Localiza Rent a Car S.A.

1Q12 results

R$ million, IFRS



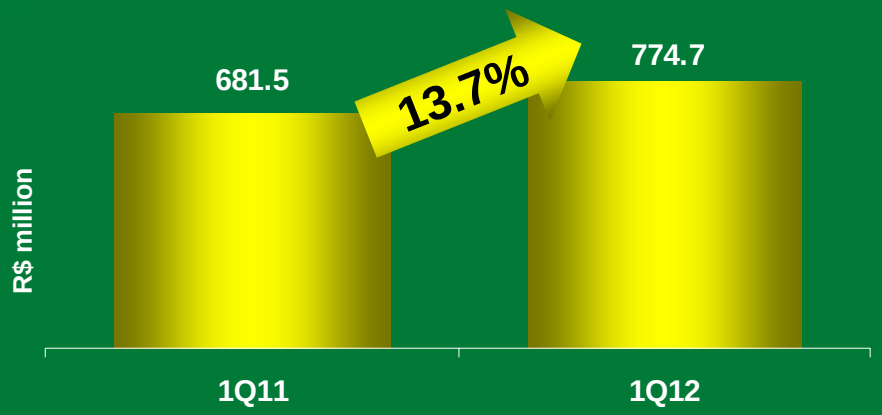
April 18, 2012

Highlights

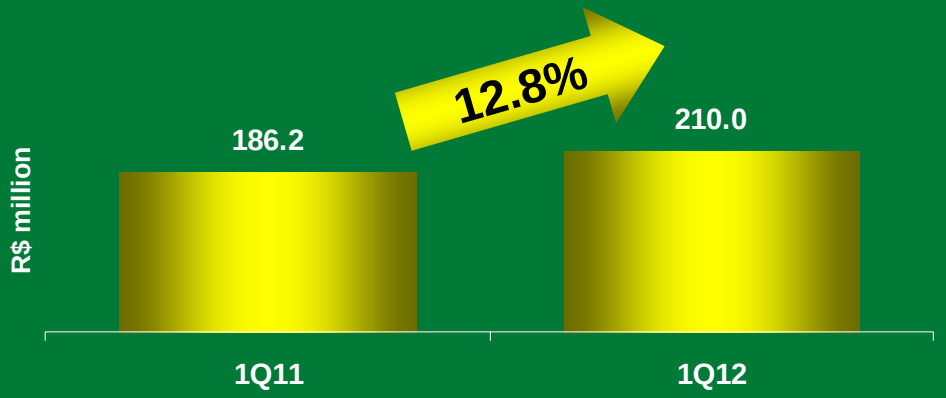
- **Investment Grade in global scale and brAAA in national scale by S&P**
- **Included at Bovespa and IBrx50 indexes starting 01/02/2012**
- **Increase in the ADTV to R$32 million in 1Q12 (R$23 million in 2011)**
- **More than 500 rental locations**

Highlights

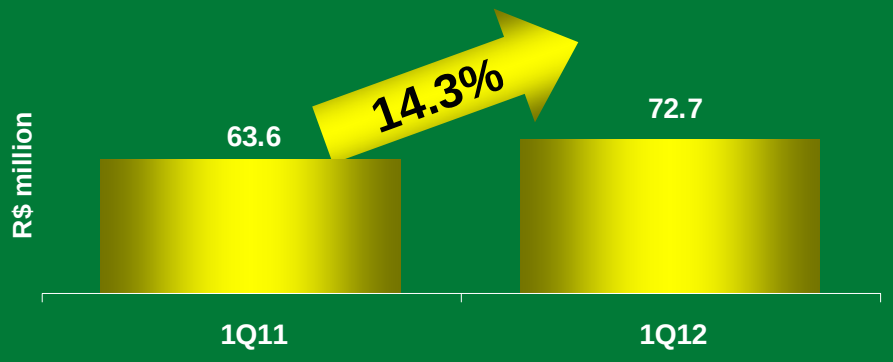
Net Revenues - Consolidated



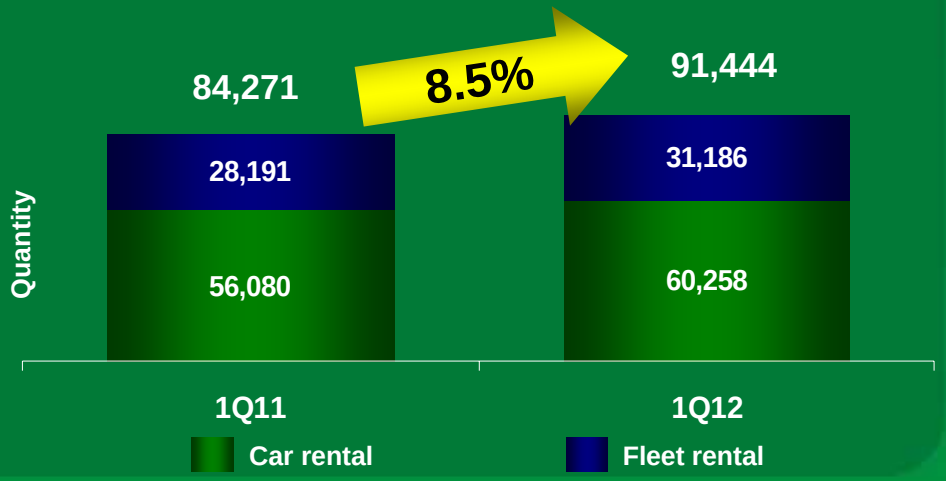
Consolidated EBITDA



Consolidated net income

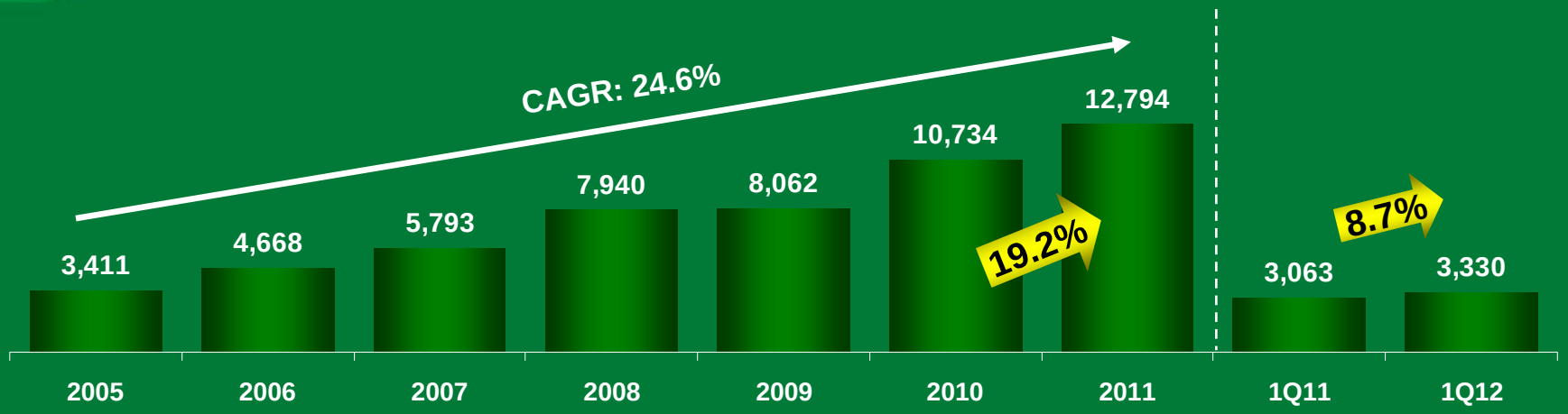


End of period fleet

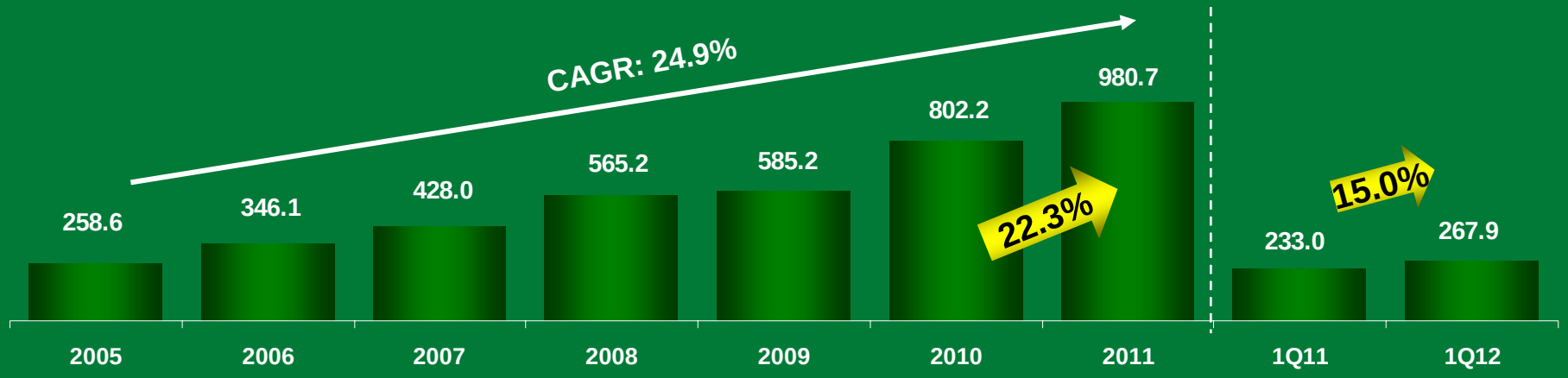


Car Rental Division

daily rentals (thousand)



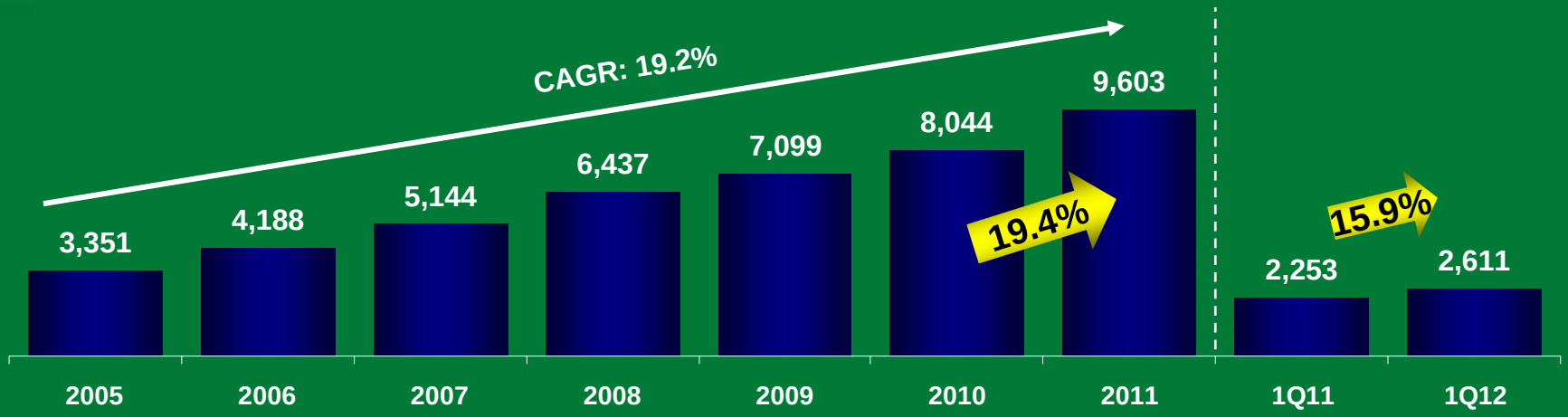
Net revenues (R$ million)



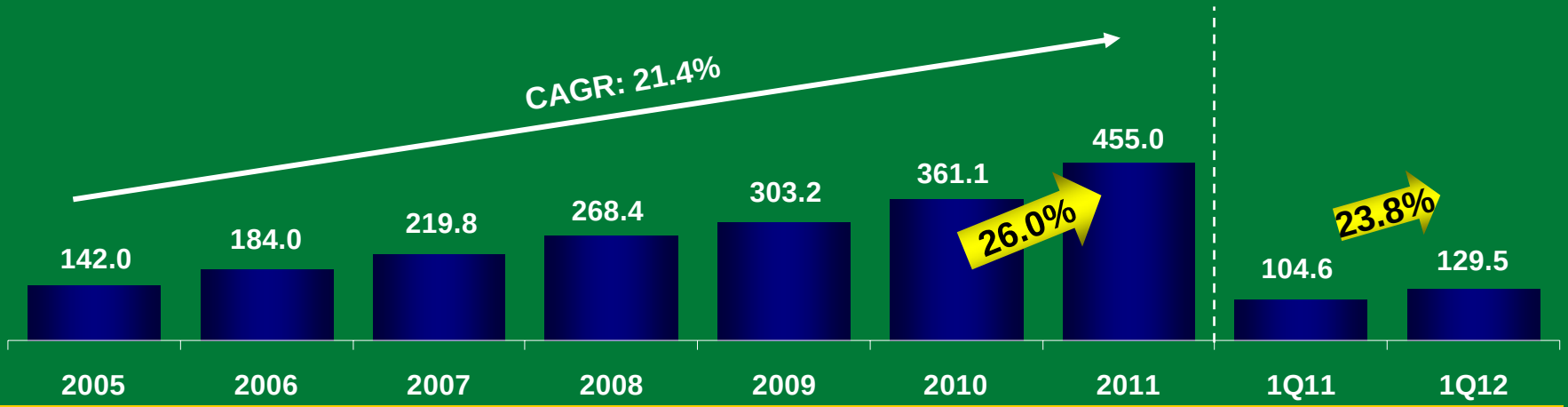
Revenue grew above volume due to the increase in the average rental rate per car.

Fleet Rental Division

daily rentals (thousand)



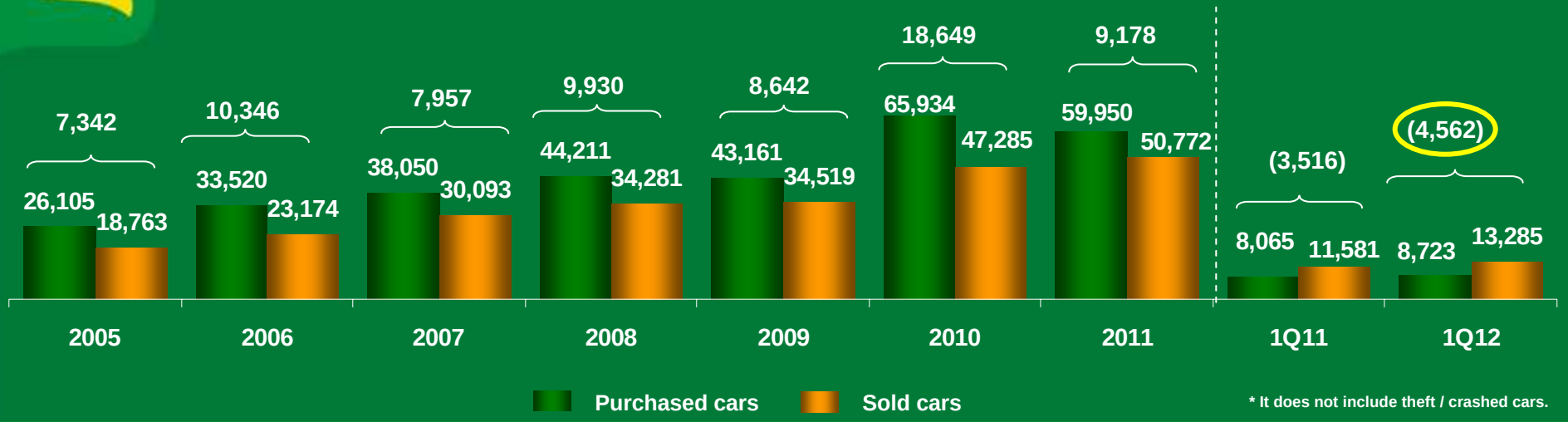
Net revenues (R$ million)



The Fleet Rental is still presenting strong pace of growth with revenue's improvement.

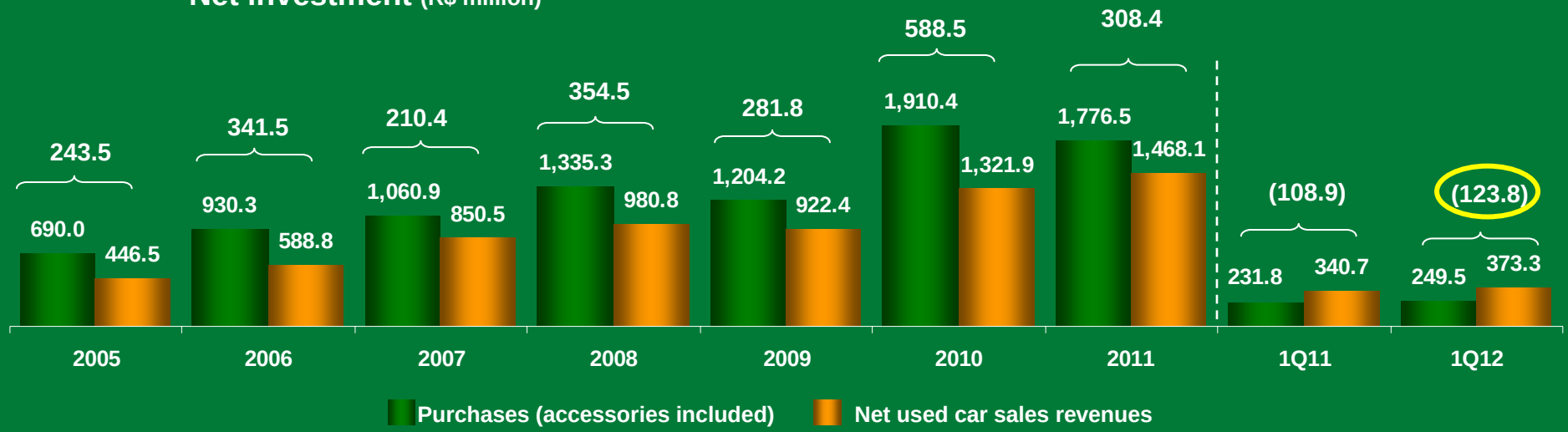
Net Investment

Fleet increase * (quantity)



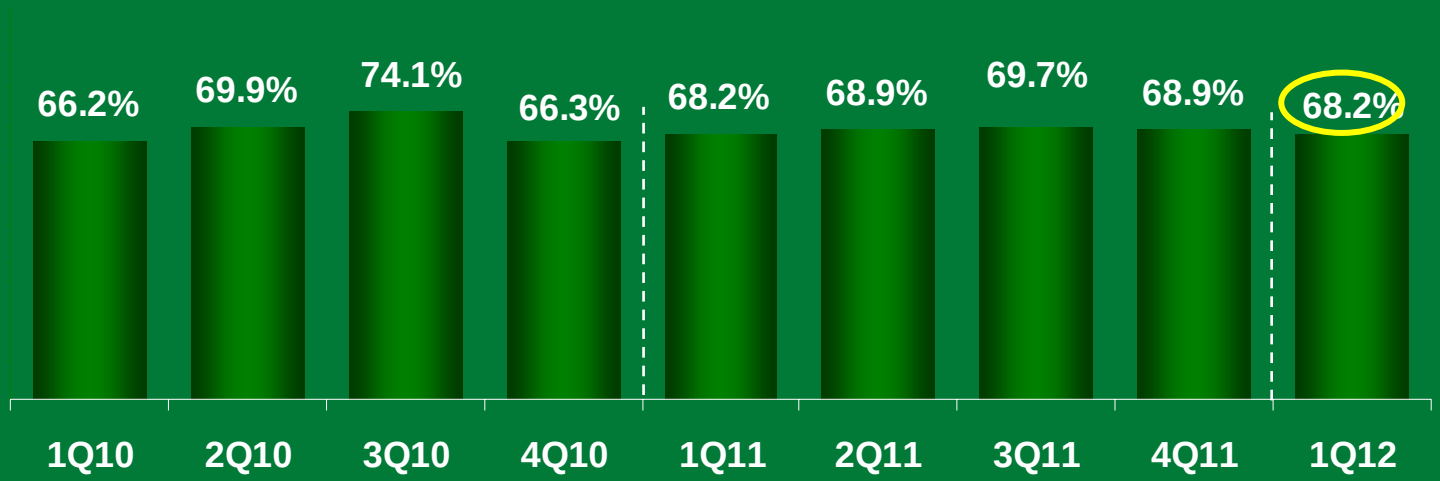
* It does not include theft / crashed cars.

Net investment (R$ million)



Car Rental fleet was reduced after the peak of summer vacation demand…

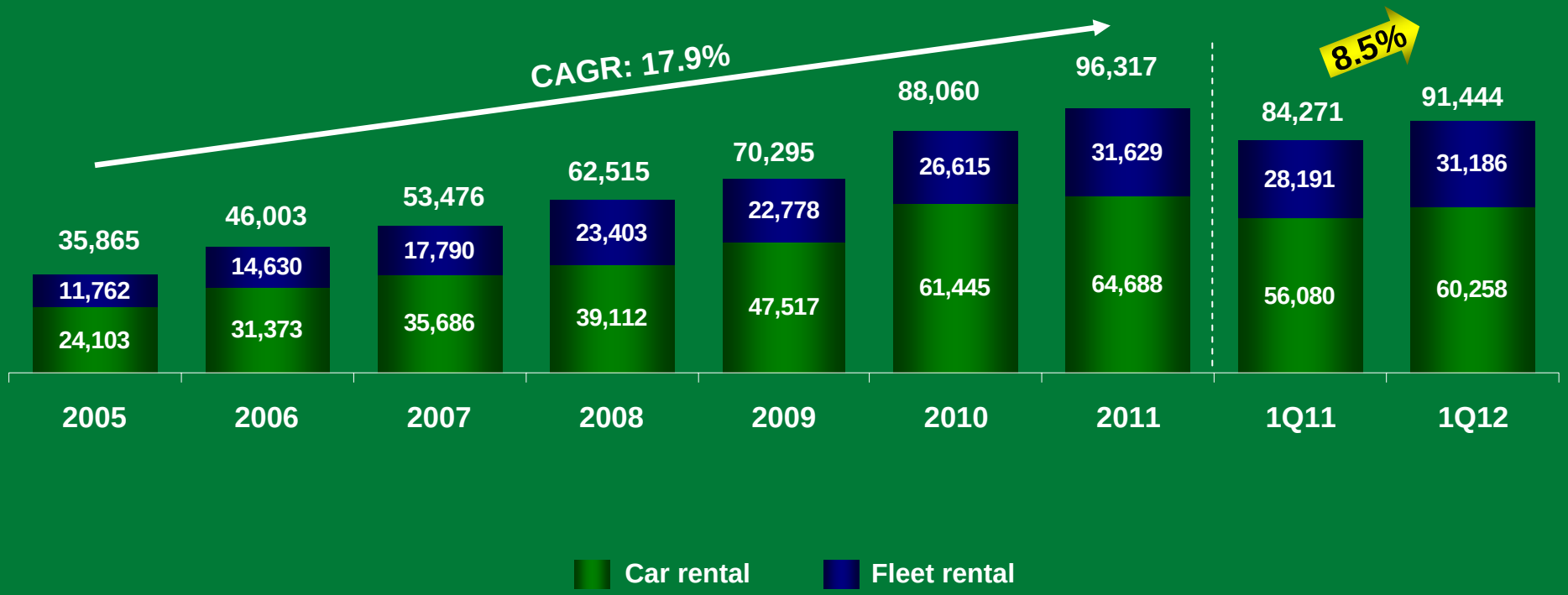
Utilization rate – car rental division



...to keep utilization rate in healthy levels.

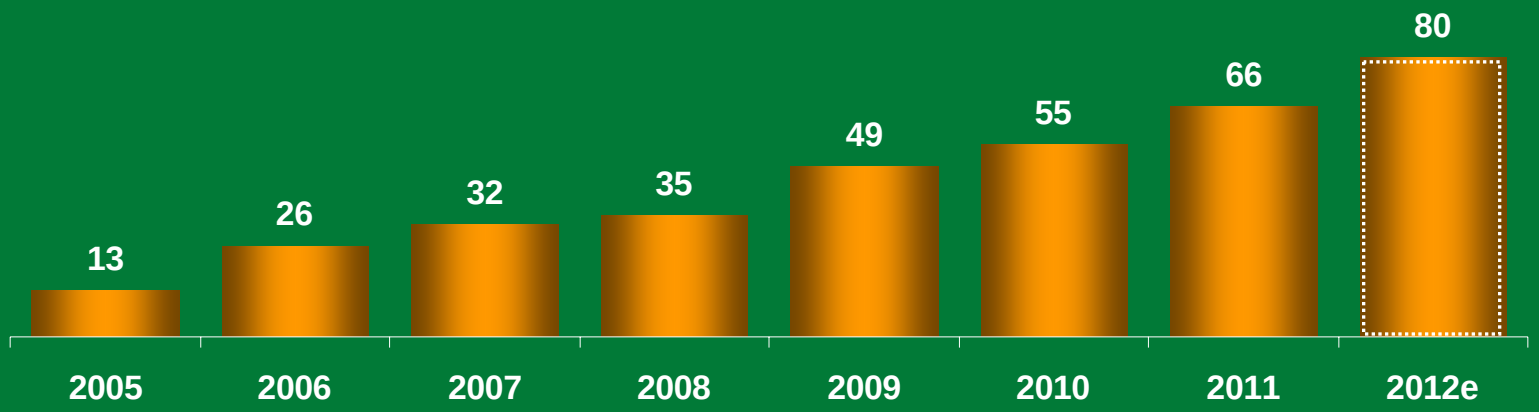
End of period fleet

Quantity



Inspite of reduction after peak of demand, end of period fleet grew 8.5% compared to the 1Q11.

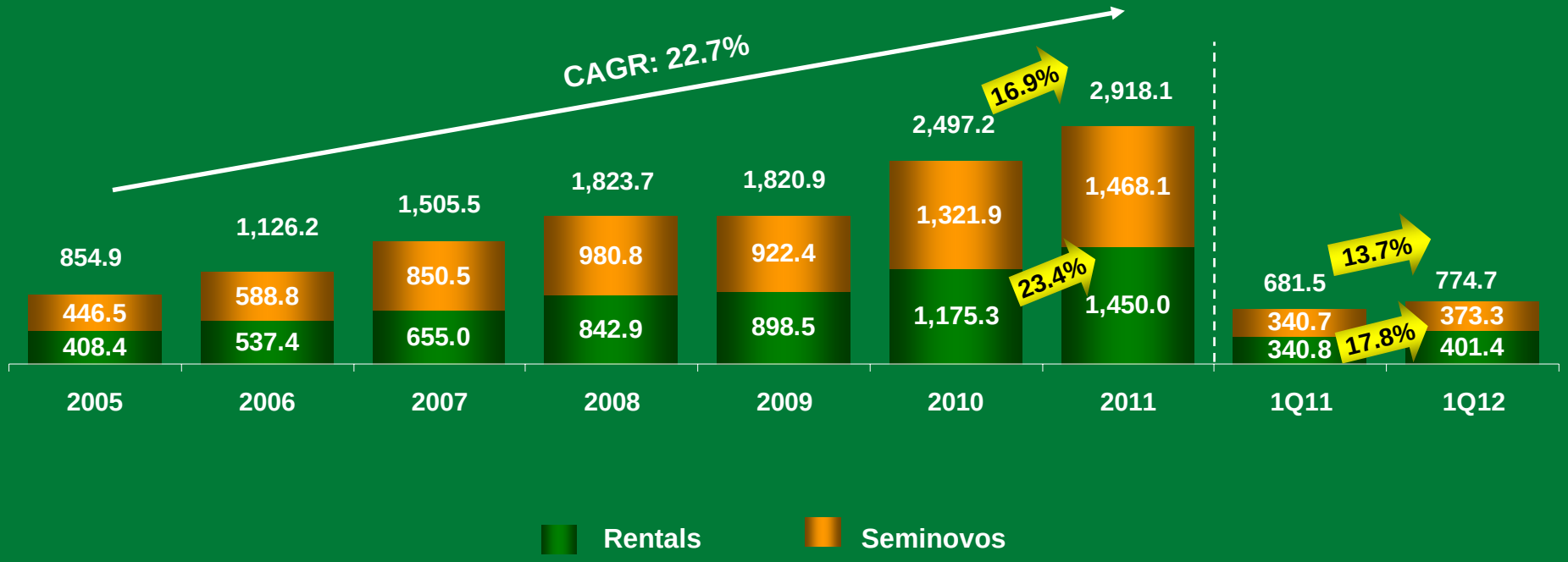
Ampliação da rede de distribuição de seminovos



Currently, 8 stores are under construction with the objective of reaching 80 stores until December 2012.

Consolidated net revenues

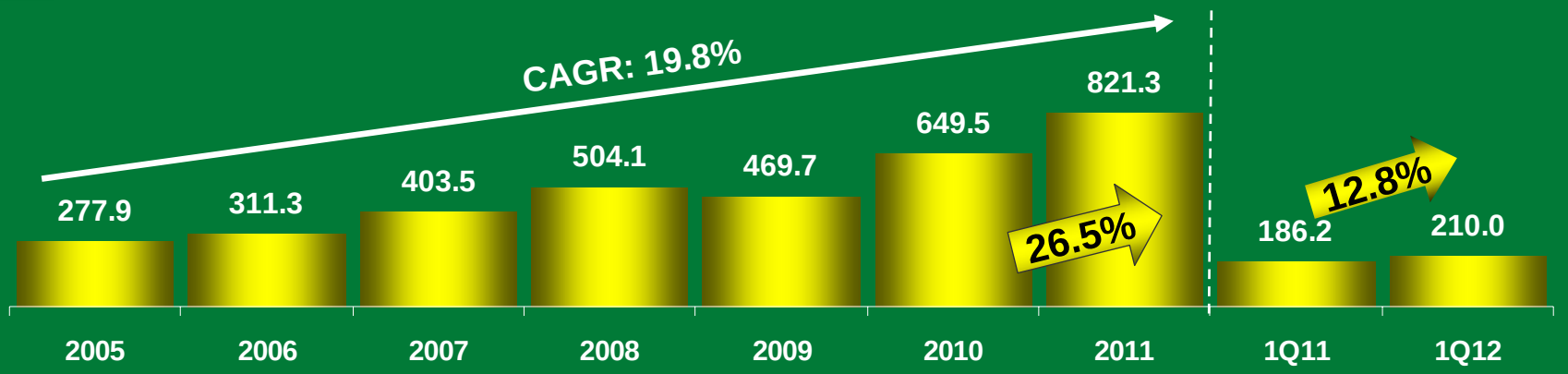
R$ million



The growth was leveraged by the increase of 17.8% in the rental revenues.

EBITDA

R$ million



Divisions	2005	2006	2007	2008	2009	2010	2011	1Q11	1Q12
Car rental	47.5%	43.4%	46.0%	45.9%	41.9%	45.3%	46.9%	44.0%	42.0%
Fleet Rental	65.5%	71.4%	71.3%	69.1%	68.7%	68.0%	68.6%	66.0%	66.2%
Rentals consolidated	53.6%	52.9%	54.5%	53.3%	51.1%	52.3%	53.8%	50.7%	49.9%
Used car sales	13.2%	4.6%	5.5%	5.6%	1.1%	2.6%	2.8%	3.9%	2.6%

Car rental margin was impacted by loss of scale, due to a lower growth rate.

Average depreciation per car

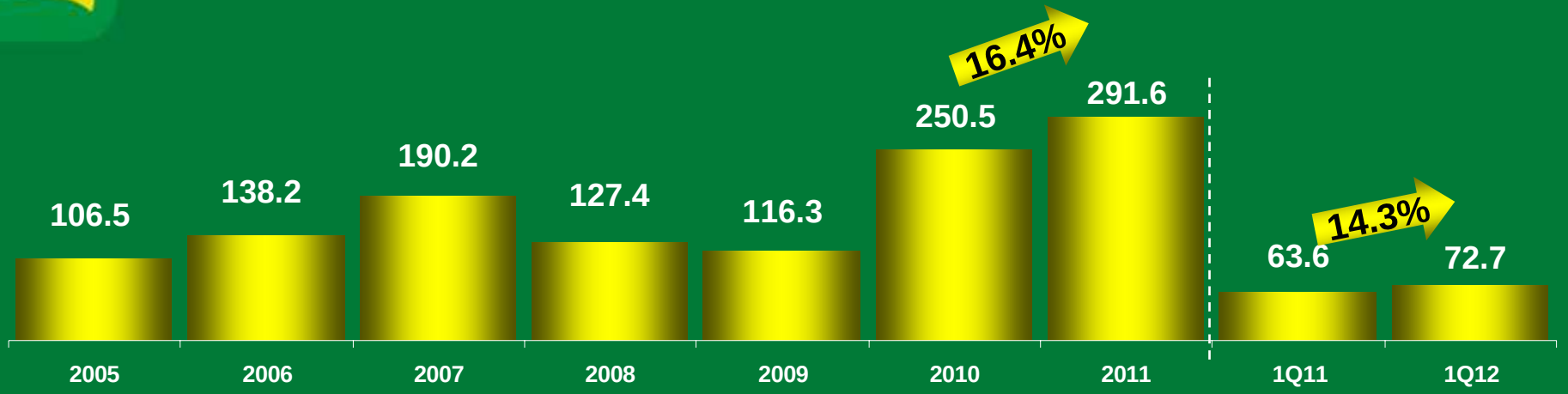




Depreciation is in line with the Company's expectation for the current scenario.

Consolidated net income

R$ million



Reconciliation EBITDA x net income	2007	2008	2009	2010	2011	Var. R$	Var. %	1Q11	1Q12	Var. R$	Var. %
EBITDA – Rentals and franchising	357.1	449.6	459.1	615.1	779.9	164.8	26.8%	172.9	200.2	27.3	15.8%
EBITDA – Used car sales	46.4	54.5	10.6	34.4	41.4	7.0	20.3%	13.3	9.8	(3.5)	-26.3%
EBITDA Consolidated	403.5	504.1	469.7	649.5	821.3	171.8	26.5%	186.2	210.0	23.8	12.8%
Cars depreciation	(43.1)	(178.5)	(172.3)	(146.3)	(201.5)	(55.2)	37.7%	(46.3)	(58.0)	(11.7)	25.3%
Other property and equipment depreciation	(14.4)	(18.3)	(21.0)	(21.1)	(24.1)	(3.0)	14.2%	(6.1)	(7.5)	(1.4)	23.0%
Financial expenses, net	(74.4)	(133.3)	(112.9)	(130.1)	(179.0)	(48.9)	37.6%	(42.8)	(43.6)	(0.8)	1.9%
Income tax and social contribution	(81.4)	(46.6)	(47.2)	(101.5)	(125.1)	(23.6)	23.3%	(27.4)	(28.2)	(0.8)	2.9%
Net income	190.2	127.4	116.3	250.5	291.6	41.1	16.4%	63.6	72.7	9.1	14.3%

Net income growth of 14.3% superior to the growth of 12.8% in the EBITDA.

Free cash flow - FCF

Free cash flow - R$ million	2005	2006	2007	2008	2009	2010	2011	1Q12
EBITDA	277.9	311.3	403.5	504.1	469.7	649.5	821.3	210.0
Used car sales net revenues	(446.5)	(588.8)	(850.5)	(980.8)	(922.4)	(1,321.9)	(1,468.1)	(373.3)
Depreciated cost of used car sales (*)	361.2	530.4	760.0	874.5	855.1	1,203.2	1,328.6	340.7
(-) Income tax and social contribution	(32.7)	(42.7)	(63.4)	(52.8)	(49.0)	(57.8)	(83.0)	(29.6)
Working capital variation	(24.2)	(4.8)	13.3	(44.8)	(11.5)	54.5	(83.9)	(29.8)
Cash provided before *capex*	135.7	205.4	262.9	300.2	341.9	527.5	514.9	118.0
Used car sales net revenues	446.5	588.8	850.5	980.8	922.4	1,321.9	1,468.1	373.3
Capex of car - renewal	(496.0)	(643.3)	(839.0)	(1,035.4)	(947.9)	(1,370.1)	(1,504.5)	(249.5)
Net capex for renewal	(49.5)	(54.5)	11.5	(54.6)	(25.5)	(48.2)	(36.4)	123.8
Capex – other property and equipment, net	(28.0)	(32.7)	(23.7)	(39.9)	(21.0)	(51.1)	(63.0)	(16.8)
Free cash flow before growth and interest	58.2	118.2	250.7	205.7	295.4	428.2	415.5	225.0
Capex of car - growth	(194.0)	(287.0)	(221.9)	(299.9)	(241.1)	(540.3)	(272.0)	-
Change in accounts payable to car suppliers (*capex*)	(25.5)	222.0	(51.0)	(188.9)	241.1	111.3	32.7	(211.8)
Free cash flow before interest	(161.3)	53.2	(22.2)	(283.1)	295.4	(0.8)	176.2	13.2

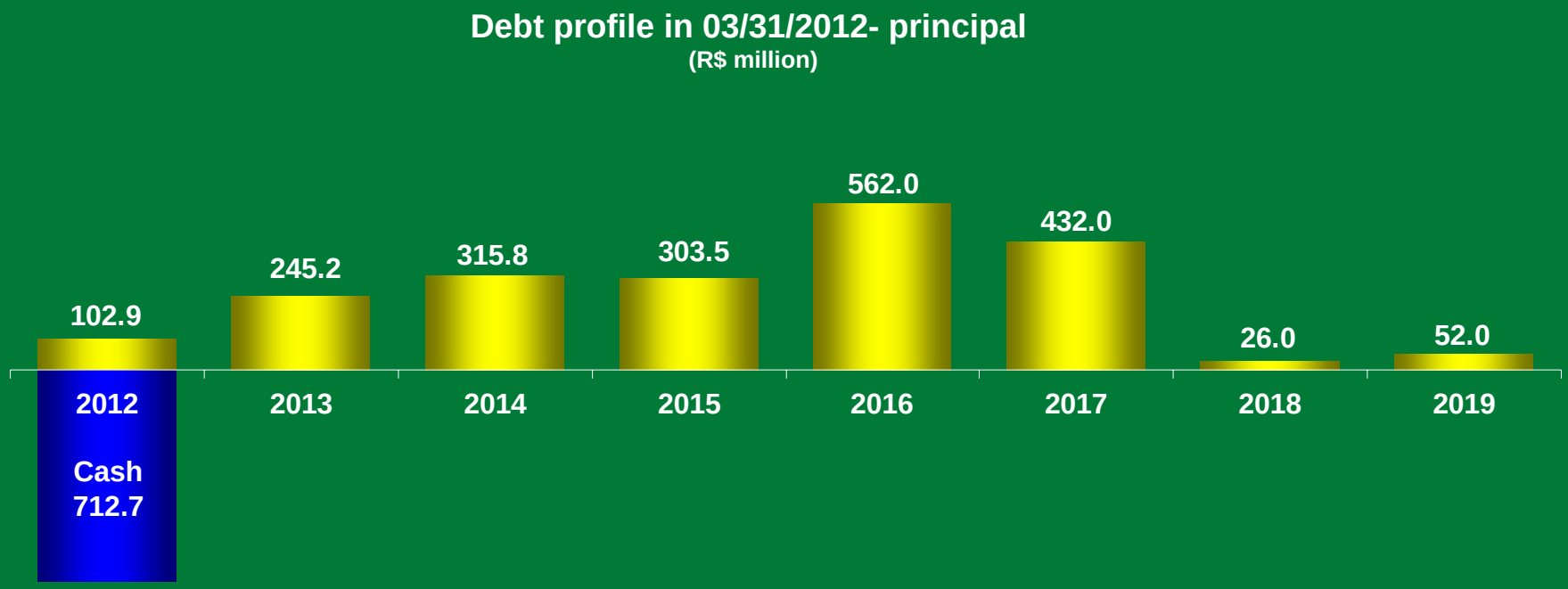
Fleet increase (decrease) - quantity	7,342	10,346	7,957	9,930	8,642	18,649	9,178	(4,562)

Cash generated before interest expenses was used for the reduction of the accounts payable to OEMs.

(*) without technical discount deduction

Debt profile

R$ million



Strong cash position and a comfortable debt profile.

Debt – *ratios*

R$ million

Net debt x Fleet value



END OF PERIOD BALANCE	2005	2006	2007	2008	2009	2010	2011	1Q12
Net debt / Fleet value	60%	36%	51%	72%	57%	52%	51%	56%
Net debt / EBITDA (*)	1.9x	1.4x	1.9x	2.5x	2.3x	2.0x	1.7x	1.7x
Net debt / Equity	1.4x	0.7x	1.3x	2.0x	1.5x	1.4x	1.2x	1.2x
EBITDA / Net financial expenses	3.3x	4.8x	5.4x	3.8x	4.2x	5.0x	4.6x	4.8x

* annualized

Comfortable debt ratios.

Spread



	2005	2006	2007	2008	2009	2010	2011	1Q12 a
Average capital investment - R$ million	606.3	986.2	1,137.5	1,642.3	1,702.3	1,984.6	2,445.3	2,677.7
NOPAT margin (over rental net revenues)	37.0%	34.5%	36.9%	32.1%	21.9%	28.6%	28.9%	25.1%
Turnover of average capital investment (over rental net revenues)	0.67x	0.55x	0.58x	0.53x	0.53x	0.59x	0.59x	0.60x
ROIC	24.8%	18.7%	21.3%	17.0%	11.5%	16.9%	17.1%	15.1%
Interest on debt after tax	13.6%	10.9%	8.4%	8.8%	7.6%	7.3%	8.6%	7.1%
Spread (ROIC – Interest after tax) - p.p.	11.2	7.8	12.9	8.2	4.0	9.6	8.5	8.0

ROIC and spread reflect the Company's competitive pricing strategy.

Investment grade

	STANDARD &POOR'S	Moody's	Fitch
Global scale	BBB-	Baa3	BBB-
National scale	brAAA	Aa1.br	AA+(bra)

Main highlights of the S&P upgrade report:

- Relevant market position of Localiza in the Brazilian car and fleet rental markets
- High operating efficiency
- Strong cash position
- Plenty of room in the contracted covenants
- Excellent presence in debt markets
- Solid relationships with banks

Financial discipline and conservative policies of the Company were recognized by the 3 main rating agencies.

Thank you!

www.localiza.com/ir
E-mail: ri@localiza.com
Phone: +55 31 3247-7024

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