invested Companies Financial Highlights (2017)

Company	Net income 2017	Stockholders' equity Dec/17	Market Value Dec/17	ROE
ALPARGATAS (*)	R$ 362 million 0.0%	R$ 2.2 billion ▲ +10.6%	R$ 8.1 billion ▲ +83.0%	17.1% ▼ -1.8p.p.
Duratex (*)	R$ 185 million ▲ +670.8%	R$ 4.7 billion ▲ +3.2%	R$ 6.3 billion ▲ +37.9%	4.0% ▲ +3.5p.p
nts	R$ 1.8 billion	R$ 3.9 billion		45.1%
Elekeiroz (*)	R$ 48 million	R$ 151 million ▲ +36.0%	R$ 258 million ▲ +92.5%	38.0% ▲ +131.0p.p

(*) compared to previous year

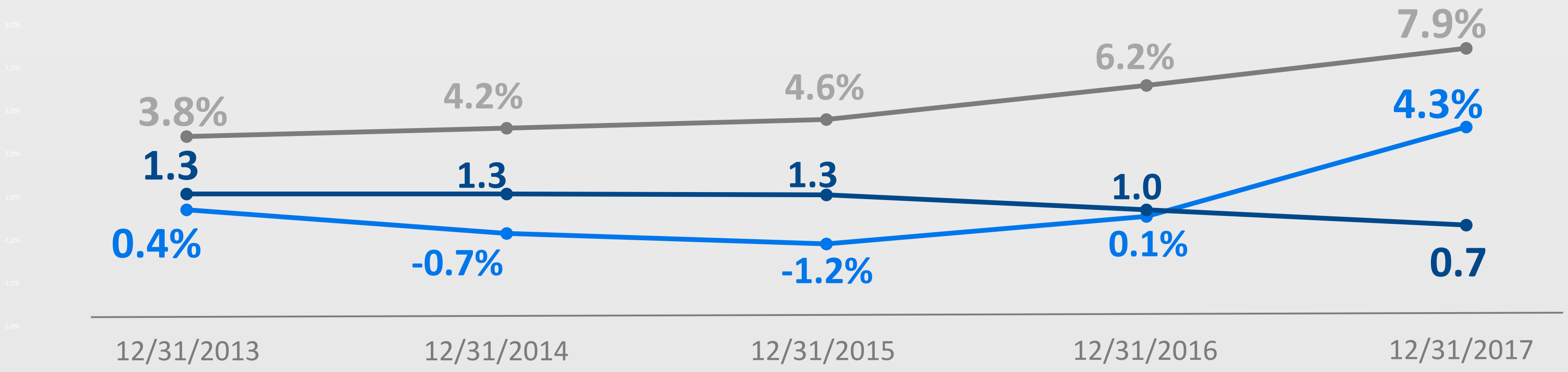
Financial Highlights | Liquidity / Debt

Equity x Other Liabilities(%) and Debt



R$ million

Total Debt – Dec/17	**4,568**
Div/IOC payable	1,334
Debentures	1,208
Loans	200
Mutual	301
Provisions/Others payables.	1,525



Debt Index

Current and Non Current Liabilities x 100
Total Assets

Overall Liquidity

Financial Assets + Tax Assets
Current and Non Current Liabilities

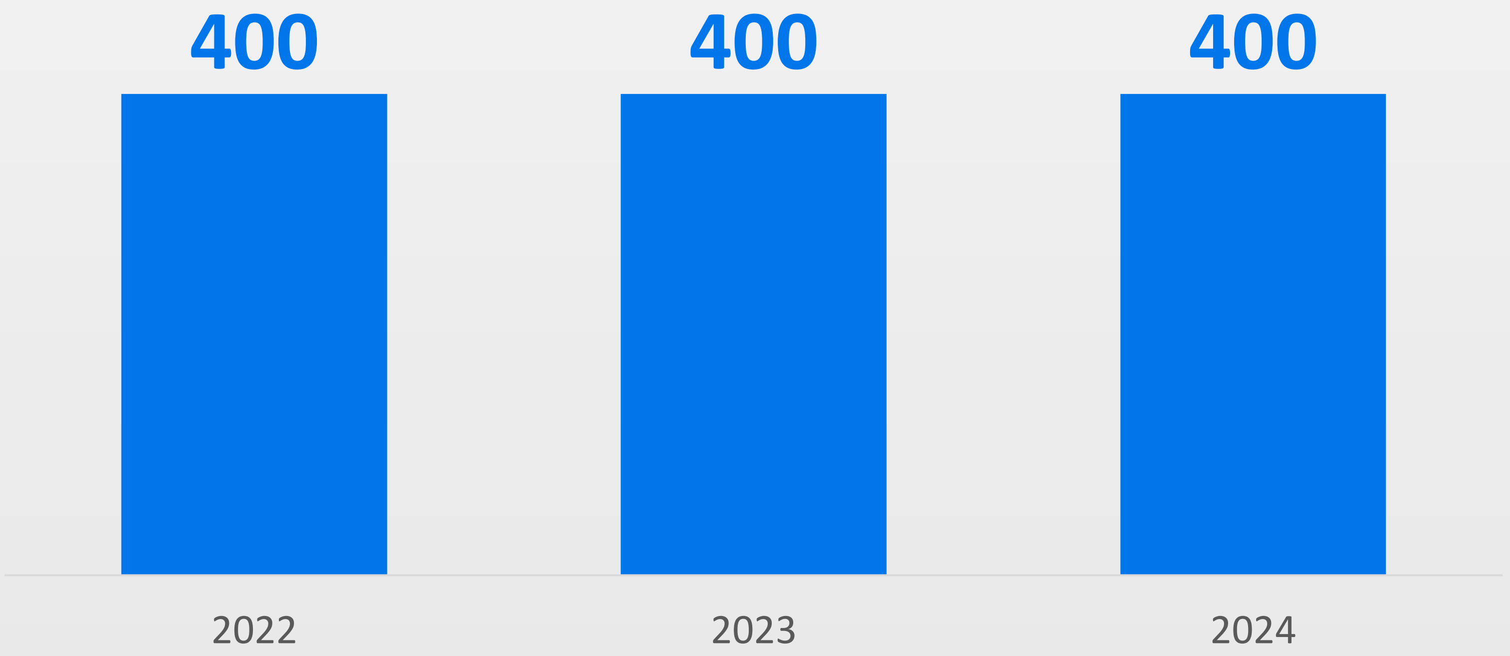
Net Debt Index

(Loans + Dividends Payable – Dividends Receivable – Cash and Deposit on Demand) x 100
Shareholders' Equity

Financial Highlights | Debt

Debentures Details

- Emission: **05/24/2017**
- Amount: **R$1.2 billion**
- Amortization: 2022, 2023 and 2024
- Cost: **106.90%** of CDI
- Interest: semester – 05/24 and 11/24

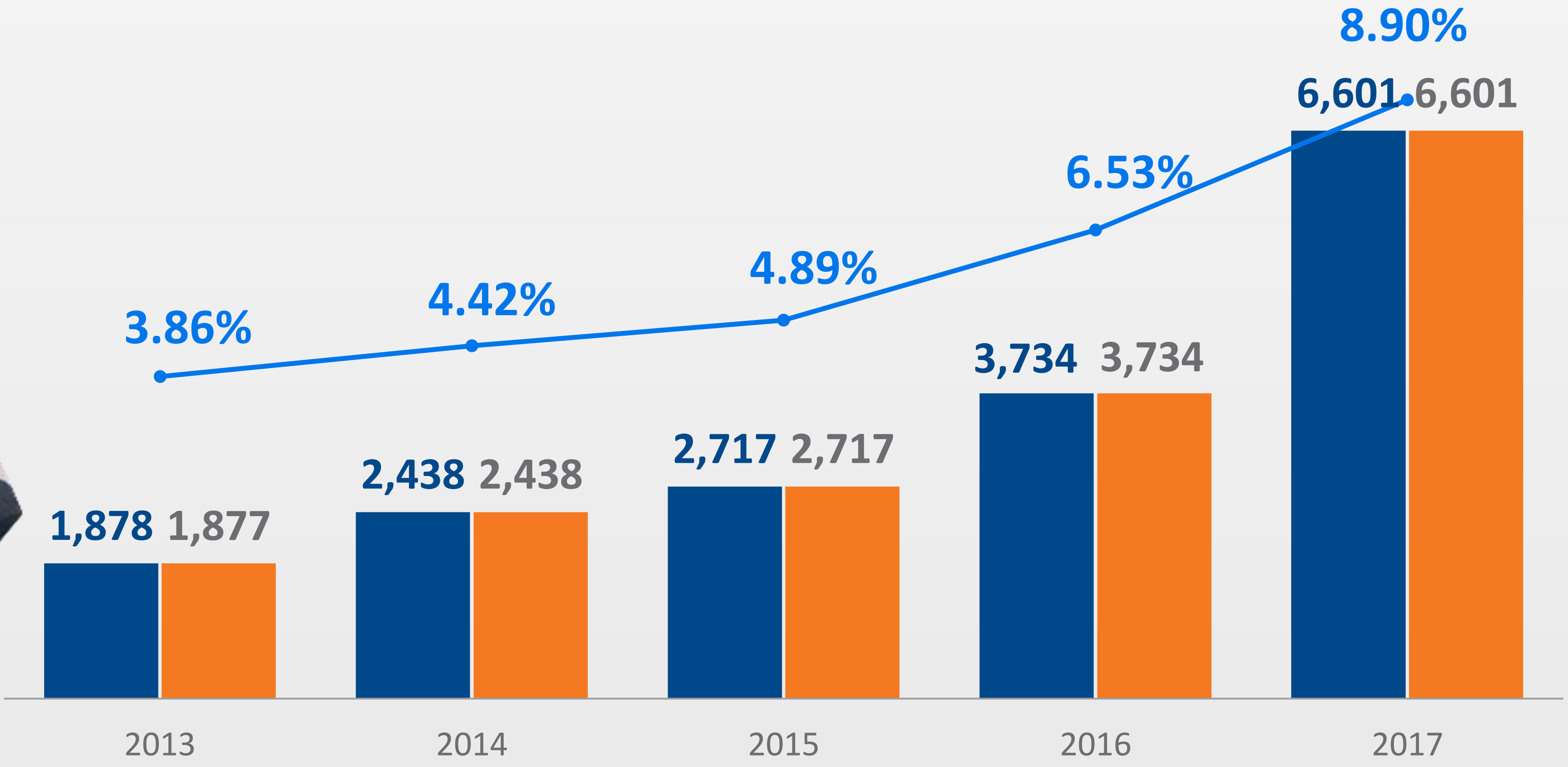


Amortization Schedule – R$ million

Financial Highlights | Dividends and Interest on Capital [(1)]

R$ million

Flow of Dividends/ Interest on Capital and Yield [(2)]



CAGR $_{(13\text{-}17)}$: 36.9% — Dividends/Interest on Capital **Paid/Payable** by Itaúsa

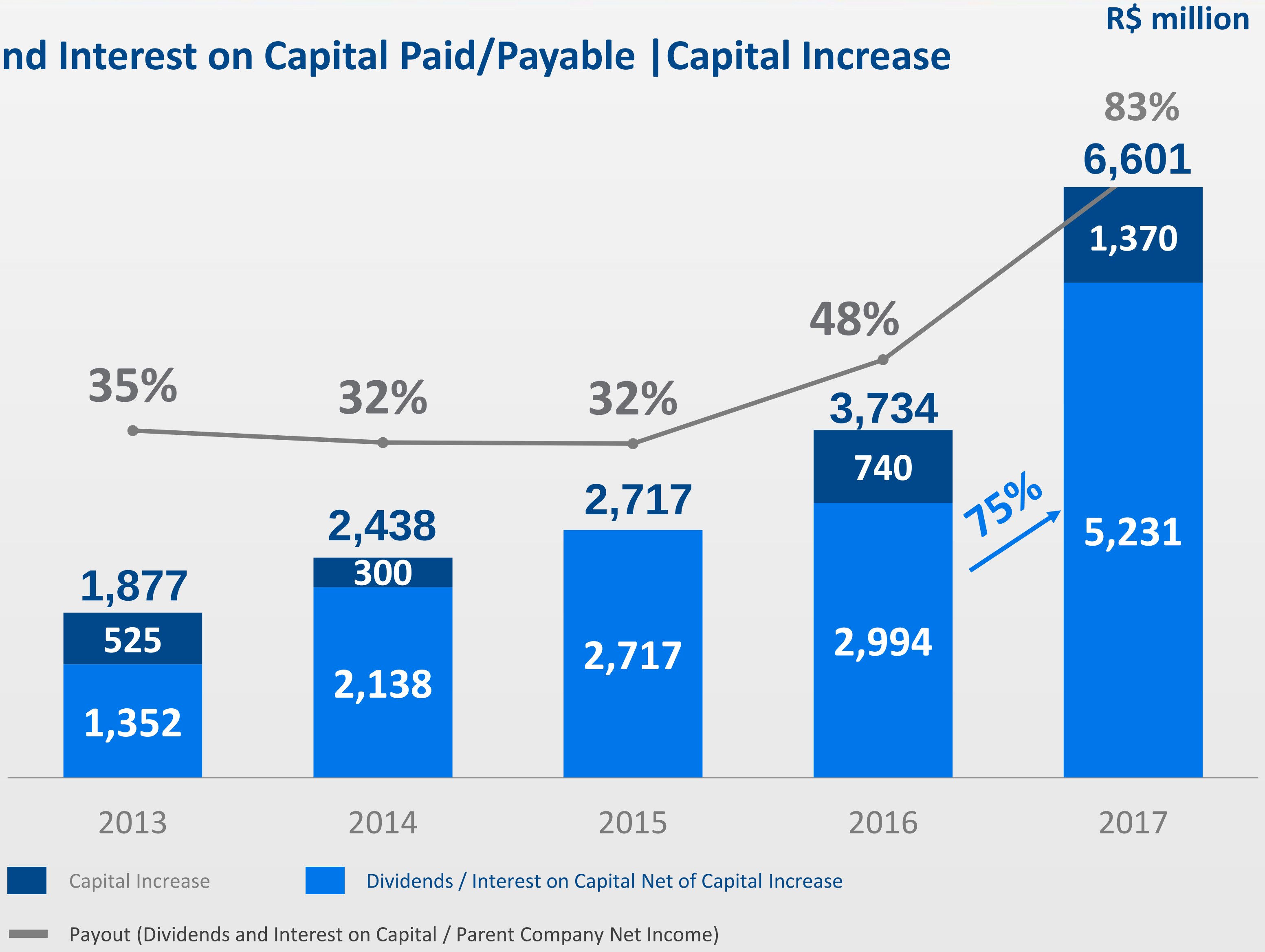
CAGR $_{(13\text{-}17)}$: 36.9% — Dividends/Interest on Capital Received/Receivable directly and indirectly from Itaú Unibanco Holding

Dividend Yield in %

[(1)] Interest on Capital net of income tax (IRRF). Accrual basis.

[(2)] Dividend/Interest on Capital per share related to base year (x) – adjusted by bonus in shares, split and inplit. Accrual basis. Weighted Average Price of Preferred Shares in year(x) – adjusted by proceeds, except dividends.

Financial Highlights | Dividends and Interest on Capital [1]



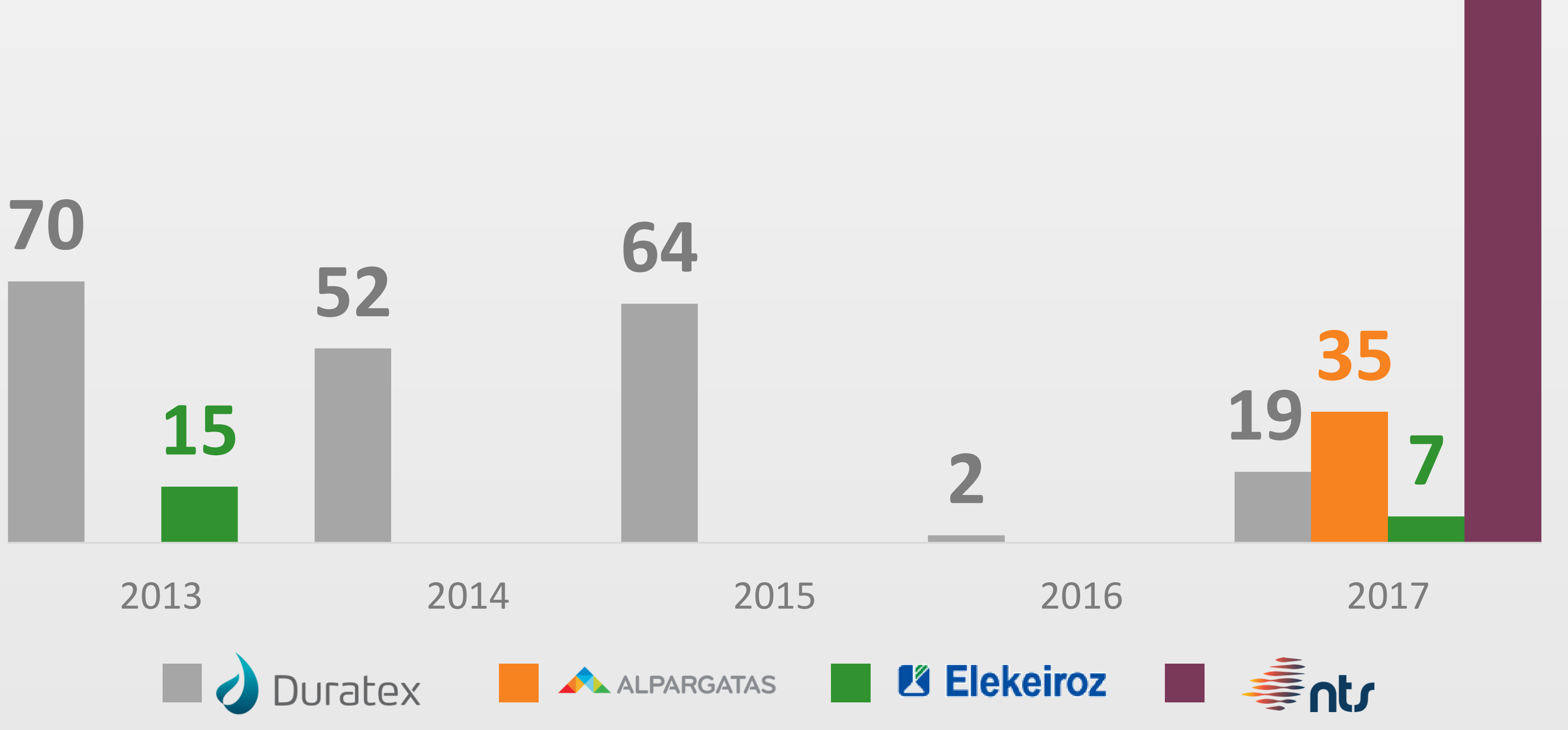
[1] Interest on Capital net of income tax (IRRF). Accrual basis.

Financial Highlights | Dividends and Interest on Capital [1]

R$ million

Dividends/ Interest on Capital Received

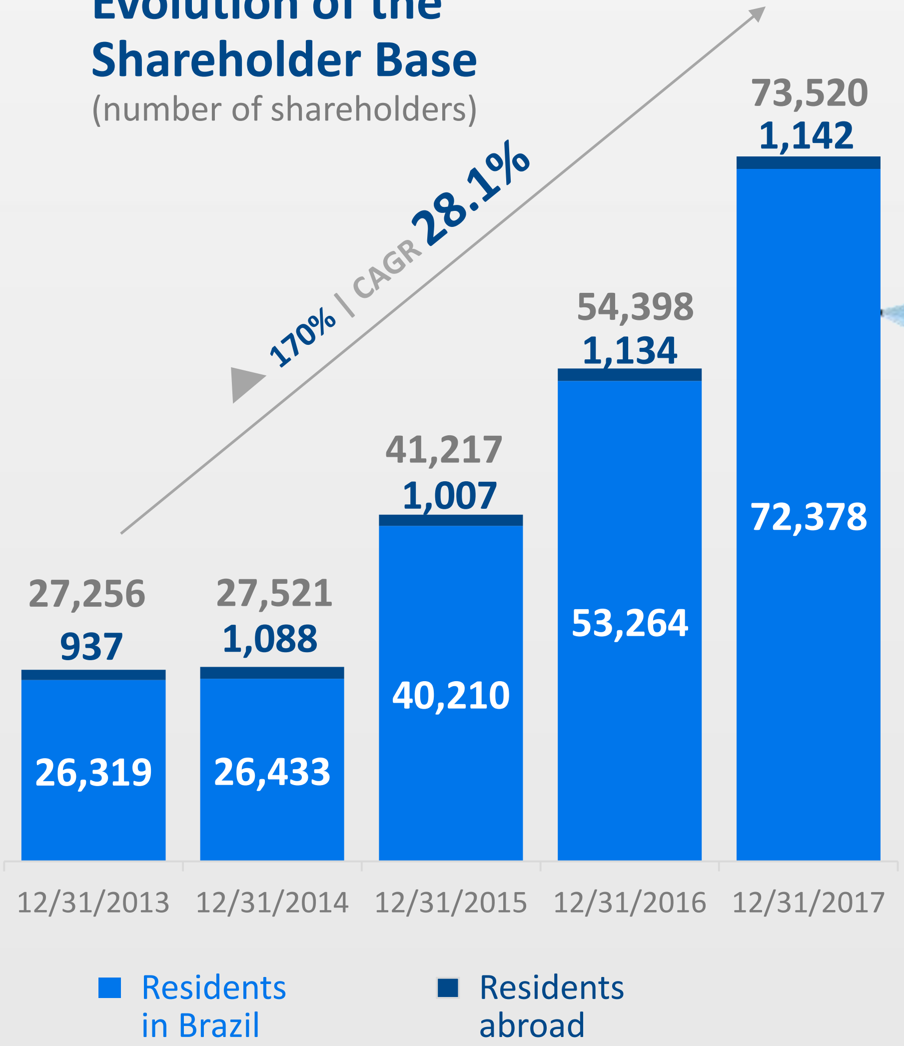
Non-Financial Sector



[1] Interest on Capital net of income tax (IRRF). Accrual basis.

Itaúsa in the Capital Market

Evolution of the Shareholder Base
(number of shareholders)

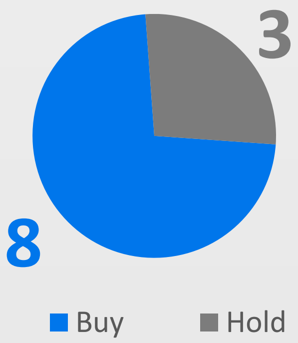


Liquidity of ITSA4 Shares (2017)

Average Daily Trading Volume:
R$ 155.7 Million

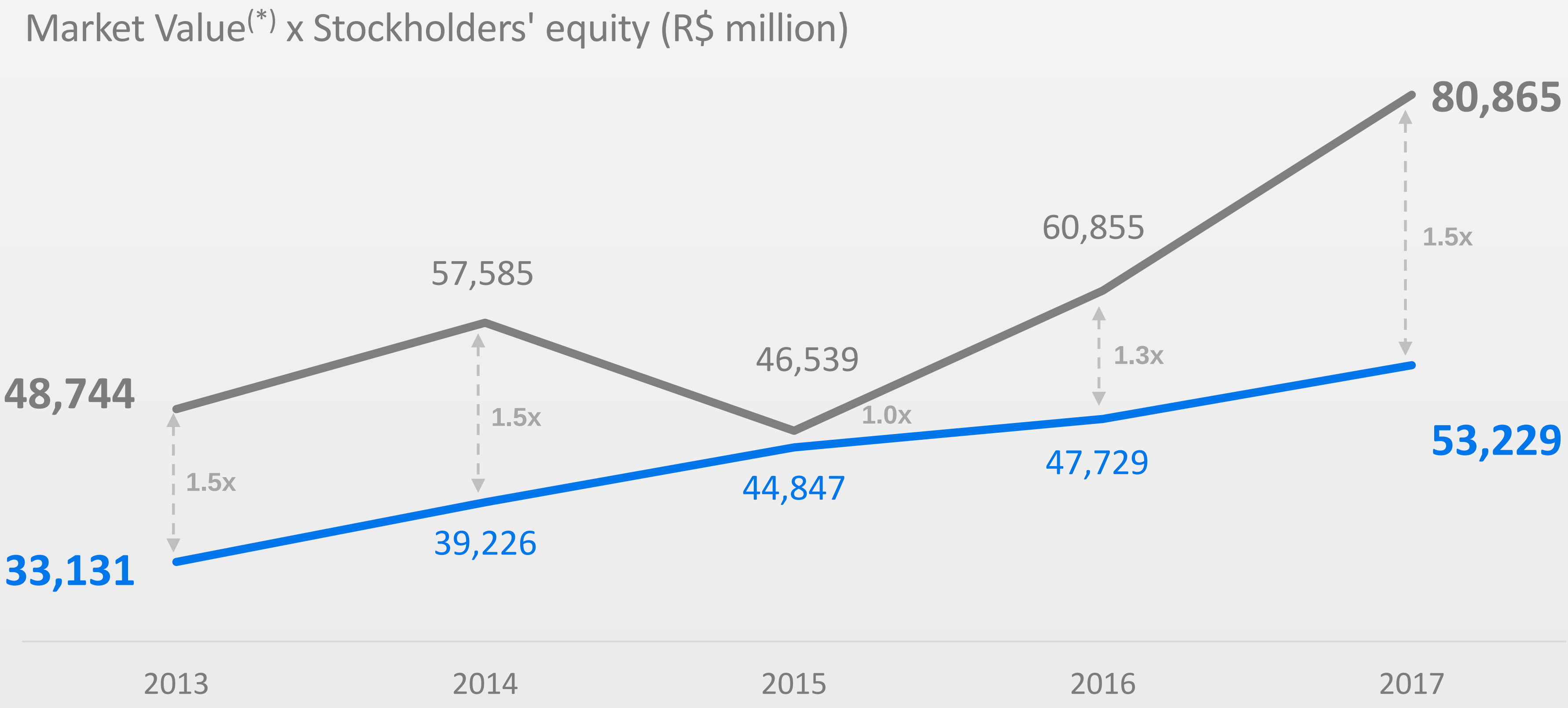
Average Trading Volume :
R$ 6.4 Thousand

Analyst Recommendations



Consensus (02/16/18)	
Buy	73%
Hold	27%
Sell	0%

Capital Market
Creating Value for Shareholders



CAGR (13–17): 13.5%

Market Value

CAGR (13-17): 12.6%

Stockholders' Equity

(*) Average price of the most liquid stocks (ITSA4).

Capital Market

R$ million

Discount in the Price of Itaúsa(*) 12/28/2017

Market Value of the Itaúsa Portfolio

Itaú	Alpargatas	Duratex	nts	Elekeiroz	Itautec	Other Net Assets and Liabilities
103,709	2,223	2,308	1,387	249	171	-2,273

Market Value of the Sum of the Parts of Itaúsa 107,774

Market Value of Itaúsa

ITAÚSA

80,865

Discount 24.97%

Discount Evolution(*)

12/30/2013	12/30/2014	12/30/2015	12/29/2016	12/28/2017	02/16/18
21.2%	21.1%	23.7%	27.8%	25.0%	22.6%

(*) Average price of the most liquid stocks.

Strategy

Itaúsa contracted a strategic consulting company to identify potential sectors and target companies. In 2017, Itaúsa became more active prospecting new businesses and making contact with investment banks and private equities

Focus of Itaúsa's investment portfolio diversification:

Sectors
In Brazil; without relevant execution risks (ex. start-ups); with low regulatory risks and low correlation with the financial sector

Companies
Good cash flow generation, consistent track record of results / profitability and good value creation perspective. Strong brand is a plus

Governance
Itaúsa is interested in participating in the control block and being part of the Shareholders' Agreement

Partner
Itaúsa will seek partners that can be operators and have expertise in the prospective sector

Size
Transactions with average check of **R$ 1.5bn**

Strategy
Recent Strategic Movements

2014

Itautec: Itaúsa sold certain activities of Itautec to OKI and began the process of deactivating the computers segment. The remaining interest of Itautec in OKI (11.2%) will be sold in 2020 through the exercise of a PUT option

2016 and 2017

Repurchases for Treasury: Itaúsa acquired treasury shares more intensively in 2016 and 2017, taking advantage of the discount level of its shares:

2016
R$ 204 Million
(26,8 Million Common Shares)

2017
R$ 449 Million
(51,0 Million Common Shares)

Cancellation of Shares: all shares repurchased for treasury were canceled

Apr 2017

NTS: Itaúsa acquired **7.65%** of Nova Transportadora do Sudeste S.A. (NTS) and also NTS convertible debentures, in the amount of R$ 442.1 million. Total investment of **R$ 1.4 Billion**

July and Sep 2017

Alpargatas: in July/2017, Itaúsa signed a purchase and sale agreement to acquire the control of Alpargatas, along with BW and Cambuhy.

On September 20, 2017, the transaction was concluded and Itaúsa paid R$ 1.7 billion and now holds 27.12% of Alpargatas. In addition, it was signed the Shareholders Agreement to regulate the shared control of the company.

Portfolio

Evolution of Itaúsa's Investments[(1)]

Market value (R$ billion)

ITAÚSA

+ 31%

Company	R$ 84 bn (sum of the parts) Dec/2016	R$ 110 bn (sum of the parts) Dec/2017
Itaú (*)	R$ 82.0 bn (97,7%)	R$103,7 bn (94,2%)
Duratex	R$ 1,6 bn (1,9%)	R$ 2,3 bn (2,1%)
Alpargatas	-	R$ 2,2 bn (2,0%)
nts (**)	-	R$1,4 bn (1,3%)
Elekeiroz	R$ 0,1 bn (0,2%)	R$ 0,2 bn (0,2%)
Itautec	R$ 0,2 bn (0,2%)	R$ 0,2 bn (0,2%)

(*) Represents the direct/ indirect Itaúsa interest in the Capital of Itaú Unibanco Holding. Data from Balance sheet of 12/31/2016 and stock quotation of 12/29/2016.

(*) Represents the direct/ indirect Itaúsa interest in the Capital of Itaú Unibanco Holding. (**) Book value of the equity interest and debentures in NTS. Data from Balance sheet of 12/31/2017 and stock quotation of 12/28/2017.

(1) Average price of the most liquid stocks.

Recent Acquisitions

Total investment

R$ 1.4 bi

Highlights

- It operates **~ 2,000 km** of pipelines through 5 contracts with **ship-or-pay** clauses signed with Petrobrás.
- 12 pipelines transport gas to distributors and thermal plants of São Paulo, Rio de Janeiro and Minas Gerais, region responsible for generating a large part of the country's GDP.
- Has authorization to operate pipelines until **2041.**

Distributions Received | 2017

- Dividends/IOC: **R$ 172 million** (net)
- Interest on Debentures : **R$ 31 million** (net)

Investment Rational

- Company with **strong cash flow** profile with good predictability and attractive returns.
- **Critical asset** in Brazil's infrastructure: responsible for supplying regions that generate a large part of GDP.
- **Simple operation model** and asset base regulation already known and successful.
- Platform for expansion in a sector at the beginning of "disintermediation" with **great growth potential.**
- Partners with experience in infrastructure investments and operation of concessions in Brazil.

Recent Acquisitions

ALPARGATAS

Total investment

R$ 1.7 bi

It was already granted the registration request to the tender offer for the acquisition of common shares from minority shareholders of 80% of the amount paid for the common shares (R$ 11.34/share). Maximum additional disbursement by Itaúsa of ~R$ 200 million. The auction is scheduled for 03/23/2018.

Investment Rational

- **Largest footwear and clothing company in Latin America,** with more than 100 years of history and tradition.
- **Brands widely recognized and desired by consumers:** "Havaianas" is the leading lifestyle brand in the Brazilian sandals market and the most well-known Brazilian consumer brand abroad (according to Brand Awareness survey conducted by Millward Brown in 2014).
- havaianas OSKLEN MIZUNO

- **Global presence:** it has factories in Brazil and Argentina, commercial offices in the US and Europe and exports to more than 100 countries.
- **Consistent historical results**, good level of profitability and constant dividend flow.

  Great **opportunities** for international **growth.**
- **Potential to expand** "Havaianas" brand to other segments.
- **Shared control of** Alpargatas repeats the successful partnership with the Moreira Salles family at Itaú Unibanco.

Recent Repurchases of Own Shares

ITAÚSA

Total investment

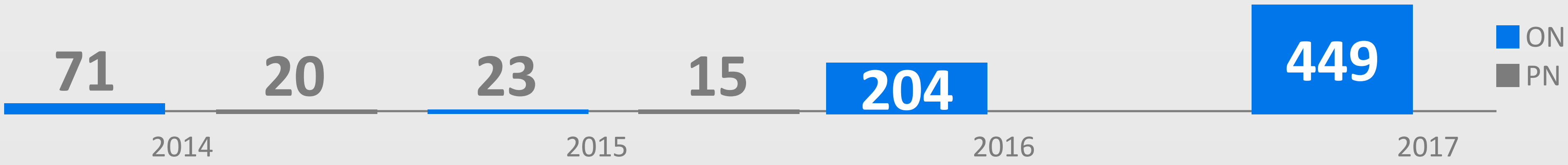
R$ 653 million (2016/2017)

Investment Rational

Itaúsa made significant repurchases of its own shares in 2016/2017 taking advantage of the discount of the shares, currently at ~ 23%, given the investment implicit return.

Discount Evolution (%)

Investment in Repurchases (R$ Million)



Diferentials

- Strong corporate governance and rigorous ethical and transparency principles
- Consistent history of profitability and high level of dividend / interest on capital
- Solidity, liquidity and low debt
- Performance of stocks in the last 10 years (with reinvestment) above the Ibovespa, CDI and US Dollar
- Selected for the 14th year to be part of the Dow Jones Sustainability World Index
- Selected for the 11th year to compose the portfolio of the B3 Corporate Sustainability Index (ISE)
- Review of its Portfolio of Investments focusing on creating value for shareholders
- Investments in solid companies, market leaders and holders of renowned brands

- **Remuneration to Shareholders**
- **Shares Appreciation**

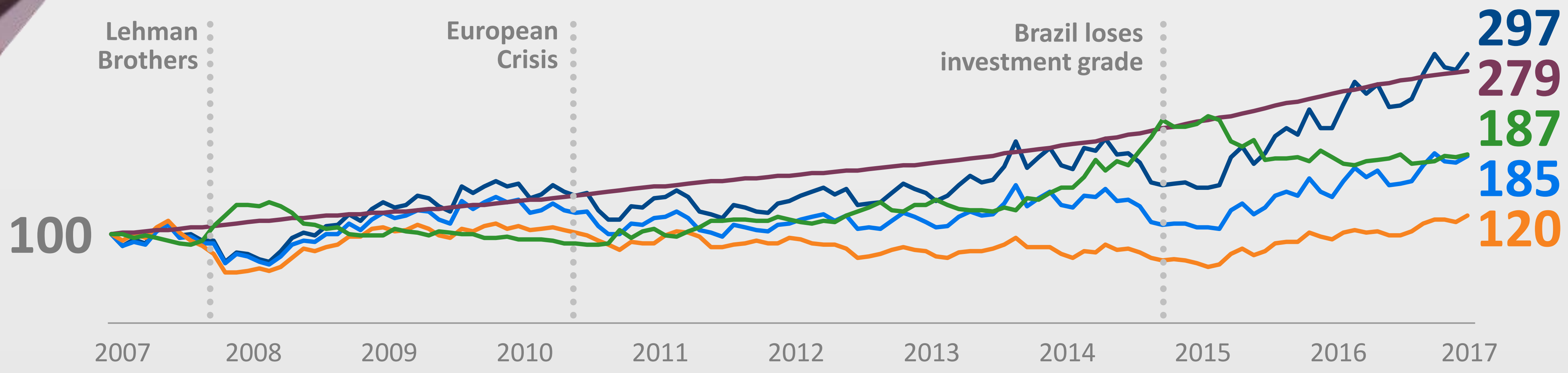
Commited to create value to its shareholders

Itaúsa in the Capital Market

Annual Average Appreciation in Reais

Evolution of R$ 100 invested on December 30, 2007 until December 28, 2017

	Itaúsa(1)	Itaúsa(2)	Ibov.	CDI	Dollar
10 years	**11.49%**	**6.35%**	**1.81%**	**10.79%**	**6.45%**
5 years	**16.78%**	**10.77%**	**4.62%**	**11.18%**	**10.11%**
12 months	**37.71%**	**31.52%**	**26.86%**	**9.92%**	**1.50%**



ITAÚSA

Conference Call
2017

Alfredo Egydio Setubal
CEO and Investor Relations Officer

Itaú

Conference Call
2017

Alexsandro Broedel Lopes
Group Executive Finance Director
and Investor Relations Officer

Main indicators – BRGAAP e IFRS

Conciliation BRGAAP x IFRS

In R$ millions	Equity	Result				
ADJUSTMENTS	Dec/31/2017	4th Q/17	3rd Q/17	4th Q/16	jan-dec/17	jan-dec/16
BRGAAP - Values Attributable to Controlling Stockholders	**126,924**	**5,821**	**6,077**	**5,543**	**23,965**	**21,639**
(a) Allowance for Loan Losses	5,257	(291)	(89)	240	(457)	1,325
(b) Adjustment to market value of shares and quotas	186	-	-	-	-	-
(c) Acquisition of interest in Porto Seguro Itaú Unibanco Participações S.A.	450	(4)	(4)	(4)	(15)	(15)
(d) Effective interest rate	(84)	(7)	(2)	(5)	(8)	20
(e) Financial Leasing Operation	586	(40)	(33)	2	(131)	125
(f) Other adjustments	1,520	5	98	218	549	171
IFRS - Values Attributable to Controlling Stockholders	**134,840**	**5,485**	**6,048**	**5,994**	**23,903**	**23,263**
IFRS - Values Attributable to Minority Stockholders	13,165	195	(130)	(52)	365	319
IFRS - Values Attributable to Controlling Stockholders and Minority Stockholders	**148,005**	**5,680**	**5,918**	**5,942**	**24,268**	**23,582**

Considers the Net income without excluding non recurring events.
More details in the Announcement to the Market from January to December 2017, available on our website: www.itau.com.br/investor-relations

Consolidated Recurring Financial Highlights - IFRS

Recurring Net Income[1]

R$ 5.9 bn ▼ -3.1% (4Q17/3Q17)

R$ 24.4 bn ▲ +3.8% (2017/2016)

Recurring ROE (p.a.)[1]

19.3 % ▼ - 40 bps (4Q17/3Q17)

20.1 % ▼ - 20 bps (2017/2016)

Credit Quality (Dec-17)[5]

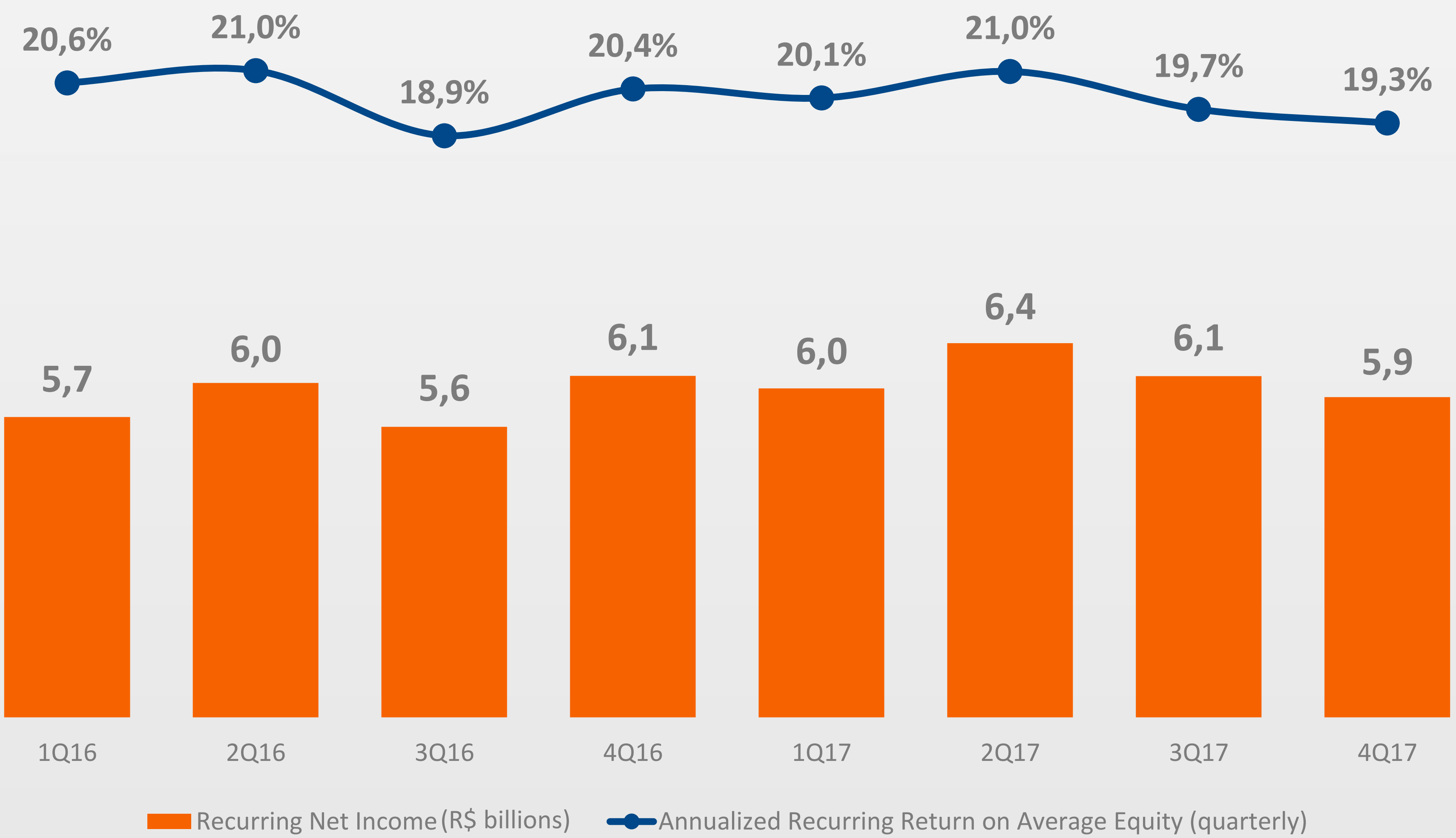
NPL 90 3.0% ▼ - 20 bps (dec/17-sep/17)

▼ - 40 bps (dec/17-dec/16)

	4Q17/3Q17	2017/2016
Interest Financial Margin[2,5]:	▲ + 1.4%	▼ -0.2%
Provision for Loan Losses[3,5]:	▼ - 1.5%	▼ -17.4%
Commissions and Fees and Result from Insurance[4,5]:	▲ + 4.2%	▲ + 4.3%
General and administrative expenses[5]:	▲ + 1.4%	▲ + 3.4%
Credit Portfolio (Financial Guarantees Provided and Corporate Securities)[5]:	▲ +3.1%	▼ - 0.7%

1 Consider Citibank's Operations; 2 Considers Interest and Similar Income minus Interest and Similar Expense; 3 Net of recovery of loans written-off as loss; 4 Income related to insurance, private pension and capitalization operations before claim and selling expenses; 5 Not considering Citibank's Operations.

Recurring Net Income and ROE - IFRS

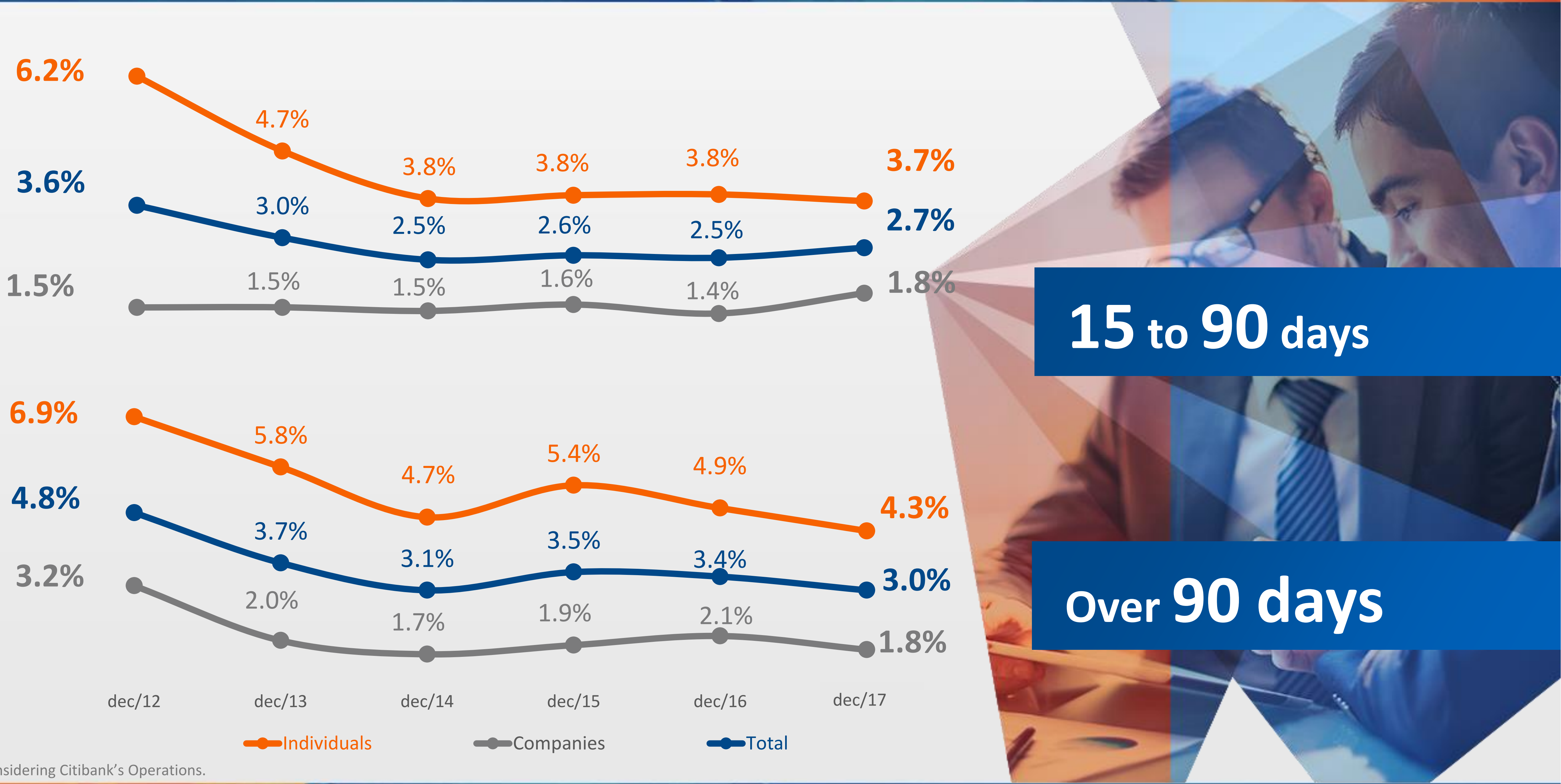


Credit Portfolio - IFRS

R$ billions	12/31/17	12/31/16	Change 12/31/17 – 12/31/16
Individuals	**185.3**	**183.6**	**0.9%**
Credit Card Loans	63.0	59.0	6.8%
Personal Loans	25.2	26.3	-3.9%
Payroll Loans	44.2	44.6	-0.9%
Vehicle Loans	14.1	15.4	-8.8%
Mortgage Loans	38.7	38.2	1.3%
Companies	**227.0**	**243.2**	**-6.7%**
Corporate Loans	165.3	181.7	-9.1%
Very Small, Small and Middle Market Loans	61.7	61.5	0.3%
Latin America(*)	**145.6**	**134.3**	**8.4%**
Total with Financial Guarantees Provided	**557.9**	**561.2**	**-0.6%**
Corporate Securities (**)	36.0	36.4	-1.1%
Total with Financial Guarantees Provided and Corporate Securities (A)	**593.9**	**597.6**	**-0.6%**
Citibank Operations (B)	5.9		
Total with Financial Guarantees Provided and Corporate Securities (A+B)	**599.9**	**597.6**	**0.4%**

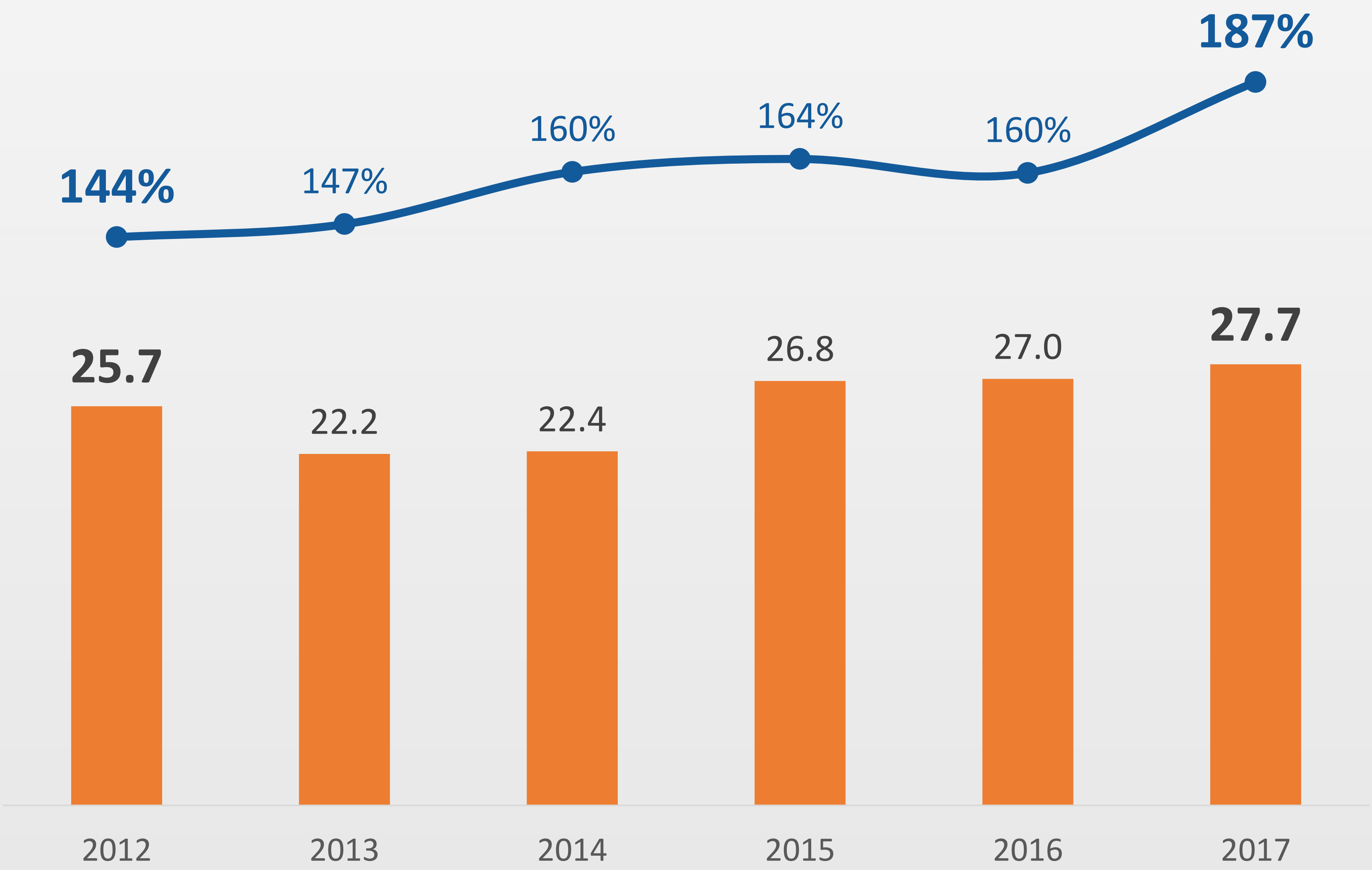
(*) Includes Argentina, Chile, Colombia, Paraguay and Uruguay. (**) Includes Debentures, CRI and Commercial Paper

Nonperforming Loans Ratios – IFRS[1]



1 Not considering Citibank's Operations.

Coverage Ratio (90-day NPL) and Credit Provision[1] - IFRS



The allowance for loan losses uses the concept of incurred loss in IFRS and of expected loss in BRGAAP.

1 Not considering Citibank's Operations.

Payout Practice

In order to **manage capital efficiently**, aiming at creating value to our shareholders, we announced through a Material Fact disclosed on September 26, 2017, that we intend to:

- Maintain the practice of paying dividends and interest on own capital at **35%** of net income, however we excluded the maximum limit previously determined at 45%.

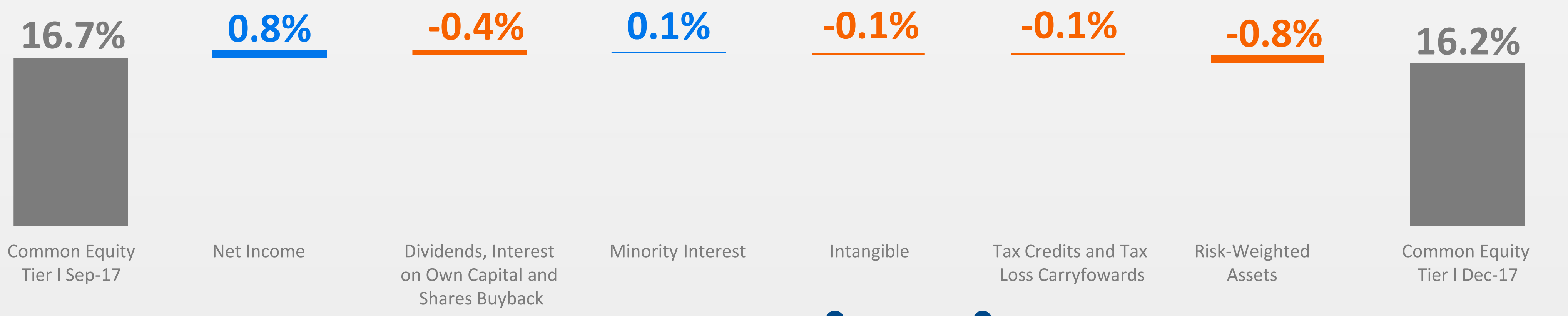
- Set forth, through the Board of Directors, the total amount to be distributed each year considering:
  - the company's capitalization level, according to rules issued by the Brazilian Central Bank;
  - the minimum Tier 1 Capital* of **13.5%** determined by the Board of Directors. We highlight that this ratio must be composed of at least 12% of Core Capital;
  - the profitability in the year;
  - the expectations of capital use based on the expected business growth, share buyback programs, mergers and acquisitions and regulatory changes that may change capital requirement;
  - changes in tax legislation.

Therefore, the percentage to be distributed may change every year based on the company's profitability and capital demands, always considering the minimum distribution set forth in the Bylaws.

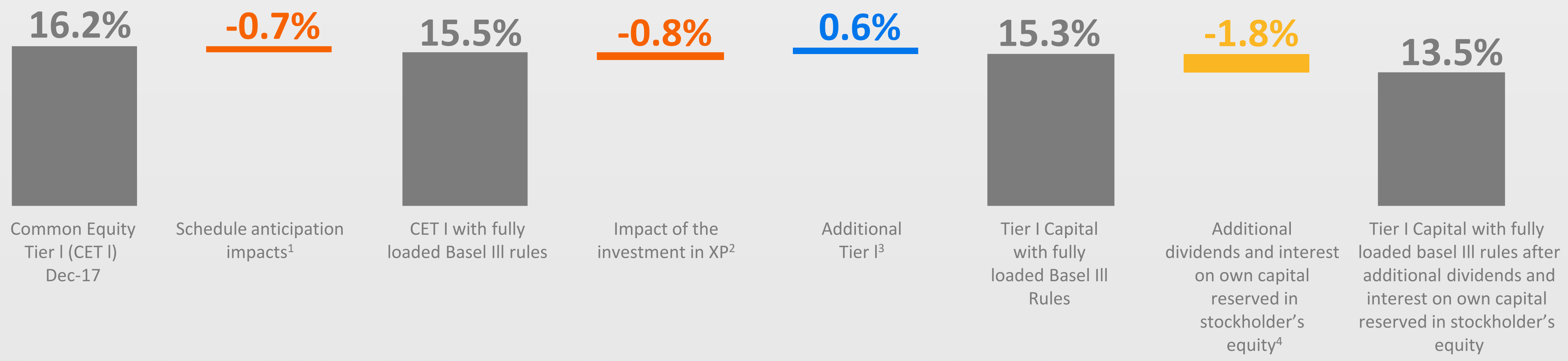
* Taking into consideration the full application of Basel III rules, in addition to the impact from the acquisition of the minority interest of 49.9% in XP Investimentos.

Capital Ratios

Changes in the Core Capital Ratio



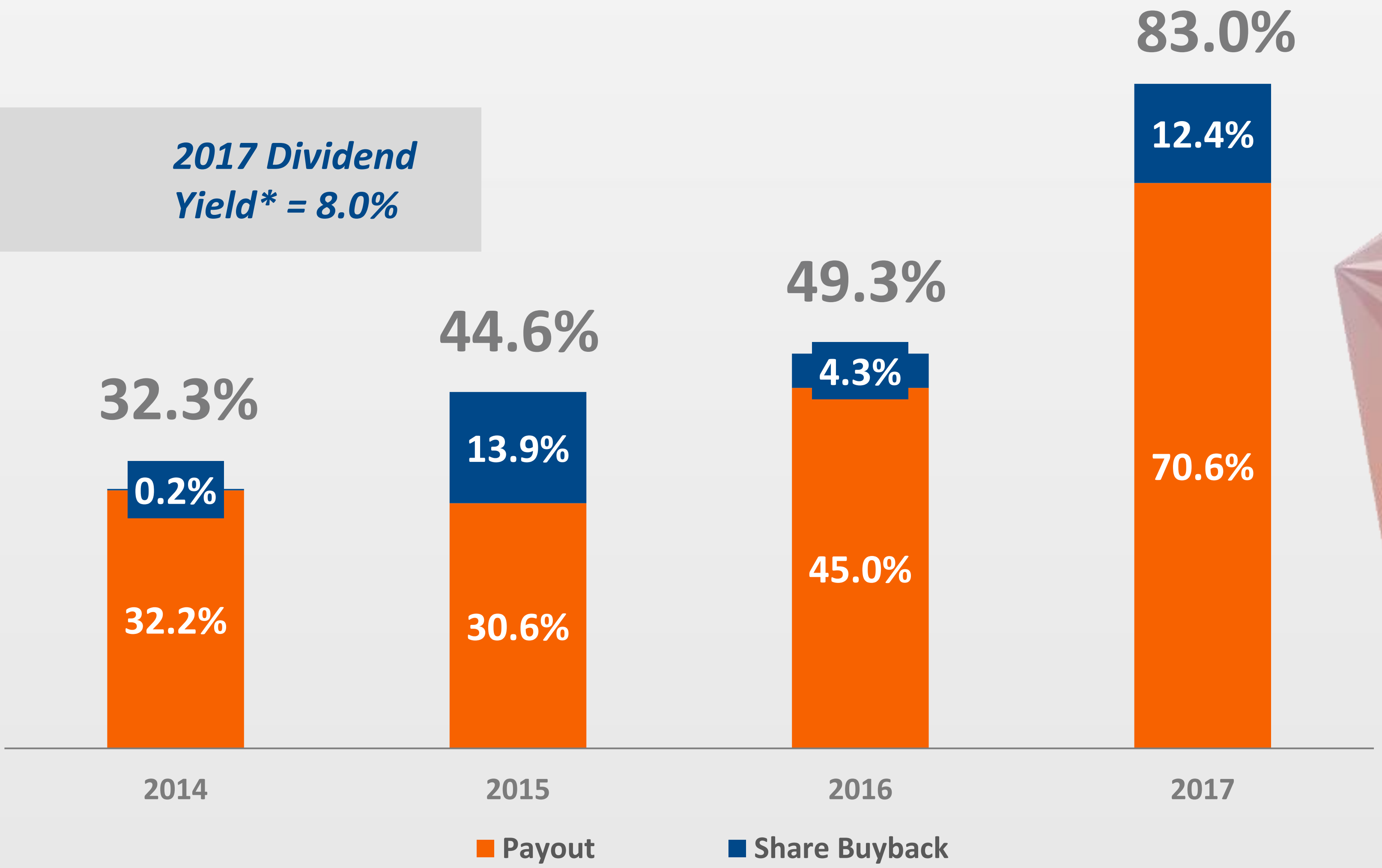
Full application of Basel III rules | **December 31, 2017**



1 Includes deductions of Goodwill, Intangible Assets (generated before and after October 2013), Tax Credits from Temporary Differences and Tax Loss Carryforwards, Pension Fund Assets, Equity Investments in Financial Institutions, Insurance and similar companies, the increase of the multiplier of the amounts of market risk, operational risk and certain credit risk accounts. This multiplier, which is at 10.8 nowadays, will be 12.5 in 2019 and the anticipation of deferred tax assets consumption expected for the first quarter of 2018,
2 Estimated impacts based on preliminary information, pending regulatory approval.
3 The impact of 0.6% represents AT1 issuance pro forma information, which is pending regulatory approval to be considered as Capital Tier I.
4 The additional dividends and interest on own capital in the amount of R$13.7 billions reserved in stockholder's equity will be paid on March 7th, 2018. Therefore, the net payout over the recurring net income is 70.6%. Considering the shares bought back in 2017, the net payout over the recurring net income is 83.0%.

Payout and Share Buyback

2017 Dividend Yield = 8.0%*



* Dividend yield considers payout of 83% and the daily closing price average in 2017.

2017 Forecast - BRGAAP

	Consolidated		Brazil[2]	
	Forecast[1]	Actual	Forecast[1]	Actual
Total credit portfolio[3]	From 0.0% to 4.0%	-0.8%	From -2.0% to 2.0%	-3.2%
Financial Margin with Clients[4] (Ex-impairment and Discounts Granted)	From -4.2% to -0.8%	-4.7%	From -5.2% to -1.8%	-4.4%
Cost of Credit[5]	Between R$ 15.5 bn and R$ 18.0 bn	R$ 17.9 bn	Between R$ 13.5 bn and R$ 16.0 bn	R$ 15.8 bn
Commissions and Fees and Result from Insurance Operations[6]	From 0.5% to 4.5%	5.2%	From 0.0% to 4.0%	5.2%
Non-Interest Expenses	From 1.5% to 4.5%	0.3%	From 3.0% to 6.0%	0.9%

(1) Considers USD-BRL exchange rate at R$3.50 in Dec-17; (2) Includes units abroad ex-Latin America; (3) Includes financial guarantees provided and corporate securities; (4) The evolution of the Financial Margin with Clients also considers the reclassification of Discounts Granted to the Cost of Credit line in 2016; (5) Composed of Result from Loan Losses, Impairment and Discounts Granted; (6) Commissions and Fees (+) Income from Insurance, Pension Plan and Premium Bonds Operations (-) Expenses for Claims (-) Insurance, Pension Plan and Premium Bonds Selling Expenses.

2018 Forecast - BRGAAP

2018 forecast considers Citibank's retail operations. Therefore, 2017 income statement basis for 2018 forecast must consider Citibank's figures in all lines of the income statement and also in the credit portfolio.*

	Consolidated	Brazil[1]
Total Credit Portfolio[2]	from 4.0% to 7.0%	from 4.0% to 7.0%
Financial Margin with Clients	from -0.5% to 3.0%	from -1.0% to 2.5%
Financial Margin with the Market	between R$ 4.3 bn and R$ 5.3 bn	Between R$ 3.3 bn and R$ 4.3 bn
Cost of Credit[3]	between R$ 12.0 bn and R$ 16.0 bn	Between R$ 10.5 bn and R$ 14.5 bn
Comission and Fees and Result from Insurance Operations[4]	from 5.5% to 8.5%	from 6.5% to 9.5%
Non-Interst Expenses	from 0.5% to 3.5%	from 0.5% to 3.5%
Effective Tax Rate[5]	from 33.5% to 35.5%	from 34.0% to 36.0%

(1) Includes units abroad ex-Latin America; (2) Includes financial guarantees provided and corporate securities; (3) Composed of Result from Loan Losses, Impairment and Discounts Granted; (4) Commissions and Fees (+) Income from Insurance, Pension Plan and Premium Bonds Operations (-) Expenses for Claims (-) Insurance, Pension Plan and Premium Bonds Selling Expenses; (5) Considers the constitution of new deferred tax assets at the rate of 40%.
(*) For further details, please refer to page 14 of the 4Q17 Management Discussion & Analysis.

Itaú

Conference Call 2017

Alexsandro Broedel Lopes
Group Executive Finance Director
and Investor Relations Officer

Duratex

Conference Call
2017

Guilherme Setubal Souza e Silva
Investor Relations Executive Manager

Consolidated Results and Highlights

More favorable economic environment

Improvement in demand and stable price environment

Gains in biological assets

Adequation of the cost of capital in measuring biological assets

Duratex Management system

Structured initiatives resulted in savings of **BRL 76 million** in 2017, in addition to the initial plan

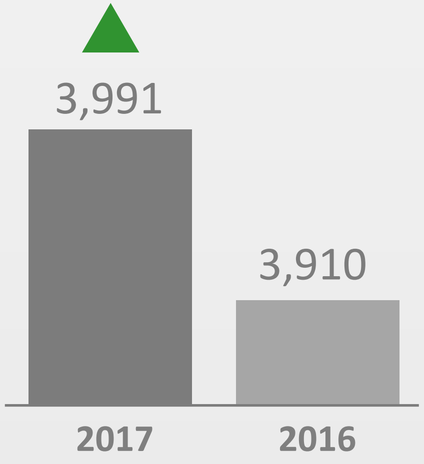
Subsequent Events

Sale of non-strategic assets

Consolidated Results and Highlights

In millions of BRL

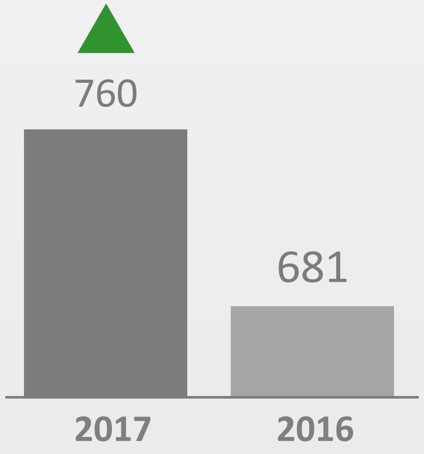
Net Revenue



Gross Margin

28.7% 25.8%

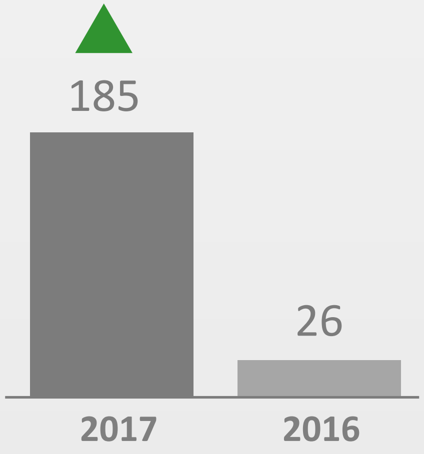
Recurring EBITDA



EBITDA Margin

19.0% 17.4%

Net Profit



Free Cash Flow and Debt

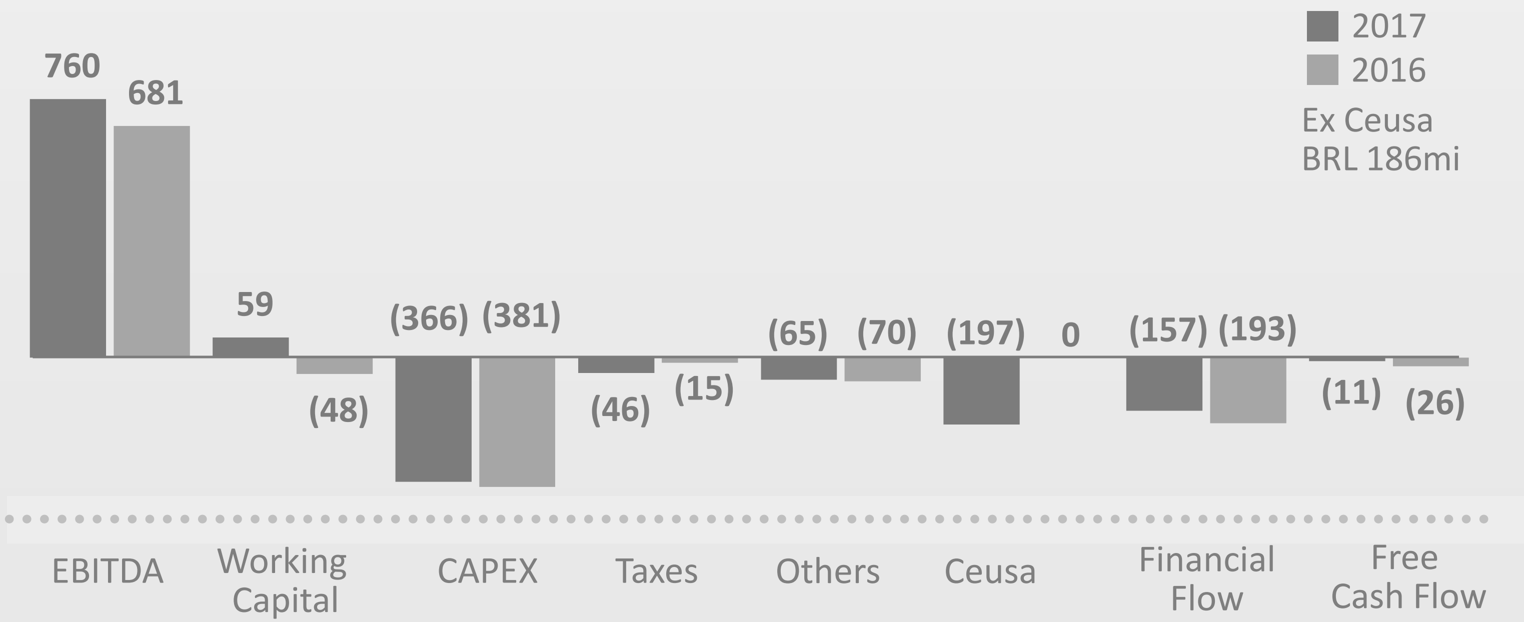
Reaping benefits of the S&OP

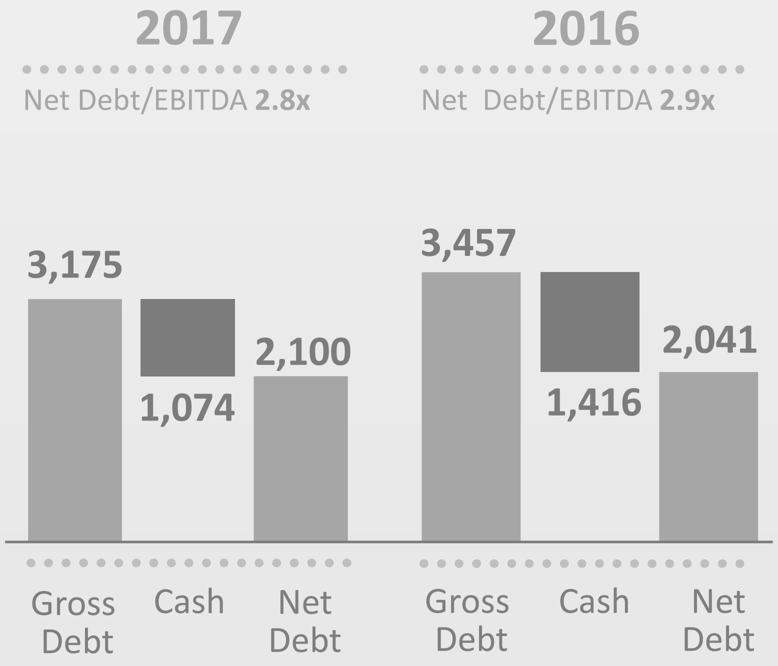
Investments focused on sustaining

Deleveraging on course

Acquisition of Ceusa

In millions of BRL





Wood Division

Expansion of Operations

Increase in sales and market share back to normal standards

Price increases as a leverage of results

Increase in panels in Jan/18

Reduction of inventory and service level

Capture of gains in new S&OP model

Biological Asset

Lower cost of capital, recognition of gains in BRL 44mn

Wood Division

In millions of BRL

Capacity Utilization

MDF	64%
MDP	59%
Wood	61%

Deca Division

Growth in a challenging market

Construction still at
low levels, focus on retail

Incorporation of Ceusa

Transaction approved
by CADE, results
consolidated into 4Q17

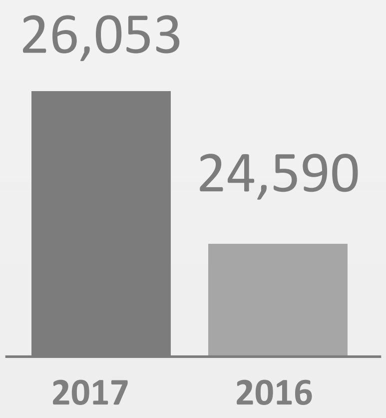
Improvement in returns

Better volumes and
Duratex Management
System as main leverages

Deca Division

In millions of BRL

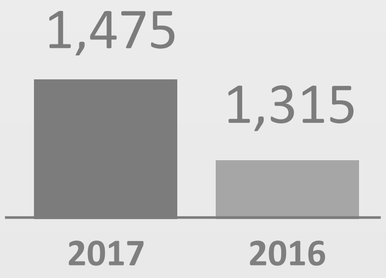
Volume ('000 items)



Capacity Utilization

Metals	65%
Ceramics	52%
Deca	61%

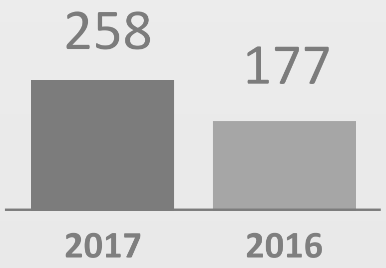
Net Revenue



Gross Margin

30.2% **27.6%**

Recurring EBITDA



EBITDA Margin

17.5% **13.4%**

Development of the Strategy

Growth Cycle

2007 a 2014

- Boom de demanda
- 2x a capacidade em ambas as divisões de negócio
- Diversificação geográfica e de produtos
- Consolidação da Governança Corporativa
- Aumento de market share

Management Excelency (SGD)

2015

- Definition of an internal agenda
- Duratex Management System as main tool
- Definition of gaps / priorities, goal – oriented management and discipline
- EVA as performance metric

Jeito de Ser e de Fazer

2016

- Strategic review of Duratex personnel
- Culture is rejuvenated and adapted to new challenges
- High performance teams
- Active and engaged leadership

A New Duratex

2017

- Value Proposition is revisited
- Duratex 2025 and Avenues for Growth
- Client in the center of the strategy
- Digital
- Welcome: Ceusa and Viva Decora

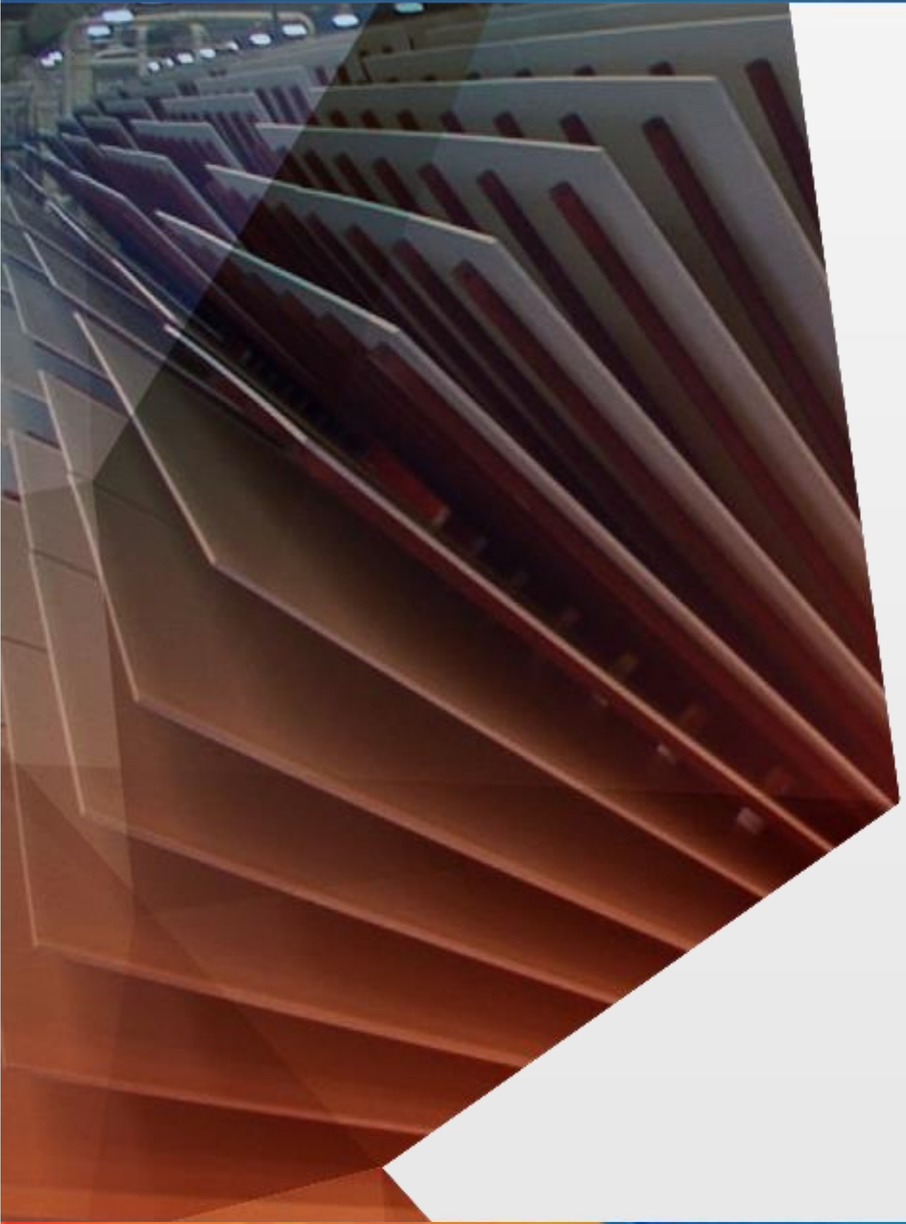
Returns and Cash Generation

2018

- Focus on generation of value
- Revision of asset base
- Exchange of lines of Thin Fiber Wood
- Sale of exceeding land
- Company is more asset light and with less financial debt

Booming Economy • Economic Crisis • Rebound of Economic Activity

Sale of Installations and Equipment Dedicated to the Production of Thin Fiber Wood (Hardboard)



Strategic Rationale

- **Evolution** of the Brazilian wood panel market
- **Production technology** from the 50's
- Expectation of resuming activities in the Itapetininga unit in April / 2018
- Rationalization of asset base

Operation Details

- **Swap of Installation** and Equipments for a production farm
- The remaining lines of thick and thin fiber wood (MDF and HDF) **production will continue to be operated by Duratex**

Transaction subject to approval by CADE

Sale of Land and Forests

Strategic Rationale

- **Evolution** of forest management technology
- Duratex **expertise in forest plantation**
- Exceeding land and forests
- Rationalization of asset base

Operation Details

- Aquisition of land and forests in the amount of **BRL 308 million**
- Exclusive option to purchase an additional lot of land and forests, in the value of **BRL 749 million**, to be excercised until July 02, 2018
- The amount received from this operation will be used towards Duratex's deleveraging, with the reduction of net debt and financial expenses

Transaction subject to approval by CADE

Message from the Administration

Duratex Management System, Cultural Transformation, Sustainability Strategy, Digital and Innovation as **strategic foundation**

Closer relationship to **clients**, initiatives to **stimulate demand** and a focus on a mix of products with **higher added value**

Value Proposition, Duratex 2025 and Avenues for Growth directing the **capital allocation**

Integration of new business, our **brands** as leverages for growth, and caputring **synergies**

Efficient **cash** management, **deleveraging**, and the constant search for **returns above the costs of capital**

A leaner, more productive Duratex, with better returns for shareholders

Duratex

Conference Call 2017

Guilherme Setubal Souza e Silva
Investor Relations Executive Manager

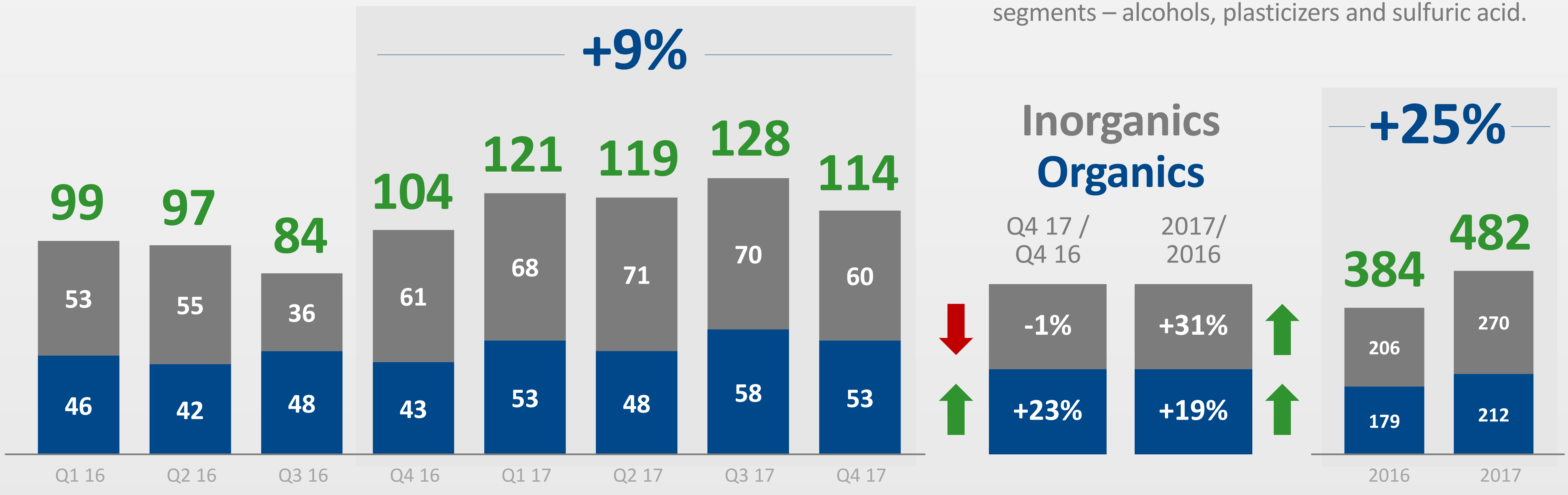
Elekeiroz

Conference Call
2017

Marcos De Marchi
CEO and Investor Relations Officer

Operational Performance 2016 and 2017

Shipments *(kt)*



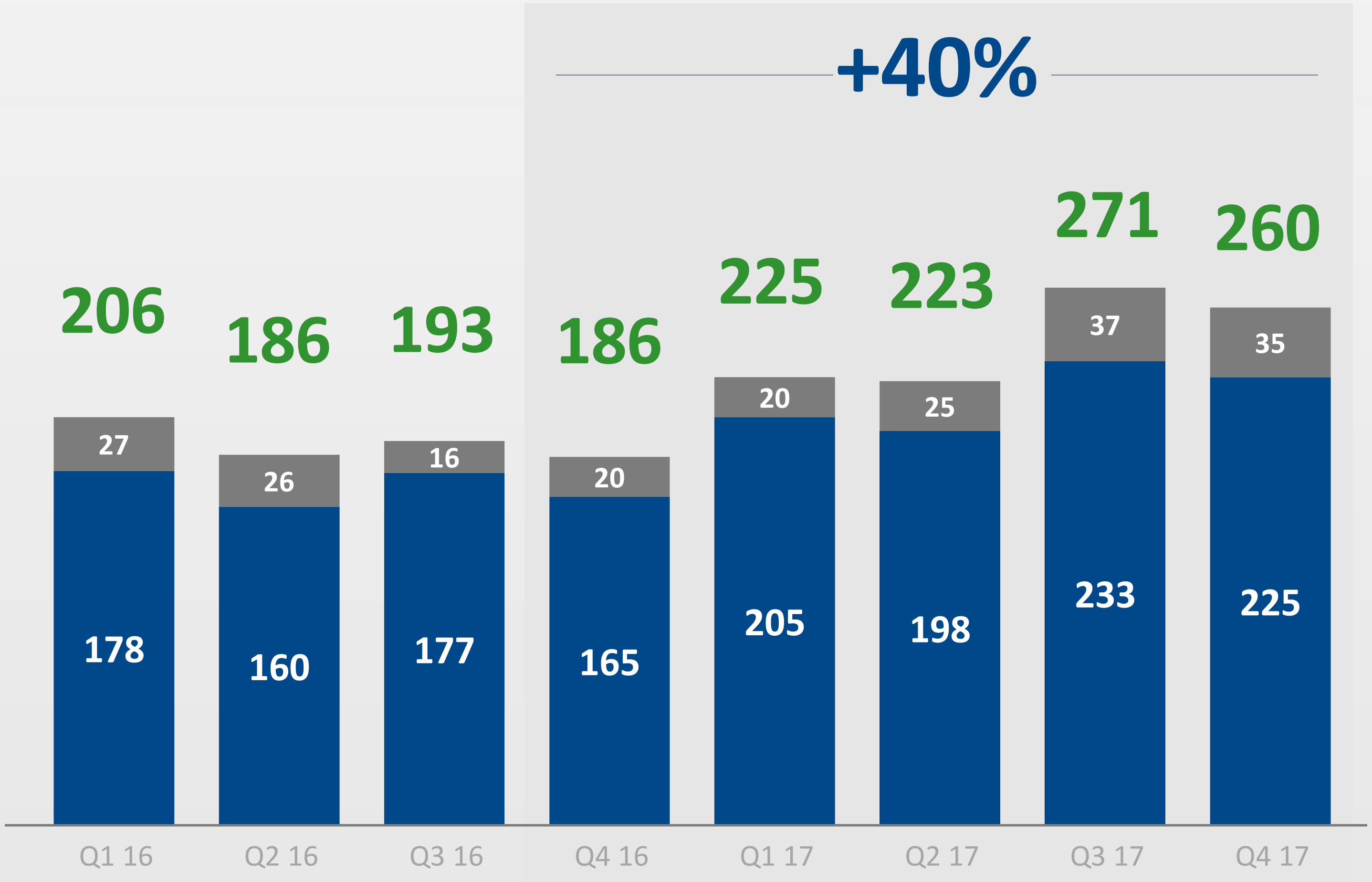
In 2017 **Elekeiroz's shipments** were **25% higher than in 2016**, mainly driven by smooth operating performance and favorable market conditions in key segments – alcohols, plasticizers and sulfuric acid.

Brazilian Chemical Market*: Apparent Consumption of chemical products grew **6%** in 2017. Domestic production was **1.85%** higher vs 2016; imports had a strong increase of **21.1%.**

(*) from Abiquim (Brazilian Chemical Industry Association)

Operational Performance 2016 and 2017

Net Revenue *(R$ million)*

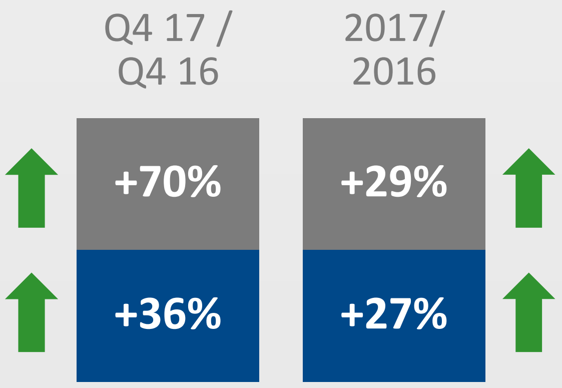


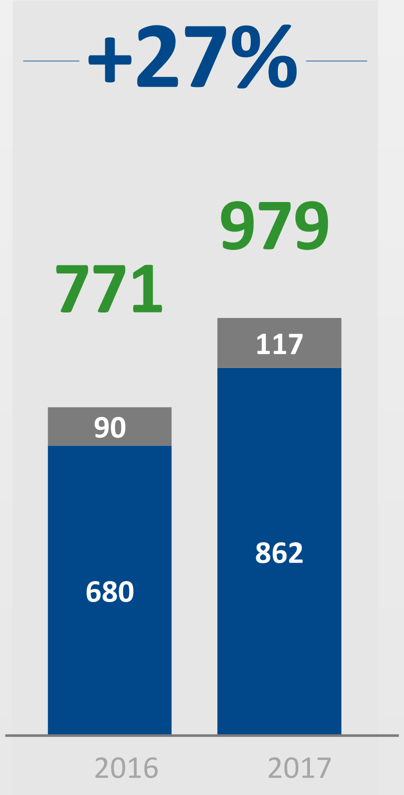
Net revenue had a **significant growth in 2017** in both segments – organic and inorganic products.

In the 4th quarter we highlight **70%** increase in inorganic products due to favorable prices (shortage of sulfuric acid in the market).

Inorganics

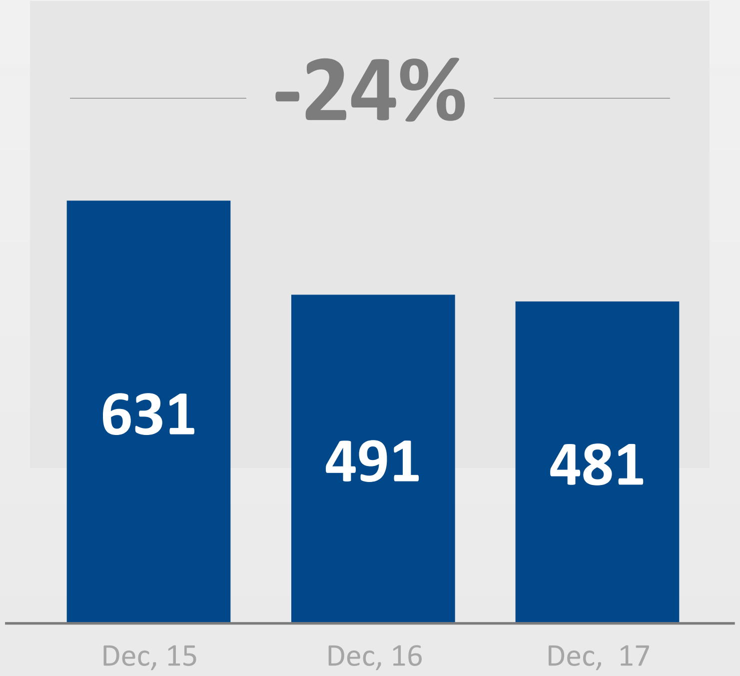
Organics





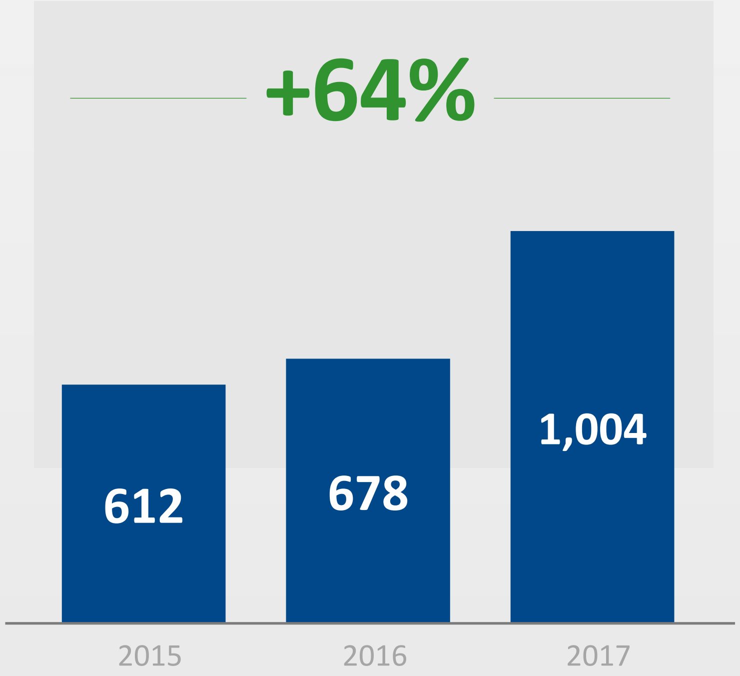
Costs and Expenses Reduction

Full-time employees



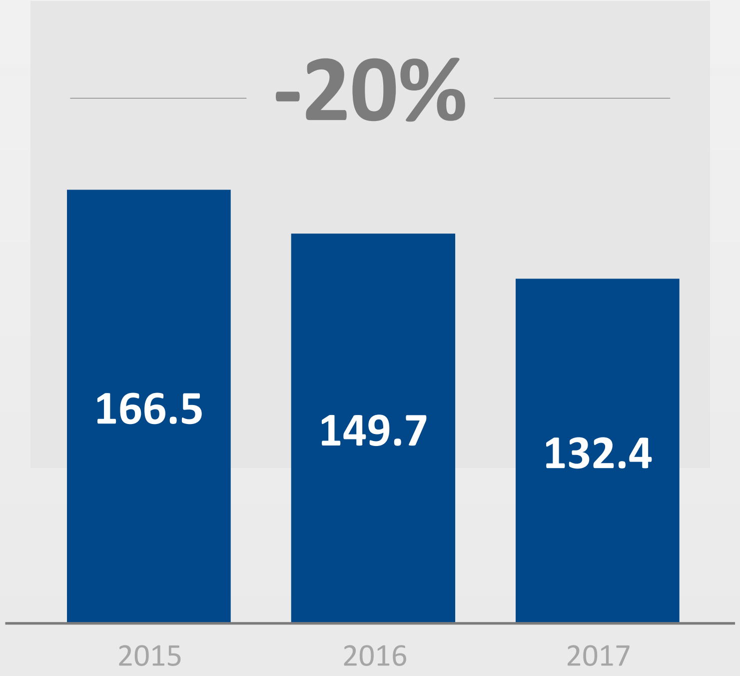
Productivity

(tons shipped / nº employees)



Fixed Costs and Administrative Expenses*

(R$ million)



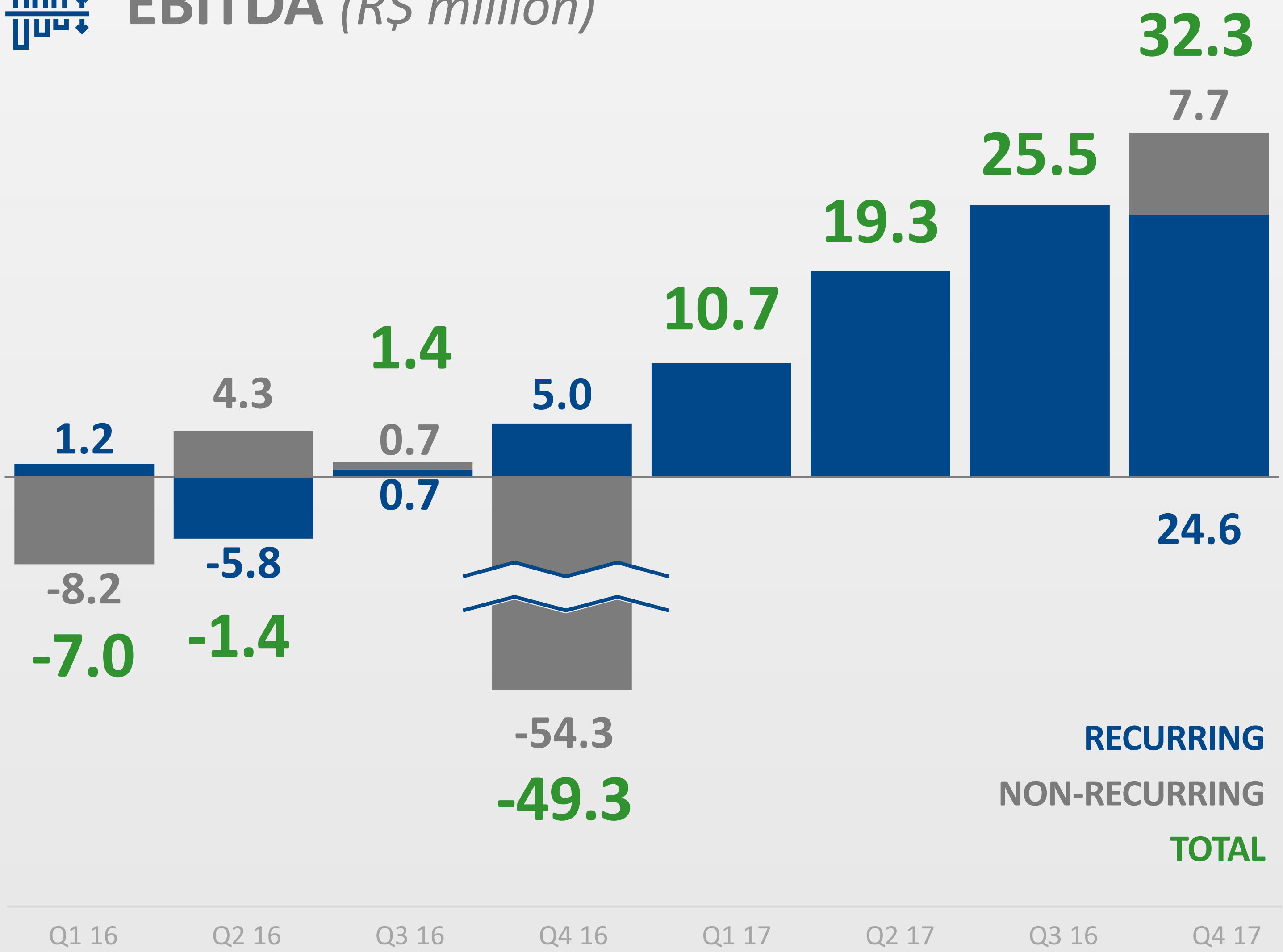
(*) costs + expenses ex-depreciation

In 2016 the Company has implemented a project to optimize its production chain, concentrating plasticizers and phthalic anhydride production in its most competitive factories in Várzea Paulista (SP) , therefore closing the corresponding product lines in Camaçari (BA) .

In addition, a set of actions focused on reviewing business processes and increasing productivity resulted in staff adjustments and a consequent reduction in costs and expenses.

Operational Performance 2016 and 2017

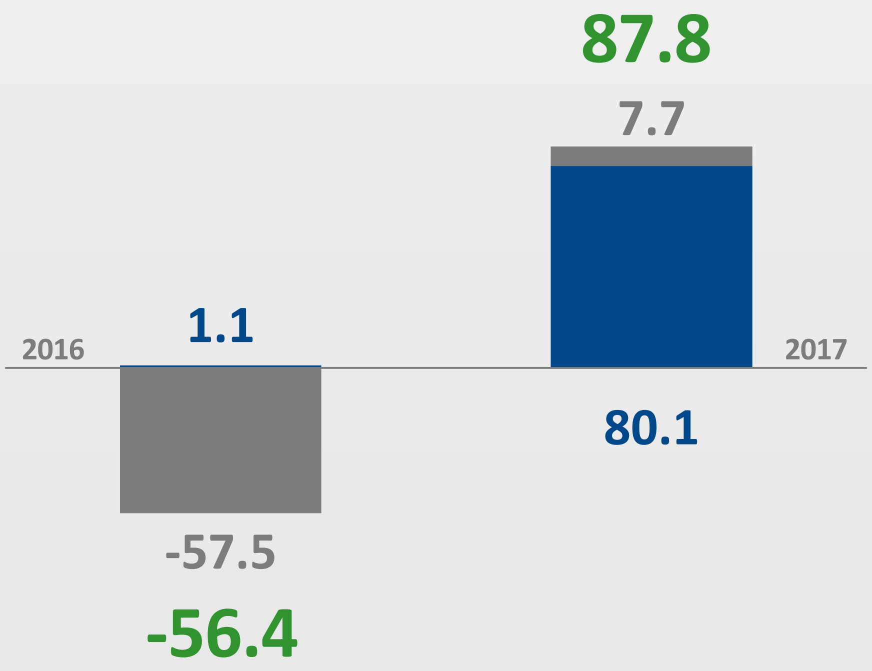
EBITDA *(R$ million)*



Non-Recurring Items: In 2017, tax credits recognition of **R$ 7.7 million** as a result of favorable lawsuit judgment.

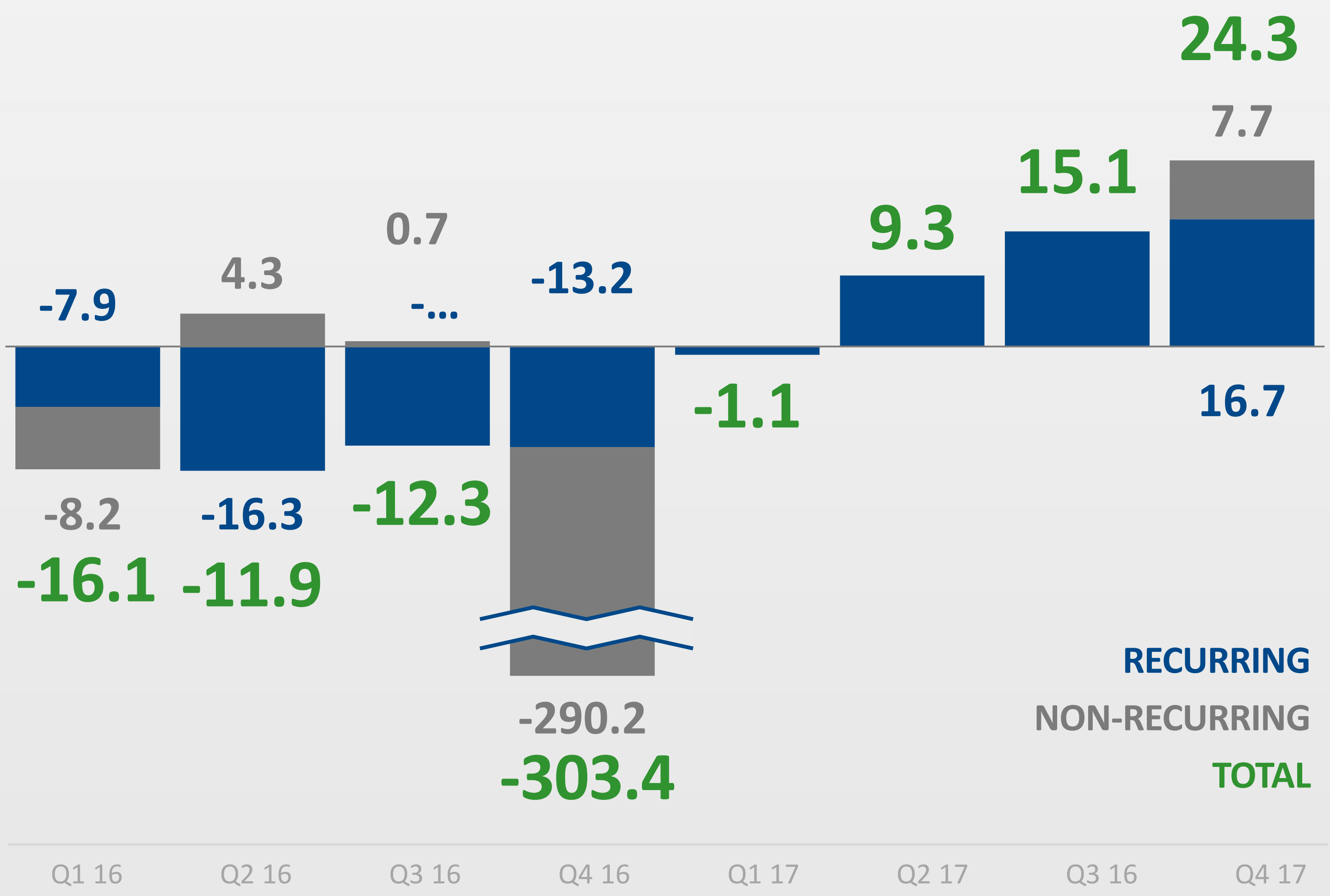
In 2016, Elekeiroz's results had been negatively affected by **R$ 293 million** for a series of non-recurring events (detailed below).

EBITDA continued its upward trend, started in the beginning of 2017.



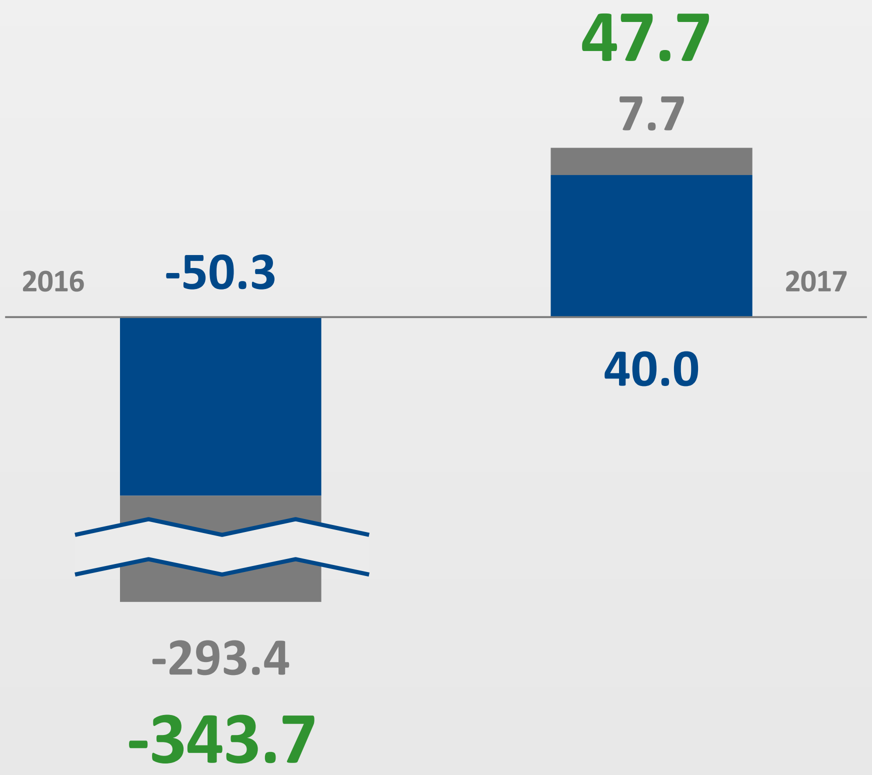
Operational Performance 2016 and 2017

Net Income / Loss *(R$ million)*



Net income of **R$ 24.3 million** in the 4th quarter was **62%** higher than the previous quarter.

Net income for 2017 reached **R$ 47.7 million**, corresponding to **4.9%** of net revenue.



Non-Recurring Items *(R$ million)*

The economic crisis that heavily impacted the industry (**17% reduction** in the industrial production in 2014-2016), also hit Elekeiroz's markets, resulting in relevant adjustments in **the 2016 balance sheet**, which are detailed in the table besides.

Highlights:

- **Impairment** of Oxo Alcohols, Maleic Anhydride and Resins assets, due to worsening of actual and projected results;
- **Reversal of deferred taxes and social contribution,** related to credits whose compensation deadlines are over 10 years;
- **Phthalic Anhydride and Plasticizers (FTAC / PLAC)** assets write-off, both in Camaçari, and their **deactivation indemnities and provisions** after plants reuse projects had been considered not viable;
- **Additional allowance for doubtful accounts** to adjust them to new prospect of receiving, due to a substantial worsening of economy's recovery expectation.

<table>
<tr><th>2017</th><th>Net Income</th><th>EBTIDA</th></tr>
<tr><td>2017 Published</td><td>47.7</td><td>87.8</td></tr>
<tr><td>Tax credits recognition resulting by lawsuit whose judgment was favorable</td><td colspan="2">7.7</td></tr>
<tr><td>2017 Recurring</td><td>40.0</td><td>80.1</td></tr>
</table>

<table>
<tr><th>2016</th><th>Net Loss</th><th>EBTIDA</th></tr>
<tr><td>2016 Published</td><td>-343.7</td><td>-56.4</td></tr>
<tr><td>Impairment of permanent and intangible assets</td><td>-154.8</td><td>-</td></tr>
<tr><td>Reversal of deferred taxes and social contribution</td><td>-50.5</td><td>-</td></tr>
<tr><td>FTAC / PLAC assets write-off</td><td>-30.0</td><td>-</td></tr>
<tr><td>FTAC / PLAC deactivation indemnities and provisions</td><td colspan="2">-29.5</td></tr>
<tr><td>Additional allowance for doubtful accounts</td><td colspan="2">-20.3</td></tr>
<tr><td>Indemnities, labor provisions and restructuring</td><td colspan="2">-12.0</td></tr>
<tr><td>Tax credits homologation and adjustments – Legal Action</td><td colspan="2">-0.7</td></tr>
<tr><td>Write-offs</td><td>-0.7</td><td>-</td></tr>
<tr><td>Bargain purchase recognized on Nexoleum acquisition</td><td colspan="2">5.0</td></tr>
<tr><td>2016 Recurring</td><td>-50.3</td><td>1.1</td></tr>
</table>

Income Statement *(R$ million)*

	2017	2016	Δ	Q4 17	Q4 16	Δ
NET SALES	**978.5**	**770.8**	*27%*	**259.8**	**185.7**	*40%*
Costs of Sales	-825.2	-730.8	*-13%*	-212.7	-172.6	*-23,%*
GROSS PROFIT	**153.4**	**40.0**	*284%*	**47.0**	**13.1**	*259%*
Selling Expenses	-47.5	-37.9	*-25%*	-10.7	-9.1	*-17%*
General and Administrative Expenses	-64.1	-64.6	*1%*	-18.7	-18.0	*-4%*
Other Operating Revenues and Expenses	25.0	-235.9	-	10.6	-235.5	-
Net Financing Expenses	-18.3	-17.0	*-8%*	-3.1	-3.9	*19%*
OPERATING INCOMING (LOSS)	**48.4**	**-315.4**	-	**25.1**	**-253.5**	-
Income Tax and Social Contribution	-0.7	-28.2	-	-0.7	-49.9	-
NET INCOME (LOSS)	**47.7**	**-343.7**	-	**24.3**	**-303.4**	-
Net Income (Loss) Margin	*4.9%*	*-44.6%*		*9.4%*	*-163.4%*	
RECURRING NET INCOME (LOSS)	**40.0**	**-50.3**	-	**16.7**	**-13.2**	-
Recurring Net Income (Loss) Margin	*4.1%*	*-6.5%*		*6.4%*	*-7.1%*	
EBITDA	**87.8**	**-56.4**	-	**32.3**	**-49.3**	-
EBITDA Margin	*9.0%*	*-7.3%*		*12.4%*	*-26.6%*	
RECURRING EBITDA	**80.1**	**1.1**	*++*	**24.6**	**5.0**	*393%*
Recurring EBITDA Margin	*8.2%*	*0.1%*		*9.5%*	*2.7%*	

Balance Sheet and Cash Flow *(R$ million)*

Balance sheet

Reduction of working capital due to better management of the production chain. The Company achieved a significant reduction in its inventories, even with sales growth.

ASSETS	DEC, 17	DEC, 16
CURRENT ASSETS	**292**	**252**
Cash and cash equivalents	56	34
Clients – trade receivables	122	97
Inventories	79	104
Others	35	17
NON CURRENT ASSETS	**166**	**182**
Long-term assets	46	66
Long-term financial investments	4	3
Property, plant and equipament	90	84
Others	26	29
TOTAL ASSETS	**458**	**434**
WORKING CAPITAL	**147**	**168**

LIABILITIES AND SHAREHOLDERS' EQUILITY	DEC, 17	DEC, 16
CURRENT LIABILITIES	**177**	**141**
Suppliers	54	33
Personnel obligations	8	10
Financial institucions	81	70
Others	33	27
NON CURRENT LIABILITIES	**130**	**182**
Financial institutions	88	151
Others	42	31
SHAREHOLDERS' EQUITY	151	111
TOTAL LIABILITIES AND SHAREHOLDERS' EQUILITY	**458**	**434**
NET DEBT	**108**	**184**

Cash flow

	2017	2016
Operation cash flow (OCF)	123.5	14.4
Financing cash flow (FCF)	-26.6	-33.0
(=) FCO – FCI	**96.9**	**-18.6**
(+) New loans	21.5	131.6
(-) Loan amortization (Principal + interest)	-95.2	-113.4
FREE CASH FLOW	**23.1**	**-0.5**

The investments of **R$ 26.6 millions** were destined to sustaining CAPEX.

Increase of EBITDA and reduction of operational working capital allowed the Company to reduce net debt in R$ 75 millions in 2017

Conclusions and Priorities

Conclusions:

In **2017** as a combination of higher volume shipped, an **outstanding operating** performance and reduction of costs and expenses we delivered a **robust recovery of results**.

Priorities for 2018:

- **Operational Excellence**: lower cost through yield and productivity improvements
- Continuous increasing in **productive capacity occupation**
- **Lean structure**, with teams trained and committed to **change management and sustainability** of operations
- Strengthen **leadership in the plasticizer market**, with the most complete portfolio of products
- Explore **South American market** for oxo-alcohols

Elekeiroz

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Marcos De Marchi
CEO and Investor Relations Officer

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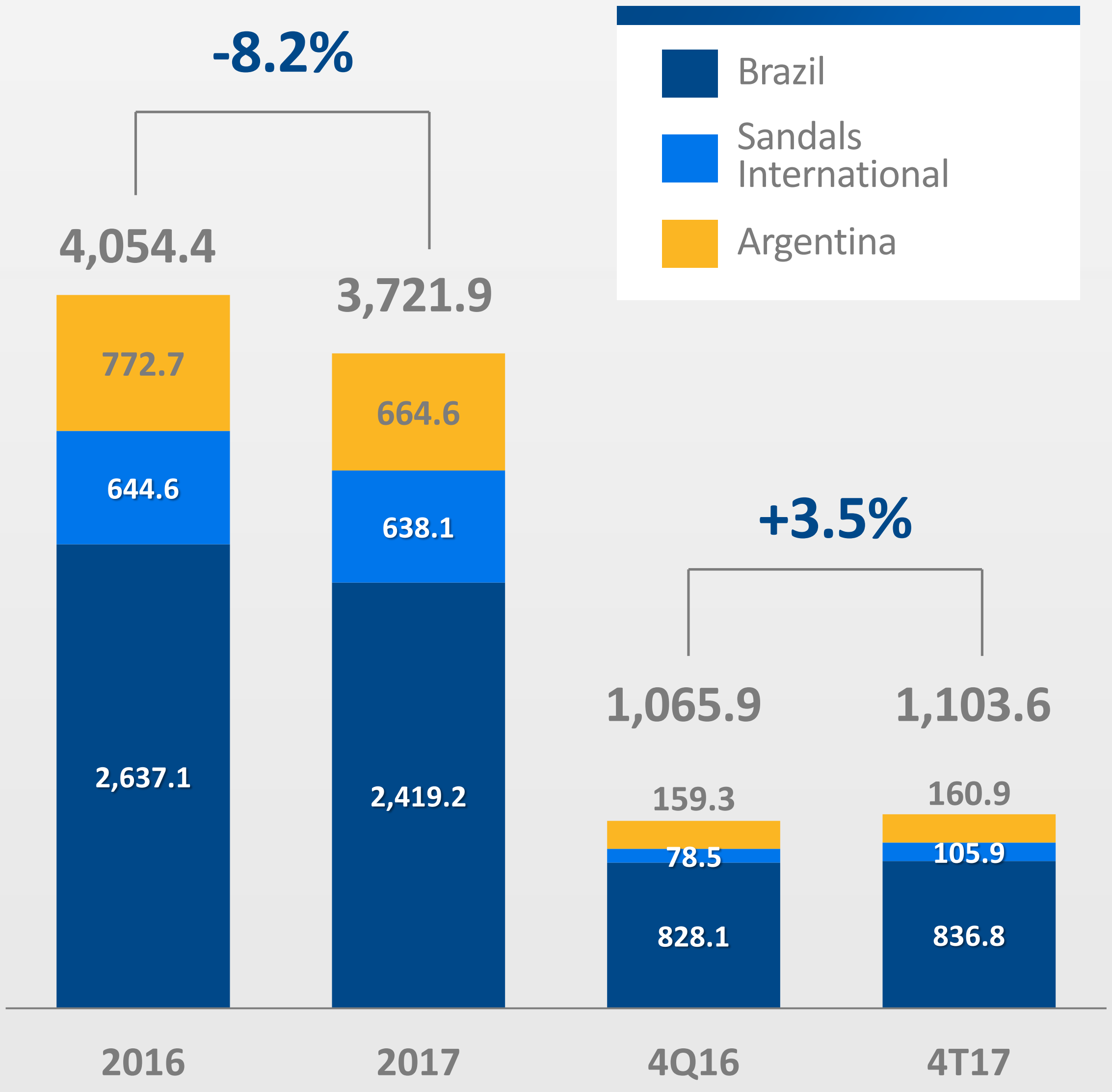
Fabio Leite de Souza
CFO

Net Revenue (R$ million)



Net revenue variations (2017 vs 2016)

- **BRAZIL: -8.3%**

  11% reduction in net revenue of Sandals business due to the anticipation of sales of **~ 9 million** pairs of sandals from 1Q17 to 4Q16. Discounting this effect, net revenue would have decreased only **4.5%.**

- **SANDALS INTERNATIONAL:**
  - 1.0% in reais (+ 10.6% in dollars)

  5.8% growth in sandals volume and
  4.2% increase in dollar prices.

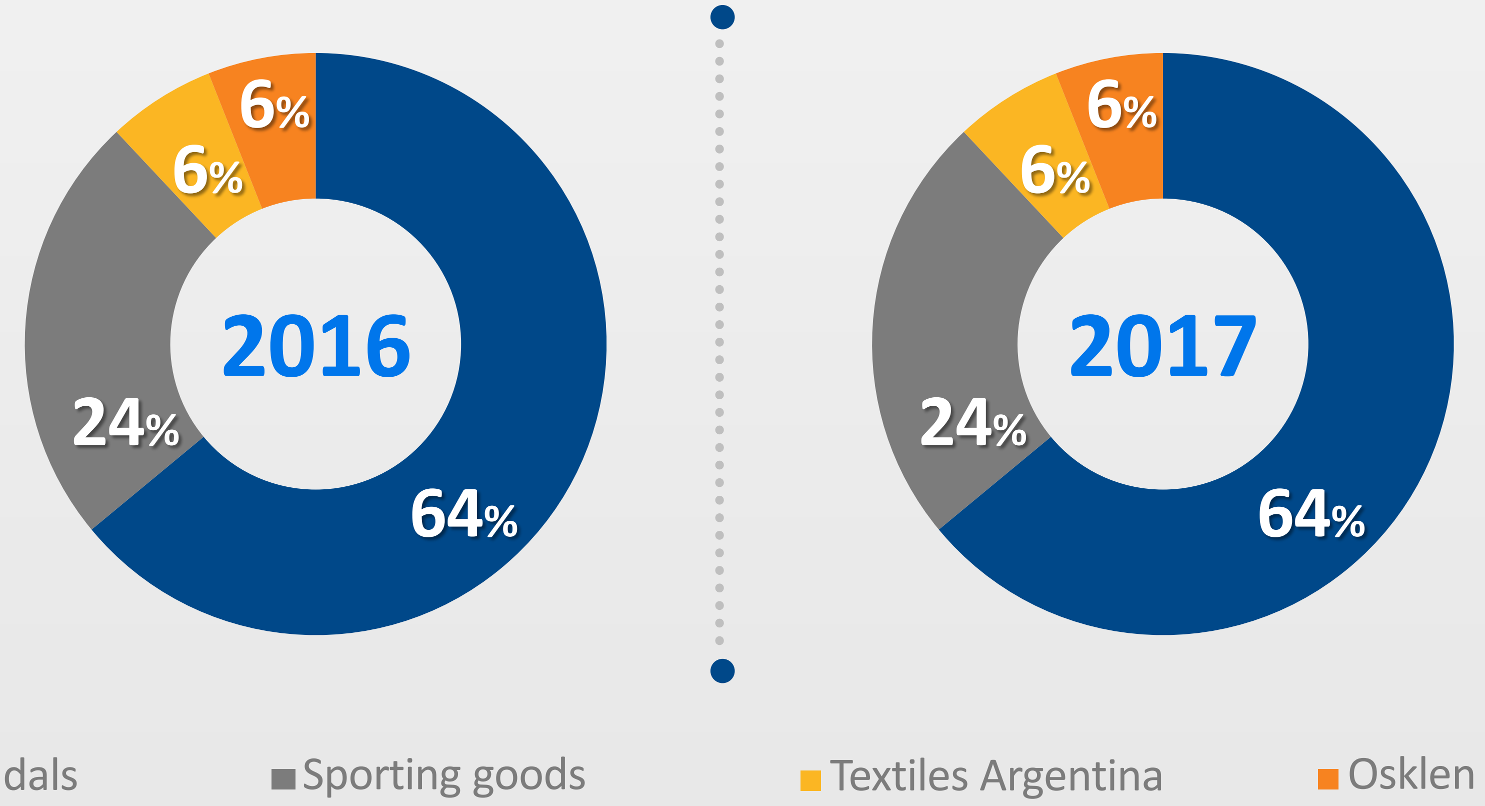
  8.5% appreciation of the real against the dollar impacted the performance in reais.

- **ARGENTINA: - 14.0% in reais (+5.6% in pesos)**

  Growth below local inflation due to **13%** drop in sales volume.

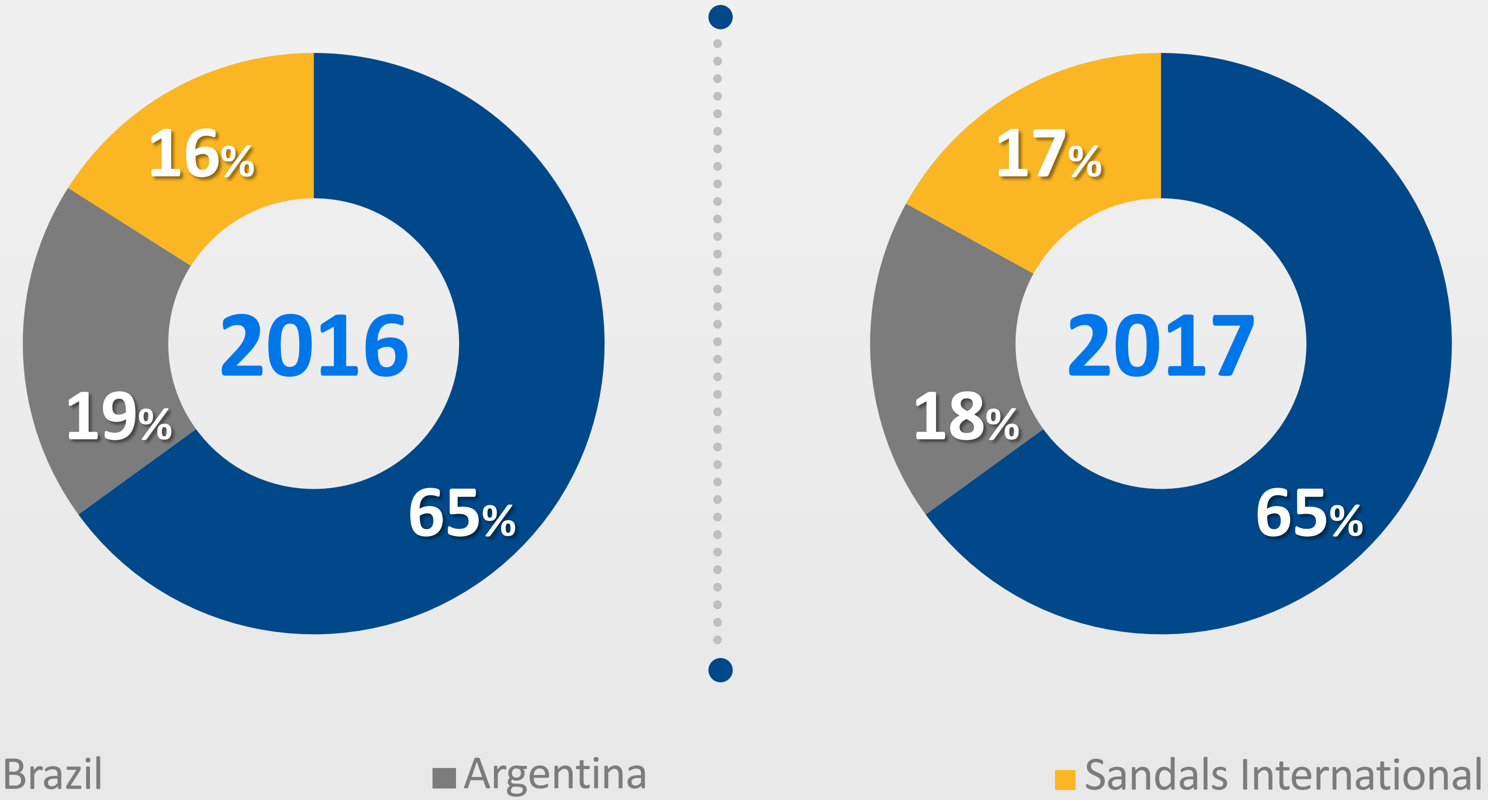
Net revenue breakdown

Consolidated net revenue by business

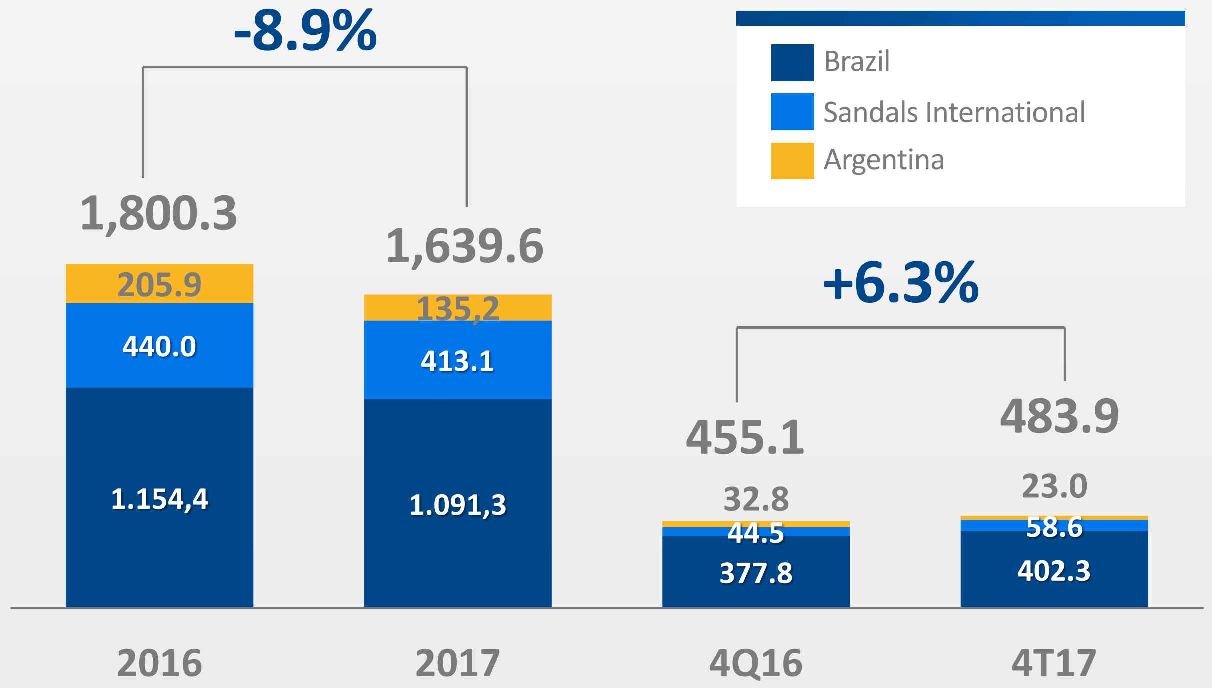


Net revenue breakdown

Consolidated net revenue by region



Gross profit (R$ million)



GROSS MARGIN	2017	VAR. (VS 2016)	4Q17	VAR. (VS 4Q16)
Consolidated	**44.1%**	**-0.3 pp**	**43.8%**	**1.1 pp**
Brazil	**45.1%**	**1.3 pp**	**48.1%**	**2.5 pp**
Sand. Intern.	**64.7%**	**-3.6 pp**	**55.3%**	**-1.4 pp**
Argentina	**20.3%**	**-6.3 pp**	**14.3%**	**-6.3 pp**

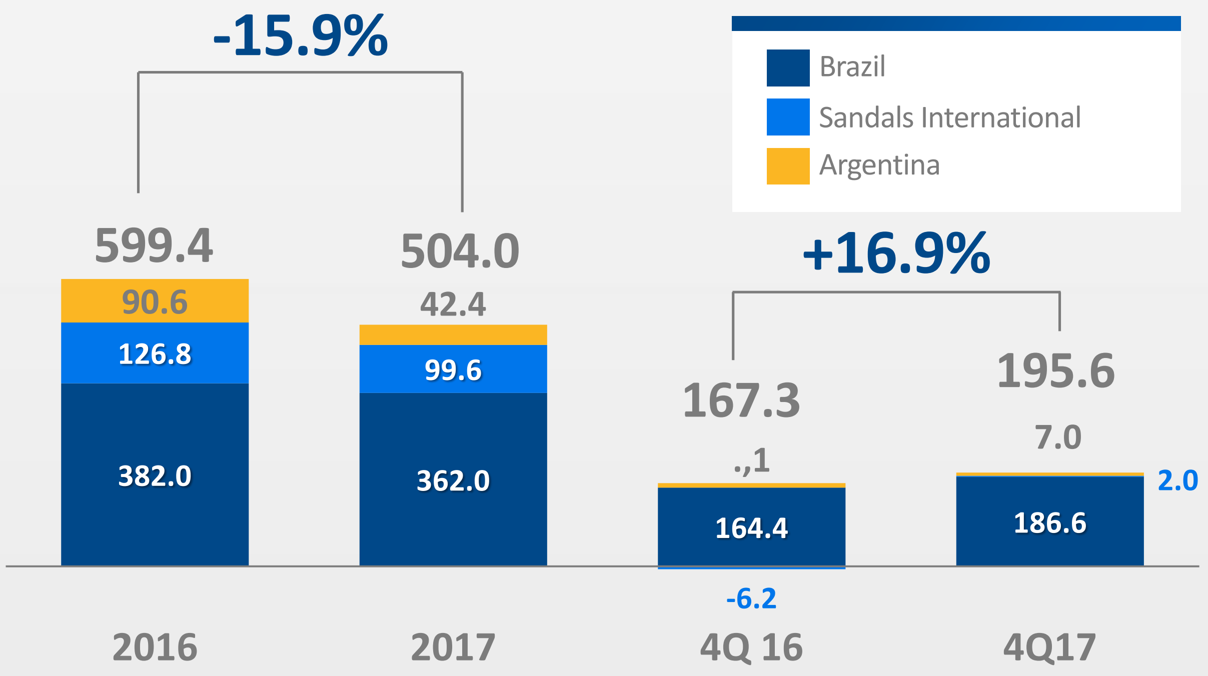
Gross margin variations (2017 vs 2016)

- **BRAZIL: +1.3 p.p.**
  Growth in gross margin of Sandals business (**improvement in manufacturing efficiency**) and Mizuno (domestic production of footwear).

- **SANDALS INTERNATIONAL: -3.6 p.p**
  Exchange rate variation and **country mix**

- **ARGENTINA: -6.3 p.p.**
  Lower manufacturing efficiency (**due to the drop in sales volume**) and higher price competition.

Recurring EBITDA (R$ million)

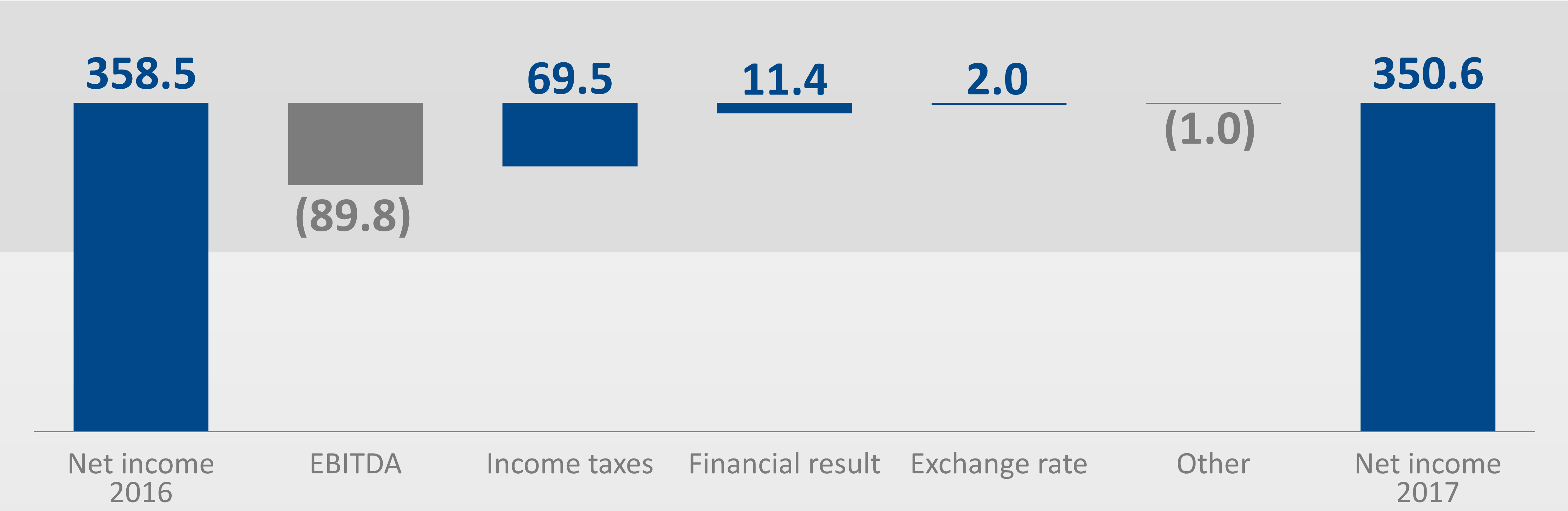


EBITDA margin	2017	VAR. (vs 2016)	4Q17	VAR. (vs 4Q16)
Consolidated	13.5%	-1.3 pp	17.7%	2.0 pp
Brazil	15.0%	-0.5 pp	22.3%	2.4 pp
Sand. Intern.	15.6%	-4.1 pp	1.9%	9.8 pp
Argentina	6.4%	-5.3 pp	4.4%	-1.3 pp

Ebitda margin variations (2017 vs 2016)

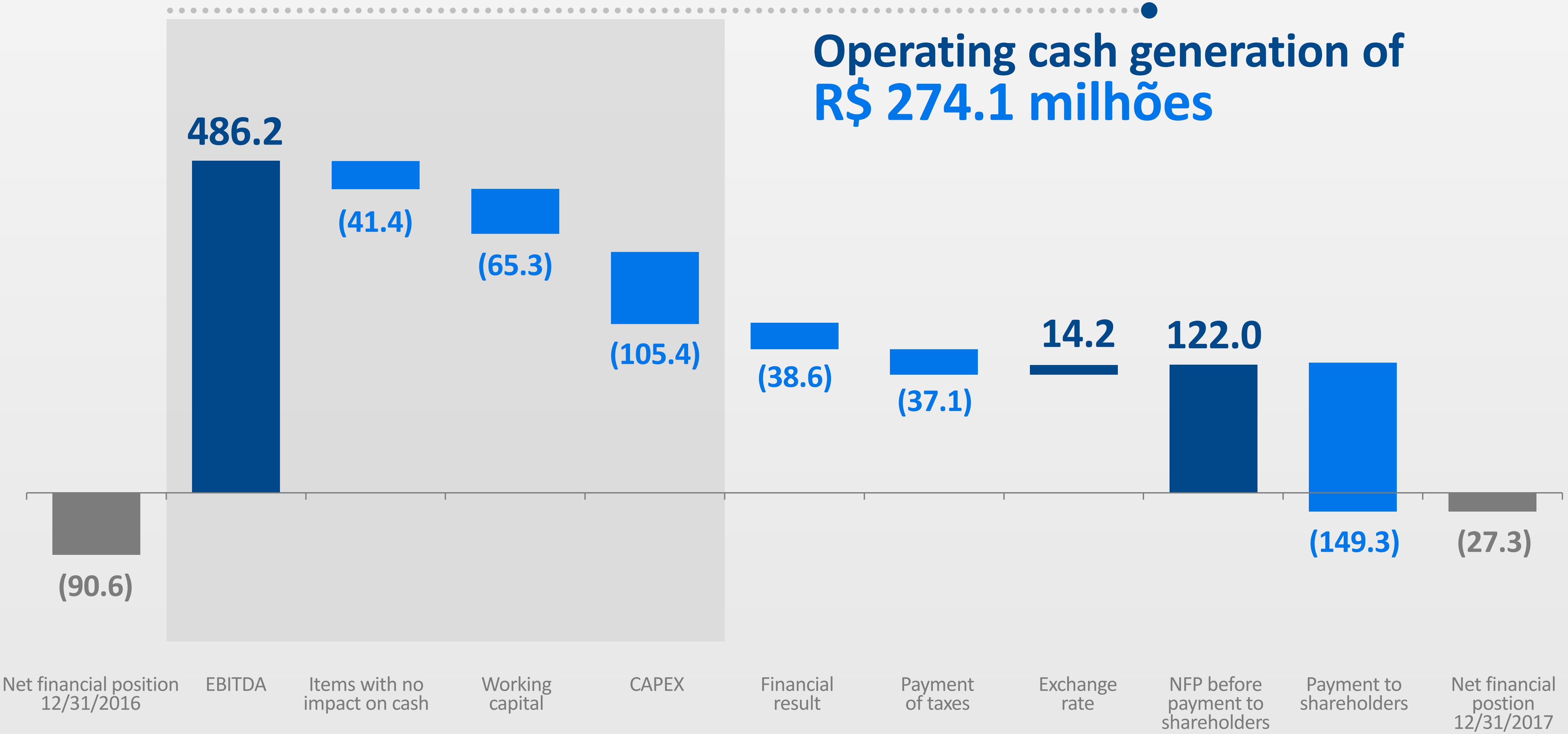
- **BRAZIL: -0.5 p.p.**
  Gain in gross margin was offset by lower G&A expense productivity.
- **SANDALS INTERNATIONAL: -4.1 p.p.**
  Decrease in gross margin and lower **SG&A productivity**
- **ARGENTINA: -5.3 p.p.**
  Decrease in gross margin and lower **SG&A productivity**

Net Income (R$ million)



8.8%	Margins (% of net revenue)	9.4%

Net Financial Position (R$ million)



Corporate structure and governance

Change in control on September 20, 2017

Itaúsa
27.12%

Cambuhy I FIP +
Cambuhy Alpa Holding
27.12%

Silvio Tini
Group
10.26%

Free Float
33.93%

Treasury
1,57%

Shareholders Agreement

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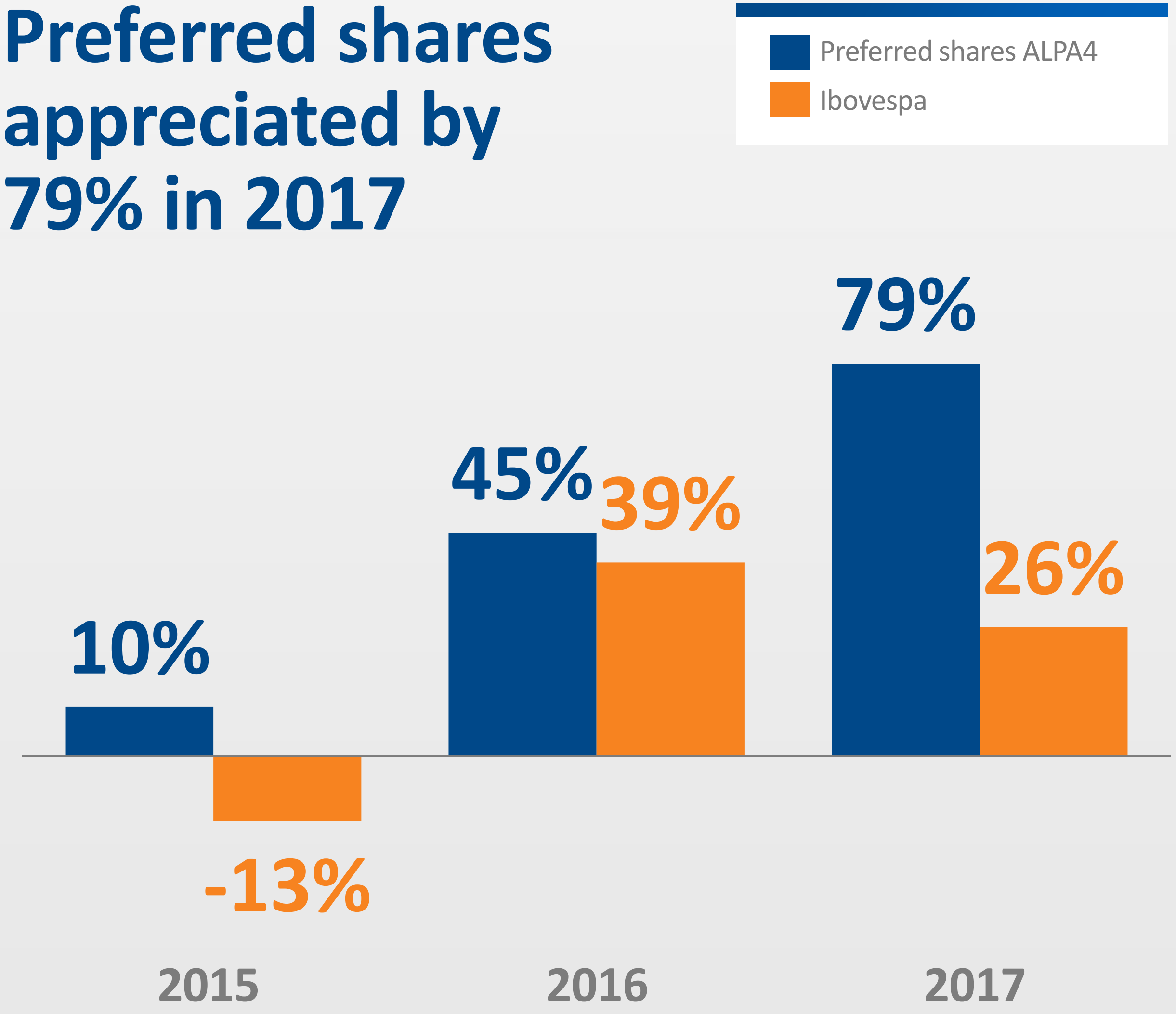
Improvement in Corporate Governance

- Creation of 4 Committees: Strategy, People, Finance and Audit
- Amendment of company’s bylaws

Preferred shares and payment to shareholders

Preferred shares appreciated by 79% in 2017



Payment to shareholders

Payment to shareholders related to 2017 results: **R$ 178.1 million:**

- **R$ 150.3 million** in interest on equity (paid in 2017)
- **R$ 27.8 million** in dividends (to be paid in April/18)

Payout of the distributable net profits: **100%**

Dividends related to previous years: **R$ 69.6 million** (to be paid in April/18)

Strategic priorities

havaianas®

- Grow portfolio and share in **men's and children's segments**
- **Reinforce women's** segment in lower **price ranges**
- Improve channel management to increase **volume and margins**
- Increase **volume and revenues** from brand extension products
- **Changes in new international distribution model:** Alpa APAC and Alpa Latam & Africa, with direct operations in Colombia and Argentina
- Restructuring of the operation in the **USA**

Mizuno

- **Increase** supply of running shoes
- Continuity of margin **improvement**

OSKLEN

- **Resume growth** and improve profitability
- **Accelerate sales**, particularly in own stores and e-commerce

Topper Argentina

- **Cut back** on industrial base and Increase competitiveness of portfolio
- **Start direct** Havaianas operation

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Fabio Leite de Souza
CFO