Localiza Rent a Car S.A.

3Q13 and 9M13 Earnings

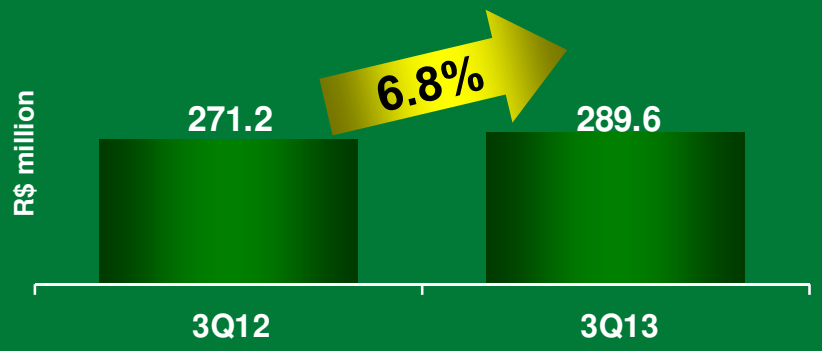
R$ million, IFRS



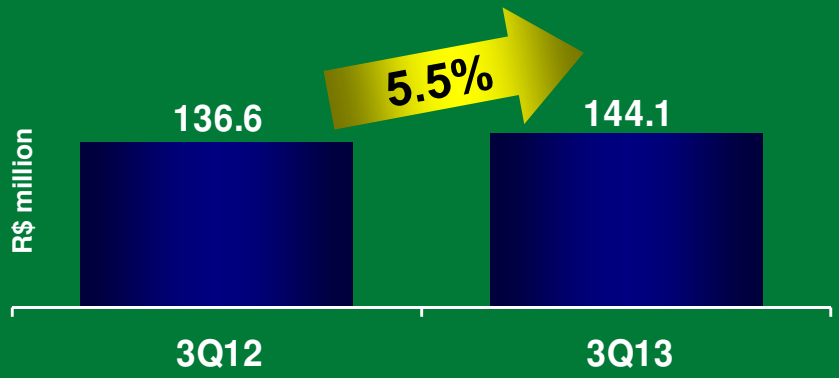
October 16, 2013

Highlights

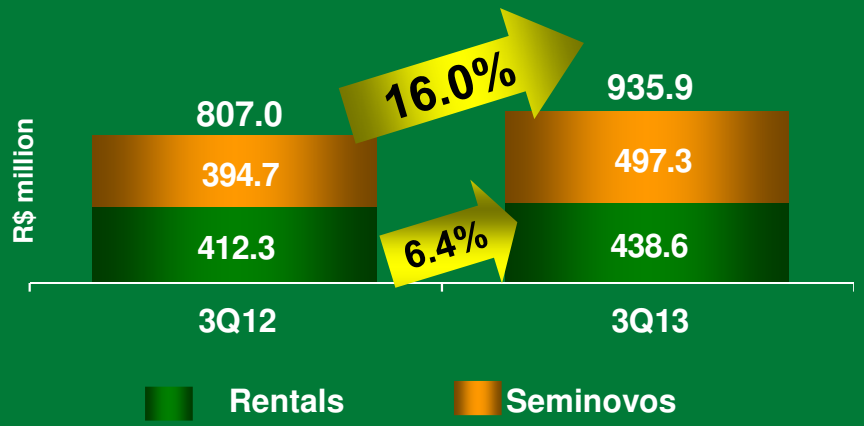
Net Revenues – Car Rental Division



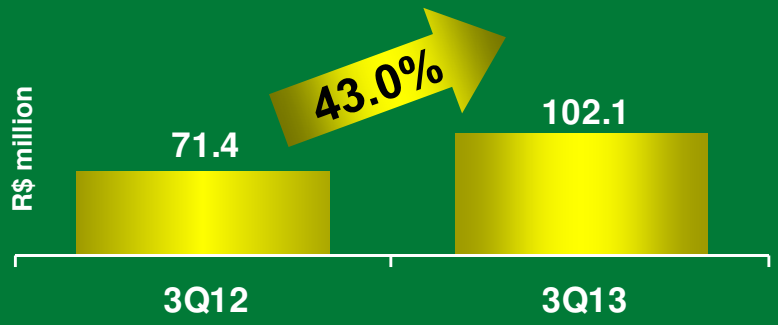
Net Revenues – Fleet Outsourcing Division



Consolidated Net Revenues

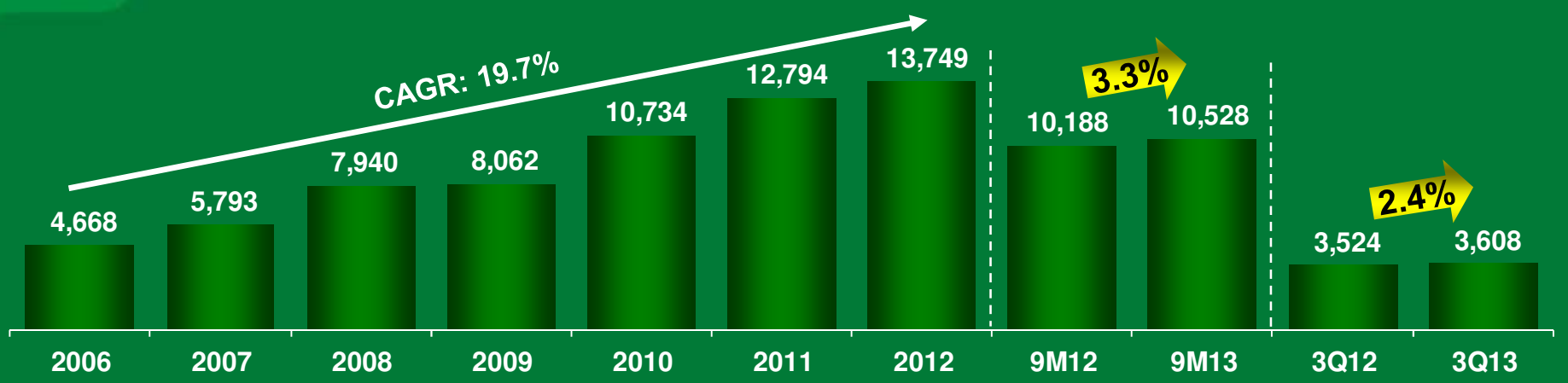


Net Income – Consolidated

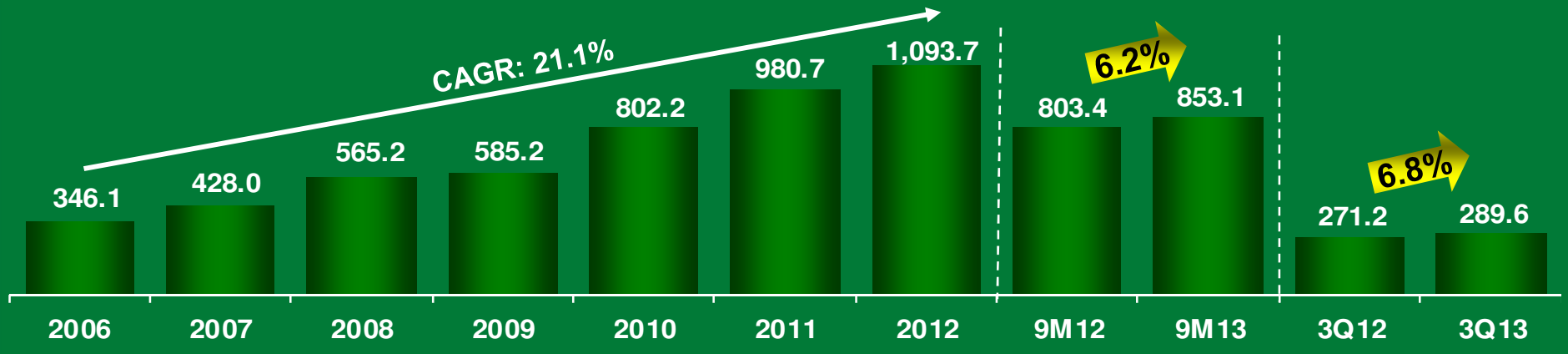


Car Rental division

Daily Rentals (thousands)



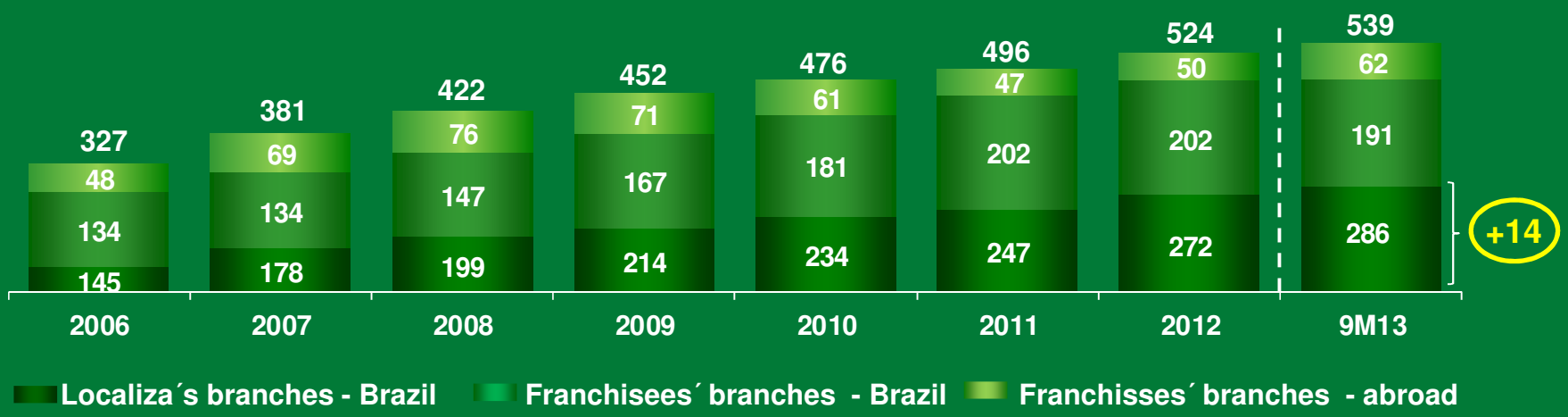
Net Revenues (R$ million)



Car rental revenues grew 6.8% despite the scenario of lower macroeconomic activity growth.

Car Rental network evolution

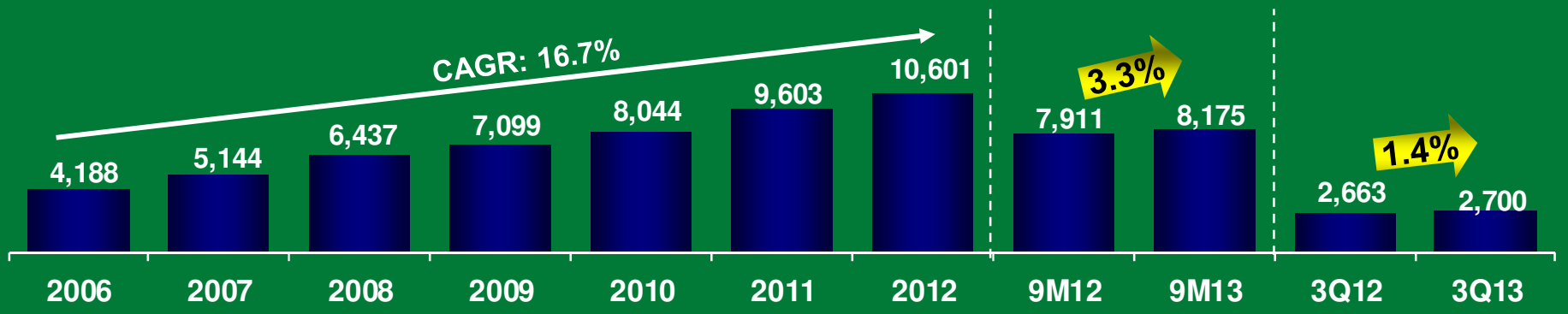
of car rental locations (Brazil and abroad)



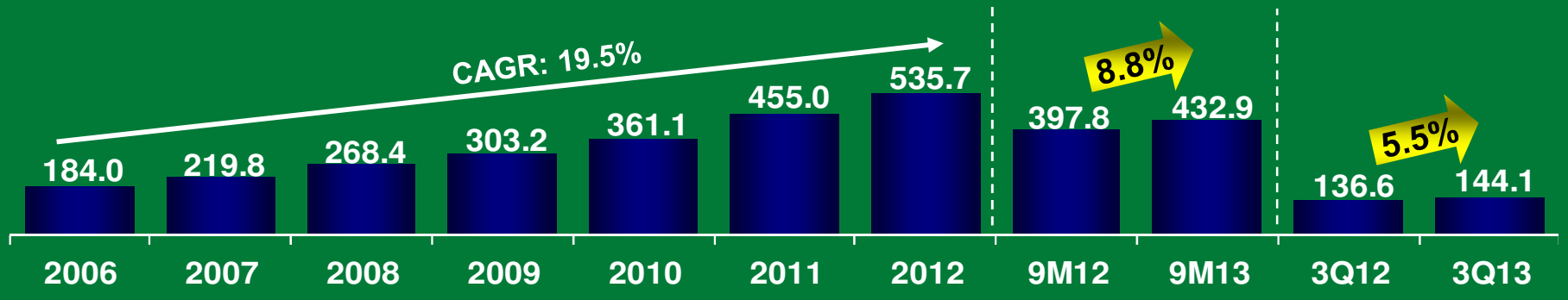
14 new owned rental locations were added in the 9 months of 2013.

Fleet Outsourcing division

Daily Rentals (thousands)



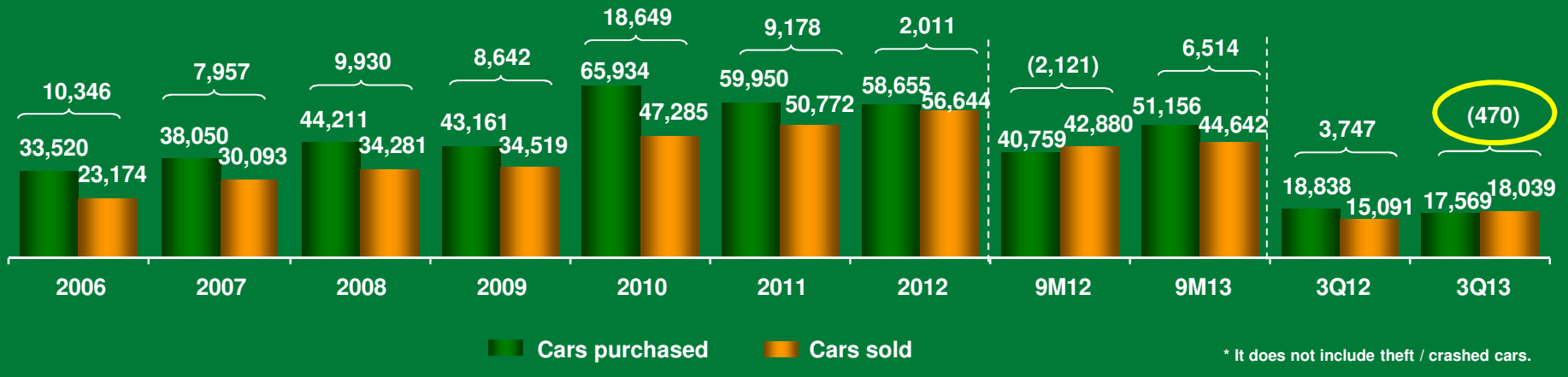
Net Revenues (R$ million)



Net revenues grew 5.5%, presenting a growth of 1.4% in daily rental volume and 3.9% in the average rental rate.

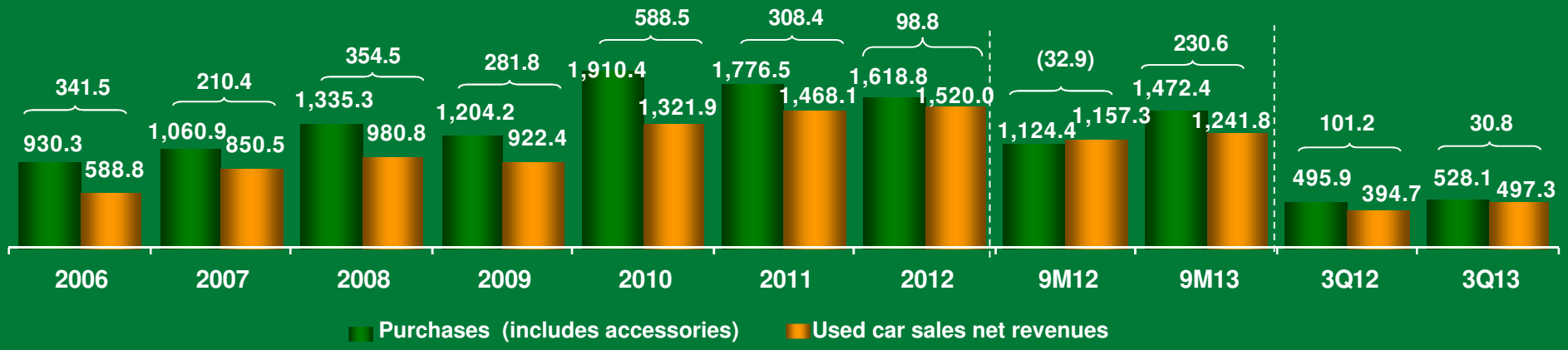
Net investment

Fleet Expansion* (quantity)



* It does not include theft / crashed cars.

Net Investment (R$ million)

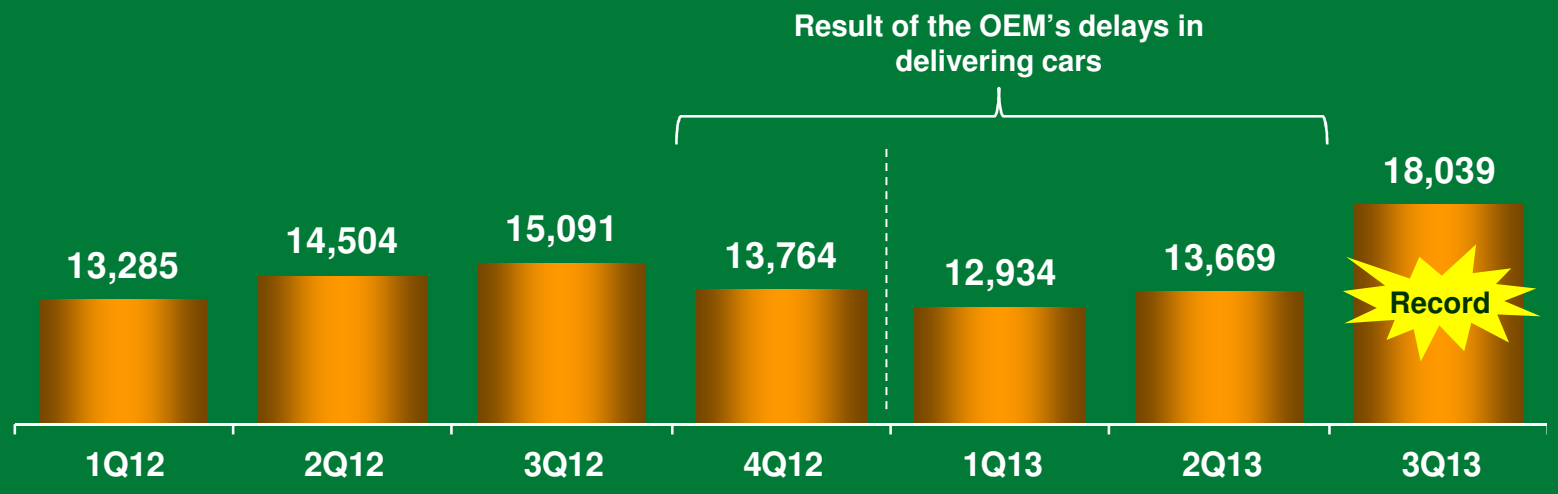


Lower car purchase level in 3Q13 compared with the 1H13 level, to adjust fleet size to demand.

Sales by quarter

Quantity

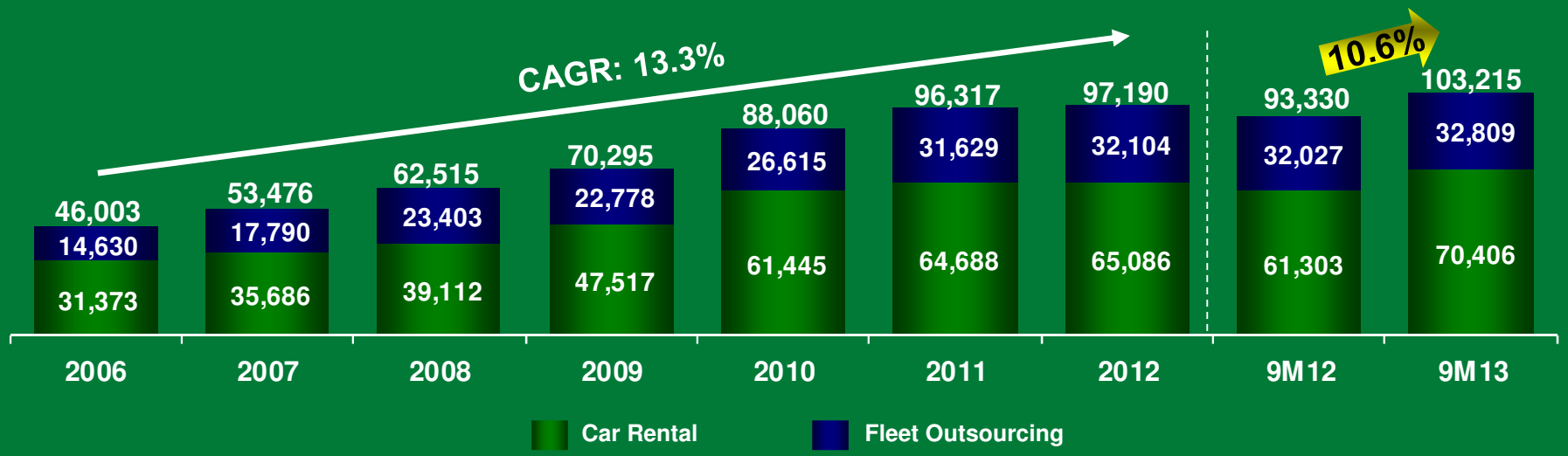
 # Number of cars sold



The Company achieved record sales of 18,039 cars this quarter.

End of period fleet

Quantity

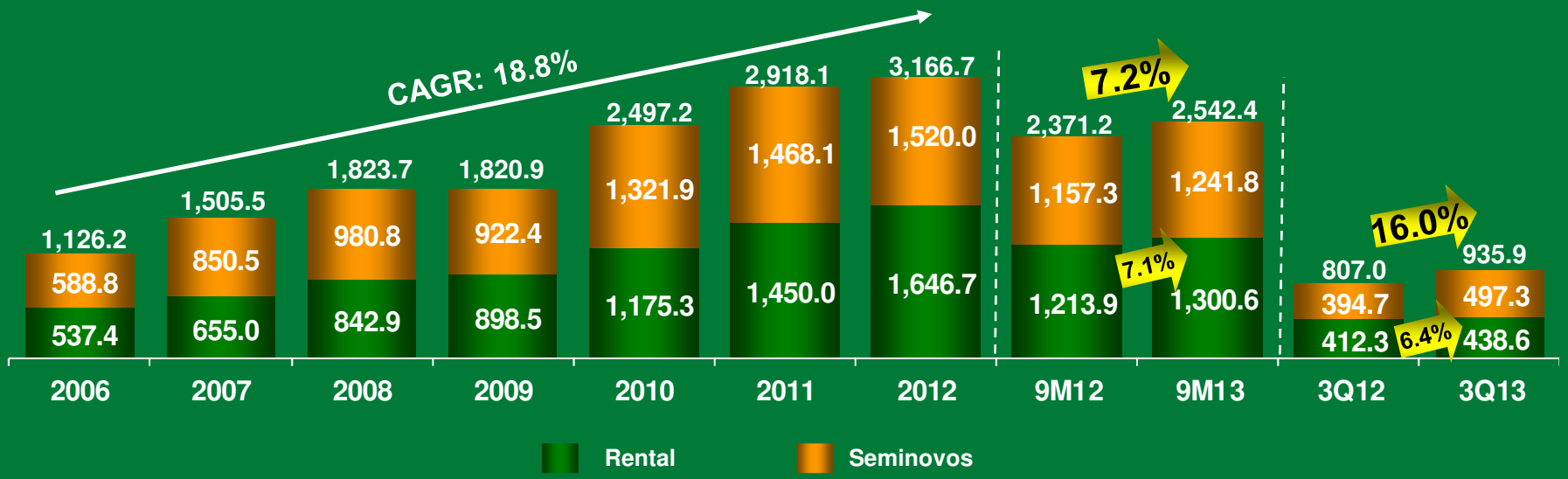


Fleet grew 10.6% compared with September 30,2012.

Localiza´s fleet totaled 117,200 cars, including 13,985 cars from franchisees.

Consolidated net revenues

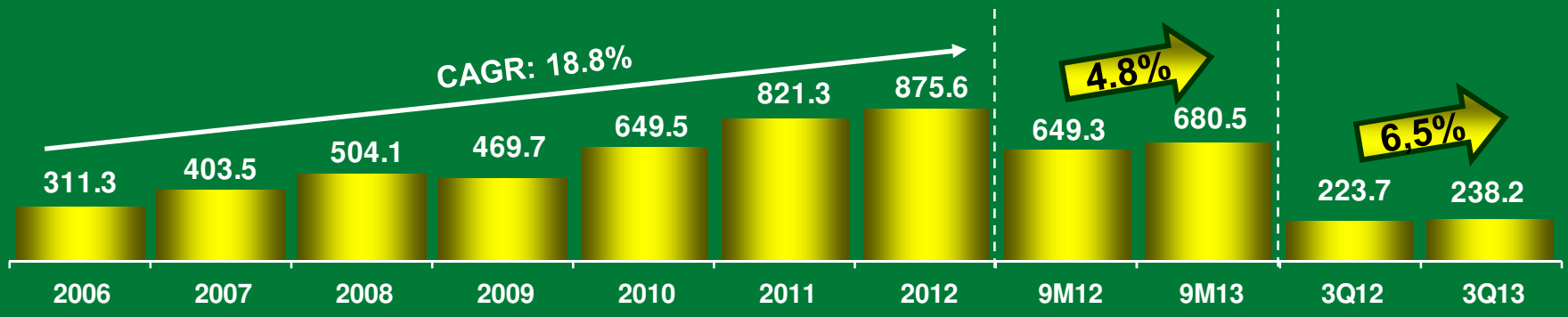
R$ million



Consolidated net revenues increased 16.0%.

Consolidated EBITDA

R$ million

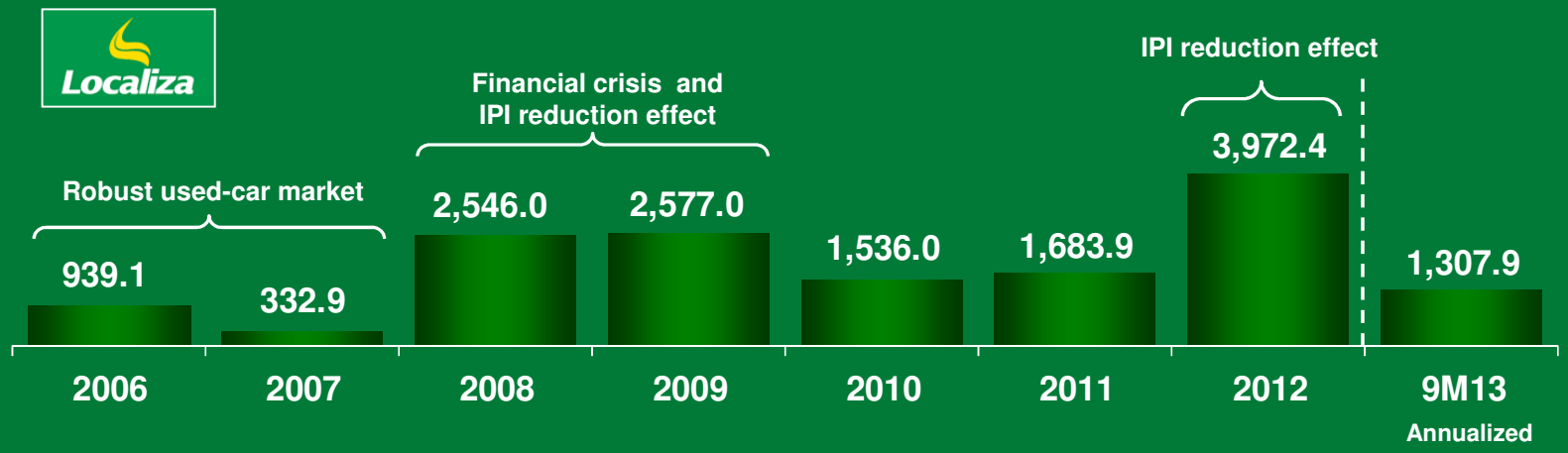


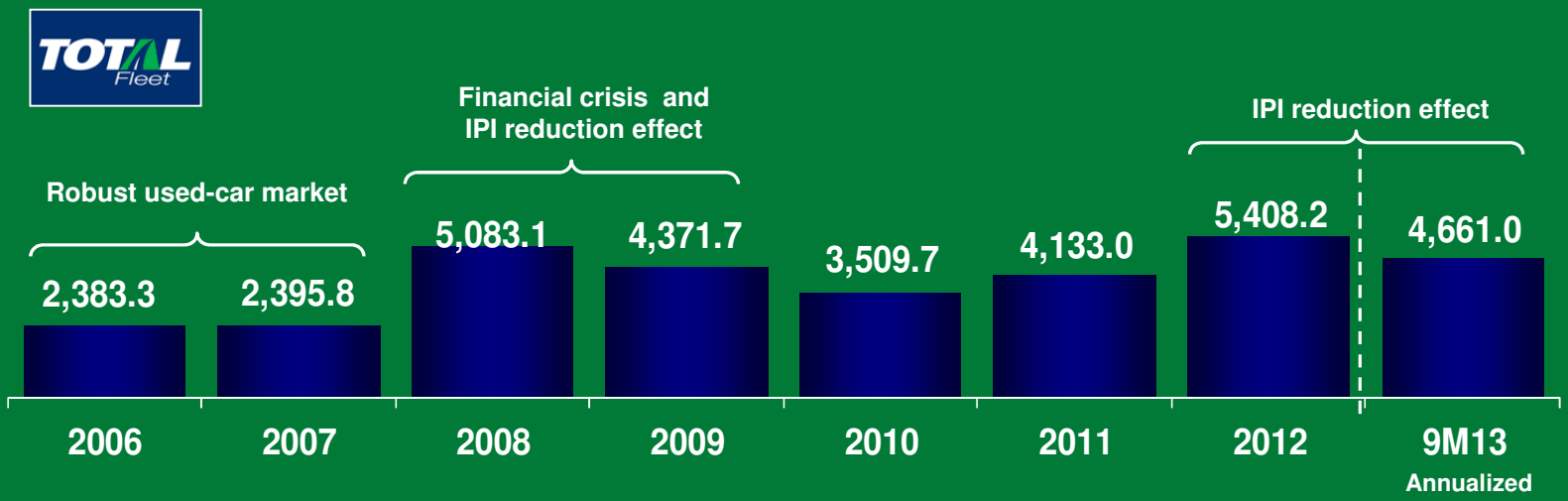
Divisions	2006	2007	2008	2009	2010	2011	2012	9M12	9M13	3Q12	3Q13
Car Rental	43.4%	46.0%	45.9%	41.9%	45.3%	46.9%	40.9%	41.1%	36.7%	40.7%	38.5%
Fleet Outsourcing	71.4%	71.3%	69.1%	68.7%	68.0%	68.6%	66.4%	66.3%	65.8%	66.7%	65.2%
Rental Consolidated	52.9%	54.5%	53.3%	51.1%	52.3%	53.8%	49.3%	49.4%	46.6%	49.5%	47.5%
Used Car Sales	4.6%	5.5%	5.6%	1.1%	2.6%	2.8%	4.2%	4.2%	6.0%	4.9%	6.0%

Excluding accessories and freight of new cars, recorded in the cost line, Car Rental EBITDA margin in 3Q13 would be 40.3%.

Average depreciation per car

in R$





Consolidated net income

R$ million



* Pro forma 2012 net income excluding additional depreciation, net of income tax.

Excluding the effect of IPI tax reduction in 3Q12, net income increased 16.6% this quarter.

Net income for 9M13 was higher than the net income of all previous years.

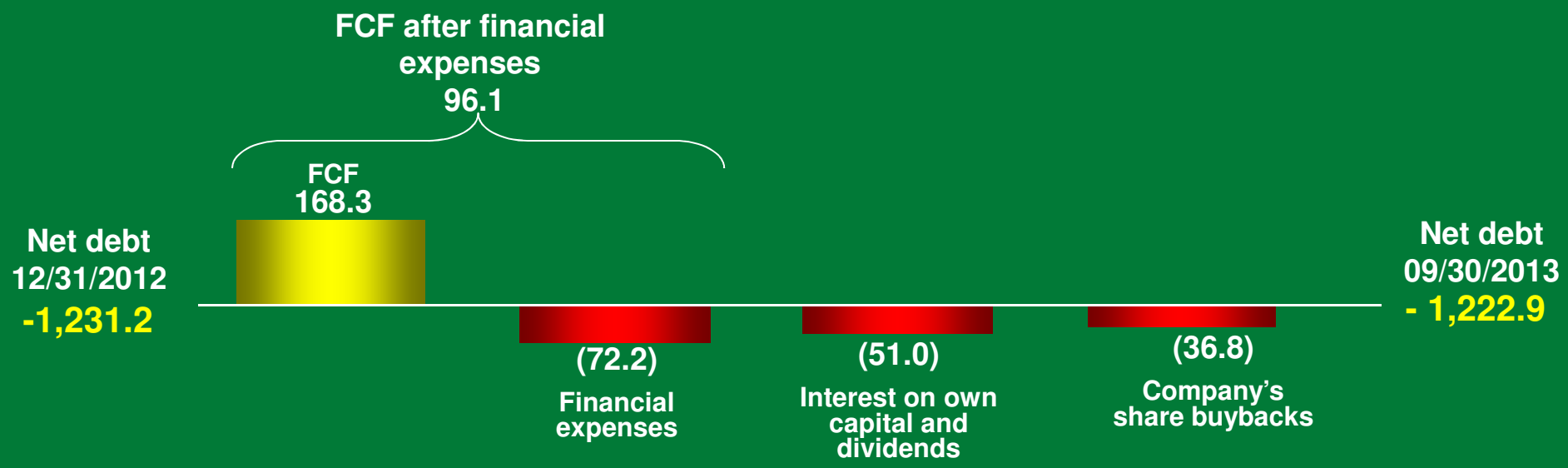
Free cash flow

Free cash flow - R$ million	2006	2007	2008	2009	2010	2011	2012	9M13
EBITDA	311.3	403.5	504.1	469.7	649.5	821.3	875.6	680.5
Used car sale revenue, net from taxes	(588.8)	(850.5)	(980.8)	(922.4)	(1,321.9)	(1,468.1)	(1,520.0)	(1,241.8)
Depreciated cost of cars sold (*)	530.4	760.0	874.5	855.1	1,203.2	1,328.6	1,360.2	1,091.7
(-) Income tax and social contribution	(42.7)	(63.4)	(52.8)	(49.0)	(57.8)	(83.0)	(100.9)	(73.2)
Change in working capital	(4.8)	13.3	(44.8)	(11.5)	54.5	(83.9)	37.1	(5.1)
Cash provided before investment	205.4	262.9	300.2	341.9	527.5	514.9	652.0	452.1
Used car sale revenue, net from taxes	588.8	850.5	980.8	922.4	1,321.9	1,468.1	1,520.0	1,241.8
Car investment for renewal	(643.3)	(839.0)	(1,035.4)	(947.9)	(1,370.1)	(1,504.5)	(1,563.3)	(1,284.9)
Net investment for fleet renewal	(54.5)	11.5	(54.6)	(25.5)	(48.2)	(36.4)	(43.3)	(43.1)
Fleet renewal – quantity	23,174	30,093	34,281	34,519	47,285	50,772	56,644	44,642
Investment,other property and intangibles investments	(32.7)	(23.7)	(39.9)	(21.0)	(51.1)	(63.0)	(80.2)	(42.4)
Free cash flow before growth and before interest	118.2	250.7	205.7	295.4	428.2	415.5	528.5	366.6
Investment on cars for fleet (growth) /reduction	(287.0)	(221.9)	(299.9)	(241.1)	(540.3)	(272.0)	(55.5)	(187.5)
Change in accounts payable to car suppliers	222.0	(51.0)	(188.9)	241.1	111.3	32.7	(116.9)	(10.8)
Fleet growth	(65.0)	(272.9)	(488.8)	0.0	(429.0)	(239.3)	(172.4)	(198.3)
Fleet increase / (reduction) – quantity	10,346	7,957	9,930	8,642	18,649	9,178	2,011	6,514
Free cash flow after growth and before interest	53.2	(22.2)	(283.1)	295.4	(0.8)	176.2	356.1	168.3

(*) Without the technical discount up to 2010

Changes in net debt

R$ million

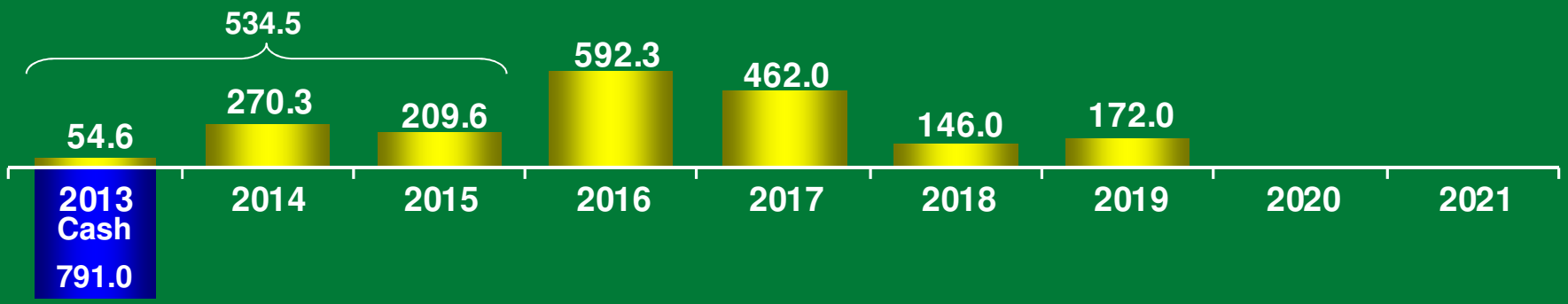


Net debt was reduced by R$8.3 million in 9M13, even after the Company's share buybacks in the amount of R$ 36.8 million.

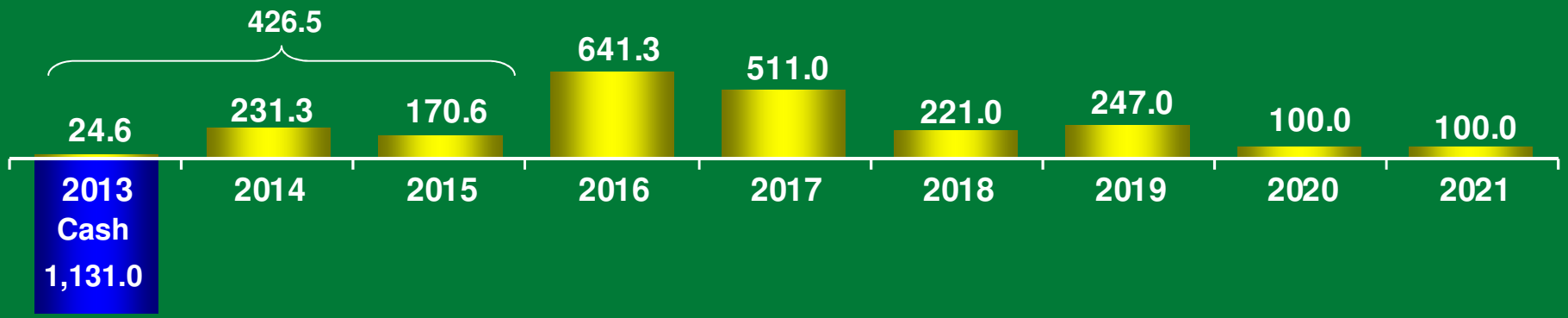
Debt maturity profile (principal)

R$ million

As of September 30,2013:



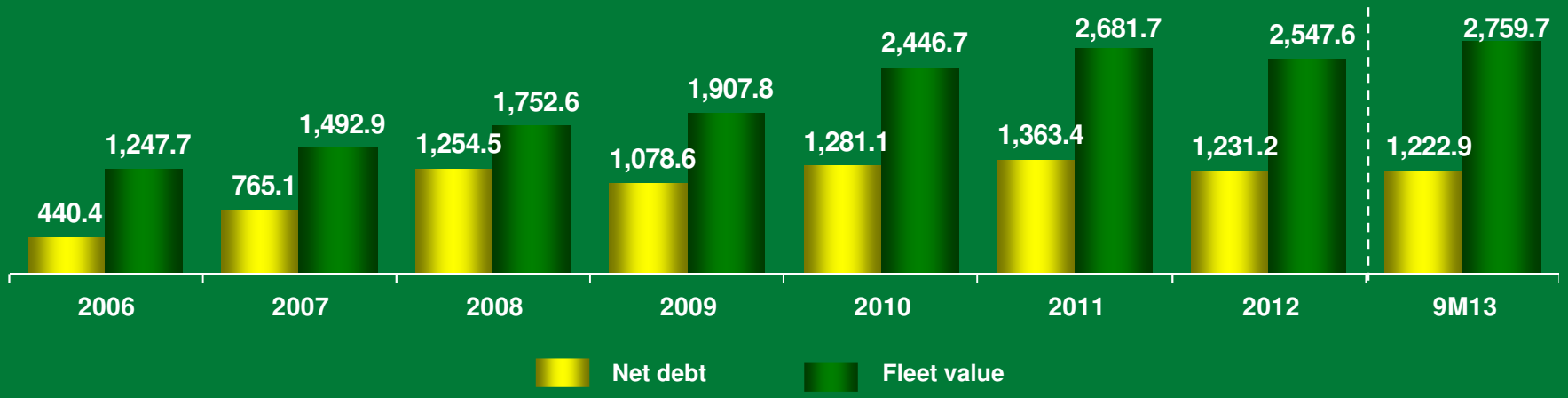
After 7th debenture issuance:



The Company continues presenting a strong cash position and comfortable debt maturity profile.

Debt - ratios

Net debt vs. Fleet value

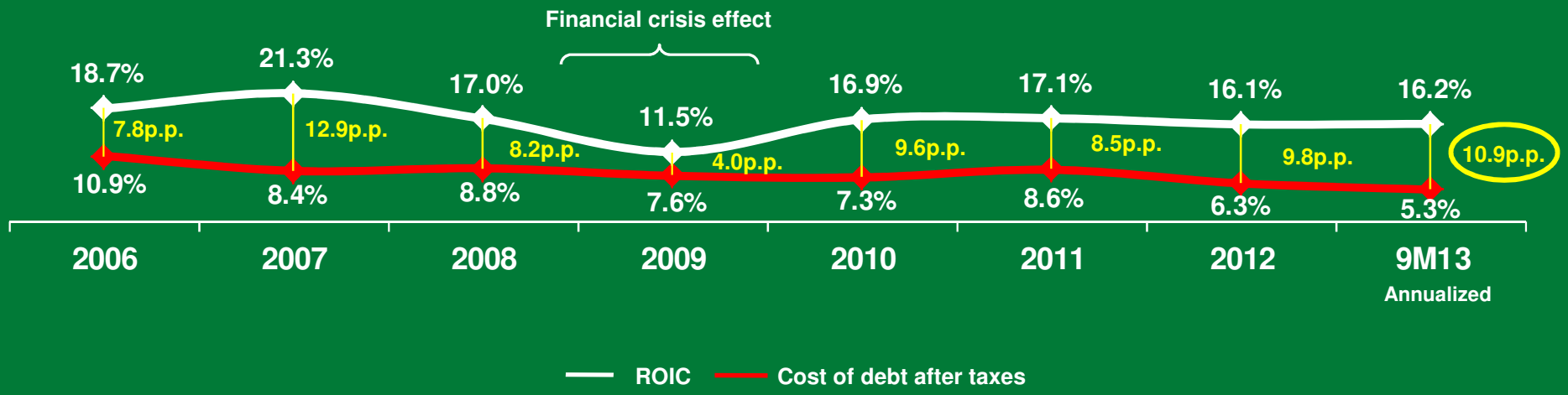


BALANCE AT THE END OF PERIOD	2006(*)	2007(*)	2008(*)	2009(*)	2010(*)	2011	2012	Until Sep/13
Net debt / Fleet value	36%	51%	72%	57%	52%	51%	48%	44%
Net debt / EBITDA (**)	1.4x	1.9x	2.5x	2.3x	2.0x	1.7x	1.4x	1,3x
Net debt / Equity	0.7x	1.3x	2.0x	1.5x	1.4x	1.2x	0.9x	0.8x
EBITDA / Net financial expenses	4.8x	5.4x	3.8x	4.2x	5.0x	4.6x	6.3x	9.4x

(*) From 2006 to 2010, ratios based on USGAAP financial statements.
(**) Annualized

Comfortable debt ratios.

Spread (ROIC minus cost of debt after taxes)



Adding value to shareholders is the Company's main goal.

Thank you!

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