

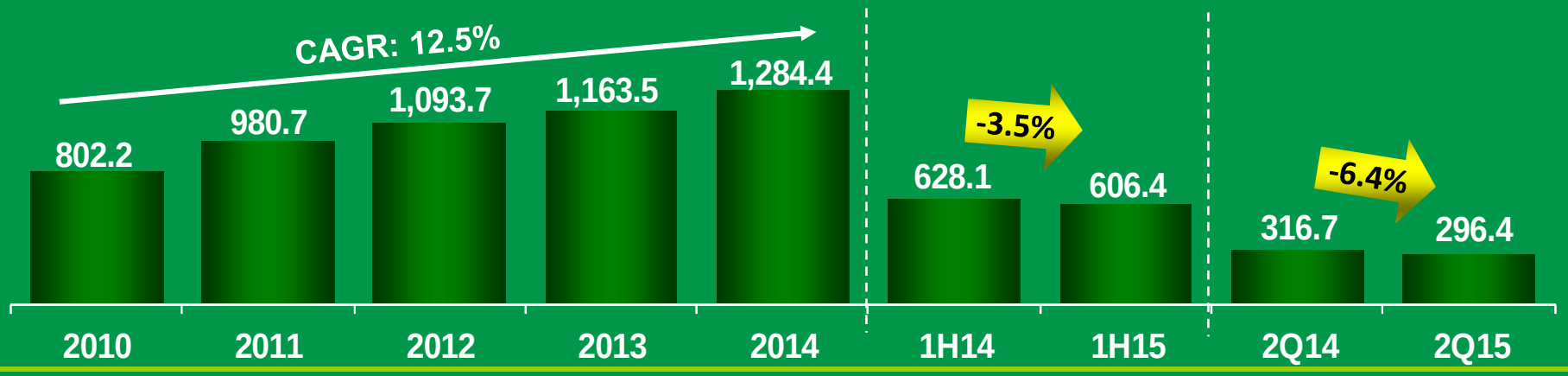
Localiza Rent a Car S.A.
2Q15 and 1H15 Earnings

R$ million

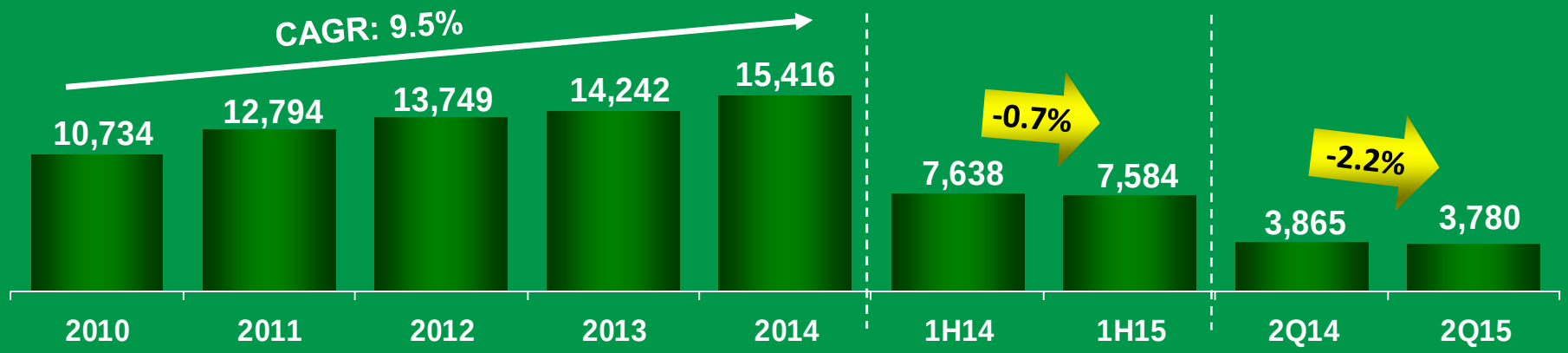
July 24, 2015

Car Rental Division

Net Revenues (R$ million)



Daily Rentals (thousands)



The marketing initiatives helped to offset the reduction in rental demand as a result of lower volume of business trips and aggressive competitive landscape.

Car Rental network evolution

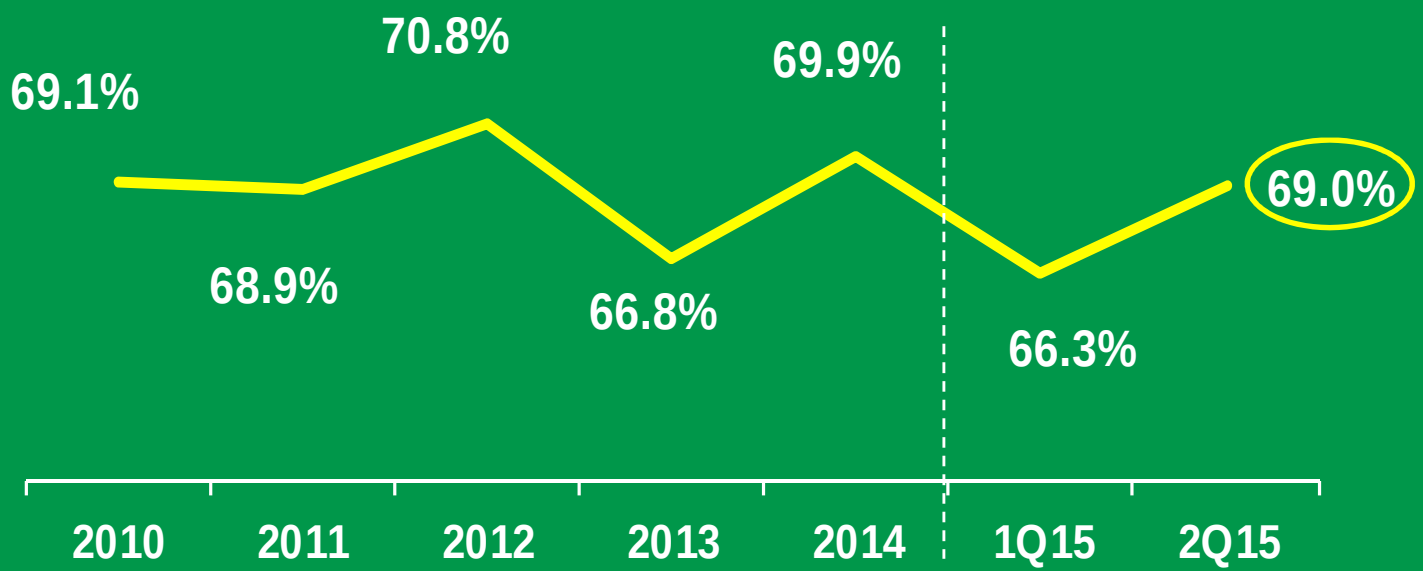
Localiza Rent a Car

of car rental locations (Brazil and abroad)



6 new corporate locations were added to the network in 1H15.

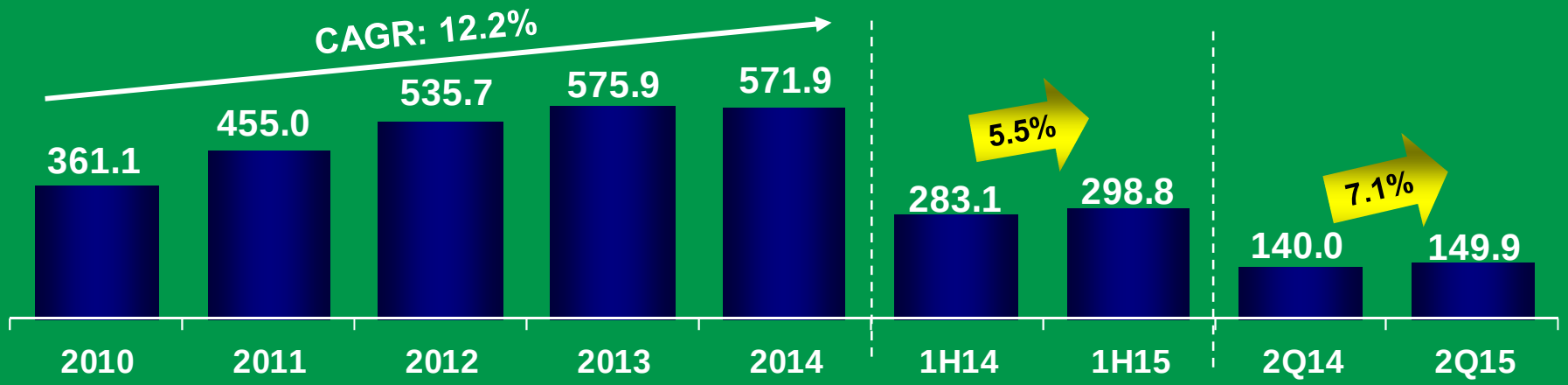
Utilization rate evolution – Car Rental Division



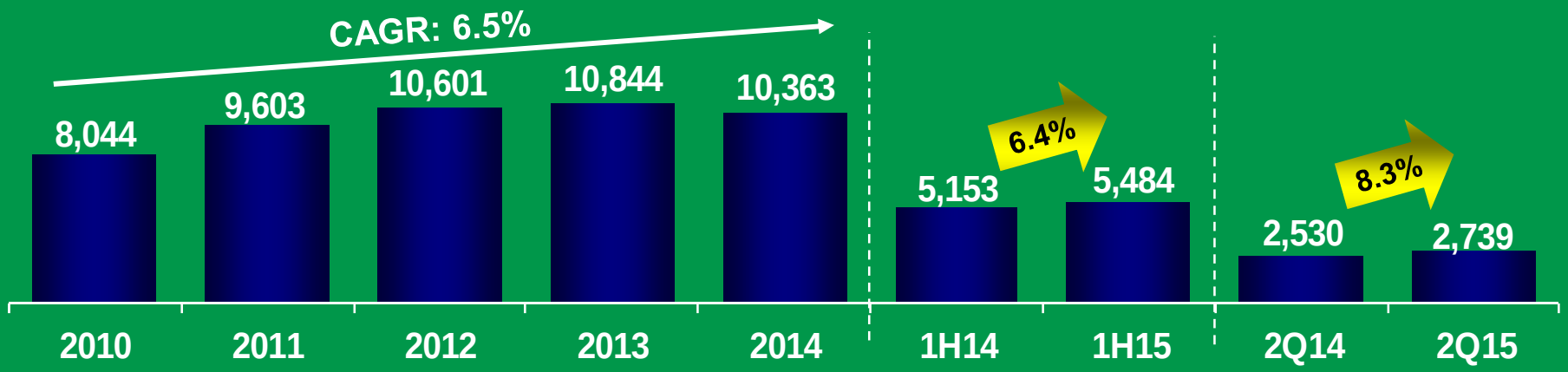
2Q15 utilization rate was 69.0%, 2.7p.p. above the rate of 1Q15.

Fleet Rental Division

Net Revenues (R$ million)



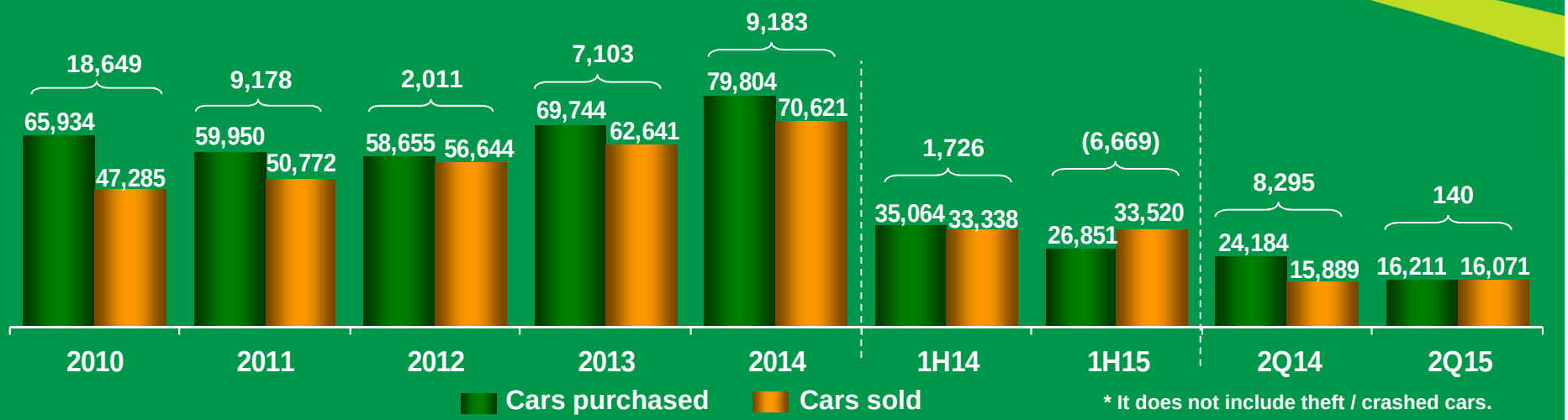
Daily Rentals (thousands)



The growth reflects the Company´s commercial intelligence in exploring market opportunities as well as the synergy of our business platform.

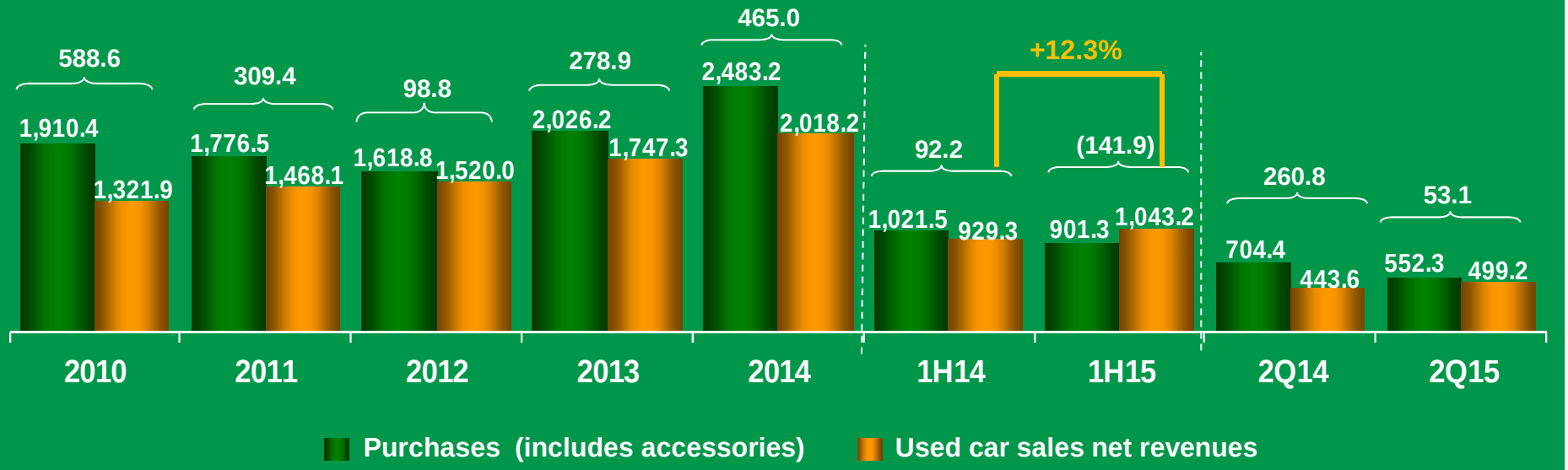
Net investment

Fleet Expansion* (quantity)



* It does not include theft / crashed cars.

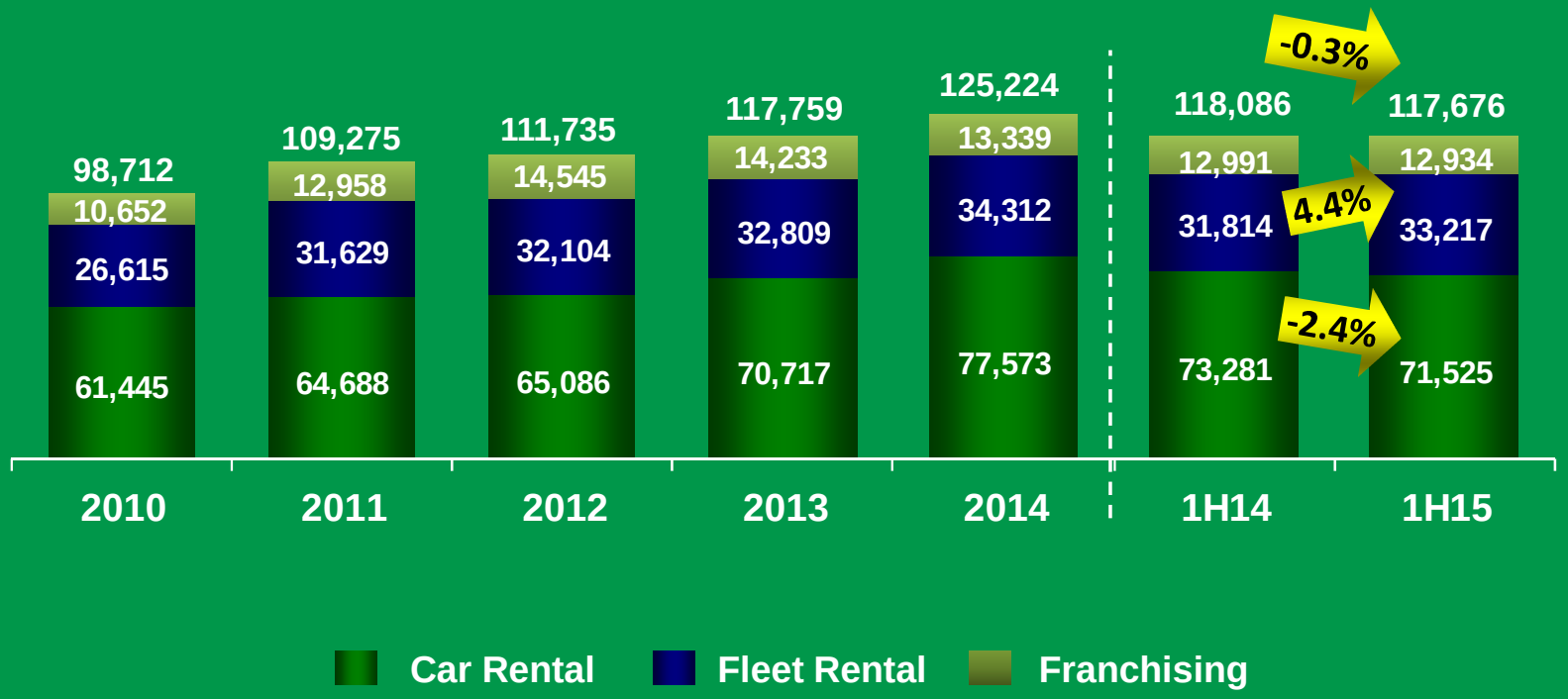
Net Investment in Fleet (R$ million)



The 12.3% Seminovos net revenue growth in 1H15 was mainly due to the increase in the average price of cars sold.

End of period fleet

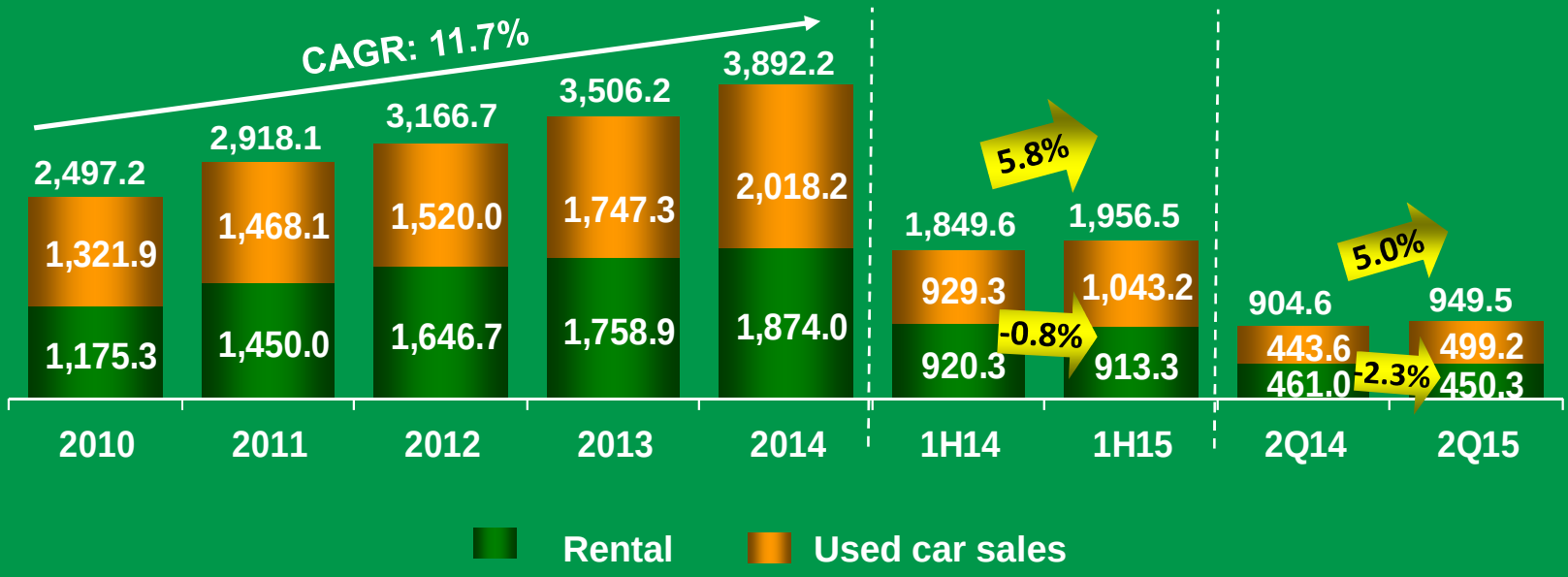
Quantity



The 2.4% reduction in the fleet of Car Rental Division reflects the adjustments in fleet size according to demand.

Consolidated net revenues

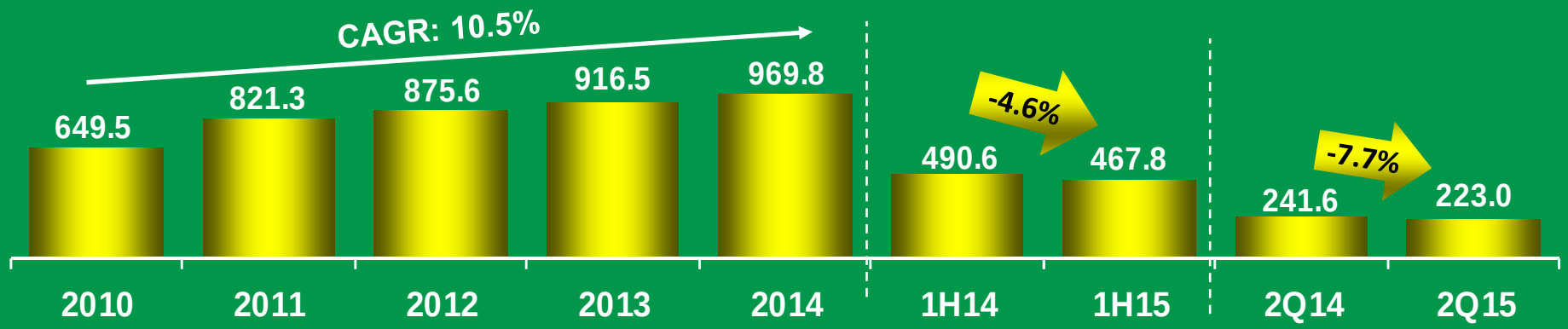
R$ million



Consolidated net revenues grew 5.8% in 1H15 when compared with 1H14.

Consolidated EBITDA

R$ million



Divisions	2010*	2011*	2012	2013	2014	1H14	1H15	2Q14	2Q15
Car Rental	45.3%	46.9%	40.9%	36.8%	38.7%	39.1%	32.4%	38.1%	30.3%
Fleet Rental	68.0%	68.6%	66.4%	65.5%	60.0%	61.7%	61.1%	61.5%	62.8%
Rental Consolidated	52.3%	53.8%	49.3%	46.5%	45.3%	46.3%	41.9%	45.4%	41.3%
Used Car Sales	2.6%	2.8%	4.2%	5.7%	6.0%	7.0%	8.2%	7.3%	7.5%

(*)From 2012 on, accessories and freight of new cars have been accounted directly in the cost line, impacting EBITDA but reducing depreciation costs.

Part of the decrease in Car Rental EBITDA margin of the Car Rental was compensated by the reduction in depreciation expenses.

Average depreciation per car
in R$

Localiza Rent a Car Car Rental

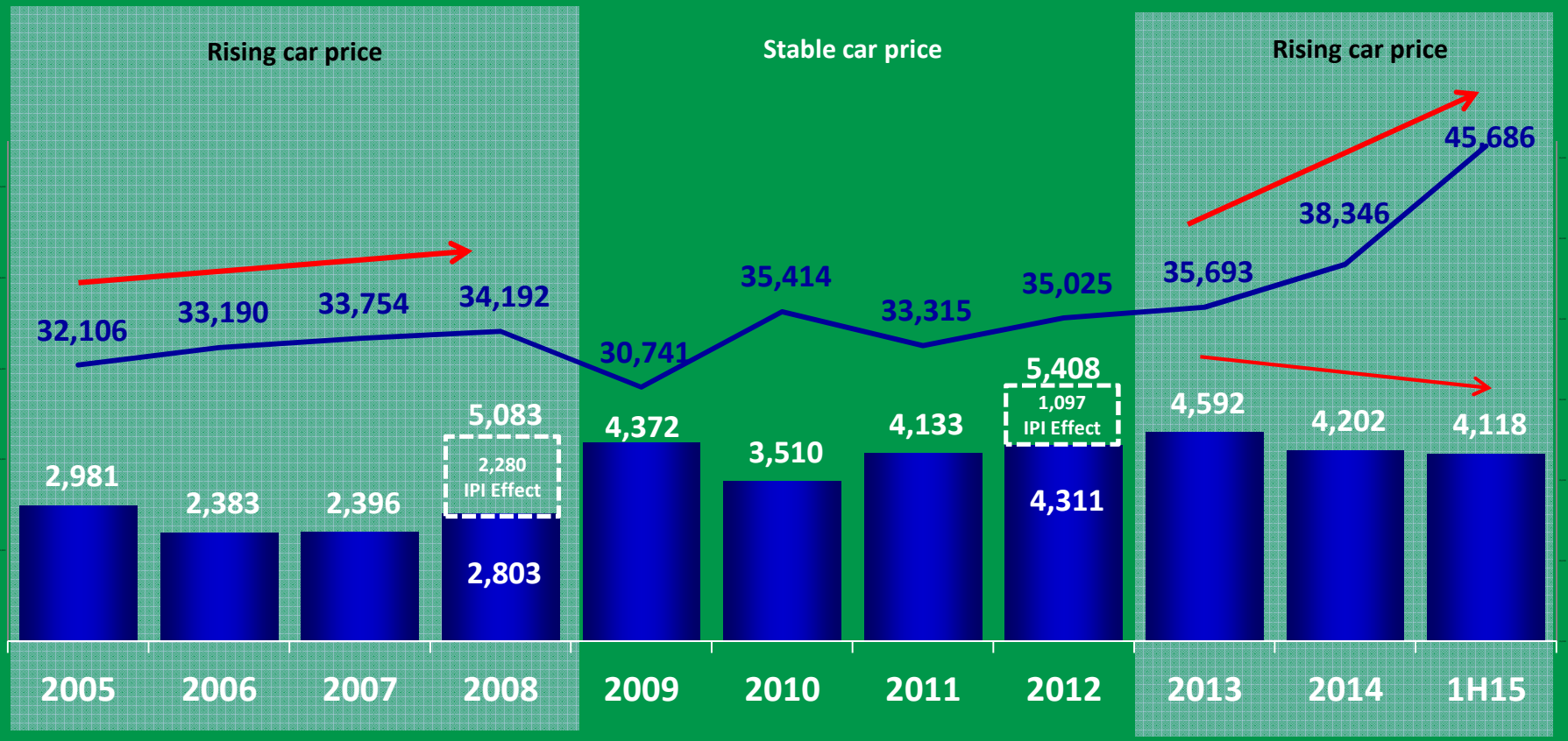


The reduction of depreciation reflects new car prices' increase at the dealers.

Average depreciation per car

in R$

Localiza Fleet Solutions **Fleet Rental**

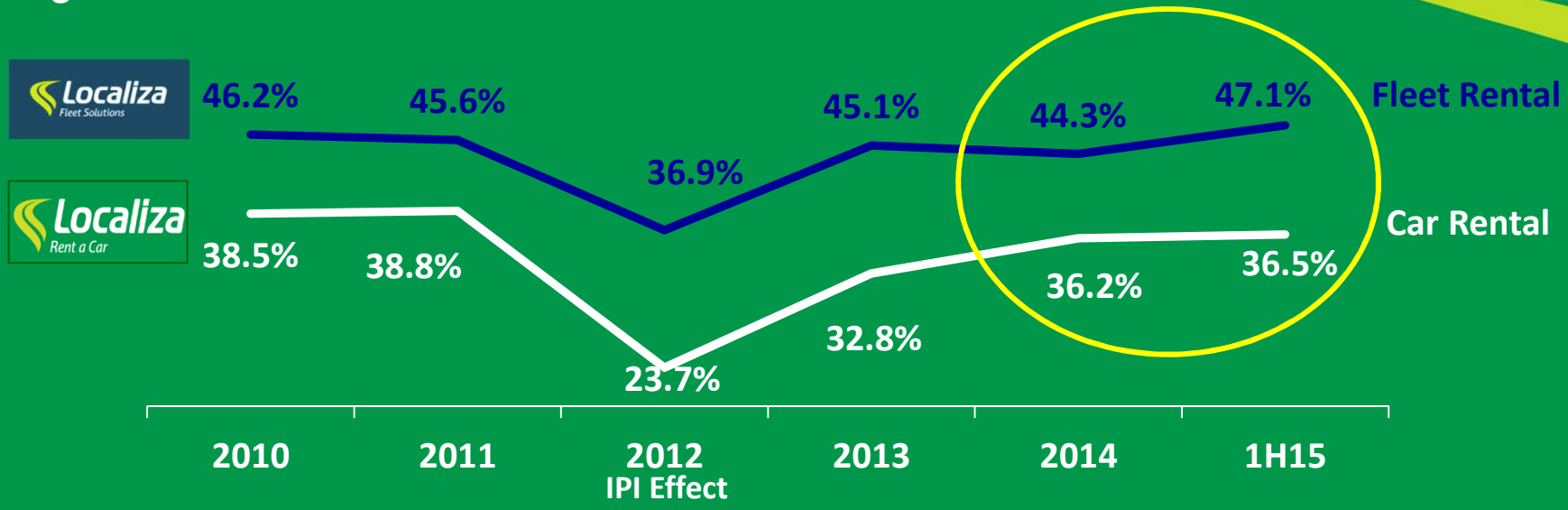


The reduction in depreciation reflects new car prices' increase at the dealers.

The increase in the price of purchased cars also reflects a change in the fleet mix.

EBIT

Margin calculated over rental revenues



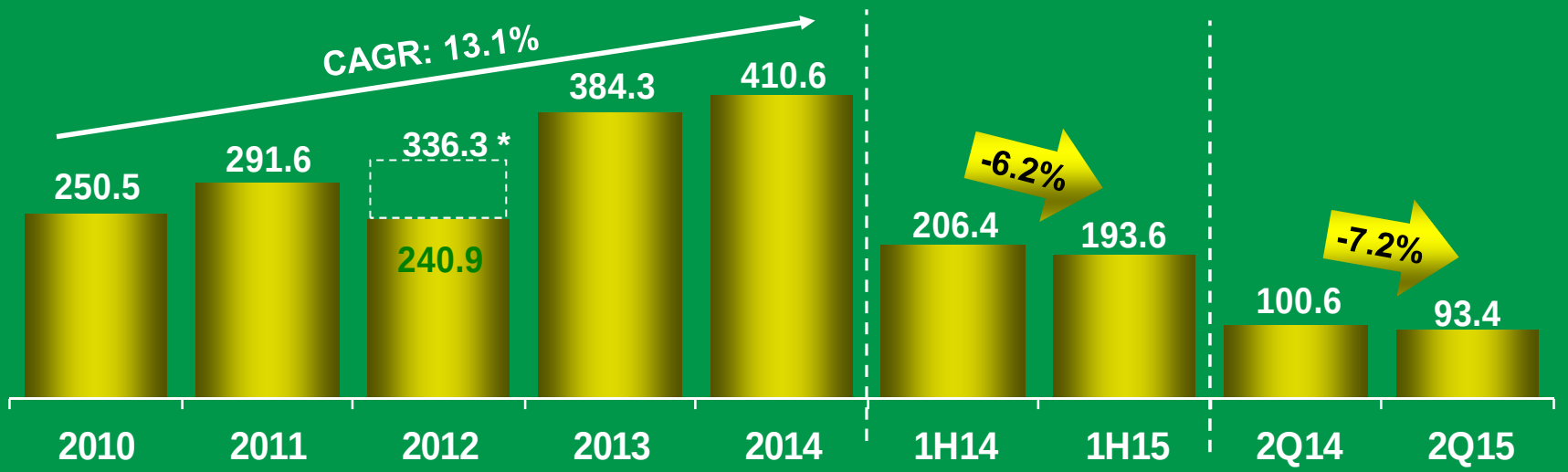
EBIT of Car Rental and Fleet Rental contemplates Seminovos results.
*2012 EBIT was impacted by R$144.5 million of additional depreciation related to IPI (sales tax) reduction.

EBIT Divisions	2010	2011	2012	2013	2014	1H14	1H15	2Q14	2Q15
Car Rental	309.2	380.8	259.0	381.4	464.6	232.2	221.6	113.4	101.7
Franchising	6.2	7.2	8.9	10.9	8.7	5.1	3.3	2.1	1.7
Fleet Rental	166.7	207.7	197.9	259.8	253.4	131.9	140.6	68.9	76.0
Consolidated	482.1	595.7	465.8	652.1	726.7	369.2	365.5	184.4	179.4
Consolidated Margin	41.0%	41.1%	28.3%	37.1%	38.8%	40.1%	40.0%	40.0%	39.8%

In this industry, EBIT margin is the indicator that best reflects the operating results.

Consolidated net income

R$ million

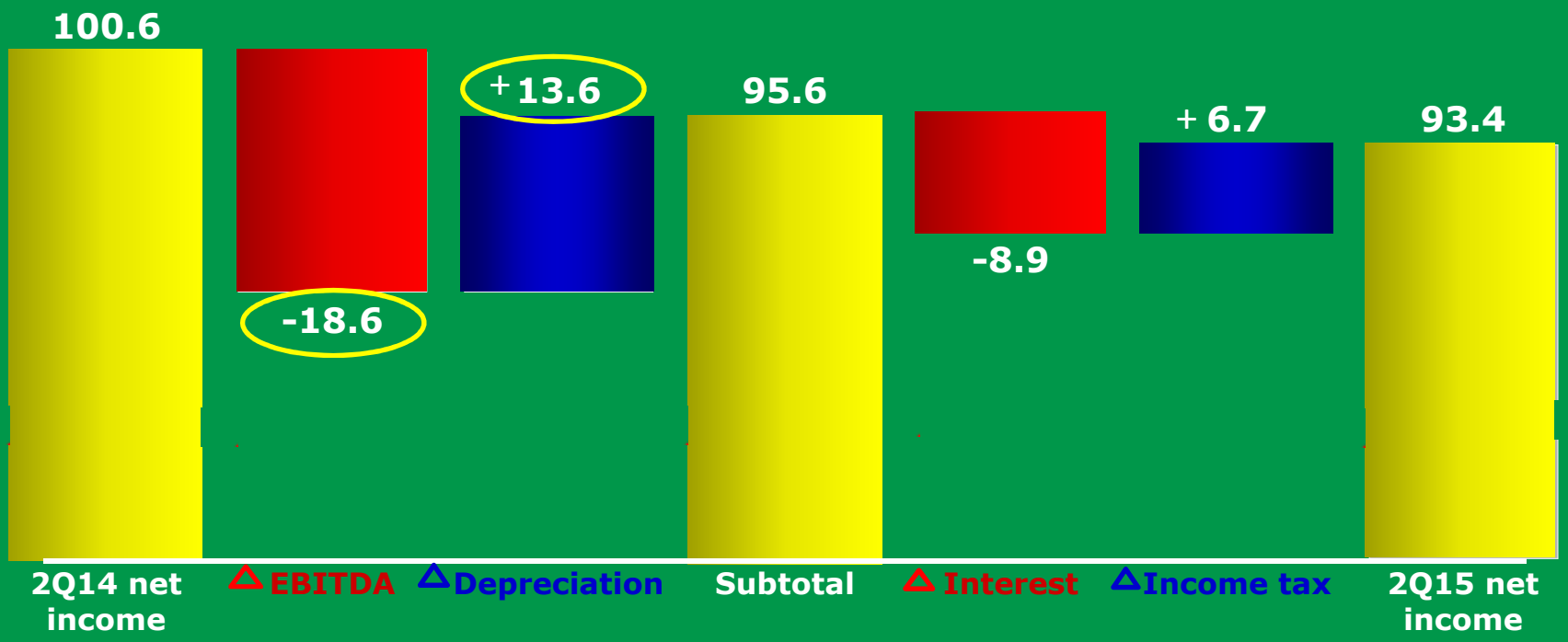


* Pro forma 2012 net income excluding additional depreciation related to the IPI tax reduction, net of income tax.

In 2Q15, the increase of the interest rates impacted financial expenses in R$ 8.9 million (R$ 6.0 million after tax).

Net income variation – 2Q14 to 2Q15

(In R$ million)



The drop of R$18.6 million in EBITDA was largely compensated by lower depreciation expenses of R$13.6 million.

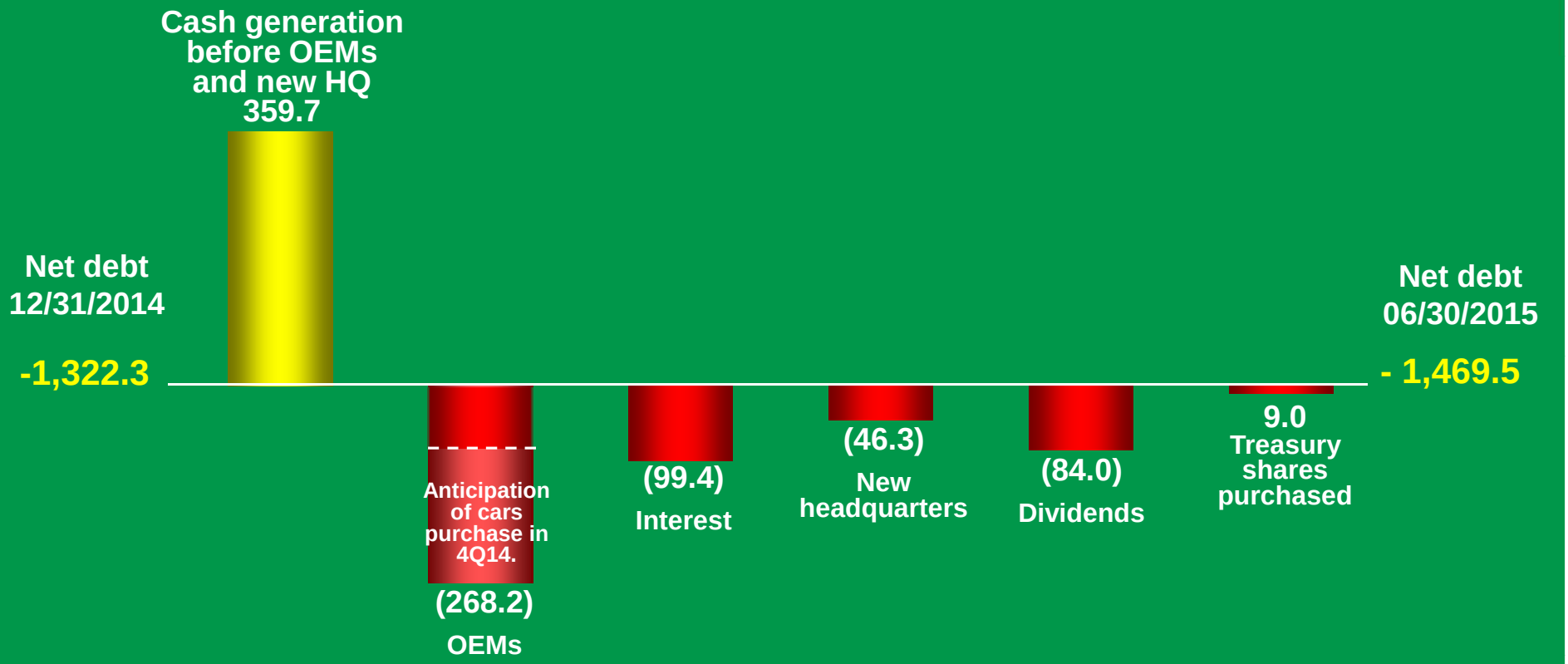
Free cash flow - FCF

	Free cash flow - R$ million	2010	2011	2012	2013	2014	1H15
Operations	EBITDA	649.5	821.3	875.6	916.5	969.8	467.8
	Used car sale revenue, net from taxes	(1,321.9)	(1,468.1)	(1,520.0)	(1,747.3)	(2,018.2)	(1,043.2)
	Depreciated cost of cars sold	1,203.2	1,328.6	1,360.2	1,543.8	1,777.0	889.3
	(-) Income tax and social contribution	(57.8)	(83.0)	(100.9)	(108.5)	(113.1)	(56.1)
	Change in working capital	54.5	(83.9)	37.1	2.9	(27.1)	(29.5)
	Cash provided by rental operations	527.5	514.9	652.0	607.4	588.4	228.3
Capex - Renewals	Used car sale revenue, net from taxes	1,321.9	1,468.1	1,520.0	1,747.3	2,018.2	835.6
	Fleet renewal investment	(1,370.1)	(1,504.5)	(1,563.3)	(1,819.7)	(2,197.7)	(901.3)
	Net investment for fleet renewal	(48.2)	(36.4)	(43.3)	(72.4)	(179.5)	(65.7)
	Fleet renewal – quantity	47,285	50,772	56,644	62,641	70,621	33,520
	Investment, other property and intangibles investments	(50.6)	(59.9)	(77.8)	(47.5)	(46.3)	(10.5)
	Free cash flow before growth, new headquarters and interest	428.7	418.6	530.9	487.5	362.6	152.1
Capex - Growth	Fleet growth investment	(540.3)	(272.0)	(55.5)	(209.4)	(286.8)	-
	Cash generated by fleet reduction	-	-	-	-	-	207.6
	Change in accounts payable to car suppliers	111.3	32.7	(116.9)	89.7	334.4	(268.2)
	Fleet growth	(429.0)	(239.3)	(172.4)	(119.7)	47.6	(60.6)
	Fleet increase / (reduction) – quantity	18,649	9,178	2,011	7,103	9,183	(6,669)
	Free cash flow after growth, and before interest and new HQ	(0.3)	179.3	358.5	367.8	410.2	91.5
Capex – HQ	Investment in the construction of the new HQ	(0.5)	(3.1)	(2.4)	(6.5)	(55.7)	(46.3)
	Marketable securities – new HQ	-	-	-	-	(92.6)	-
	New headquarters construction	(0.5)	(3.1)	(2.4)	(6.5)	(148.3)	(46.3)
	Free cash flow before interest	(0.8)	176.2	356.1	361.3	261.9	45.2

359.7

Changes in net debt

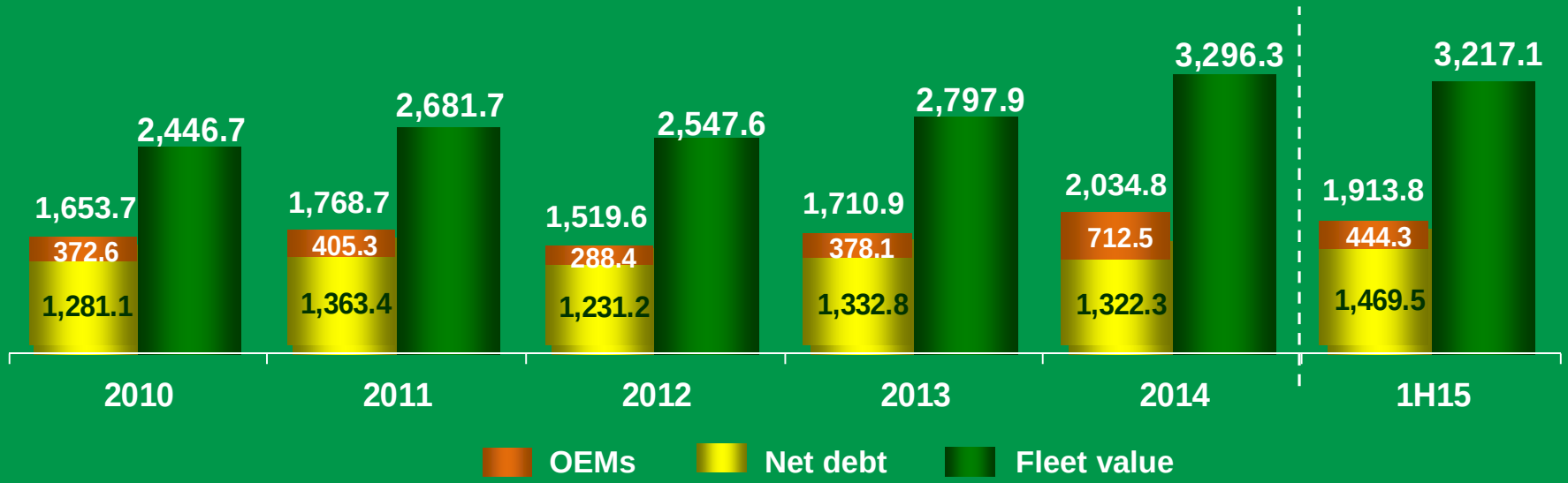
R$ million



The reduction in the balance payable to OEMs is largely due to the payment of 4Q14's car purchases anticipation.

Debt - ratios

Net debt + OEMs vs. Fleet value



BALANCE AT THE END OF PERIOD	2010(*)	2011	2012	2013	2014	1H15
Net debt + OEMs / Fleet value	68%	66%	60%	61%	62%	59%
Net debt / Fleet value	52%	51%	48%	48%	40%	46%
Net debt / EBITDA**	2.0x	1.7x	1.4x	1.5x	1.4x	1.6x
Net debt / Equity	1.4x	1.2x	0.9x	1.0x	0.8x	0.8x
EBITDA / Net financial expenses	5.0x	4.6x	6.3x	8.3x	6.4x	4.7x

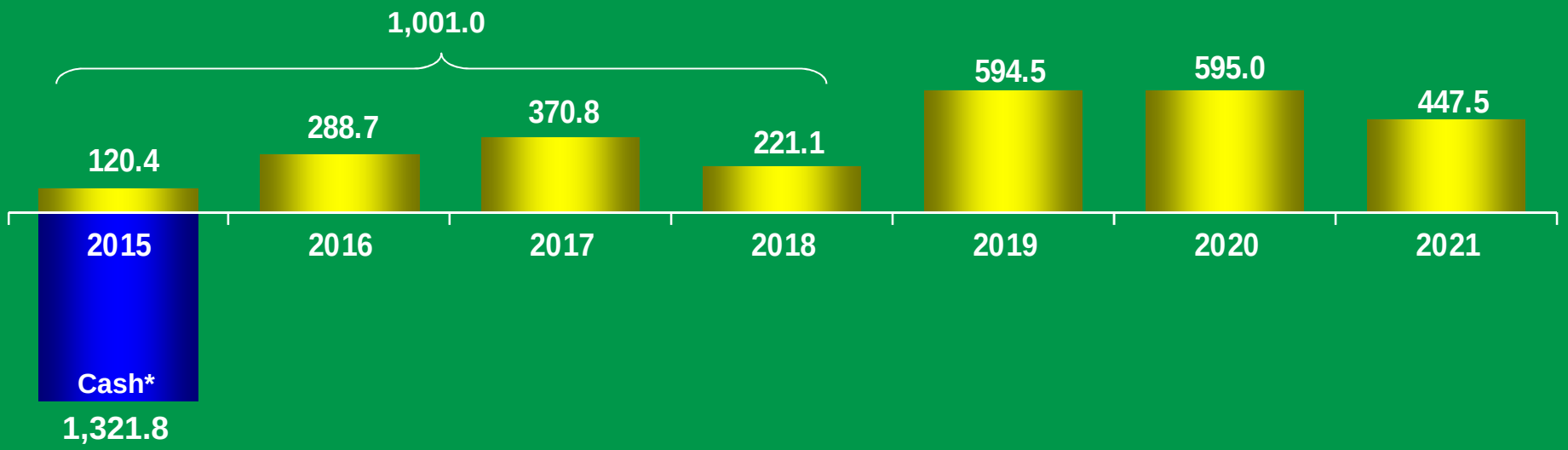
(*) 2010 ratios based on USGAAP financial statements
**Annualized

Comfortable debt ratios.

Debt maturity profile (principal)

R$ million

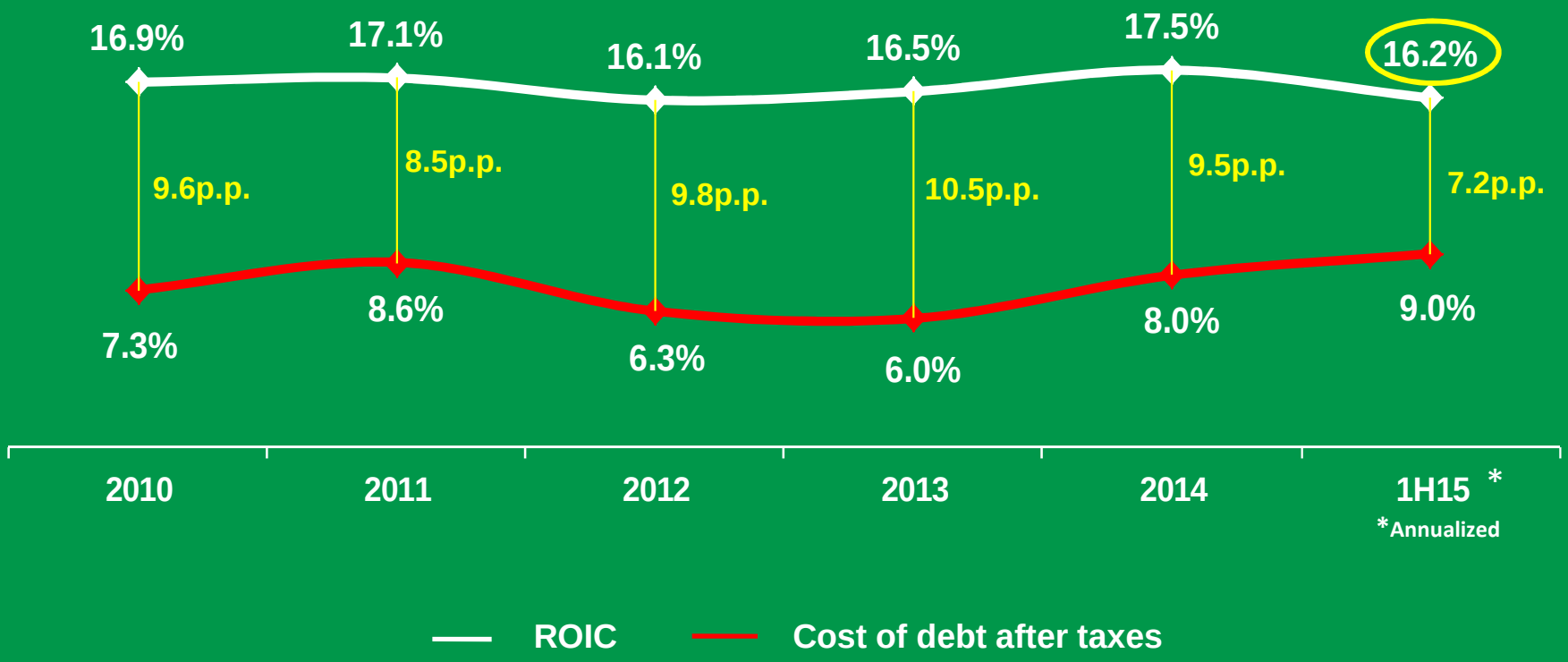
As of June 30, 2015



* R$ 1,223.6 refers to cash and R$ 98.2 refers to Marketable Securities.

Strong cash position and comfortable debt profile.

ROIC *versus* cost of debt after taxes



The Company continues to generate value even in an adverse scenario.

Thank You!

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