Localiza Rent a Car S.A.

2Q13 e 1H13 Earnings

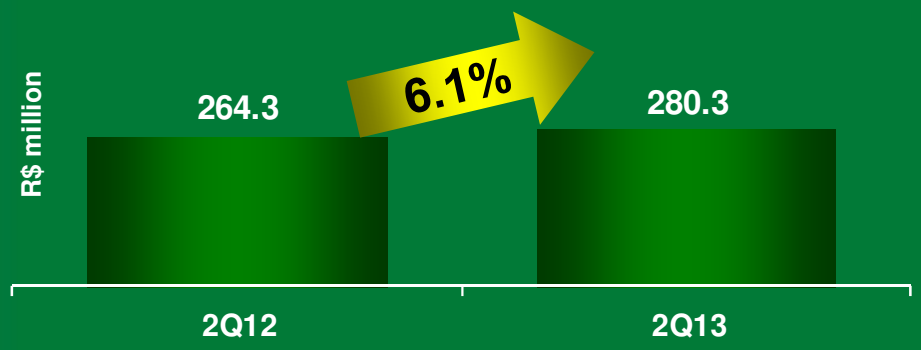
R$ million, IFRS



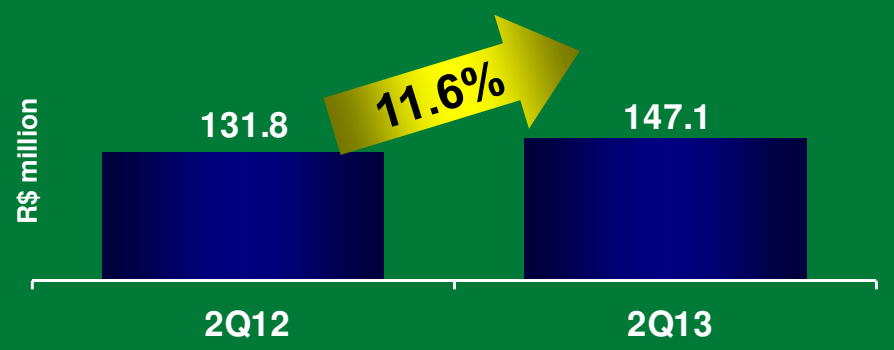
July 17, 2013

Highlights

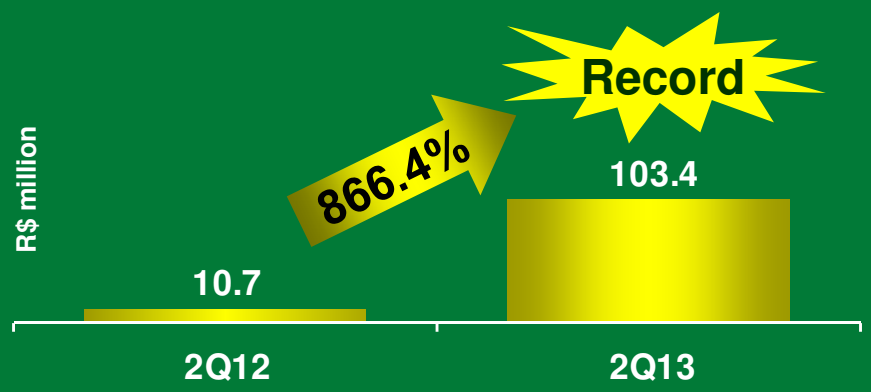
Net Revenues – Car Rental Division



Net Revenues – Fleet Outsourcing

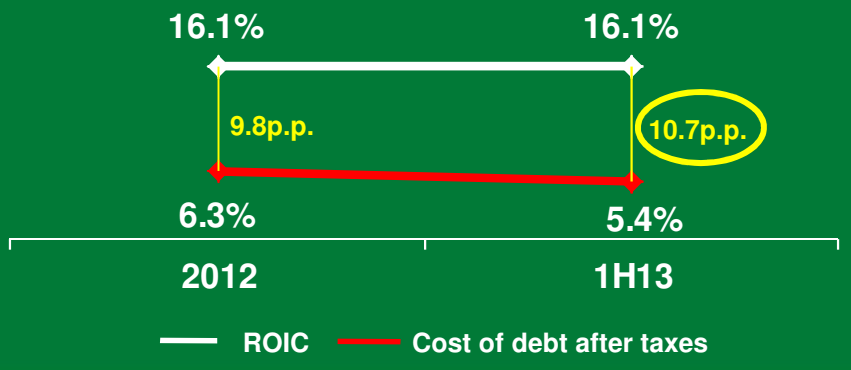


Net Income – Consolidated



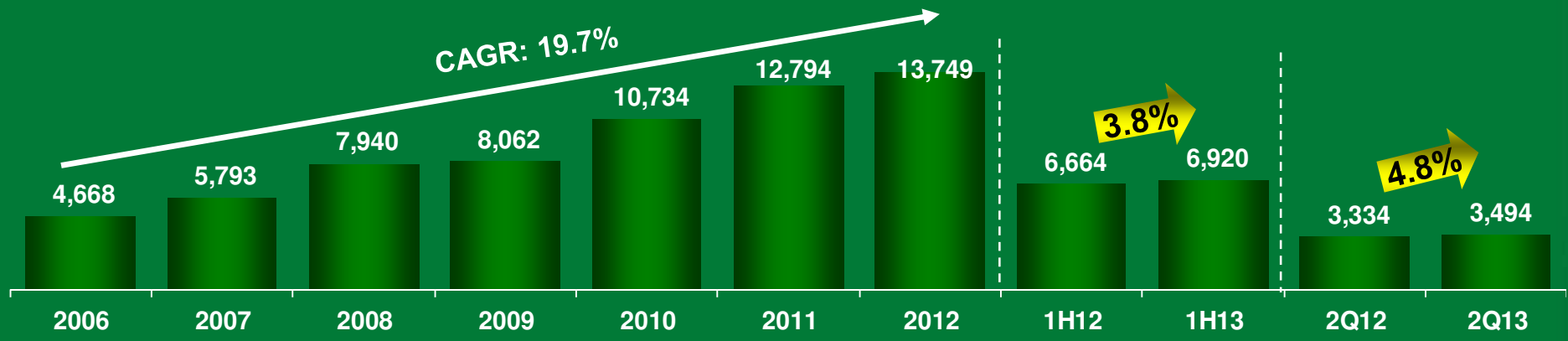
Spread

ROIC minus cost of debt after taxes

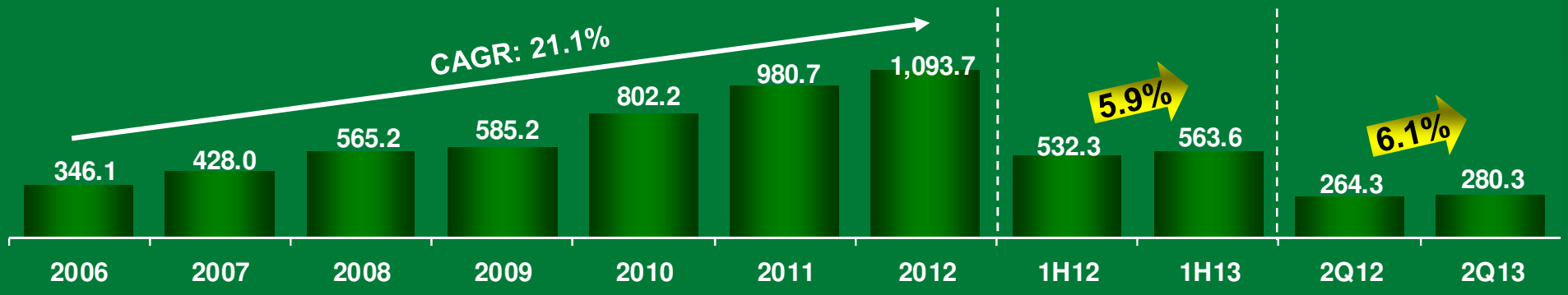


Car Rental Division

Daily Rentals (thousands)



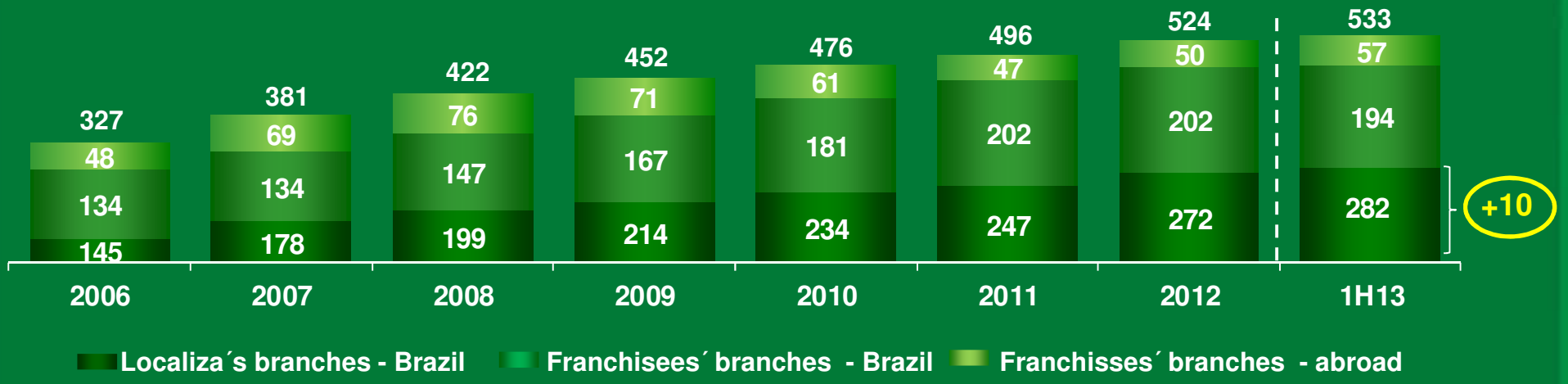
Net Revenues (R$ million)



In 2Q13, Car Rental revenues grew 6.1% reflecting a scenario of lower macro economic activity growth.

Car Rental locations evolution

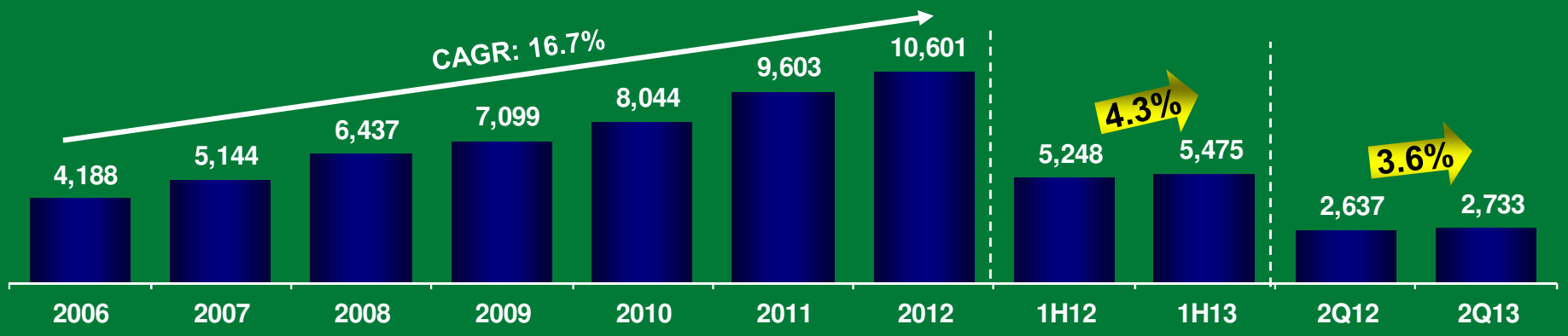
of car rental locations (Brazil and abroad)



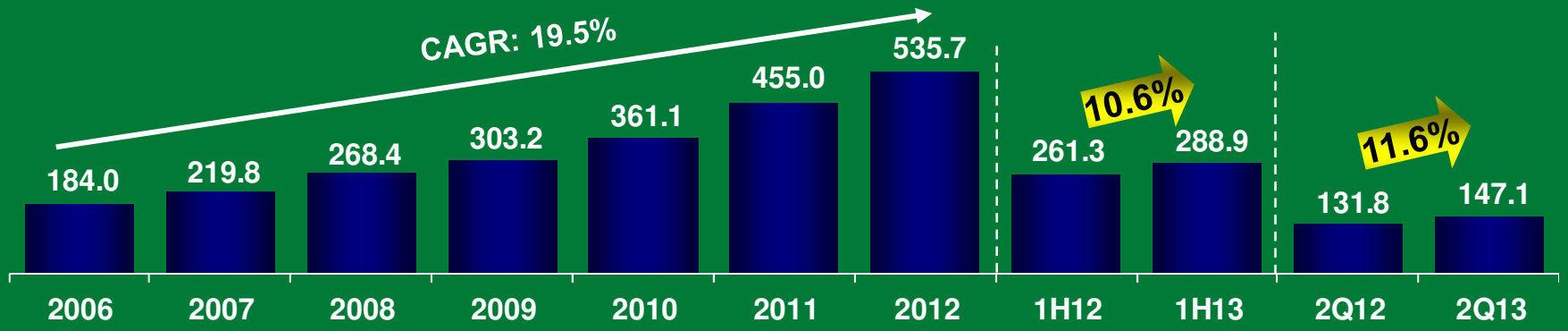
10 new corporate rental locations were added in 1H13.

Fleet Outsourcing Division

Daily Rentals (thousands)



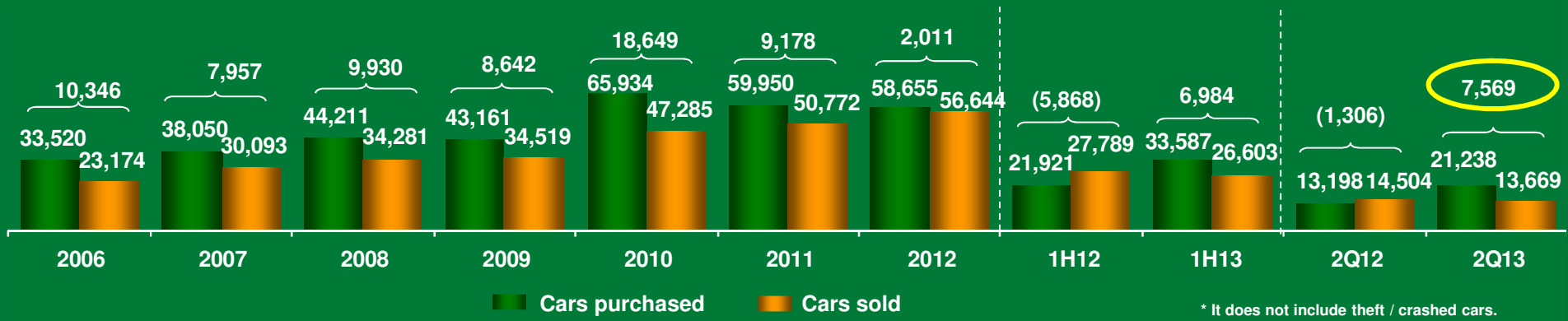
Net Revenues (R$ million)



In 2Q13, net revenues grew 11.6%, with a growth of 3.6% in daily rental volume and 5.5% in the average rental rate.

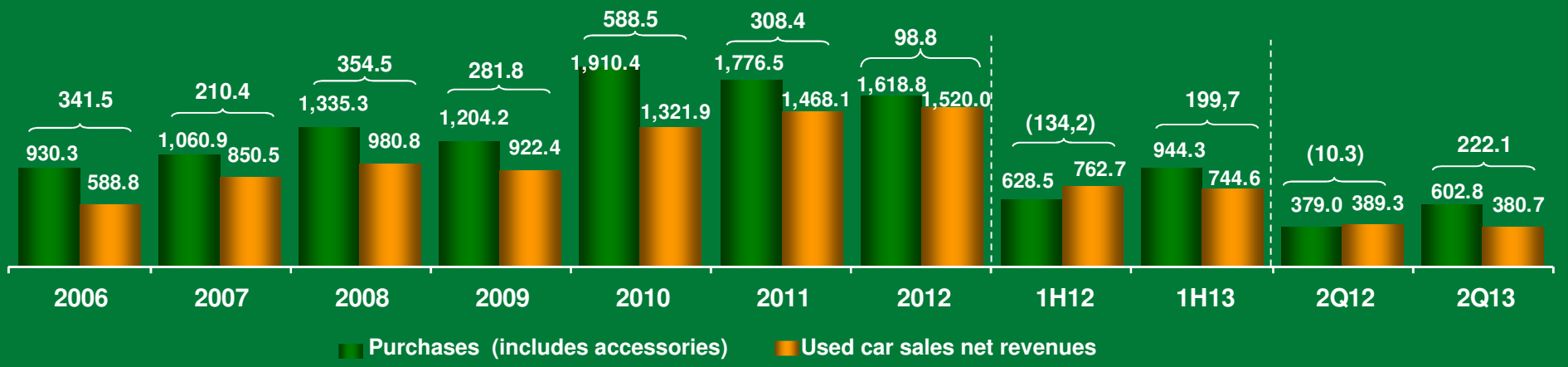
Net Investment

Fleet Expansion* (quantity)



* It does not include theft / crashed cars.

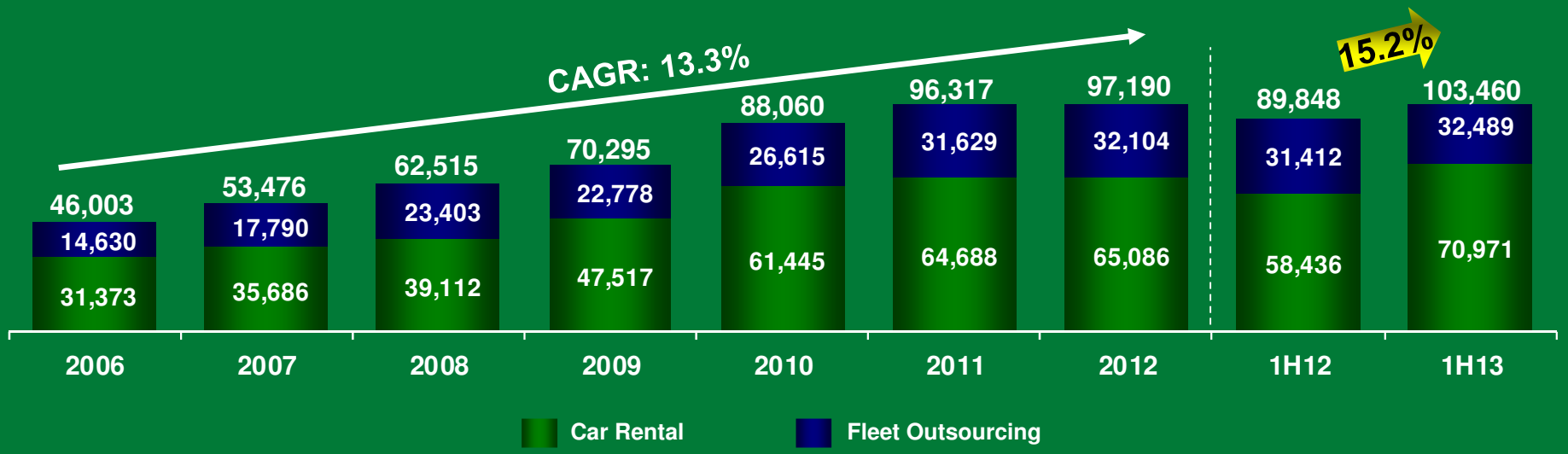
Net Investment (R$ million)



In 2Q13, fleet grew by 7,569 cars with the purchase of 21,238 and the sales of 13,669 cars for fleet renewal.

End of Period Fleet

Quantity

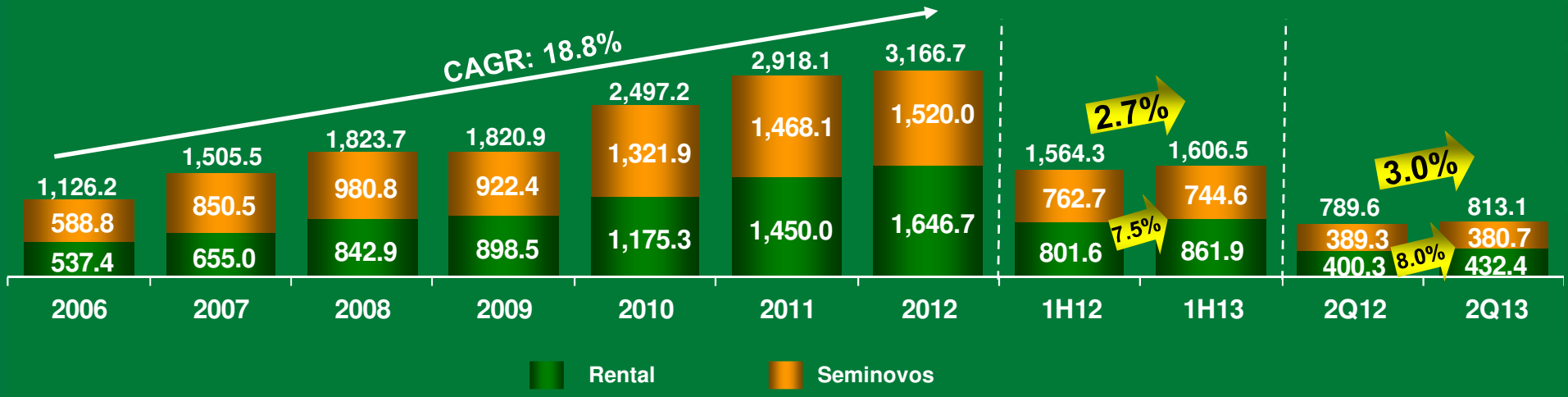


Fleet grew 15.2% compared to 1H12

Localiza´s fleet totaled 117,902 cars, including 14,442 cars from franchisees.

Consolidated Net Revenues

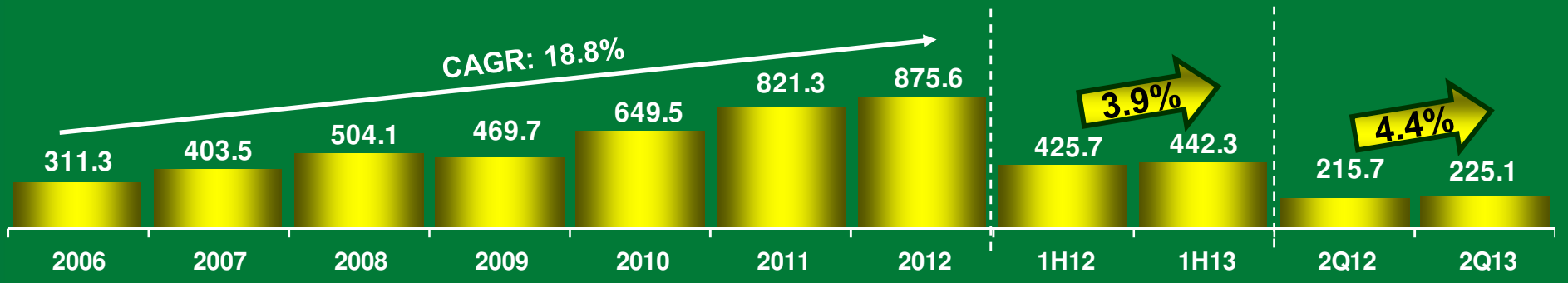
R$ million



Car rental and fleet outsourcing net revenues increased 8.0% in 2Q13.

Consolidated EBITDA

R$ million

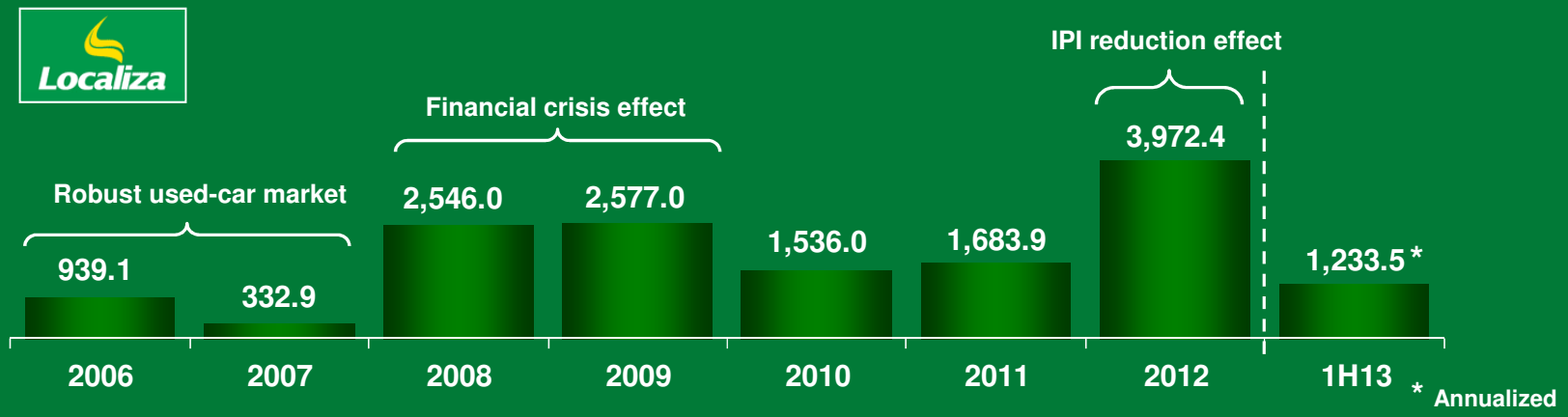


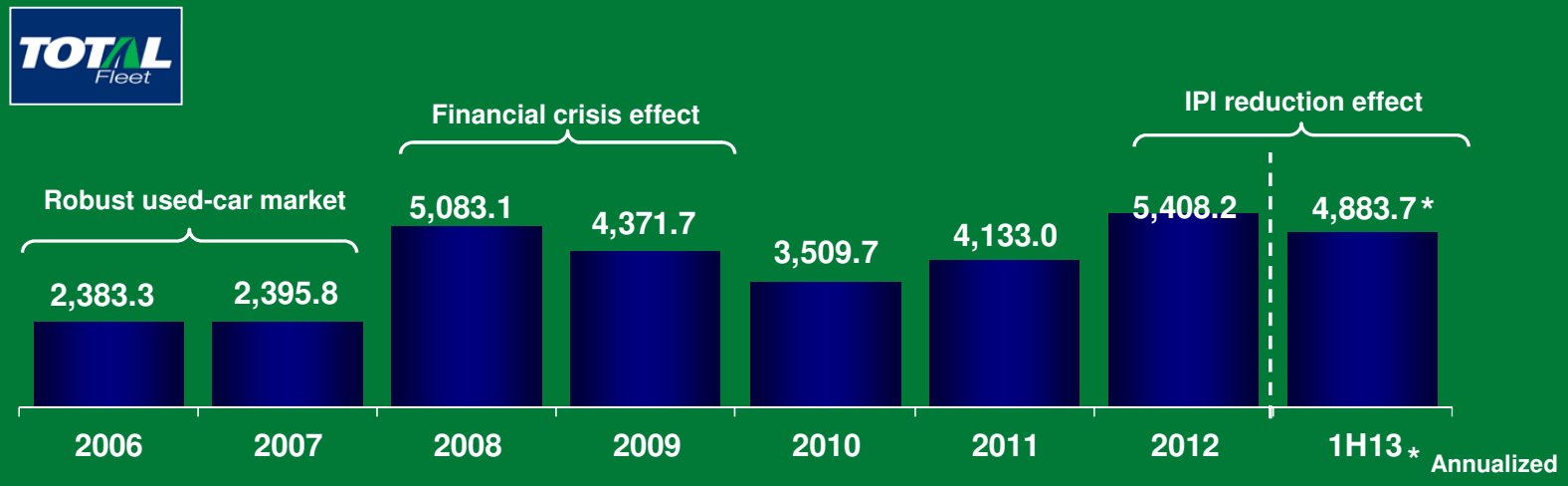
Divisions	2006	2007	2008	2009	2010	2011	2012	1H12	1H13	2Q12	2Q13
Car Rental	43.4%	46.0%	45.9%	41.9%	45.3%	46.9%	40.9%	41.3%	35.7%	40.6%	35.9%
Fleet Outsourcing	71.4%	71.3%	69.1%	68.7%	68.0%	68.6%	66.4%	66.0%	66.1%	65.8%	66.2%
Rental Consolidated	52.9%	54.5%	53.3%	51.1%	52.3%	53.8%	49.3%	49.4%	46.1%	48.9%	46.4%
Used Car Sales	4.6%	5.5%	5.6%	1.1%	2.6%	2.8%	4.2%	3.9%	6.0%	5.1%	6.4%

Excluding accessories and freight recorded for new cars, Car Rental EBITDA margin in 2Q13 would be 38.7%.

Average depreciation per car

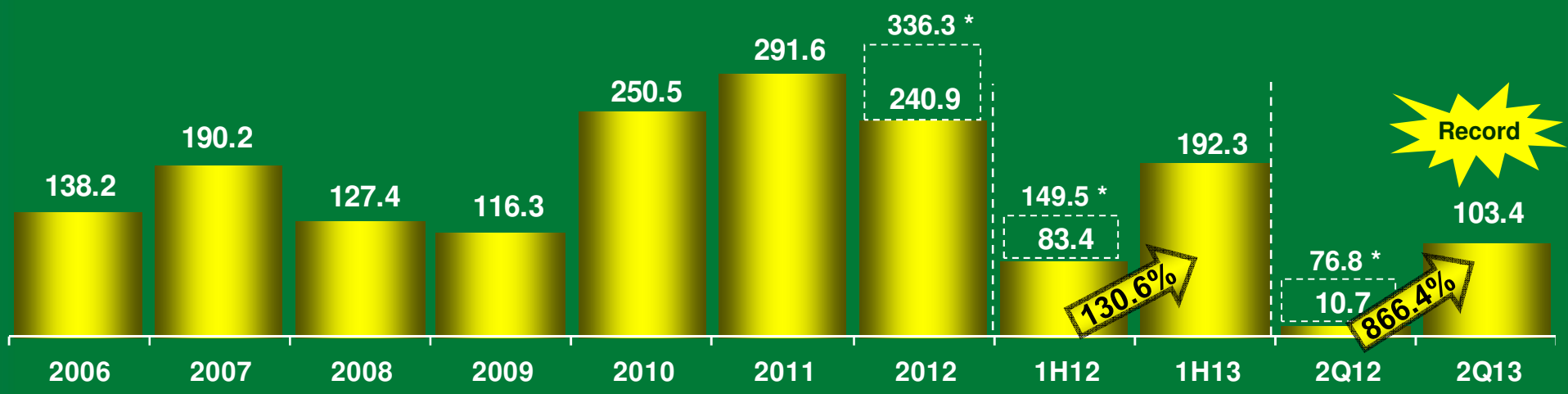
in R$





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 2Q12, net income increased 34.6% this quarter.

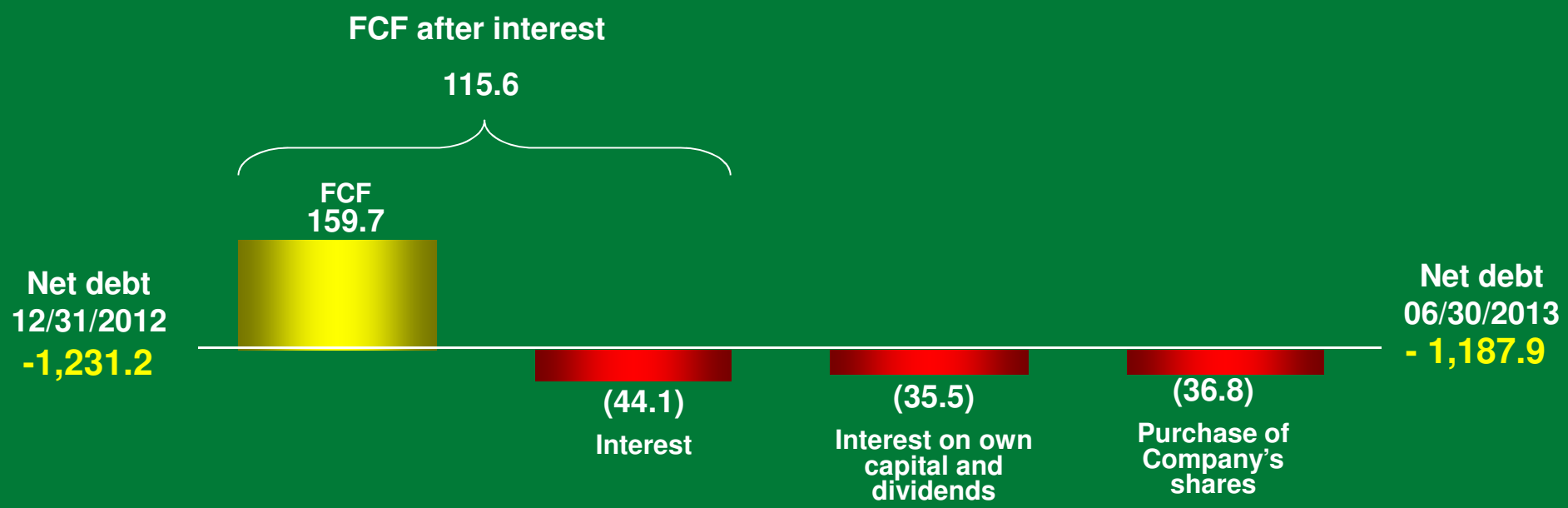
Free Cash Flow

Free cash flow - R$ million	2006	2007	2008	2009	2010	2011	2012	1H13
EBITDA	311.3	403.5	504.1	469.7	649.5	821.3	875.6	442.3
Used car sale revenue, net from taxes	(588.8)	(850.5)	(980.8)	(922.4)	(1,321.9)	(1,468.1)	(1,520.0)	(744.6)
Depreciated cost of cars sold (*)	530.4	760.0	874.5	855.1	1,203.2	1,328.6	1,360.2	653.5
(-) Income tax and social contribution	(42.7)	(63.4)	(52.8)	(49.0)	(57.8)	(83.0)	(100.9)	(48.7)
Change in working capital	(4.8)	13.3	(44.8)	(11.5)	54.5	(83.9)	37.1	(19.9)
Cash provided before investment	205.4	262.9	300.2	341.9	527.5	514.9	652.0	282.6
Used car sale revenue, net from taxes	588.8	850.5	980.8	922.4	1,321.9	1,468.1	1,520.0	744.6
Car investment for renewal	(643.3)	(839.0)	(1,035.4)	(947.9)	(1,370.1)	(1,504.5)	(1,563.3)	(748.0)
Net investment for fleet renewal	(54.5)	11.5	(54.6)	(25.5)	(48.2)	(36.4)	(43.3)	(3.4)
Fleet renewal – quantity	23,174	30,093	34,281	34,519	47,285	50,772	56,644	26,603
Other property investment	(32.7)	(23.7)	(39.9)	(21.0)	(51.1)	(63.0)	(80.2)	(18.1)
Free cash flow before growth and before interest	118.2	250.7	205.7	295.4	428.2	415.5	528.5	261.1
Investment on cars for fleet (growth) /reduction	(287.0)	(221.9)	(299.9)	(241.1)	(540.3)	(272.0)	(55.5)	(196.3)
Change in accounts payable to car suppliers	222.0	(51.0)	(188.9)	241.1	111.3	32.7	(116.9)	94.9
Fleet growth	(65.0)	(272.9)	(488.8)	0.0	(429.0)	(239.3)	(172.4)	(101.4)
Fleet increase / (reduction) – quantity	10,346	7,957	9,930	8,642	18,649	9,178	2,011	6,984
Free cash flow after growth and before interest	53.2	(22.2)	(283.1)	295.4	(0.8)	176.2	356.1	159.7

(*) Technical discount deduction excluded until 2010

Changes in Net Debt

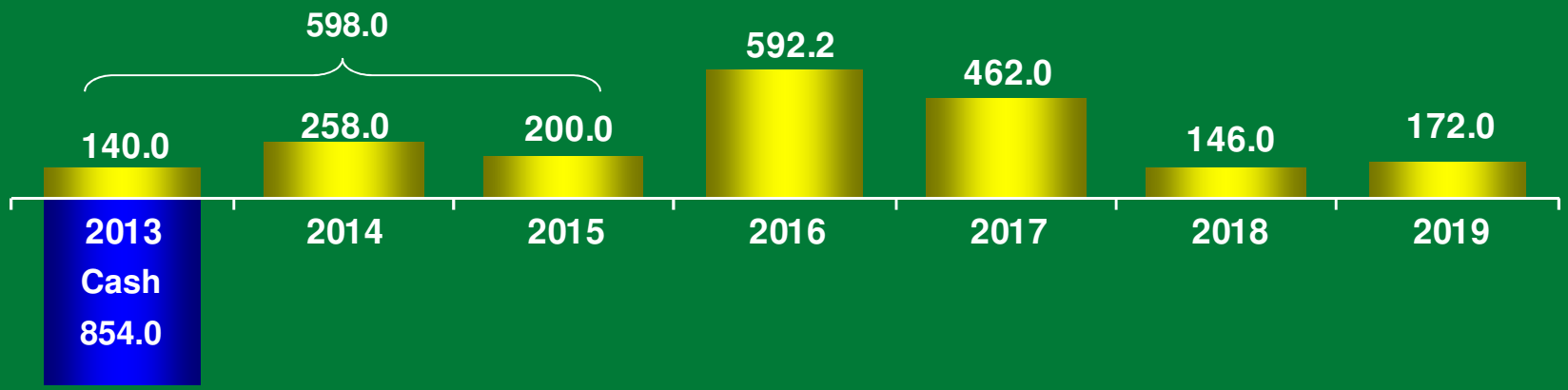
R$ million



Net debt was reduced by 3.5%, or R$43.3 million this semester.

Debt Profile (principal)

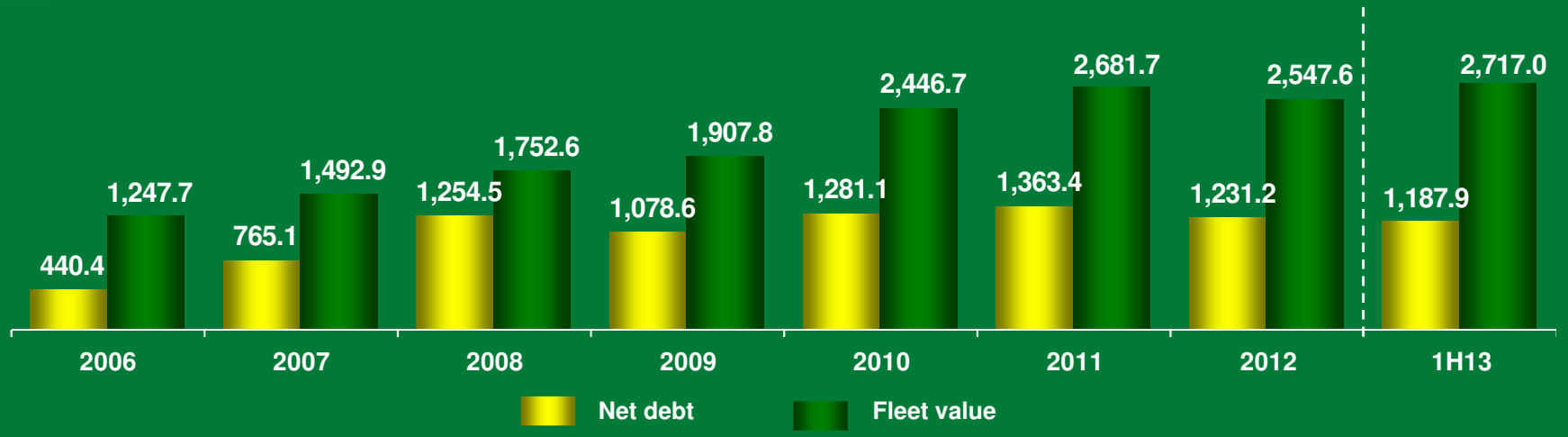
R$ million



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

Debt - ratios

Net debt vs. Fleet value

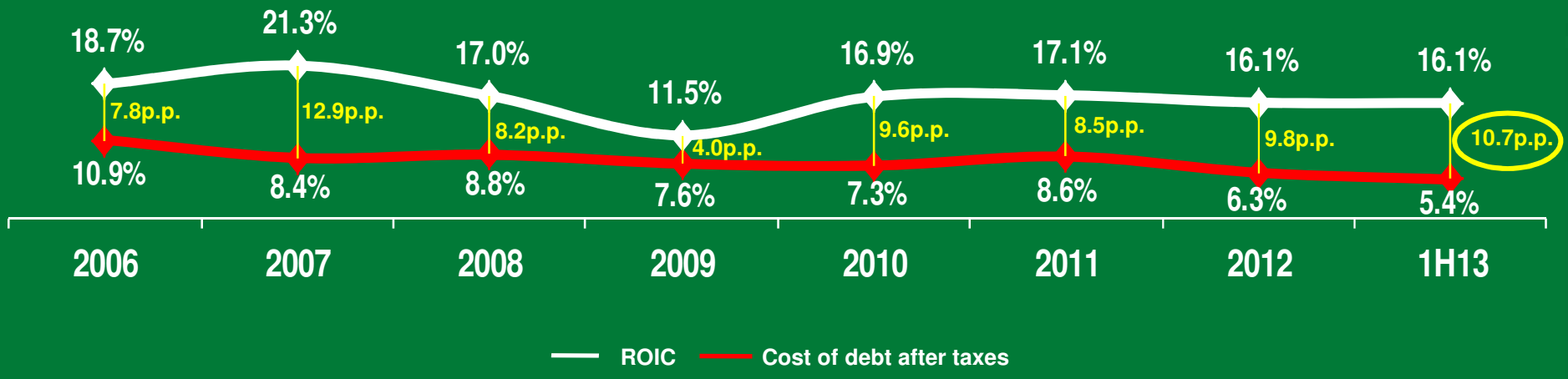


BALANCE AT THE END OF PERIOD	2006(*)	2007(*)	2008(*)	2009(*)	2010(*)	2011	2012	1H13
Net debt / Fleet value	36%	51%	72%	57%	52%	51%	48%	44%
Net debt / EBITDA (**)	1.4x	1.9x	2.5x	2.3x	2.0x	1.7x	1.4x	1,3x
Net debt / Equity	0.7x	1.3x	2.0x	1.5x	1.4x	1.2x	0.9x	0.8x
EBITDA / Net financial expenses	4.8x	5.4x	3.8x	4.2x	5.0x	4.6x	6.3x	10.0x

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

Comfortable debt ratios.

Spread (ROIC minus cost of debt after taxes)



Increase of 0.9 p.p. in spread.

Localiza Level I ADR

- Ticker Symbol: LZRFY
- CUSIP: 53956W300
- ISIN: US53956W3007
- Ratio: 1 Common Share : 1 ADR
- Exchange: OTC
- Depositary bank: Deutsche Bank Trust Company Americas
- ADR broker helpline: +1 212 250 9100 (New York)
  +44 207 547 6500 (London)
- E-mail: adr@db.com
- ADR website: www.adr.db.com
- Depositary bank's local custodian: Banco Bradesco S/A, Brazil

Thank you!

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