FEDERAL PUBLIC SERVICE
CVM - BRAZILIAN SECURITIES COMMISSION
INTERIM FINANCIAL STATEMENTS - ITR **March 31, 2010** **Brazilian Corporate Law**
COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY
Spontaneous Restatement

REGISTRATION WITH CVM SHOULD NOT BE CONSTRUED AS AN EVALUATION OF THE COMPANY.
COMPANY MANAGEMENT IS RESPONSIBLE FOR THE INFORMATION PROVIDED.

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01973-9	**LOCALIZA RENT A CAR S.A.**	**16.670.085/0001-55**
4 - NIRE (Corporate Registry ID)		
3130001144-5		

01.02 - HEADQUARTERS

1 - ADDRESS				2 - DISTRICT
AVENIDA BERNARDO MONTEIRO, 1563				FUNCIONARIOS
3 - ZIP CODE	4 - CITY			5 - STATE
30150-902	BELO HORIZONTE			MG
6 - AREA CODE	7 - TELEPHONE	8 - TELEPHONE	9 - TELEPHONE	10 - TELEX
031	3247-7040	3247-7041	3247-7753	
11 – AREA CODE	12 - FAX	13 - FAX	14 - FAX	
031	3247-7755	3247-7771	3247-7003	
15 - E-MAIL				
ri@localiza.com				

01.03 - INVESTOR RELATIONS OFFICER (Company Mailing Address)

1- NAME				
ROBERTO ANTONIO MENDES				
2 - ADDRESS				3 - DISTRICT
AVENIDA BERNARDO MONTEIRO, 1563				FUNCIONARIOS
4 - ZIP CODE	5 – CITY			6 - STATE
30150-902	BELO HORIZONTE			MG
6 - AREA CODE	7 - TELEPHONE	8 - TELEPHONE	9 - TELEPHONE	10 - TELEX
031	3247-7040	3247-7041	3247-7753	
11 - AREA CODE	12 - FAX	13 - FAX	14 - FAX	
031	3247-7755	3247-7771	-	
15 - E-MAIL				
ri@localiza.com				

01.04 - ITR REFERENCE AND AUDITOR INFORMATION

CURRENT YEAR		CURRENT QUARTER			PREVIOUS QUARTER		
1 - BEGINNING	2 - END	3 - QUARTER	4 - BEGINNING	5 - END	6 - QUARTER	7 - BEGINNING	8 - END
01/01/2010	12/31/2010	1	01/01/2010	03/31/2010	4	10/01/2009	12/31/2009

09 - INDEPENDENT ACCOUNTANT	**10 - CVM CODE**
DELOITTE TOUCHE TOHMATSU AUDITORES INDEPENDENTES	00385-9
11 - TECHNICIAN IN CHARGE	**12 - TECHNICIAN'S CPF (INDIVIDUAL TAXPAYER'S REGISTER)**
Delio Rocha Leite	094.062.268-80

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01973-9	LOCALIZA RENT A CAR S.A.	16.670.085/0001-55

01.05 - CAPITAL STOCK

Number of Shares (in thousands)	1 - CURRENT QUARTER 3/31/2010	2 - PREVIOUS QUARTER 12/31/2009	3 - SAME QUARTER, PREVIOUS YEAR 3/31/2009
Paid-up Capital			
1 - Common	201,708	201,708	201,708
2 - Preferred	0	0	0
3 - Total	201,708	201,708	201,708
Treasury Shares			
4 - Common	4,226	4,226	4,226
5 - Preferred	0	0	0
6 - Total	4,226	4,226	4,226

01.06 - COMPANY PROFILE

1 - TYPE OF COMPANY Commercial, Industrial and Other
2 - STATUS Operational
3 - NATURE OF OWNERSHIP Domestic Private Company
4 - ACTIVITY CODE 1140 - Transportation and Logistics Services
5 - MAIN ACTIVITY CAR AND FLEET RENTAL
6 - CONSOLIDATION TYPE Total
7 - TYPE OF REPORT OF INDEPENDENT AUDITORS Unqualified

01.07 - COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

1 – ITEM	2 - CNPJ (Corporate Taxpayer's ID)	3 - COMPANY NAME

01.08 - CASH DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER

1 – ITEM	2 - EVENT	3 – APPROVAL	4 - TYPE	5 - DATE OF PAYMENT	6 - TYPE OF SHARE	7 - AMOUNT PER SHARE
01	RCA (*)	02/26/2010	Dividends	06/25/2010	Common	0.0309507940
02	RCA (*)	03/25/2010	Interest on own Capital	05/21/2010	Common	0.0452249780

(*) Board of Director's Meeting

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1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
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01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR

1 - ITEM	2 - DATE OF CHANGE	3 - CAPITAL STOCK (in thousands of Reais)	4 - AMOUNT OF CHANGE (in thousands of Reais)	5 - NATURE OF CHANGE	7 - NUMBER OF SHARES ISSUED (Thousands)	8 -SHARE PRICE WHEN ISSUED (in Reais)

01.10 - INVESTOR RELATIONS OFFICER

1 – DATE	2 – SIGNATURE
5/10/2011	

01.01 - IDENTIFICATION

1 – CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01973-9	LOCALIZA RENT A CAR S.A.	16.670.085/0001-55

02.01 - BALANCE SHEET - ASSETS (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 – 3/31/2010	4 – 12/31/2009
1	Total Assets	1,959,506	2,098,496
1.01	Current Assets	260,739	437,598
1.01.01	Cash and Cash Equivalents	5,883	192,234
1.01.02	Credits	181,356	168,275
1.01.02.01	Customers	181,356	168,275
1.01.02.02	Sundry Credits	-	-
1.01.03	Inventory	-	-
1.01.04	Other	73,500	77,089
1.01.04.01	Dividends receivable	19,957	53,899
1.01.04.02	Recoverable Taxes	4,719	8,156
1.01.04.03	Deferred Income Tax and Social Contribution	-	-
1.01.04.04	Other Current Assets	48,094	14,725
1.01.04.05	Decommissioning cars to fleet renewal	730	309
1.02	Noncurrent Assets	1,698,767	1,660,898
1.02.01	Long-Term Assets	39,129	39,424
1.02.01.01	Sundry Credits	-	-
1.02.01.02	Credit with Related Parties	-	-
1.02.01.02.01	Affiliates	-	-
1.02.01.02.02	Subsidiaries	-	-
1.02.01.02.03	Other Related Parties	-	-
1.02.01.03	Other	39,129	39,424
1.02.01.03.01	Escrow Deposits	23,260	22,235
1.02.01.03.02	Deferred Income Tax and Social Contribution	15,505	16,923
1.02.01.03.03	Other	364	266
1.02.02	Permanent Assets	1,659,638	1,621,474
1.02.02.01	Investments	300,900	278,225
1.02.02.01.01	In Affiliates	-	-
1.02.02.01.02	In Affiliates-goodwill	-	-
1.02.02.01.03	In Subsidiaries	296,392	273,717
1.02.02.01.04	In Subsidiaries-goodwill	4,508	4,508
1.02.02.01.05	Other Investments	-	-
1.02.02.02	Property and Equipment	1,352,360	1,336,402
1.02.02.02.01	Vehicles	1,265,374	1,252,070
1.02.02.02.02	Other	86,986	84,332
1.02.02.03	Intangibles	6,378	6,847
1.02.02.04	Deferred	-	-

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1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
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02.02 - BALANCE SHEET - LIABILITIES (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 – 3/31/2010	4 – 12/31/2009
2	Total Liabilities	1,959,506	2,098,496
2.01	Current Liabilities	579,998	767,842
2.01.01	Loans and Financing	209,050	200,729
2.01.02	Debentures	4,055	235,760
2.01.03	Trade Accounts Payable	266,107	250,451
2.01.04	Taxes and contributions payable	12,714	8,305
2.01.04.01	Income Tax and Social Contribution	7,261	3,974
2.01.04.02	Other tax payable	5,453	4,331
2.01.05	Dividends Payable	15,502	7,911
2.01.06	Reserves	-	-
2.01.07	Accounts payable to related parties	-	-
2.01.08	Other	72,570	64,686
2.01.08.01	Payroll and Related Taxes	32,595	23,229
2.01.08.02	Other Current Liabilities	39,975	41,457
2.02	Noncurrent Liabilities	629,417	622,090
2.02.01	Long-Term Liabilities	629,417	622,090
2.02.01.01	Loans and Financing	351,432	346,831
2.02.01.02	Debentures	199,567	199,533
2.02.01.03	Provisions	38,922	36,334
2.02.01.03.01	Tax, social security, labor and civil provisions	38,922	36,334
2.02.01.04	Accounts payable to related parties	3,589	4,293
2.02.01.05	Advance for future capital increase	-	-
2.02.01.06	Other	35,907	35,099
2.02.01.06.01	Deferred financing incentive and other	1,224	1,377
2.02.01.06.02	Deferred Income Tax and Social Contribution	34,683	33,722
2.03	Deferred income	-	-
2.05	Shareholders' Equity	750,091	708,564
2.05.01	Capital	400,000	400,000
2.05.02	Capital Reserves	8,403	7,511
2.05.03	Revaluation Reserve	-	-
2.05.03.01	Own Assets	-	-
2.05.03.02	Subsidiaries/Affiliates	-	-
2.05.04	Profit Reserves	260,540	260,540
2.05.04.01	Legal Reserve	38,498	38,498
2.05.04.02	Statutory Reserve	196,922	196,922
2.05.04.03	For Contingencies	-	-
2.05.04.04	Realizable Profit	-	-
2.05.04.05	Profit retention	23,000	23,000
2.05.04.06	Special for Non-Distributed Dividends	2,120	2,120
2.05.04.07	Other Profit Reserves	-	-
2.05.05	Valuation adjustments to equity	27,019	40,513
2.05.05.01	Marketable securities adjustments	-	-
2.05.05.02	Cumulative translation adjustments	-	-
2.05.05.03	Business combinations adjustments	-	-
2.05.06	Retained Earnings/ Accumulated Losses	54,129	-
2.05.07	Advance for future capital increase	-	-

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1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01973-9	LOCALIZA RENT A CAR S.A.	16.670.085/0001-55

03.01 - STATEMENT OF INCOME (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 – 1/1/2010 to 3/31/2010	4 – 1/1/2010 to 3/31/2010	5- 1/1/2009 to 3/31/2009	6- 1/1/2009 to 3/31/2009
3.01	Gross Revenues from Sales and/or Services	408,322	408,322	298,587	298,587
3.02	Deductions from Gross Revenues	(8,472)	(8,472)	(6,697)	(6,697)
3.03	Net Revenues from Sales and/or Services	399,850	399,850	291,890	291,890
3.04	Cost of Goods and/or Services Sold	(309,289)	(309,289)	(232,505)	(232,505)
3.05	Gross profit	90,561	90,561	59,385	59,385
3.06	Operating Expenses/Income	(31,539)	(31,539)	(56,672)	(56,672)
3.06.01	Sales	(24,805)	(24,805)	(19,848)	(19,848)
3.06.02	General and Administrative	(9,324)	(9,324)	(8,047)	(8,047)
3.06.03	Financial	(18,063)	(18,063)	(34,392)	(34,392)
3.06.03.01	Financial Income	4,554	4,554	3,649	3,649
3.06.03.02	Financial Expenses	(22,617)	(22,617)	(38,041)	(38,041)
3.06.04	Other Operating Income	-	-	-	-
3.06.05	Other Operating Expenses	(652)	(652)	(1,045)	(1,045)
3.06.06	Equity in subsidiaries	21,305	21,305	6,660	6,660
3.07	Income from Operations	59,022	59,022	2,713	2,713
3.08	Non-Operating Income	-	-	-	-
3.08.01	Income	-	-	-	-
3.08.02	Expense	-	-	-	-
3.09	Results from operations before Financial income (expenses) and Taxes	59,022	59,022	2,713	2,713
3.10	Income tax and Contribution Reserves	(7,077)	(7,077)	(3,615)	(3,615)
3.11	Deferred Income Tax	(2,379)	(2,379)	7,762	7,762

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03.01 - STATEMENT OF INCOME (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 – 1/1/2010 to 3/31/2010	4 – 1/1/2010 to 3/31/2010	5- 1/1/2009 to 3/31/2009	6- 1/1/2009 to 3/31/2009
3.12	Statutory Holding/Contributions	-	-	-	-
3.12.01	Holdings	-	-	-	-
3.12.02	Contributions	-	-	-	-
3.13	Reversal of Interest on Capital	-	-	-	-
3.15	Net Income/ Loss for the period	49,566	49,566	6,860	6,860
	NUMBER OF SHARES, EX-TREASURY (in thousands)	197,482	197,482	197,482	197,482
	EARNINGS PER SHARE (R$)	0.25099	0.25099	0.03474	0.03474
	LOSS PER SHARE (R$)				

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1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpyaer's ID)
01973-9	LOCALIZA RENT A CAR S.A.	16.670.085/0001-55

04.01 - STATEMENT OF CASH FLOW – INDIRECT METHOD (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 – 1/1/2010 to 3/31/2010	4 – 1/1/2010 to 3/31/2010	5- 1/1/2009 to 3/31/2009	6- 1/1/2009 to 3/31/2009
4.01	Net cash provided by (used in) operating activities	10,277	10,277	198,065	198,065
4.01.01	Cash flows from operating activities	272,028	272,028	173,532	173,532
4.01.01.01	Net income for the period	49,566	49,566	6,860	6,860
4.01.01.02	Depreciation and amortization	25,641	25,641	40,401	40,401
4.01.01.03	Net book value of property and equipment written off	213,234	213,234	138,148	138,148
4.01.01.04	(Recognition)/ reversal of deferred income tax and social contribution	2,379	2,379	(7,762)	(7,762)
4.01.01.05	Recognition (reversal) of provision for doubtful accounts	508	508	501	501
4.01.01.06	Recognition (reversal) of reserve for contingencies	1,113	1,113	1,577	1,577
4.01.01.07	Equity in subsidiaries	(21,305)	(21,305)	(6,660)	(6,660)
4.01.01.08	Stock option plan	892	892	467	467
4.01.02	Increase (decrease) in assets and liabilities	(261,751)	(261,751)	24,533	24,533
4.01.02.01	Trade accounts receivable	(13,589)	(13,589)	220	220
4.01.02.02	Acquisition of cars - net of car makers variation	(251,620)	(251,620)	(724)	(724)
4.01.02.03	Escrow deposits	(1,025)	(1,025)	97	97
4.01.02.04	Recoverable taxes	1,588	1,588	(3,820)	(3,820)
4.01.02.05	Interest on marketable securities	-	-	(70)	(70)
4.01.02.06	Other assets	(31,800)	(31,800)	(9,912)	(9,912)
4.01.02.07	Trade accounts payable – other	19,686	19,686	(230)	(230)
4.01.02.08	Payroll and related taxes	9,366	9,366	8,414	8,414
4.01.02.09	Income Tax and Social Contribution	4,852	4,852	3,615	3,615
4.01.02.10	Interest on borrowings, financing, debentures and other liabilities	3,664	3,664	17,522	17,522

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04.01 - STATEMENT OF CASH FLOW – INDIRECT METHOD (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 – 1/1/2010 to 3/31/2010	4 – 1/1/2010 to 3/31/2010	5- 1/1/2009 to 3/31/2009	6- 1/1/2009 to 3/31/2009
4.01.02.11	Deferred financing incentive	(87)	(87)	(87)	(87)
4.01.02.12	Other liabilities	(2,786)	(2,786)	9,508	9,508
4.01.03	Other	-	-	-	-
4.02	Net cash provided by (used in) investing activities	26,650	26,650	11,513	11,513
4.02.01	Proceeds from sales in marketable securities	-	-	8,318	8,318
4.02.02	Additions to other Property and Equipment	(7,035)	(7,035)	(2,030)	(2,030)
4.02.03	Purchase of intangible assets	(160)	(160)	(195)	(195)
4.02.04	Dividends from subsidiaries	33,942	33,942	5,420	5,420
4.02.05	Other	(97)	(97)	-	-
4.03	Net cash provided by (used in) financing activities	(223,278)	(223,278)	(130,982)	(130,982)
4.03.01	Loans and financing – funding	1,948	1,948	-	-
4.03.02	Loans, financing and debentures – Amortization	(224,361)	(224,361)	(120,815)	(120,815)
4.03.03	Interest on capital	-	-	(8,660)	(8,660)
4.03.04	Intercompany Loan Amortization	(865)	(865)	(1,507)	(1,507)
4.04	Exchange variation in cash and cash equivalents	-	-	-	-
4.05	Increase (decrease) in cash and cash equivalents	(186,351)	(186,351)	78,596	78,596
4.05.01	Cash and cash equivalents at beginning of period	192,234	192,234	101,980	101,980
4.05.02	Cash and cash equivalents at end of period	5,883	5,883	180,576	180,576

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01973-9	LOCALIZA RENT A CAR S.A.	16.670.085/0001-55

05.01 - STATEMENTS OF CHANGES IN SHAREHOLDER´S EQUITY FROM 1/01/2010 TO 3/31/2010 (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 – CAPITAL	4 – CAPITAL RESERVES	5 – REVALUATION RESERVE	6 – PROFIT RESERVES	7 – RETAINED EARNINGS/ ACCUMULATED LOSSES	8 – EQUITY ASSESSMENT ADJUSTMENTS	9 - TOTAL
5.01	Opening balances	400,000	6,412	-	202,273	-	-	608,685
5.02	Prior year adjustments	-	1,099	-	58,267	-	40,513	99,879
5.03	Adjusted balances	400,000	7,511	-	260,540	-	40,513	708,564
5.04	Profit / loss of the period	-	-	-	-	49,566	-	49,566
5.05	Allocations	-	-	-	-	(8,931)	-	(8,931)
5.05.01	Dividends	-	-	-	-	-	-	-
5.05.02	Interest on capital	-	-	-	-	(8,931)	-	(8,931)
5.05.03	Other allocations	-	-	-	-	-	-	-
5.06	Profit reserve realization	-	-	-	-	-	-	-
5.07	Equity assessment adjustment	-	-	-	-	13,494	(13,494)	-
5.07.01	Marketable securities adjustments	-	-	-	-	-	-	-
5.07.02	Cumulative translation adjustments	-	-	-	-	-	-	-
5.07.03	Business combination adjustments	-	-	-	-	-	-	-
5.07.04	Valuation adjustments to equity	-	-	-	-	13,494	(13,494)	-
5.08	Increase / decrease in capital	-	-	-	-	-	-	-
5.09	Recognition / Realization of capital reserves	-	-	-	-	-	-	-
5.10	Treasury shares	-	-	-	-	-	-	-
5.11	Other capital transactions	-	-	-	-	-	-	-
5.12	Other	-	892	-	-	-	-	892
5.12.01	Options granted and recognized	-	892	-	-	-	-	892
5.13	Closing balances	400,000	8,403	-	260,540	54,129	27,019	750,091

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05.01 - STATEMENTS OF CHANGES IN SHAREHOLDER´S EQUITY FROM 1/01/2010 TO 3/31/2010 (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 – CAPITAL	4 – CAPITAL RESERVES	5 – REVALUATION RESERVE	6 – PROFIT RESERVES	7 – RETAINED EARNINGS/ ACCUMULATED LOSSES	8 – EQUITY ASSESSMENT ADJUSTMENTS	9 - TOTAL
5.01	Opening balances	400,000	6,412	-	202,273	-	-	608,685
5.02	Prior year adjustments	-	1,099	-	58,267	-	40,513	99,879
5.03	Adjusted balances	400,000	7,511	-	260,540	-	40,513	708,564
5.04	Profit / loss of the period	-	-	-	-	49,566	-	49,566
5.05	Allocations	-	-	-	-	(8,931)	-	(8,931)
5.05.01	Dividends	-	-	-	-	-	-	-
5.05.02	Interest on capital	-	-	-	-	(8,931)	-	(8,931)
5.05.03	Other allocations	-	-	-	-	-	-	-
5.06	Profit reserve realization	-	-	-	-	-	-	-
5.07	Equity assessment adjustment	-	-	-	-	13,494	(13,494)	-
5.07.01	Marketable securities adjustments	-	-	-	-	-	-	-
5.07.02	Cumulative translation adjustments	-	-	-	-	-	-	-
5.07.03	Business combination adjustments	-	-	-	-	-	-	-
5.07.04	Valuation adjustments to equity	-	-	-	-	13,494	(13,494)	-
5.08	Increase / decrease in capital	-	-	-	-	-	-	-
5.09	Recognition / Realization of capital reserves	-	-	-	-	-	-	-
5.10	Treasury shares	-	-	-	-	-	-	-
5.11	Other capital transactions	-	-	-	-	-	-	-
5.12	Other	-	892	-	-	-	-	892
5.12.01	Options granted and recognized	-	892	-	-	-	-	892
5.13	Closing balances	400,000	8,403	-	260,540	54,129	27,019	750,091

01.01 - IDENTIFICATION

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01973-9	LOCALIZA RENT A CAR S.A.	16.670.085/0001-55

08.01 – CONSOLIDATED BALANCE SHEET - ASSETS (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 03/31/2010	4 - 31/12/2009
1	Total Assets	2,580,325	2,740,541
1.01	Current Assets	549,181	718,309
1.01.01	Cash and Cash Equivalents	250,824	459,619
1.01.02	Credits	226,128	212,140
1.01.02.01	Customers	226,128	212,140
1.01.02.02	Sundry Credits	-	-
1.01.03	Inventory	-	-
1.01.04	Other	72,229	46,550
1.01.04.01	Recoverable Taxes	8,821	12,193
1.01.04.02	Deferred Income Tax	-	-
1.01.04.03	Other Current Assets	47,502	14,023
1.01.04.04	Decommissioning cars to fleet renewal	15,906	20,334
1.02	Noncurrent Assets	2,031,144	2,022,232
1.02.01	Long-Term Assets	46,551	45,428
1.02.01.01	Sundry Credits	-	-
1.02.01.02	Credit with Related Parties	-	-
1.02.01.02.01	Affiliates	-	-
1.02.01.02.02	Subsidiaries	-	-
1.02.01.02.03	Other Related Parties	-	-
1.02.01.03	Other	46,551	45,428
1.02.01.03.01	Escrow Deposits	28,427	26,469
1.02.01.03.02	Deferred Income Tax and Social Contribution	18,041	18,876
1.02.01.03.03	Other	83	83
1.02.02	Permanent Assets	1,984,593	1,976,804
1.02.02.01	Investments	-	-
1.02.02.01.01	In Affiliates	-	-
1.02.02.01.02	In Subsidiaries	-	-
1.02.02.01.03	Other investments	-	-
1.02.02.02	Property and Equipment	1,973,446	1,965,172
1.02.02.02.01	Vehicles	1,885,438	1,879,672
1.02.02.02.02	Other	88,008	85,500
1.02.02.03	Intangibles	11,147	11,632
1.02.02.03.01	Goodwill on acquisition of investments	4,508	4,508
1.02.02.03.02	Software	6,639	7,124
1.02.02.04	Deferred charges	-	-

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01973-9	LOCALIZA RENT A CAR S.A.	16.670.085/0001-55

08.02 – CONSOLIDATED BALANCE SHEET - LIABILITIES (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 03/31/2010	4 - 12/31/2009
2	Total Liabilities	2,580,325	2,740,541
2.01	Current Liabilities	612,779	829,087
2.01.01	Loans and Financing	209,050	200,729
2.01.02	Debentures	3,998	245,873
2.01.03	Trade Accounts Payable	287,395	292,467
2.01.04	Taxes and contributions payable	24,022	18,450
2.01.04.01	Income Tax and Social Contribution	15,765	11,539
2.01.04.02	Other tax payable	8,257	6,911
2.01.05	Dividends Payable	15,502	7,911
2.01.06	Reserves	-	-
2.01.07	Accounts payable to related parties	-	-
2.01.08	Other	72,812	63,657
2.01.08.01	Payroll and Related Taxes	41,764	30,149
2.01.08.02	Other Current Liabilities	31,048	33,508
2.02	Noncurrent Liabilities	1,217,455	1,202,890
2.02.01	Long-Term Liabilities	1,217,455	1,202,890
2.02.01.01	Loans and Financing	501,288	493,092
2.02.01.02	Debentures	598,588	598,499
2.02.01.03	Provisions	48,423	44,812
2.02.01.03.01	Tax, social security, labor and civil provisions	48,423	44,812
2.02.01.04	Accounts payable to related parties	-	-
2.02.01.05	Advance for future capital increase	-	-
2.02.01.06	Other	69,156	66,487
2.02.01.06.01	Deferred financing incentive and other	13,435	14,121
2.02.01.06.02	Deferred Income Tax and Social Contribution	55,721	52,366
2.03	Deferred income	-	-
2.04	Minority Interest	-	-
2.05	Shareholders' Equity	750,091	708,564
2.05.01	Capital	400,000	400,000
2.05.02	Capital Reserves	8,403	7,511
2.05.03	Revaluation Reserve	-	-
2.05.03.01	Own Assets	-	-
2.05.03.02	Subsidiaries/Affiliates	-	-
2.05.04	Profit Reserves	260,540	260,540
2.05.04.01	Legal Reserve	38,498	38,498
2.05.04.02	Statutory Reserve	196,922	196,922
2.05.04.03	For Contingencies	-	-
2.05.04.04	Realizable Profit	-	-
2.05.04.05	Profit retention	23,000	23,000
2.05.04.06	Special for Non-Distributed Dividends	2,120	2,120
2.05.04.07	Other Profit Reserves	-	-
2.05.05	Valuation adjustments to equity	27,019	40,513
2.05.05.01	Marketable securities adjustments	-	-
2.05.05.02	Cumulative translation adjustments	-	-
2.05.05.03	Business combinations adjustments	-	-
2.05.06	Retained Earnings/ Accumulated Losses	54,129	-
2.05.07	Advance for future capital increase	-	-

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01973-9	LOCALIZA RENT A CAR S.A.	16.670.085/0001-55

09.01 – CONSOLIDATED STATEMENT OF INCOME (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 – 1/1/2010 to 3/31/2010	4 – 1/1/2010 to 3/31/2010	5- 1/1/2009 to 3/31/2009	6- 1/1/2009 to 3/31/2009
3.01	Gross Revenues from Sales and/or Services	565,711	565,711	447,257	447,257
3.02	Deductions from Gross Revenues	(12,926)	(12,926)	(9,959)	(9,959)
3.03	Net Revenues from Sales and/or Services	552,785	552,785	437,298	437,298
3.04	Cost of Goods and Services Sold	(406,403)	(406,403)	(351,381)	(351,381)
3.05	Gross profit	146,382	146,382	85,917	85,917
3.06	Operating Expenses/Income	(77,062)	(77,062)	(80,201)	(80,201)
3.06.01	Sales	(36,616)	(36,616)	(29,838)	(29,838)
3.06.02	General and Administrative	(11,293)	(11,293)	(9,847)	(9,847)
3.06.03	Financial	(28,173)	(28,173)	(38,808)	(38,808)
3.06.03.01	Financial Income	8,416	8,416	4,901	4,901
3.06.03.02	Financial Expenses	(36,589)	(36,589)	(43,709)	(43,709)
3.06.04	Other Operating Income	-	-	-	-
3.06.05	Other Operating Expenses	(980)	(980)	(1,708)	(1,708)
3.06.06	Equity in Subsidiaries	-	-	-	-
3.07	Income from Operations	69,320	69,320	5,716	5,716
3.08	Non-Operating Income	-	-	-	-
3.08.01	Income	-	-	-	-
3.08.02	Expenses	-	-	-	-
3.09	Income Before Taxes	69,320	69,320	5,716	5,716
3.10	Income Tax and Social Contribution	(15,564)	(15,564)	(16,654)	(16,654)
3.11	Deferred Income Tax	(4,190)	(4,190)	17,798	17,798
3.12	Statutory Holding/Contributions	-	-	-	-
3.12.01	Holdings	-	-	-	-
3.12.02	Contributions	-	-	-	-
3.13	Reversal of Interest on Capital	-	-	-	-
3.14	Minority Interest	-	-	-	-
3.15	Net Income/Loss for the Period	49,566	49,566	6,860	6,860

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01973-9	LOCALIZA RENT A CAR S.A.	16.670.085/0001-55

09.01 – CONSOLIDATED STATEMENT OF INCOME (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 – 1/1/2010 to 3/31/2010	4 – 1/1/2010 to 3/31/2010	5- 1/1/2009 to 3/31/2009	6- 1/1/2009 to 3/31/2009
	NUMBER OF SHARES, EX-TREASURY (in thousands)	197,482	197,482	197,482	197,482
	EARNINGS PER SHARE (R$)	0.25099	0.5099	0.03474	0.03474
	LOSS PER SHARE (R$)				

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpyaer's ID)
01973-9	LOCALIZA RENT A CAR S.A.	16.670.085/0001-55

10.01 – CONSOLIDATED STATEMENT OF CASH FLOW – INDIRECT METHOD (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 01/01/2010 a 03/31/2010	4 - 01/01/2010 a 03/31/2010	5 - 01/01/2009 a 03/31/2009	6 - 01/01/2009 a 03/31/2009
4.01	Net cash provided by (used in) operating activities	20,749	20,749	269,666	269,666
4.01.01	Cash flows from operating activities	372,047	372,047	271,180	271,180
4.01.01.01	Net income for the period	49,566	49,566	6,860	6,860
4.01.01.02	Depreciation and amortization	44,844	44,844	81,152	81,152
4.01.01.03	Net book value of property and equipment written off	270,603	270,603	198,065	198,065
4.01.01.04	(Recognition)/ reversal of deferred income tax and social contribution	4,190	4,190	(17,798)	(17,798)
4.01.01.05	Recognition (reversal) of provision for doubtful accounts	440	440	581	581
4.01.01.06	Recognition (reversal) of reserve for contingencies	1,512	1,512	1,853	1,853
4.01.01.07	Stock option plan	892	892	467	467
4.01.02	Increase (decrease) in assets and liabilities	(351,298)	(351,298)	(1,514)	(1,514)
4.01.02.01	Trade accounts receivable	(14,428)	(14,428)	(2,685)	(2,685)
4.01.02.02	Acquisition of cars – net of car makers variation	(335,554)	(335,554)	(13,617)	(13,617)
4.01.02.03	Escrow deposits	(1,958)	(1,958)	2	2
4.01.02.04	Recoverable taxes	845	845	(6,097)	(6,097)
4.01.02.05	Interest on marketable securities	-	-	(70)	(70)
4.01.02.06	Other assets	(31,311)	(31,311)	(15,701)	(15,701)
4.01.02.07	Trade accounts payable – other	18,803	18,803	(340)	(340)
4.01.02.08	Payroll and related taxes	11,615	11,615	10,215	10,215
4.01.02.09	Income Tax	6,704	6,704	15,794	15,794
4.01.02.10	Interest on borrowings, financing, debentures and other liabilities	(2,856)	(2,856)	17,991	17,991
4.01.02.11	Deferred financing incentive	(619)	(619)	(389)	(389)
4.01.02.12	Other	(2,539)	(2,539)	(6,617)	(6,617)
4.01.03	Other	-	-	-	-

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpyaer's ID)
01973-9	LOCALIZA RENT A CAR S.A.	16.670.085/0001-55

10.01 – CONSOLIDATED STATEMENT OF CASH FLOW – INDIRECT METHOD (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 01/01/2010 a 03/31/2010	4 - 01/01/2010 a 03/31/2010	5 - 01/01/2009 a 03/31/2009	6 - 01/01/2009 a 03/31/2009
4.02	Net cash provided by (used in) investing activities	(7,131)	(7,131)	6,100	6,100
4.02.01	Proceeds from sales in marketable securities	-	-	8,318	8,318
4.02.02	Purchases in marketable securities	(6,955)	(6,955)	(2,023)	(2,023)
4.02.03	Purchase of intangible assets	(176)	(176)	(195)	(195)
4.03	Net cash provided by (used in) financing activities	(222,413)	(222,413)	(212,293)	(212,293)
4.03.01	Loans and financing – funding	1,948	1,948	-	-
4.03.02	Loans, financing and debentures – Amortization	(224,361)	(224,361)	(203,633)	(203,633)
4.03.03	Interest on capital	-	-	(8,660)	(8,660)
4.03.04	Treasury Share	-	-	-	-
4.04	Exchange variation in cash and cash equivalents	-	-	-	-
4.05	Increase (decrease) in cash and cash equivalents	(208,795)	(208,795)	63,473	63,473
4.05.01	Cash and cash equivalents at beginning of period	459,619	459,619	121,684	121,684
4.05.02	Cash and cash equivalents at end of period	250,824	250,824	185,157	185,157

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpyaer's ID)
01973-9	LOCALIZA RENT A CAR S.A.	16.670.085/0001-55

11.01 - STATEMENTS OF CHANGES IN SHAREHOLDER´S EQUITY (CONSOLIDATED) FROM 1/01/2010 TO 3/31/2010 (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 – CAPITAL	4 – CAPITAL RESERVES	5 – REVALUATION RESERVE	6 – PROFIT RESERVES	7 – RETAINED EARNINGS/ ACCUMULATED LOSSES	8 – EQUITY ASSESSMENT ADJUSTMENTS	9 - TOTAL
5.01	Opening balances	400,000	6,412	-	202,273	-	-	608,685
5.02	Prior year adjustments	-	1,099	-	58,267	-	40,513	99,879
5.03	Adjusted balances	400,000	7,511	-	260,540	-	40,513	708,564
5.04	Profit / loss of the period	-	-	-	-	49,566	-	49,566
5.05	Allocations	-	-	-	-	(8,931)	-	(8,931)
5.05.01	Dividends	-	-	-	-	-	-	-
5.05.02	Interest on capital	-	-	-	-	(8,931)	-	(8,931)
5.05.03	Other allocations	-	-	-	-	-	-	-
5.06	Profit reserve realization	-	-	-	-	-	-	-
5.07	Equity assessment adjustment	-	-	-	-	13,494	(13,494)	-
5.07.01	Marketable securities adjustments	-	-	-	-	-	-	-
5.07.02	Cumulative translation adjustments	-	-	-	-	-	-	-
5.07.03	Business combination adjustments	-	-	-	-	-	-	-
5.07.04	Valuation adjustments to equity	-	-	-	-	13,494	(13,494)	-
5.08	Increase / decrease in capital	-	-	-	-	-	-	-
5.09	Recognition / Realization of capital reserves	-	-	-	-	-	-	-
5.10	Treasury shares	-	-	-	-	-	-	-
5.11	Other capital transactions	-	-	-	-	-	-	-
5.12	Other	-	892	-	-	-	-	892
5.12.01	Options granted and recognized	-	892	-	-	-	-	892
5.13	Closing balances	400,000	8,403	-	260,540	54,129	27,019	750,091

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpyaer's ID)
01973-9	LOCALIZA RENT A CAR S.A.	16.670.085/0001-55

11.02 - STATEMENTS OF CHANGES IN SHAREHOLDER´S EQUITY (CONSOLIDATED) FROM 1/01/2010 TO 3/31/2010 (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 – CAPITAL	4 – CAPITAL RESERVES	5 – REVALUATION RESERVE	6 – PROFIT RESERVES	7 – RETAINED EARNINGS/ ACCUMULATED LOSSES	8 – EQUITY ASSESSMENT ADJUSTMENTS	9 - TOTAL
5.01	Opening balances	400,000	6,412	-	202,273	-	-	608,685
5.02	Prior year adjustments	-	1,099	-	58,267	-	40,513	99,879
5.03	Adjusted balances	400,000	7,511	-	260,540	-	40,513	708,564
5.04	Profit / loss of the period	-	-	-	-	49,566	-	49,566
5.05	Allocations	-	-	-	-	(8,931)	-	(8,931)
5.05.01	Dividends	-	-	-	-	-	-	-
5.05.02	Interest on capital	-	-	-	-	(8,931)	-	(8,931)
5.05.03	Other allocations	-	-	-	-	-	-	-
5.06	Profit reserve realization	-	-	-	-	-	-	-
5.07	Equity assessment adjustment	-	-	-	-	13,494	(13,494)	-
5.07.01	Marketable securities adjustments	-	-	-	-	-	-	-
5.07.02	Cumulative translation adjustments	-	-	-	-	-	-	-
5.07.03	Business combination adjustments	-	-	-	-	-	-	-
5.07.04	Valuation adjustments to equity	-	-	-	-	13,494	(13,494)	-
5.08	Increase / decrease in capital	-	-	-	-	-	-	-
5.09	Recognition / Realization of capital reserves	-	-	-	-	-	-	-
5.10	Treasury shares	-	-	-	-	-	-	-
5.11	Other capital transactions	-	-	-	-	-	-	-
5.12	Other	-	892	-	-	-	-	892
5.12.01	Options granted and recognized	-	892	-	-	-	-	892
5.13	Closing balances	400,000	8,403	-	260,540	54,129	27,019	750,091

1. GENERAL INFORMATION

Localiza Rent a Car S.A. ("Localiza"), headquartered at Avenida Bernardo Monteiro, 1,563, Belo Horizonte, Minas Gerais State, is since May 2005 a Brazilian publicly-held company listing on BM&FBOVESPA's New Market, which corresponds to the highest corporate governance standards in the Brazilian capital market, and trading under the ticker RENT3.

Localiza and its subsidiaries (the "Company") are mainly engaged in: car and fleet rental and franchising. As part of its fleet renewal program, Localiza and its subsidiary Total Fleet S.A. ("Total Fleet") sell their cars not longer used in rental operations.

As of March 31, 2010, Localiza System, including franchisees in Brazil and abroad, comprised 379 branches in 268 municipalities of Brazil and 70 branches in 44 municipalities of 8 Latin America countries. Out of 379 branches in Brazil, 213 are operated by Localiza and the remaining by franchisees (not reviewed by the independent auditors).

As of March 31, 2010, Localiza System's fleet comprised 79,858 cars, out of which: i) 70,608 belonging to the Company, including 22,285 of the fleet rental division; ii) 8,056 belonging to franchisees in Brazil; and iii) 1,194 belonging to franchisees abroad. After being used in the rental activity, the cars are sold substantially to end consumers in 48 sales points for decommissioned cars, located in 25 cities throughout Brazil.

Localiza's direct and indirect subsidiaries are summarized in Note 9(a).

2. BASIS OF PRESENTATION AND PREPARATION OF THE INTERIM FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

The Company's interim financial statements include:

- The individual interim financial statements prepared and presented in accordance with Technical Pronouncement CPC 21 - Interim Financial Statements and the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Statements (ITR), identified as "Individual – BR GAAP "; and

- The consolidated interim financial statements prepared and presented in accordance with Technical Pronouncement CPC 21 - Interim Financial Statements and the International Accounting Standard IAS 34 - Interim Financial Reporting, issued by International Accounting Standards Board – IASB, and in line with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Statements - ITR, identified as "Consolidated - IFRS and BR GAAP".

The accounting practices adopted in Brazil include those established in the Corporate Law as well as the new technical pronouncements, instructions, and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM).

The Company's Interim Financial Statements disclose investments in subsidiaries under the equity method of accounting, in accordance with prevailing Brazilian law. The accounting practices adopted in Brazil applied to the Company financial statements differ from IFRS applicable to the separate financial statements only with respect to the accounting for investments in subsidiaries under the equity method, whereas for IFRS purposes these investments would be stated at cost or fair value.

The Company elected to disclose these individual and consolidated Interim Financial Statements as a single set in the side-by-side format, as there is no difference between the consolidated shareholders' equity and the consolidated net income attributable to the Parent's shareholders, included in the consolidated financial statements prepared in accordance with IFRS and the accounting practices adopted in Brazil, and the Parent's shareholders' equity and net income included in the Company financial statements prepared in accordance with the accounting practices adopted in Brazil.

The other information on the basis of preparation and presentation interim financial statements and the summary of the main accounting policies were not changed compared to those disclosed in Note 2 to the Annual Financial Statements for the year ended December 31, 2010 (hereinafter referred to as "Financial Statements for year ended December 31, 2010"), published on 03/04/2011 in newspapers "Diario Oficial de Minas Gerais", "Diario do Comercio Minas Gerais", "Valor Economico" (synthetic form) and " Jornal Estado de Minas" (synthetic form) and available through the following websites: www.cvm.gov.br, and www.bmfbovespa.com.br and www.localiza.com/ri.

3. ACCOUNTING PRONOUNCEMENTS AND INTERPRETATIONS RECENTLY ISSUED AND NOT YET APPLIED BY THE COMPANY

The information related to accounting pronouncements and interpretations recently issued and not yet applied by the Company have not significantly changed from those disclosed in Note 3 to the Financial Statements for the year ended December 31, 2010. Some pronouncements mentioned on that Note (IRFS 1, IAS 32 and IFRS 19), despite their mandatory adoption beginning on or after February 1, 2010, were not, until the date of these financial statements, subjected to CPC and CVM regulations; accordingly, they have not been applied by the Company on this interim financial statement.

4. EFFECTS OF THE ADOPTION OF IFRS AND NEW PRONOUNCEMENTS ISSUED BY CPC

4.1. Effects of IFRS adoption on the consolidated interim financial statements

4.1.1. Application of IFRS and Restatement of Interim Financial Statement

The Company applied the accounting policies defined in Note 2 for all presented periods, including the balance sheet on transition date, January 1, 2009. In measuring the adjustments to opening balances and preparing the balance sheet as of the transition date, the Company applied mandatory exceptions and some optional exemptions for the retrospective application provided for in IFRS 1 and CPC 37(R1) - First-time Adoption of International Accounting Standards.

Optional exemptions adopted by the Company include: i) option for not remeasuring business acquisitions occurred before the date of transition to IFRS, as permitted by IFRS 3 – Business Combinations and CPC 15 – Business Combinations. Therefore, goodwill on acquisitions prior to the date of transition was maintained in balances net of amortization, calculated on the transition date according to previous accounting practices; and ii) adoption of deemed cost (Note 4.3).

(i) Restatement of Interim Financial Statements

As provided by CVM Instruction 603/09, as adjusted by CVM Instruction 656/11 Management originally elected to disclose these Interim Financial Statements for the period ended March 31, 2010 in accordance with the accounting practices adopted in Brazil through December 31, 2009. Also pursuant to the aforementioned Instruction, those companies that elected to adopt this procedure are required to restate their 2010 Interim Financial Statements comparatively to 2009 also adjusted to the standards effective 2010, at least when disclosing the first Interim Financial Statements for the 2011. Accordingly, the individual and consolidated Interim Financial Statements of Localiza Rent a Car S.A. for the period ended March 31, 2010 are restated in accordance with the accounting practices effective for 2010. Therefore, the effects on balance sheets, shareholder's equity and income statement arising from the adoption of IFRS and the new accounting pronouncements issued by the CPC on these interim financial statements are shown below. Additionally, we show below the effects on the income statement for the period ended March 31, 2009, which is restated for purposes of comparison with the income statement for the period ended March 31, 2010.

4.1.2 Conciliation between new accounting practices (IFRS) and previous accounting practices

4.1.2.1 Effects of the adoption of IFRS and the new CPC pronouncements on the consolidated balance sheet and shareholders' equity as of March 31, 2010

	Consolidated			
	03/31/2010			
	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP and IFRS
Total Assets	**2,396,898**			**2,580,325**
Current Assets	**542,662**			**549,181**
Cash and cash equivalents	250,824			250,824
Credits	**226,128**			**226,128**
Customers	226,128			226,128
Other	**65,710**			**72,229**
Recoverable taxes	8,821			8,821
Deferred income tax and social contribution	9,387	(9,387)	*(c)*	-
Other current assets	47,502			47,502
Decommissioning cars to fleet renewal	-	15,906	*(a)*	15,906
Noncurrent Assets	**1,854,236**			**2,031,144**
Long-Term Assets	**17,765**			**46,551**
Other	**17,765**			**46,551**
Escrow deposits	9,028	19,399	*(d)*	28,427
Deferred income tax and social contribution	8,654	9,387	*(c)*	18,041
Other	83			83
Fixed Assets	**1,836,471**			**1,984,593**
Investments	-			-
Property and Equipment	**1,825,324**			**1,973,446**
Vehicles	1,737,316	148,122	*(b)/ (a)*	1,885,438
Other	88,008			88,008
Intangible	**11,147**			**11,147**

Description of the adjustments and reclassifications arising from the adoption of IFRS and new CPC pronouncements:

(a) Reclassification of cars from the account “property and equipment” to the account “decommissioning cars to fleet renewal”;
(b) Adjustment referring to the measurement of property and equipment initial balance on transition date based on the adoption of deemed cost and the change in depreciation criteria of Localiza and Total Fleet fleet cars, see Note 4.3;
(c) Reclassification of deferred income tax and social contribution previously classified as “current assets” to “noncurrent assets”;
(d) Reclassification of escrow deposits previously classified as a reduction of “noncurrent liabilities” to “noncurrent assets”.

	Consolidated			
	03/31/2010			
	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP and IFRS
Total Liabilities and Shareholders' Equity	**2,396,898**			**2,580,325**
Current Liabilities	**611,009**			**612,779**
Loans and financing	209,050			209,050
Debentures	3,998			3,998
Trade accounts payable	287,395			287,395
Tax Obligations	**24,022**			**24,022**
Income tax and social contribution payable	-	15,765	*(b)*	15,765
Other tax obligations	-	8,257	*(b)*	8,257
Dividend Payable	13,732	1,770	*(a) / (c)*	15,502
Other	**72,812**			**72,812**
Social and labor obligations	41,764			41,764
Other current liabilities	31,048			31,048
Noncurrent Liabilities	**1,142,192**			**1,217,455**
Long-Term Liabilities	**1,142,192**			**1,217,455**
Loans and financing	501,288			501,288
Debentures	598,588			598,588
Provisions	**29,024**			**48,423**
Tax, social security, labor and civil Provisions	29,024	19,399	*(d)*	48,423
Other	**13,292**			**69,156**
Deferred financing incentive	13,292	143		13,435
Deferred income tax and social contribution	-	55,721	*(e)*	55,721
Shareholders' Equity	**643,697**			**750,091**
Capital	400,000			400,000
Capital reserves	7,304	1,099	*(f)*	8,403
Profit Reserves	**202,273**			**260,540**
Legal reserve	38,194	304	*(h)*	38,498
Retained earnings reserve	23,000			23,000
Proposed additional dividends	-	2,120	*(i)*	2,120
Statutory reserve	141,079	55,843	*(j)*	196,922
Equity assessment adjustments	**-**			**27,019**
Own assets	-	27,019	*(g)*	27,019
Retained earnings/Accumulated losses	34,120	20,009	*(k)*	54,129

Description of the adjustments and reclassifications arising from the adoption of IFRS and new CPC pronouncements:

(a) Reversal of proposed dividends exceeding minimum mandatory dividends, previously recorded as liability based on Management's proposal;
(b) Presentation of income tax and social contribution payable in a separate account of the balance sheet and segregation of other tax obligations;
(c) Adjustment of dividends proposed according to the effects of changes in accounting practices (with the adoption of deemed cost) and change in depreciation criteria of Localiza and Total Fleet fleet cars;
(d) Reclassification of escrow deposits previously recorded as a reduction of "noncurrent liabilities" to "noncurrent assets";
(e) Adjustment of the effect of deferred income tax and social contribution on the Valuation Adjustment to Equity referring to changes in accounting practices (with the adoption of deemed cost) and change in the criteria for depreciation and review of useful lives of Localiza and Total Fleet fleet cars;
(f) Adjustment of expenses on the stock option plan offered to the subsidiaries' employees;
(g) Equity assessment adjustment referring to the changes in accounting practices (with the adoption of deemed cost) and change in depreciation criteria of Localiza and Total Fleet fleet cars;
(h) Recognition of Legal Reserve on income for the period, arising from the adoption of IFRS and new CPCs;
(i) Additional proposed dividends in excess of the minimum mandatory dividend;

(j) Recognition of Statutory Reserve of retained earnings balances for 2009 relating to the adjustments from adopting the IFRS;
(k) Realization of equity assessment adjustments and effects of the change in depreciation criteria for Localiza fleet and Total Fleet cars.

4.1.2.2 Effects of the adoption of IFRS and new CPC pronouncements on the consolidated statement of income for the period ended March 31, 2010 and 2009

	Consolidated 1Q 2010				Consolidated 1Q 2009			
	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP and IFRS	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP and IFRS
Gross revenues from sales and/or services	565,711			565,711	447,257			447,257
Gross revenues deductions	(12,926)			(12,926)	(9,959)			(9,959)
Net Revenues from Sales and/or Services	**552,785**			**552,785**	**437,298**			**437,298**
Cost of goods and/or services sold	(416,273)	9,870	*(a)*	(406,403)	(331,745)	(19,636)	*(a)*	(351,381)
Gross Profit	**136,512**			**146,382**	**105,553**			**85,917**
Operating Expenses/Income	**(77,062)**			**(77,062)**	**(80,201)**			**(80,201)**
Sales	(36,616)			(36,616)	(29,838)			(29,838)
General and administrative	(11,293)			(11,293)	(9,847)			(9,847)
Financials	**(28,173)**			**(28,173)**	**(38,808)**			**(38,808)**
Financial income	8,416			8,416	4,901			4,901
Financial expenses	(36,589)			(36,589)	(43,709)			(43,709)
Other operating expenses	(980)			(980)	(1,708)			(1,708)
Operating Result	**59,450**			**69,320**	**25,352**			**5,716**
Income Before Taxes	**59,450**			**69,320**	**25,352**			**5,716**
Income tax and social contribution - Current	(15,564)			(15,564)	(16,654)			(16,654)
Income tax and social contribution - Deferred	(835)	(3,355)	*(a)*	(4,190)	11,122	6,676	*(a)*	17,798
Income/Losses for the Period	**43,051**	**6,515**		**49,566**	**19,820**	**(12,960)**		**6,860**

Description of the adjustments arising from the adoption of IFRS and new CPC pronouncements:

(a) Adjustment of expenses on depreciation of cars and write-off costs due to the measurement of the initial balance of property and equipment on the transition date based on the adoption of deemed cost and the change in depreciation criteria of Localiza fleet cars and their effects on deferred income tax and social contribution.

4.1.2.3 Effects of the adoption of IFRS and new CPC pronouncements on the consolidated statement of cash flows for the period ended March 31, 2010 and 2009

There were no effects on net cash flows from operating, investing and financing activities due to the adoption of CPCs 15 to 43.

4.2. Effects of the adoption of new pronouncements issued by CPC on balance sheet for the period ended March 31, 2010, and statement of income for the period ended March 31, 2010 and 2009, on the interim financial satatements

4.2.1. Adoption of new accounting practices in Brazil

When preparing its individual interim financial statements, the Company adopted all new pronouncements and related technical interpretations and guidelines issued by CPC and approved by CVM which, together with the accounting practices included in the Brazilian corporate law, are denominated new Brazilian accounting practices (BR GAAP).

The Company applied the accounting policies defined in Note 2 for all presented periods, including the opening balance sheet as of January 1, 2009. For the measurement of adjustments and preparation of this opening balance sheet, the Company applied the requirements included in CPC 43(R1) - First-time Adoption of Technical Pronouncements CPC 15 to 40, adjusting its individual interim financial statements for them to produce, when consolidated, the same amounts of shareholders' equity, attributable to the Company's owners, and income related to the consolidation prepared in conformity with IFRS through the application of IFRS 1 and CPC 37(R1) – First-time Adoption of International Accounting Standards. For that, the Company made, on its individual interim financial statements, the same adjustments made for the adoption of IFRS in consolidated interim financial statements, as explained in Note 2 above. This procedure was adopted in order to obtain the same income or loss and shareholders' equity attributable to the Company's owners in individual and consolidated interim financial statements.

4.2.2.1 Effects of the adoption of the new accounting practices adopted in Brazil on the individual balance sheet and shareholders' equity for the period ended March 31, 2010

	Individual			
	03/31/2010			
	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP
Total Assets	**1,801,252**			**1,959,506**
Current Assets	**255,178**			**260,739**
Cash and cash equivalents	5,883			5,883
Credits	**181,356**			**181,356**
Customers	181,356			181,356
Other	**67,939**			**73,500**
Dividends receivable	7,108	12,849	*(f)*	19,957
Recoverable taxes	4,719			4,719
Deferred income tax and social contribution	8,018	(8,018)	*(c)*	-
Other current assets	48,094			48,094
Decommissioning cars to fleet renewal	-	730	*(a)*	730
Noncurrent Assets	**1,546,074**			**1,698,767**
Long-Term Assets	**15,850**			**39,129**
Other	**15,850**			**39,129**
Escrow deposits	7,999	15,261	*(d)*	23,260
Deferred income tax and social contribution	7,487	8,018	*(c)*	15,505
Other	364			364
Fixed Assets	**1,530,224**			**1,659,638**
Investments	**268,403**			**300,900**
Interest in subsidiaries	268,403	27,989	*(e)*	296,392
Interest in subsidiaries - Goodwill	-	4,508	*(g)*	4,508
Property and Equipment	**1,250,935**			**1,352,360**
Vehicles	1,163,949	101,425	*(b)/ (a)*	1,265,374
Other	86,986			86,986
Intangible	10,886	(4,508)	*(g)*	6,378

Description of adjustments and reclassifications arising from the adoption of the new accounting practice – BRGAAP:

(a) Reclassification of cars from the account “property and equipment” to the account “decommissioning cars to fleet renewal”;
(b) Adjustment referring to the measurement of the initial balance of property and equipment on the transition date based on the adoption of deemed cost and the change in depreciation criteria applicable to Localiza fleet cars (see Note 4.3) and reclassification of cars available for sale from the account “property and equipment” to the account “decommissioning cars to fleet renewal”;
(c) Reclassification of deferred income tax and social contribution previously recorded in “current assets” to “noncurrent assets”;
(d) Reclassification of escrow deposits previously recorded as a reduction of “noncurrent liabilities” to “noncurrent assets”;
(e) Adjustment referring to the measurement of the initial balance of property and equipment on transition date based on the adoption of deemed cost and change in depreciation criteria of Total Fleet fleet cars;
(f) Dividends receivable from Total Fleet arising from the adjustments from the first-time adoption;
(g) Reclassification of goodwill on acquisition of investments previously recorded as “Intangible assets” to the “Investment” group.

	Individual			
	03/31/2010			
	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP
Total Liabilities and Shareholders' Equity	**1,801,252**			**1,959,506**
Current Liabilities	**578,228**			**579,998**
Loans and financing	209,050			209,050
Debentures	4,055			4,055
Trade accounts payable	266,107			266,107
Tax Obligations	**12,714**			**12,714**
Income tax and social contribution payable	-	7,261	*(b)*	7,261
Other tax obligations	-	5,453	*(b)*	5,453
Dividend Payable	13,732	1,770	*(a) / (c)*	15,502
Other	**72,570**			**72,570**
Social and labor obligations	32,595			32,595
Other current liabilities	39,975			39,975
Noncurrent Liabilities	**579,327**			**629,417**
Long-Term Liabilities	**579,327**			**629,417**
Loans and financing	351,432			351,432
Debentures	199,567			199,567
Provisions	**23,661**			**38,922**
Tax, social security, labor and civil Provisions	23,661	15,261	*(d)*	38,922
Debit with related party	3,589			3,589
Other	**1,078**			**35,907**
Deferred financing incentive	1,078	146		1,224
Deferred income tax and social contribution	-	34,683	*(e)*	34,683
Shareholders' Equity	**643,697**			**750,091**
Capital	400,000			400,000
Capital reserves	7,019	1,384	*(f)*	8,403
Profit Reserves	**202,273**			**260,540**
Legal reserve	38,194	304	*(h)*	38,498
Retained earnings reserve	23,000			23,000
Proposed additional dividends	-	2,120	*(i)*	2,120
Statutory reserve	141,079	55,843	*(j)*	196,922
Equity assessment adjustments	**-**			**27,019**
Own assets	-	27,019	*(g)*	27,019
Retained earnings/Accumulated losses	34,405	19,724	*(k)*	54,129

Description of adjustments and reclassifications arising from the adoption of the new accounting practice – BRGAAP:

(a) Reversal of proposed dividends exceeding minimum mandatory dividends, previously recorded as liability based on Management's proposal;
(b) Presentation of income tax and social contribution payable in a separate account of the balance sheet and segregation of other tax obligations;
(c) Adjustment of dividends proposed on the effects of changes in accounting practices (with the adoption of deemed cost) and change in depreciation criteria of Localiza fleet cars;
(d) Reclassification of escrow deposits previously recorded in "noncurrent liabilities" to "noncurrent assets";
(e) Adjustment of the effect of deferred income tax and social contribution on Equity Assessment Adjustment referring to changes in accounting practices (with the adoption of deemed cost) and change in the depreciation criteria of Localiza fleet cars;
(f) Adjustment of expenses on the stock option plan offered to the subsidiaries' employees;
(g) Equity assessment adjustments relating to changes in accounting practices (upon adoption of the deemed cost) and in the depreciation criteria of Localiza fleet and Total Fleet cars;
(h) Recognition of Legal Reserve on income for the period arising from the adoption of IFRS and new CPCs;
(i) Additional proposed dividends in excess of the minimum mandatory dividend;
(j) Recognition of Statutory Reserve of retained earnings balances for 2009 relating to the adjustments from adopting the IFRS;
(k) Realization of equity assessment adjustments and effects of the change in depreciation criteria for Localiza fleet and Total Fleet cars.

4.2.2.2 Effects of the adoption of new accounting practices in Brazil on the individual statement of income for the period ended March 31, 2010 and 2009

	Individual				Individual			
	1Q 2010				1Q 2009			
	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP
Gross revenues from sales and/or services	408,322			408,322	298,587			298,587
Gross revenues deductions	(8,472)			(8,472)	(6,697)			(6,697)
Net Revenues from Sales and/or Services	**399,850**			**399,850**	**291,890**			**291,890**
Cost of goods and/or services sold	(312,117)	2,828	*(a)*	(309,289)	(229,134)	(3,371)	*(a)*	(232,505)
Gross Profit	**87,733**			**90,561**	**62,756**			**59,385**
Operating Expenses/Income	**(35,902)**			**(31,539)**	**(45,781)**			**(56,672)**
Sales	(24,805)			(24,805)	(19,848)			(19,848)
General and administrative	(9,039)	(285)	*(c)*	(9,324)	(7,891)	(156)	*(c)*	(8,047)
Financials	**(18,063)**			**(18,063)**	**(34,392)**			**(34,392)**
Financial income	4,554			4,554	3,649			3,649
Financial expenses	(22,617)			(22,617)	(38,041)			(38,041)
Other operating expenses	(652)			(652)	(1,045)			(1,045)
Equity in subsidiaries	16,657	4,648	*(b)*	21,305	17,395	(10,735)	*(b)*	6,660
Operating Result	**51,831**			**59,022**	**16,975**			**2,713**
Income Before Taxes	**51,831**			**59,022**	**16,975**			**2,713**
Income tax and social contribution - Current	(7,077)			(7,077)	(3,615)			(3,615)
Income tax and social contribution - Deferred	(1,418)	(961)	*(a)*	(2,379)	6,616	1,146	*(a)*	7,762
Income/Losses for the Period	**43,336**	**6,230**		**49,566**	**19,976**	**(13,116)**		**6,860**

Description of adjustments arising from the adoption of the new accounting practice - BRGAAP:

(a) Adjustment of cars' depreciation expenses and write-off costs due to changes in accounting practices (with the adoption of deemed cost) and change in depreciation criteria of Localiza fleet cars and their effects on deferred income tax and social contribution;
(b) Adjustment in equity in subsidiaries due to the effects of changes in accounting practices of subsidiary Total Fleet;
(c) Adjustment of expenses on stock options of subsidiaries.

4.2.2.3 Effects of the adoption of new accounting practices in Brazil on the individual statement of cash flows for the period ended March 31, 2010 and 2009

There were no effects on net cash flows from operating, investing and financing activities due to the adoption of CPCs 15 to 43.

4.3 Change in accounting practice – Deemed Cost

By analyzing CPC 37(R1) – First-time Adoption of International Accounting Standards, CPC 43(R1) – First-time Adoption of Technical Pronouncements CPC 15 to 41 and ICPC 10 – Interpretation of the First-time Adoption of Technical Pronouncements CPCs 27, 28, 37 and 43 to Property and equipment, upon the first-time adoption of new accounting practices introduced by the adoption of IFRS and the new CPC pronouncements, Localiza and Total Fleet verified that cars and accessories recorded in property and equipment, still in operation and able to generate future cash flows, were recorded at amounts considerably lower than their fair values.

Accordingly, Localiza and Total Fleet opted to adopt deemed cost, adjusting the opening balances of cars and accessories on transition date (January 1, 2009) at fair values estimated by internal specialists with professional experience, objectivity and technical knowledge of assets under evaluation. In addition, their estimated useful lives and residual values were reviewed. The appraisal report, approved in a meeting of the Board of Directors held on February 25, 2011, considered the following assumptions:

(i) assumptions and bases used to evaluate and estimate useful lives and determine the residual value

The useful lives of Localiza cars, estimated as 1 year, and of Total Fleet, estimated as 1 to 4 years, considered Management's expectation on their use in the car rental business and, in the case of fleet rental business, the period of rental contracts with customers. The residual value of cars was determined based on used cars market research or the FIPE table, for cars similar to those of Localiza and Total Fleet fleets, on IFRS transition date, taking into consideration the estimated useful lives of the Company's fleet cars.

(ii) valuation basis and appraisers

The measurement of the cars' fair value, as well as the determination of their residual value, was made by a Company's internal team of specialists.

(iii) valuation dates and description

The valuation was conducted based on used cars market research or the FIPE table, for cars similar to the fleet cars, and took into consideration the economic scenario and the existing car fleet on the date of transition to the international financial accounting standards, January 1, 2009.

(iv) summary of accounts subject to valuation and respective amounts

The adoption of the deemed cost had impact only on cars and accessories' balance, in property and equipment. Other property and equipment items, able to generate future cash flows, have been evaluated and recorded at their carrying amounts, as they do not significantly vary in relation to their corresponding fair values.

The effects on property and equipment of the opening balance sheet for the year in which deemed cost was applied are as follows:

Cars and accessories – R$ thousand	Company (BR GAAP)	Consolidated (BR GAAP and IFRS)
Balance as of December 31, 2008, as previously published	**963,384**	**1,612,273**
Adjustments due to the adoption of deemed cost	75,607	143,110
Balance as of January 1, 2009	**1,038,991**	**1,755,383**

(v) Effect on income, due to changes in depreciation amounts

The effect on income for the periods ended March 31, 2010 and 2009, due to changes in the depreciation amounts of cars, as a result of deemed cost, review of useful lives and changes in depreciation criteria, was as follows:

	Depreciation of cars				Cost of cars sold/stolen			
	Individual (BR GAAP)		Consolidated (BR GAAP and IFRS)		Individual (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	03/31/2010	03/31/2009	03/31/2010	03/31/2009	03/31/2010	03/31/2009	03/31/2010	03/31/2009
Previous accounting practices	63,790	52,812	103,982	93,132	172,903	117,204	216,227	161,177
Current accounting practices - deemed cost	20,631	35,238	39,736	75,880	213,234	138,148	270,603	198,065
Net effect - credit (debit)	**43,159**	**17,574**	**64,246**	**17,252**	**(40,331)**	**(20,944)**	**(54,376)**	**(36,888)**

(vi) comparison of the prior and current depreciation criteria

Before the adoption of deemed cost and of this new accounting practice, the depreciation rate of cars and accessories was 20% per year, calculated at the straight-line basis on acquisition cost. Presently, the new practice consists of estimating the residual value of cars at the end of their useful lives, estimating the future net sales value in order to calculate their depreciable amount, which is the difference between acquisition cost and residual value on estimated sales date. Accordingly, each car has a specific depreciation rate. The car's average depreciation rate (annualized) for the period ended March 31, 2010, is 6.4% per year for the Car Rental Division and 10.6% per year for the Fleet Rental Division. The cars of the Car Rental Division continue to be depreciated at the straight-line basis, while the cars of the Fleet Rental Division are now depreciated at the sum of digits method, or exponential method.

4.4 Additional disclosures

In accordance with CPC 21 – Interim Financial Statements, approved by CVM Instruction 581, of July 31, 2009, we present below the Statement of Changes in Equity for the period ended March 31, 2009, for purposes of comparison with the Statements of Changes in Equity for the period ended March 31, 2010.

Description	Capital	Capital Reserves	Equity assessment adjustment	Profit Reserve	Accumulated Earnings/Losses	Total Shareholders' Equity
Beginning balances on 1/1/2009	**300,000**	**5,857**	**-**	**231,399**	**-**	**537,256**
Adjusted beginning of period balances	-	-	94,453	-	-	**94,453**
Ajusted balances on 1/1/2009	**300,000**	**5,857**	**94,453**	**231,399**	**-**	**631,709**
Net income	-	-	-	-	6,860	6,860
Allocation:						
Interest on own capital	-	-	-	-	(8,204)	(8,204)
Equity assessment adjustment:						
Realization of Equity assessment adjustment	-	-	(14,470)	-	14,470	-
Other:						
Options granted and recognized	-	467	-	-	-	467
End of period balances on 03/31/2009	**300,000**	**6,324**	**79,983**	**231,399**	**13,126**	**630,832**

5. APPROVAL OF THE RESTATEMENT OF INTERIM FINANCIAL STATEMENTS

In accordance with CVM Instruction 505/06, the disclosure of these restated interim financial statements was approved by the Executive Board on May 9, 2011.

6. CASH AND CASH EQUIVALENTS

The breakdown of cash and cash equivalents on March 31, 2010 and December 31 and January 1, 2009 is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	03/31/10	**12/31/09**	**01/01/09**	**03/31/10**	**12/31/09**	**01/01/09**
Cash and banks	380	12,662	19,652	706	14,437	33,483
Bank certificates of deposit (CDB)	5,501	64,180	30	90,720	153,762	910
Committed operations	2	115,392	82,298	159,398	291,420	87,291
Total	**5,883**	**192,234**	**101,980**	**250,824**	**459,619**	**121,684**

As of March 31, 2010, investments in CDBs and committed operations average yield 100.5% of the interbank deposit rate - CDI - variation (100.2% as of December 31, 2009 and 103.8% as of January 1, 2009) have immediate liquidity and redemption term lower than 90 days.

7. TRADE ACCOUNTS RECEIVABLE

The breakdown of trade accounts receivable on March 31, 2010 and December 31 and January 1, 2009, is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	03/31/10	12/31/09	01/01/09	03/31/10	12/31/09	01/01/09
Car Rental	186,957	173,867	140,237	193,998	179,091	144,508
Fleet Rental	-	-	-	38,510	39,688	29,777
Franchising	499	-	-	3,039	2,340	1,945
	187,456	**173,867**	**140,237**	**235,547**	**221,119**	**176,230**
Allowance for doubtful accounts	(6,100)	(5,592)	(4,333)	(9,419)	(8,979)	(6,349)
Total	**181,356**	**168,275**	**135,904**	**226,128**	**212,140**	**169,881**

Other information on trade accounts receivable (Individual and Consolidated) were not significantly changed compared to those disclosed in Note 7 to Financial Statements for the year ended December 31, 2010.

8. OTHER CURRENT AND NONCURRENT ASSETS

The breakdown of other current and noncurrent assets on March 31, 2010 and December 31 and January 1, 2009 are as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	03/31/10	12/31/09	01/01/09	03/31/10	12/31/09	01/01/09
Other receivables from subsidiaries (Note 9(b))	6,218	845	2,602	-	-	-
Prepayments:						
IPVA (tax on property of vehicle), insurance and license fee	12,462	-	-	17,983	-	-
Other prepayments	2,100	1,199	1,150	2,100	1,199	1,150
Rreceivables from the insurance company (*)	26,348	11,514	-	26,348	11,514	-
Advance for future capital increase	-	-	33,000	-	-	-
Other	1,330	1,433	1,621	1,154	1,393	2,525
Total	**48,458**	**14,991**	**38,373**	**47,585**	**14,106**	**3,675**
Current	**48,094**	**14,725**	**5,153**	**47,502**	**14,023**	**3,591**
Noncurrent	**364**	**266**	**33,220**	**83**	**83**	**84**

(*)Expenses incurred by Localiza on claims, cost of stolen cars and amounts receivable from the insurance company due to insurance intermediation services (Note 2.7.11 to the Financial Statements for the year ended December 31, 2010).

9. INVESTMENTS AND RELATED-PARTY TRANSACTIONS

(a) Information on subsidiaries

The businesses of car and fleet rental, foreign franchises and the management of ownership interests in Brazil and abroad are conducted by Localiza itself or one of its subsidiaries. These subsidiaries' operations are as follows:

Total Fleet S.A.: Privately-held corporation engaged in the fleet rental business.

Localiza Franchising Brasil S.A.: Privately-held corporation engaged in the franchise business in Brazil.

Localiza Franchising Internacional S.A.: Privately-held corporation engaged in the franchise business abroad. On December 28, 2009, it was merged into Localiza.

Localiza Franchising Internacional SRL - "LFI SRL": Limited liability company, headquartered in Argentina, currently dormant. It was a wholly-owned subsidiary of Franchising Internacional until the latter was merged into Localiza.

Prime Prestadora de Serviços S.A.: Privately-owned corporation engaged in the intermediation of sales of discontinued cars, previously used by Localiza and Total Fleet in its rental operations.

Localiza Car Rental S.A.: Privately-held corporation engaged in car rental activities.

Rental International LLC: Wholly-owned subsidiary of Localiza established to conduct financial activities abroad. The company is currently dormant.

Car Assistance Serviços de Administraçao de Sinistros S.A.: Privately-held corporation that manages claims occurred with Localiza fleet cars.

TF Assistance Serviços de Administraçao de Sinistros S.A.: Privately-held corporation, in pre-operating state, that will manage claims occurred with Total Fleet cars.

Interest in capital, shareholders' equity and income/expenses of direct and indirect subsidiaries are as follows:

	Interest							
	Number of shares		In capital (%)		In equity		In income statement	
	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	03/31/09
Direct subsidiaries:								
Total Fleet	103,280,354	103,280,354	100.0	100.0	287,398	268,635	18,535	4,786
Franchising Brasil	399,069	399,069	100.0	100.0	1,886	555	1,320	1,304
Franchising International	-	-	-	-	-	-	-	(146)
Prime (***)	15,000	15,000	100.0	100.0	-	-	(1,370)	(910)
Car Rental	1,339,961	1,339,961	100.0	100.0	5,545	4,165	1,380	1,475
Rental International (***)	1,000	1,000	100.0	100.0	-	-	(45)	(5)
Car Assistance	200,000	200,000	100.0	100.0	1,471	240	1,231	-
LFI SRL (**)	25,000	25,000	100.0	100.0	92	122	(31)	-
					296,392	**273,717**	**21,020**	**6,504**
Goodwill on acquisition of investments					4,508	4,508	-	-
Effect of stock option plan (*)					-	-	285	156
Total					**300,900**	**278,225**	**21,305**	**6,660**
Indirect subsidiaries:								
TF Assistance	150,000	150,000	100.0	-	150	150	-	-
LFI SRL (**)	-	-	-	-	-	-	-	(104)
					150	**150**	**-**	**(104)**

(*) Refer to expenses of the stock option plan granted to employees of subsidiaries (Note 17(c), item (i) of the Financial Statements for the year ended December 31, 2010).
(**) On December 28, 2009, LFI SRL became a direct subsidiary due to the merger of Franchising Internacional into Localiza (see item (b) below). On January 1, 2009, LFI SRL was an indirect subsidiary of Localiza.
(***) As these subsidiaries have recorded shareholders´ deficit, the Company recognized a provision for equity deficit in liabilities, as shown in the change of investments balance below.

Changes in investments in subsidiaries are as follows:

Balance as of January 1, 2009	**464,042**
Capital contribution in subsidiaries	1,700
Merger of subsidiary	(225)
Equity in subsidiaries	64,609
Dividends from subsidiaries	(256,593)
Reclassification of subsidiaries' equity deficit to current liabilities	4,692
Balance as of December 31, 2009	**278,225**
Equity in subsidiaries	21,305
Reclassification of subsidiaries' equity deficit to current liabilities	1,370
Balance as of March 31, 2010	**300,900**

The summary of financial information of the main groups of balance sheet and statement of income of direct subsidiaries is as follows:

03/31/10	Total Fleet	Franchising Brasil	Prime	Car Rental	Rental International	Car Assistance	LFI SRL
Assets							
Current assets	276,219	10,074	5,884	6,378	64	3,594	165
Noncurrent assets:							
Long-term assets	5,289	894	3,919	-	-	-	-
Property and equipment	635,949	316	-	-	-	-	-
Intangible assets	171	90	-	-	-	-	-
Total	917,628	11,374	9,803	6,378	64	3,594	165
Liabilities and shareholders' equity							
Current liabilities	54,218	7,956	6,829	833	-	2,123	73
Noncurrent liabilities	576,012	1,532	13,247	-	280	-	-
Shareholders' equity	287,398	1,886	(10,273)	5,545	(216)	1,471	92
Total	917,628	11,374	9,803	6,378	64	3,594	165

12/31/09	Total Fleet	Franchising Brasil	Prime	Car Rental	Rental International	Car Assistance	LFI SRL
Assets							
Current assets	311,565	8,664	6,075	9,413	12	1,945	175
Noncurrent assets:							
Long-term assets	4,050	843	4,623	-	-	-	12
Property and equipment	628,435	335	-	-	-	-	-
Intangible assets	173	104	-	-	-	-	-
Total	944,223	9,946	10,698	9,413	12	1,945	187
Liabilities and shareholders' equity							
Current liabilities	106,521	7,911	5,713	5,248	-	1,705	54
Noncurrent liabilities	569,067	1,480	13,933	-	183	-	11
Shareholders' equity	268,635	555	(8,948)	4,165	(171)	240	122
Total	944,223	9,946	10,698	9,413	12	1,945	187

01/01/2009	Total Fleet	Franchising Brasil	Prime	Car Rental	Rental International	Car Assistance	Franchising Internacional (*)
Assets							
Current assets	115,009	7,420	2,862	9,265	38	-	1,538
Noncurrent assets:							
Long-term assets	2,984	665	17,385	-	-	-	1
Property and equipment	661,574	421	-	-	-	-	43
Intangible assets	263	165	-	-	-	-	1
Total	779,830	8,671	20,247	9,265	38	-	1,583
Liabilities and shareholders' equity							
Current liabilities	127,968	6,761	8,131	5,100	-	-	2,085
Noncurrent liabilities	197,057	1,346	15,942	-	137	-	-
Shareholders' equity	454,805	564	(3,826)	4,165	(99)	-	(502)
Total	779,830	8,671	20,247	9,265	38	-	1,583

03/31/10	Total Fleet	Franchising Brasil	Prime	Car Rental	Rental International	Car Assistance	LFI SRL
Statement of income							
Net revenues	143,109	2,388	5,530	3,019	-	1,552	(1)
Gross profit	45,836	1,568	(1,580)	1,491	-	1,410	(1)
Operating income	25,576	1,630	(1,370)	1,751	(45)	1,413	(31)
Net income (loss)	18,535	1,320	(1,370)	1,380	(45)	1,231	(31)

03/31/2009	Total Fleet	Franchising Brasil	Prime	Car Rental	Rental International	Franchising Internacional (*)
Statement of income						
Net revenues	138,828	2,000	3,097	3,723	-	254
Gross profit	20,267	1,497	(1,515)	1,840	-	(168)
Operating income	12,657	1,558	(910)	1,919	(5)	(182)
Net income (loss)	4,786	1,304	(910)	1,475	(5)	(146)

(*) On December 28, 2009, Franchising Internacional was merged with and into Localiza. On March 31, 2009, this Company was a direct subsidiary of Localiza

(b) Balances and transactions with related parties

(i) Balances and transactions with subsidiaries

	Total Fleet			Prime			Other		
	03/31/10	12/31/09	01/01/09	03/31/10	12/31/09	01/01/09	03/31/10	12/31/09	01/01/09
Balances:									
Trade accounts receivable	837	620	348	-	-	-	986	512	831
Dividends	12,849	42,173	14,300	-	-	-	7,108	11,726	7,367
Other short-term receivables (a) / (Note 8)	5,806	781	226		-	2,305	412	64	71
Payables to subsidiaries:									
Loans (b)	-	-	-	3,589	4,293	17,078		-	-
Subsidiary Equity deficit and other (Note 14)	-	-	-	10,747	4,972	3,826	769	5,410	2,635

	Total Fleet		Car Rental		Other	
	03/31/10	03/31/09	03/31/10	03/31/09	03/31/10	03/31/09
Transactions:						
Recovery of administrative, advertising and selling expenses (a)	(4,438)	(4,948)	-	-	(646)	(443)
Revenues from car rentals	842	471	1,315	1,653	26	22

(a) Total Fleet uses Localiza's administrative, publicity and sales structure and the amounts relating to this use are periodically collected by Localiza.
(b) As of October 5, 2006, a loan contract was entered into by Localiza and Prime whereby Prime transferred to Localiza, with subsequent amendments, the amount of R$16,785. This loan was fully settled in 2010.

In addition, there are collaterals to loans and financing in the amount of R$912,139 on March 31, 2010 (R$910,835 as of December 31, 2009 and R$372,108 on January 1, 2009) between Localiza and Total Fleet. There are also sureties between the companies related to letters of guarantees obtained to collateralize lawsuits that amount to R$11,222 (R$10,674 as of December 31, 2009 and R$9,390 on January 1, 2009).

Credits and obligations between related parties do not have determinate maturities and settlement date and are dependent on the companies' cash flows. Transactions are conducted based on conditions agreed upon between the parent Company and its wholly-owned subsidiaries.

- **Merger of subsidiary**

  At Localiza's Extraordinary General Meeting held on December 28, 2009, the shareholders approved the merger of the wholly-owned subsidiary Localiza Franchising Internacional S.A., with the transfer of all assets, liabilities and shareholders' equity to Localiza. Such merger was justified by the fact that it meets the common interests and the merging Company's strategic guidelines towards administrative and financial simplification and rationalization, as well as that it would allow Localiza to directly develop its *franchising* activities outside Brazil. The summary of merged balances is as follows:

Assets		**Liabilities**	
Current	1,365	Current	1,177
Noncurrent	159	Shareholders' equity	347
Total assets	**1,524**	**Total liabilities and shareholders' equity**	**1,524**

- **Assignment of rights and obligations**

  On March 14, 2005, Localiza, Total Fleet and Prime entered into a contract pursuant to which they granted and transferred to Locapar, which subsequently granted the rights to its founder-partners, the totality of rights arising from tax and social security lawsuits filed by them, involving the (unaudited) original amount of R$216,446, net of closed lawsuits. In exchange, founder-partners assumed all the pecuniary obligations levied on lawsuits. Localiza, Total Fleet and Prime committed themselves to proceed with the lawsuits and use the credits earned to offset tax liabilities and, subsequently, transfer to the founder-partners the amounts corresponding to the benefit obtained in the offset, less a management fee of 3% on the amount of rights earned in the lawsuits and that have been effectively received or used to offset tax obligations.

(ii) Other related-party transactions

- **Compensation of key management personnel**

	Individual (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	03/31/10	**03/31/09**	**03/31/10**	**03/31/09**
Remuneration of the Board of Directors	437	300	437	300
Management and Executive Board:				
Fees and compensation	2,713	2,678	3,173	3,029
Payroll taxes	523	313	615	371
Share-based compensation	468	214	519	227
Total	**4,141**	**3,505**	**4,744**	**3,927**

The Company does not grant: (i) post-employment benefits; (ii) severance benefits; and (iii) other long-term benefits to Management or other employees.

Until March 31, 2010, immaterial transactions related to rental and sales of cars were entered into between the Company and key management personnel related to rental and sale of cars, under the same conditions granted to other Company's employees. All these transactions were settled in full at maturity and no allowance for losses was recorded.

One of the controlling shareholders that was part of the Company's board until July 2008 rendered consulting services after termination, receiving R$36 in the first quarter of 2010 (R$156 in 2009).

10. PROPERTY AND EQUIPMENT

The gross book value, the accumulated depreciation and the residual value of property and equipment in each of the periods are as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	Cars	Other P&E	Total	Cars	Other P&E	Total
Cost:						
On January 1, 2009	**1,038,749**	**122,017**	**1,160,766**	**1,699,492**	**124,128**	**1,823,620**
Additions	911,962	18,075	930,037	1,204,231	18,210	1,222,441
Write offs (*)	(656,651)	(2)	(656,653)	(909,602)	(19)	(909,621)
As of December 31, 2009	**1,294,060**	**140,090**	**1,434,150**	**1,994,121**	**142,319**	**2,136,440**
Additions	247,590	7,035	254,626	311,679	6,955	318,634
Write offs (*)	(237,934)	-	(237,934)	(300,948)	-	(300,948)
As of March 31, 2010	**1,303,716**	**147,125**	**1,450,842**	**2,004,852**	**149,274**	**2,154,126**
Accumulated depreciation:						
On January 1, 2009	**-**	**(37,498)**	**(37,498)**	**-**	**(38,315)**	**(38,315)**
Additions	(100,690)	(18,262)	(118,952)	(211,938)	(18,525)	(230,463)
Write offs (*)	58,700	2	58,702	97,489	21	97,510
As of December 31, 2009	**(41,990)**	**(55,758)**	**(97,748)**	**(114,449)**	**(56,819)**	**(171,268)**
Additions	(20,631)	(4,381)	(25,012)	(39,736)	(4,447)	(44,183)
Write offs (*)	24,279	-	24,279	34,771	-	34,771
As of March 31, 2010	**(38,342)**	**(60,139)**	**(98,481)**	**(119,414)**	**(61,266)**	**(180,680)**

(*)Includes write-offs due to car sale, robbery, damage and transfer of cars receivable from the insurance company and decommissioning cars to fleet renewal.

Residual value of property and equipment (cars and other P&E):						
On January 1, 2009	**1,038,749**	**84,519**	**1,123,268**	**1,699,492**	**85,813**	**1,785,305**
As of December 31, 2009	**1,252,070**	**84,332**	**1,336,402**	**1,879,672**	**85,500**	**1,965,172**
As of March 31, 2010	**1,265,374**	**86,986**	**1,352,360**	**1,885,438**	**88,008**	**1,973,446**

The breakdown of the main classes of assets under “Other property and equipment”, as well as their residual values, are as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	03/31/10	12/31/09	01/01/09	03/31/10	12/31/09	01/01/09
Leasehold improvements	33,839	32,187	39,062	33,839	32,187	39,062
Furniture and fixtures	14,179	14,310	13,733	14,799	14,960	14,492
IT equipment	6,089	5,440	6,560	6,271	5,649	6,872
Property and equipment in progress	9,258	9,340	2,215	9,352	9,515	2,246
Other	23,621	23,055	22,949	23,747	23,189	23,141
Total	**86,986**	**84,332**	**84,519**	**88,008**	**85,500**	**85,813**

There are no property and equipment items pledged as collateral for liabilities.

11. TRADE ACCOUNTS PAYABLE

The breakdown of trade accounts payable on March 31, 2010 and December 31 and January 1, 2009, is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	03/31/10	12/31/09	01/01/09	03/31/10	12/31/09	01/01/09
Car makers	221,778	225,808	598	237,431	261,306	5,004
Maintenance services and parts	9,151	7,251	4,609	14,625	12,802	8,399
Rentals	2,357	3,075	2,452	1,132	2,431	2,288
Other	32,821	14,317	7,139	34,207	15,928	7,923
Total	**266,107**	**250,451**	**14,798**	**287,395**	**292,467**	**23,614**

Balances payable to car makers refer to cars purchased at the end of each period bearing no financial charges and maturing in up to 60 days.

12. SOCIAL AND LABOR OBLIGATIONS

The breakdown of social and labor obligations on March 31, 2010 and December 31 and January 1, 2009 is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	03/31/10	12/31/09	01/01/09	03/31/10	12/31/09	01/01/09
Management fees	6,838	5,220	1,624	7,686	5,785	1,896
Accrued vacation	8,547	8,068	6,592	11,215	10,652	9,131
Provision for employee profit sharing	12,731	7,251	6,990	16,928	10,021	10,269
Social security contribution (INSS)	1,804	1,738	1,376	2,400	2,426	1,863
Severance pay fund (FGTS)	457	422	349	603	588	475
Other	2,218	530	445	2,932	677	670
Total	**32,595**	**23,229**	**17,376**	**41,764**	**30,149**	**24,304**

The Company pays employee profit sharing on a semi-annual basis based on position and performance, recorded as operating costs or expenses, according to each employee allocation. The amount related to the provision for employee profit sharing for the year 2009 will be paid in April and May 2010.

13. LOANS, FINANCING AND DEBENTURES

The breakdown of Loans, Financing and Debentures on March 31, 2010 and December 31 and January 1, 2009 is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)				
	03/31/10	12/31/09	01/01/09	03/31/10	12/31/09	01/01/09	Maturity	Effective interest rate (EIR)
In local currency (R$)								
BNDES	1,944	2,168	3,061	1,944	2,168	3,061	05/15/12	TJLP + 3.8% p.a.
Debentures - 1st issue (a)	-	226,941	361,373	-	226,941	361,373	-	CDI + 0.59% p.a.
Debentures - 2nd issue	203,622	208,352	212,806	203,622	208,352	212,806	07/02/12 to 07/02/14	CDI + 0.59% p.a.
Debentures - 3rd issue	-	-	313,605	-	-	313,605	-	113.9% & 114.3% of CDI
Debentures – 1st TF issue	-	-	-	398,964	409,079	-	09/30/12 to 09/30/15	CDI + 2.02% p.a.
BCN	204,503	199,270	173,171	311,444	303,597	266,246	04/24/12 and 04/24/13	CDI + 1.50% p.a. & CDI + 1.75% p.a. + IOF
CCN	149,801	146,296	-	192,716	188,230	81,257	11/23/12 to 06/18/16	108.2% & 111.4% of CDI + IOF
Promissory notes - 4th issue	204,234	199,826	-	204,234	199,826	-	-	CDI + 2.33% p.a.
Other	-	-	42,854	-	-	42,854	-	CDI + 0.30% p.m. / Interest of 1.22% p.a. + 100% of CDI fluctuation
In foreign currency								
Other foreign currency loans - US dollar	-	-	61,154	-	-	103,220	1/26/09 to 6/21/09	100.0% to 105.2% of CDI + coupon of 102% p.a. to 1.30% p.a.
	764,104	**982,853**	**1,168,024**	**1,312,924**	**1,538,193**	**1,384,422**		
Current	**213,105**	**436,489**	**167,412**	**213,048**	**446,602**	**251,126**		
Noncurrent	**550,999**	**546,364**	**1,000,612**	**1,099,876**	**1,091,591**	**1,133,296**		

(a) Debentures

1st issue of Localiza Rent a Car S.A.

On May 17, 2005, the Company registered the issue of 35,000 debentures with the Brazilian Securities and Exchange Commission (CVM), with net financial settlement of R$350,000 on May 20, 2005.

As of March 31, 2010, the Company settled all debentures with the mandatory bank.

(b) BNDES - PEC

In the third quarter of 2009, the National Bank for Economic and Social Development (BNDES) approved a credit line of R$299,957 to the Company, with funds from the Special Credit Program (PEC). As of March 31, 2010, the Company has agreements totaling R$100,000, without request for the release of funds

Other information on loans, financing and debentures (Individual and Consolidated) were not significantly changed compared to those disclosed in Note 13 to Financial Statements for the year ended December 31, 2010

14. OTHER CURRENT AND NONCURRENT LIABILITIES

The breakdown of other current and noncurrent liabilities on March 31, 2010 and December 31 and January 1, 2009 is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	03/31/10	12/31/09	01/01/09	03/31/10	12/31/09	01/01/09
Payables to subsidiaries (Note 9(b))	1,028	1,263	2,034	-	-	-
Provision for equity deficit (Note 9(b))	10,488	9,119	4,427	-	-	-
Advances from rental customers	3,468	8,361	8,248	3,468	8,361	8,398
Insurance premiums for transfer (*)	23,554	21,645	-	23,554	21,645	-
Deferred financing incentive	1,058	1,146	1,495	9,436	9,824	11,380
Other payables	1,603	1,300	1,907	8,025	7,799	11,209
Total	**41,199**	**42,834**	**18,111**	**44,483**	**47,629**	**30,987**
Current	**39,975**	**41,457**	**16,263**	**31,048**	**33,508**	**14,269**
Noncurrent	**1,224**	**1,377**	**1,848**	**13,435**	**14,121**	**16,718**

(*)Premiums received from customers that contracted insurance for rented cars and that are transferred by Localiza to the insurance Company (Note 2.7.11 of the Financial Statements for the year ended December 31, 2010).

15. PROVISIONS AND ESCROW DEPOSITS

(a) Recognized provisions

The breakdown of provisions on March 31, 2010 and December 31 and January 1, 2009 is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	03/31/10	12/31/09	01/01/09	03/31/10	12/31/09	01/01/09
Tax	16,305	14,347	10,632	22,430	19,720	14,053
Social security	10,212	10,183	12,033	11,132	11,103	12,952
Labor	6,004	5,787	4,706	7,055	6,732	5,491
Civil	6,401	6,017	4,846	7,806	7,257	5,759
Total	**38,922**	**36,334**	**32,217**	**48,423**	**44,812**	**38,255**

(b) Escrow deposits

The breakdown of escrow deposits on March 31, 2010 and December 31 and January 1, 2009 is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	03/31/10	12/31/09	01/01/09	03/31/10	12/31/09	01/01/09
Tax	14,346	13,446	11,682	17,974	16,380	13,553
Social security	6,458	6,420	6,681	7,396	7,357	7,764
Labor	1,663	1,571	3,002	2,247	1,918	3,184
Civil	793	798	471	810	814	483
Total	**23,260**	**22,235**	**21,836**	**28,427**	**26,469**	**24,984**

Other information related to provisions and escrow deposits (Individual and

Consolidated) were not significantly changed compared to those disclosed in Note 15 to Financial Statements for the year ended December 31, 2010

16. TAXES ON INCOME – INCOME TAX AND SOCIAL CONTRIBUTION

(a) Deferred income tax and social contribution assets and liabilities

(i) Deferred income tax and social contribution assets

The breakdown of deferred income tax and social contribution assets on March 31, 2010 and December 31 and January 1, 2009 is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	03/31/10	12/31/09	01/01/09	03/31/10	12/31/09	01/01/09
Temporary differences in the deductibility of provisions:						
Allowance for doubtful accounts	558	544	401	1,001	973	416
Accrued liabilities for contingencies	7,487	6,665	8,494	8,654	7,612	9,391
Provision for payables to suppliers and other	1,865	946	586	2,440	1,173	1,067
Tax loss carry forwards	5,595	8,768	13,509	5,946	9,118	15,201
Total deferred income tax and social contribution assets – noncurrent	**15,505**	**16,923**	**22,990**	**18,041**	**18,876**	**26,075**

(ii) Deferred income tax and social contribution liabilities

The breakdown of deferred income tax and social contribution liabilities on March 31, 2010 and December 31 and January 1, 2009 is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	03/31/10	12/31/09	01/01/09	03/31/10	12/31/09	01/01/09
Foreign currency loan	-	-	7,488	-	-	12,875
Deferred tax on first-time adoption (*)	34,683	33,722	25,706	55,721	52,366	48,657
Total deferred income tax and social contribution liabilities - noncurrent	**34,683**	**33,722**	**33,194**	**55,721**	**52,366**	**61,532**

(*) Refer mainly to the temporary difference in the calculation of car depreciation, as a result of the effect of adopting the measurement of assets at fair value on transition date and of the new concepts introduced by the accounting practices in the calculation methodology of depreciation. Localiza and its subsidiary Total Fleet continue to calculate the expenses with car depreciation using the depreciation criteria used through December 31, 2007.

As of March 31, 2010 and December 31, 2009, Localiza and its subsidiary Total Fleet calculated income tax and social contribution at the quarterly taxation regime.

In compliance with Article 4 of CVM Instruction 371/02, management prepared a study on the future realization of deferred tax assets, based on its 2010 budget and taking into account the Company's taxable income generation capacity, and using the main assumptions used to prepare the budget, which could differ from actual results. This study was approved by the Company's Board of Directors on February 26, 2010 and examined by the Audit Committee on February 24, 2010.

This study indicates that tax assets on tax loss carry forwards will be realized in 2010.

The realization of deferred income tax and social contribution credits, referring to temporary differences, is contingent upon future events that will make the provisions that gave rise to them deductible, as provided for by prevailing tax legislation.

(b) Reconciliation of income tax and social contribution expenses at statutory and effective rates

	Individual (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	03/31/10	03/31/09	03/31/10	03/31/09
Pretax income	59,022	2,713	69,320	5,716
Statutory rate	34%	34%	34%	34%
Nominal expense	**(20,067)**	**(922)**	**(23,569)**	**(1,943)**
Adjustments to nominal expense:				
Equity in subsidiaries	7,244	2,263	-	-
Effect of the deduction of interest on capital	3,036	2,789	3,036	2,789
Other, net	331	17	779	298
Effective expense	**(9,456)**	**4,147**	**(19,754)**	**1,144**

17. SHAREHOLDERS' EQUITY

(a) Capital

As of March 31, 2010, December 31 and January 1, 2009, subscribed and paid-up capital is represented by 201,708,000 registered common shares without par value, totaling R$400,000 on March 31, 2010 and December 31, 2009 and R$300,000 on January 1, 2009. Capital may be increased, upon resolution of the Board of Directors, by up to 43,962,000 common shares.

As of March 31, 2010 and December 31, 2009, capital was held as follows:

Shareholders	Common shares	%
Founders	85,256,001	42.27
Outstanding shares	112,199,594	55.62
Treasury shares	4,226,300	2.10
Board of Directors	26,105	0.01
Total	**201,708,000**	**100.00**
(-) Treasury shares	(4,226,300)	
Shares outstanding at period end	**197,481,700**	

(b) Interest on capital and dividends

(i) Interest on capital

The Company periodically pays interest on capital to shareholders. At Board of Directors' meetings, payments of interest on capital were approved, as follows:

Individual (BR GAAP)			
Approval date	**Total amount paid**	**Amount per share (in R$)**	**Ownership interest date**
03/25/2010	8,931 (*)	0.045225	03/31/2010

(*) As of March 31, 2011, these interests on capital have not yet been paid to shareholder.

(ii) Dividends and interest on capital payable

As of the balance sheet dates, dividends and interest on capital payable are as follows:

	Individual (BR GAAP) and Consolidated (BR GAAP and IFRS)		
	03/31/10	**12/31/09**	**01/01/09**
Dividends:			
on the outcome of previous year	6,141	-	-
on net income for the year	-	7,911	5,583
on net income in the first-time adoption	1,770 (*)	-	-
Interest on capital	8,931	-	8,753
Withholding income tax on interest on capital	(1,340)	-	(1,309)
Total dividends and interest on capital payable	**15,502**	**7,911**	**13,027**

(*)The first-time adoption resulted in additional dividends in the amount of R$3,890. Out of this total, R$1,770 is recorded under line item "Dividends payable" in current liabilities, and R$2,120 under line item "Reserve for non distributed dividends" in shareholders´ equity.

(c) Capital reserve

The breakdown of Capital Reserve on March 31, 2010 is as follows:

	03/31/10 Individual and Consolidated (BR GAAP and IFRS)
Options granted and recognized	3,855
Share premium	48,174
Treasury shares	(43,626)
	8,403

Other information on shareholders' equity (Individual and Consolidated) were not significantly changed compared to those disclosed in Note 17 to Financial Statements for the year ended December 31, 2010.

18. EARNINGS PER SHARE

The methods of calculating basic and diluted earnings per share did not changed from those disclosed in Note 18 to Financial Statements for the yeard ended December 31, 2010.

The table below shows net income information and the number of shares used in the calculation of basic and diluted earnings per share:

	Individual (BR GAAP) and Consolidated (BR GAAP and IFRS)	
	03/31/10	03/31/09
Net income for the quarter	**49,566**	**6,860**
Basic earnings per share:		
Weighted average outstanding shares (in units)	197,481,700	197,481,700
Basic earnings per share (in R$)	**0.25**	**0.03**
Diluted earnings per share:		
Weighted average of outstanding shares (in units)	197,481,700	197,481,700
Dilutive effect of share purchase options (in units)	540,037	-
Shares applicable to dilution (in units)	198,021,737	197,481,700
Earnings per share (in R$) - diluted	**0.25**	**0.03**

For the period ended March 31, 2009, the effect of stock options is antidilutive on earnings per share, since their exercise price exceed the market price of the accompanying shares.

19. SEGMENT REPORTING

Operating segments are defined as the components that develop business activities: (i) which may obtain revenues and incur expenses; ii) whose operating income/expenses are regularly reviewed by the main operating manager to make decisions on funds to be allocated to the segment and to evaluate its performance; and iii) for which there is individual financial information available.

The Company's management defined operating segments based on reports used by the Board of Directors to make strategic decisions.

Three operating segments subject to information disclosure were identified, which are separately managed. These operating segments' accounting policies are the same as those described in Note 2.

- Car Rental: division responsible for car rental in branches located in airports and off-airports. Cars are rented to individuals in business or leisure travel and to legal entities, including insurance companies and car makers. As part of its fleet renewal program, the car rental division disposes of its decommissioned

cars at an average of 12 months after it is being used in rental, through a network of sales points and directly to end-consumers.

- Fleet Rental: division responsible for fleet rental to legal entities for periods of up to 4 years. As part of its fleet renewal program, the fleet rental division disposes of its decommissioned cars at the end of the contract entered into with the customer, through a network of sales points and directly to end-consumers.

- *Franchising:* division responsible for the management and granting of the Localiza brand's right, including the transfer of the knowledge required to operate the business.

(i) Operating segment financial reporting

(a) Consolidated assets and liabilities per operating segment are as follows:

	Car rental			Fleet rental			Franchising			Unallocated balances			Eliminations			Consolidated (BR GAAP and IFRS)		
	09/30/2010	12/31/2009	01/01/09	09/30/2010	12/31/2009	01/01/09	09/30/2010	12/31/2009	01/01/09	09/30/2010	12/31/2009	01/01/09	09/30/2010	12/31/2009	01/01/09	09/30/2010	12/31/2009	01/01/09
ASSETS																		
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	321,860	459,619	121,684	-	-	-	321,860	459,619	121,684
Marketable securities	-	-	-	-	-	-	-	-	-	-	-	8,248	-	-	-	-	-	8,248
Trade accounts receivable	225,521	173,612	140,869	48,708	36,970	27,720	3,198	2,340	1,945	-	-	-	(1,433)	(782)	(653)	275,994	212,140	169,881
Decommissioned cars to fleet renewal	492	309	242	12,468	20,025	55,649	-	-	-	-	-	-	-	-	-	12,960	20,334	55,891
Property and equipment	1,478,764	1,336,402	1,123,269	726,030	628,435	661,450	217	335	586	-	-	-	-	-	-	2,205,011	1,965,172	1,785,305
Other assets	101,481	121,212	137,551	9,047	7,688	10,274	1,295	2,009	3,294	-	-	-	(3,701)	(47,633)	(78,219)	108,122	83,276	72,900
Total assets	**1,806,258**	**1,631,535**	**1,401,931**	**796,253**	**693,118**	**755,093**	**4,710**	**4,684**	**5,825**	**321,860**	**459,619**	**129,932**	**(5,134)**	**(48,415)**	**(78,872)**	**2,923,947**	**2,740,541**	**2,213,909**
Liabilities and shareholders' equity																		
Trade accounts payable	247,847	250,660	15,126	67,797	42,329	8,994	156	260	147	-	-	-	(1,361)	(782)	(653)	314,439	292,467	23,614
Loans, financing and debentures	-	-	-	-	-	-	-	-	-	1,486,850	1,538,193	1,384,422	-	-	-	1,486,850	1,538,193	1,384,422
Other liabilities	210,976	178,033	158,032	54,830	70,809	88,850	4,413	9,111	10,315	-	-	-	(14,765)	(56,636)	(83,033)	255,454	201,317	174,164
Total liabilities	**458,823**	**428,693**	**173,158**	**122,627**	**113,138**	**97,844**	**4,569**	**9,371**	**10,462**	**1,486,850**	**1,538,193**	**1,384,422**	**(16,126)**	**(57,418)**	**(83,686)**	**2,056,743**	**2,031,977**	**1,582,200**
Shareholders' equity	-	-	-	-	-	-	-	-	-	**867,204**	**708,564**	**631,709**	-	-	-	**867,204**	**708,564**	**631,709**
Total liabilities and shareholders' equity	**458,823**	**428,693**	**173,158**	**122,627**	**113,138**	**97,844**	**4,569**	**9,371**	**10,462**	**2,354,054**	**2,246,757**	**2,016,131**	**(16,126)**	**(57,418)**	**(83,686)**	**2,923,947**	**2,740,541**	**2,213,909**

(b) Consolidated statements of income per operating segment are as follows:

	Car rental		Fleet rental		Franchising		Consolidated (BR GAAP and IFRS)	
	03/31/2010	03/31/2009	03/31/2010	03/31/2009	03/31/2010	03/31/2009	03/31/2010	03/31/2009
Net revenues	**405,978**	**295,340**	**144,298**	**139,704**	**2,509**	**2,254**	**552,785**	**437,298**
Costs	**(308,009)**	**(231,660)**	**(97,283)**	**(118,561)**	**(1,111)**	**(1,160)**	**(406,403)**	**(351,381)**
Gross profit	**97,969**	**63,680**	**47,015**	**21,143**	**1,398**	**1,094**	**146,382**	**85,917**
Operating expenses:								
Advertising and sales	(30,457)	(23,464)	(6,159)	(6,365)	-	(9)	(36,616)	(29,838)
General and administrative	(8,926)	(7,790)	(2,367)	(2,057)	-	-	(11,293)	(9,847)
Other, net	(659)	(1,041)	(319)	(658)	(2)	(9)	(980)	(1,708)
Income before financial expenses, net	**57,927**	**31,385**	**38,170**	**12,063**	**1,396**	**1,076**	**97,493**	**44,524**
Financial expenses, net	(18,669)	(24,506)	(9,568)	(14,366)	64	64	(28,173)	(38,808)
Pretax income	**39,258**	**6,879**	**28,602**	**(2,303)**	**1,460**	**1,140**	**69,320**	**5,716**
Income tax and social contribution	(10,009)	3,703	(9,435)	(2,341)	(310)	(218)	(19,754)	1,144
Net income	**29,249**	**10,582**	**19,167**	**(4,644)**	**1,150**	**922**	**49,566**	**6,860**

Consolidated depreciation and amortization expenses per operating segment are as follows:

	03/31/10	03/31/09
Car Rental:		
Depreciation of cars	20,631	35,238
Depreciation of other property and equipment and amortization of intangible assets	4,898	5,061
Fleet Rental:		
Depreciation of cars	19,105	40,642
Depreciation of other property and equipment and amortization of intangible assets	178	170
Franchising:		
Depreciation of other property and equipment and amortization of intangible assets	32	41
Total depreciation and amortization expenses	**44,844**	**81,152**

20. REVENUES

The reconciliation between gross revenues and net revenue in the statement of income is as follows:

	Individual (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	03/31/10	03/31/09	03/31/10	03/31/09
Gross Revenues	408,322	298,587	565,711	447,257
Deductions:				
Taxes on sales	(6,847)	(5,839)	(11,087)	(8,849)
Discounts	(1,625)	(858)	(1,839)	(1,110)
Net Revenues	**399,850**	**291,890**	**552,785**	**437,298**

The breakdown of the net revenues recognized during the period in each significant category is as follows:

	Individual (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	03/31/10	03/31/09	03/31/10	03/31/09
Revenues from rental:				
Cars	172,439	143,868	174,398	145,185
Fleets	-	-	81,347	73,577
Franchising	122	-	2,509	2,254
Cars disposed for fleet renewal	227,289	148,022	294,531	216,282
Net Revenues	**399,850**	**291,890**	**552,785**	**437,298**

21. INFORMATION ON THE NATURE OF COSTS AND OPERATING AND DEPRECIATION EXPENSES RECOGNIZED IN THE STATEMENT OF INCOME

	Costs				Advertising, sales, and General and administrative, and Other			
	Company (BR GAAP)		Consolidated (BR GAAP & IFRS)		Company (BR GAAP)		Consolidated (BR GAAP & IFRS)	
	03/31/2010	03/31/2009	03/31/2010	03/31/2009	03/31/2010	03/31/2009	03/31/2010	03/31/2009
Cost of cars sold	(205,023)	(128,937)	(260,520)	(186,634)	-	-	-	-
Depreciation of cars	(20,631)	(35,238)	(39,736)	(75,880)	-	-	-	-
Car maintenance, car tax (IPVA), and other	(33,663)	(27,573)	(53,603)	(46,607)	-	-	-	-
Depreciation and amortization of other property and equipment and intangible assets	(3,136)	(3,484)	(3,231)	(3,588)	(1,874)	(1,679)	(1,877)	(1,684)
Payroll and related taxes	(20,109)	(17,197)	(23,441)	(19,892)	(12,948)	(10,597)	(21,784)	(17,241)
Profit sharing	(2,939)	(2,507)	(3,436)	(3,048)	(2,293)	(1,658)	(3,532)	(2,737)
Outside services	(3,068)	(2,064)	(3,751)	(2,550)	(2,465)	(2,072)	(3,017)	(2,439)
Leases	(10,720)	(9,341)	(10,889)	(9,445)	(3,446)	(2,423)	(3,995)	(2,924)
Office and maintenance supplies	(944)	(557)	(972)	(582)	(2,208)	(1,775)	(2,546)	(2,121)
Commissions	-	-	-	-	(2,846)	(2,366)	(3,356)	(2,957)
Advertising	-	-	-	-	(4,611)	(3,630)	(5,224)	(4,253)
Other	(9,056)	(5,607)	(6,824)	(3,155)	(2,090)	(2,740)	(3,558)	(5,037)
	(309,289)	**(232,505)**	**(406,403)**	**(351,381)**	**(34,781)**	**(28,940)**	**(48,889)**	**(41,393)**

22. FINANCIAL INCOME AND EXPENSES

	Individual (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	03/31/10	**03/31/09**	**03/31/10**	**03/31/09**
Financial income:				
Interest revenues from short-term investments	4,382	2,813	8,053	2,926
Other interest revenues	172	836	363	1,975
	4,554	**3,649**	**8,416**	**4,901**
Financial expenses:				
Interest expense from loans, financing and debentures	(21,894)	(35,941)	(35,593)	(41,487)
Other interest expenses	(723)	(2,100)	(996)	(2,222)
	(22,617)	**(38,041)**	**(36,589)**	**(43,709)**
Financial expenses, net	**(18,063)**	**(34,392)**	**(28,173)**	**(38,808)**

23. FINANCIAL INSTRUMENTS AND RISK MANEGEMENT

(a) Sensitivity analysis

As required by ICVM 475 of December 17, 2008, the Company made sensitivity tests for adverse scenarios (CDI rate stress of 25% of 50% higher than the probable scenario), considering the following assumptions:

- As of March 31, 2010, The Company's net debt was R$1,062,100, see item (b) (i), below;

- Market expectation according to data from the Focus Bulletin issued by the Brazilian Central Bank on April 9, 2010, is an estimated average effective CDI rate of 10.16%, considered as the probable scenario for 2010, against the effective rate of 8.96% for the twelve-month period ended March 31, 2010.

Description	Consolidated (BR GAAP and IFRS) Probable scenario (*)	Scenario I - 25% stress	Scenario I - 50% stress
Net Debt as of 03/31/10	**1,062,100**	**1,062,100**	**1,062,100**
Effective CDI rate for the twelve-month period ended March 31, 2010	8.96%	8.96%	8.96%
Estimated annual CDI rate, according to proposed scenarios	10.16%	12.70%	15.24%
Effect on financial expenses:			
- according to effective rates	(95,164)	(95,164)	(95,164)
- according to estimated scenarios	(107,909)	(134,887)	(161,864)
Annual increase in the Company's financial expenses	**12,745**	**39,723**	**66,700**

(*) As required by IFRS 7, Management understands that the 10.16% rate is the fairly possible scenario for 2010, according to Focus Bulletin of the Brazilian Central Bank.

(b) Maturities Analysis

The analysis of loan, financing and debenture maturities, considering the interest rate of 8.75% as of March 31, 2010 is as follows:

Debt	Consolidated (BR GAAP and IFRS) 2010	2011	2012	2013	2014	2015	Total
In local currency (R$):							
BNDES	788	975	381	-	-	-	**2,144**
Debentures - 2th issue	9,116	19,838	84,599	78,564	72,840	-	**264,957**
Debentures - 1st TF issue	23,829	39,640	142,225	132,494	121,759	110,889	**570,836**
BCN	210,795	-	66,222	73,033	-	-	**350,050**
CCN	58,619	12,679	29,145	42,735	54,875	65,592	**263,645**
Promissory notes - 4th issue	208,241	-	-	-	-	-	**208,241**
Total	**511,388**	**73,132**	**322,572**	**326,826**	**249,474**	**176,481**	**1,659,873**

(c) Net debt

The chart below presents the reconciliation between net debt and the amounts in the consolidated interim financial statements of the Company as of March 31, 2010 and December 31, 2009:

	Consolidated (BR GAAP and IFRS) 03/31/10	12/31/09
	R$	R$
Short and long term indebtedness	1,312,924	1,538,193
Cash and cash equivalents	(250,824)	(459,619)
Net debt	**1,062,100**	**1,078,574**
Shareholders' Equity	750,091	708,564
Indebtedness level	**1.42**	**1.52**

The Company defines net debt as short and long term indebtedness less cash and cash equivalents, short-term investments and marketable securities.

(d) Fair value

The estimated carrying amounts and fair values of loans, financing, debentures and other items are as follows:

	Consolidated (BR GAAP and IFRS)					
	Carrying amount			Fair value		
	03/31/10	12/31/09	01/01/09	03/31/10	12/31/09	01/01/09
Financial liabilities:						
Other financial liabilities:						
Loans, financing and debentures	1,312,924	1,538,193	1,384,422	1,304,884	1,526,270	1,368,598

In the opinion of the Company's Management, the carrying amounts of the other financial instruments, such as accounts receivable, trade accounts payable, and cash and cash equivalents, recognized in the consolidated interim financial statement at its carrying amounts approximate their respective fair values, as the maturity dates of most balances are close to the balance sheet date.

Fair values were calculated through templates that use observable data and assumptions on future interest rates, among other applicable variables.

(e) Derivatives

On March 31, 2010, the Company and its subsidiaries had no outstanding transactions with derivative financial instruments. The Company does not enter transactions involving financial instruments for speculative purposes.

Other information on Financial Instruments and Risk Management (Individual and Consolidated) were not significantly changed compared to those disclosed in Note 23 to Financial Statements for the year ended December 31, 2010.

24. RENTAL OBLIGATIONS

The information on rental obligations (Individual and Consolidated) were not significantly changed compared to those disclosed in Note 24 of the Financial Statements for the year ended December 31, 2010.

25. OTHER INFORMATIONS

(a) Operating lease

On June 27, 2005, the Company entered into an operating lease for an aircraft, model Cessna 550 Bravo. The transaction was entered into with AVN Air LLC. This aircraft is used exclusively by management to facilitate their access to its branches scattered throughout Brazil. The contract has a five-year life maturing on June 27, 2010 and annual payments amount to US$463 thousand.

26. SUBSEQUENT EVENTS

The subsequent events to this interim financial statements are already considered in the Financial Statements for the year ended December 31, 2010 and the interim financial statement for the period ended March 31, 2011.

27. STATEMENT OF VALUE ADDED

	Individual (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	03.31.10	**03.31.09**	**03.31.10**	**03.31.09**
Revenues				
Sale of goods, products and services	398,987	296,810	555,040	444,977
Other income	7,562	629	8,760	785
Revenues related to the construction of own assets	4,924	1,014	4,924	1,014
Total Revenues	**411,473**	**298,453**	**568,724**	**446,776**
Costs and expenses acquired from third parties	**(259,717)**	**(169,601)**	**(331,834)**	**(244,574)**
Gross value added	**151,756**	**128,852**	**236,890**	**202,202**
Depreciation and amortization	(25,641)	(40,401)	(44,844)	(81,152)
Net value added	**126,115**	**88,451**	**192,046**	**121,050**
Wealth received in transfer:				
Financial income	4,554	3,649	8,416	4,901
Equity in subsidiaries	21,305	6,660	-	-
Total value added for distribution	**151,974**	**98,760**	**200,462**	**125,951**
Wealth distributed				
Personnel				
Salaries and wages	27,741	23,884	36,188	30,698
Benefits	4,205	3,519	5,279	4,469
FGTS (severance pay fund)	1,584	1,445	2,138	1,901
Stock option plan	892	467	892	467
Government and community				
Federal	22,797	7,695	39,141	15,621
State	8,134	6,247	12,944	11,334
Municipal	783	343	1,210	520
Payments to third parties				
Interest	22,617	38,041	36,589	43,709
Rents for real estate and other	13,655	10,259	16,515	10,372
Payments to shareholders				
Interest on capital	8,931	8,204	8,931	8,204
Retained earnings	40,635	(1,344)	40,635	(1,344)
Total distributed and retained	**151,974**	**98,760**	**200,462**	**125,951**

28. SOCIAL BALANCE - Not reviewed by the independent auditors

	Consolidated					
Calculation basis for social indicators - R$ thousand	**03.31.2010**			**03.31.2009**		
Net revenues (NR)	552,785			437,298		
Earnings before taxes (EBT)	69,320			5,716		
Gross payroll (GP)	44,018			37,427		
Internal Social Indicators	**03.31.2010**			**03.31.2009**		
	Amount	**% over GP**	**% over NR**	**Amount**	**% over GP**	**% over NR**
Meals	2,579	6%	1%	2,307	6%	1%
Compulsory payroll related charges	9,919	23%	2%	8,048	22%	2%
Health care	996	2%	0%	1,206	3%	0%
Professional qualification and development	1,990	5%	0%	22	0%	0%
Day care center or child care allowance	47	0%	0%	39	0%	0%
Profit sharing	6,970	16%	1%	5,855	16%	1%
Other	1,671	4%	0%	875	2%	0%
Total - Internal social indicators	**24,172**	**56%**	**4%**	**18,352**	**49%**	**4%**
External Social Indicators	**03.31.2010**			**03.31.2009**		
	Amount	**% over EBT**	**% over NR**	**Amount**	**% over EBT**	**% over NR**
Education	25	0%	0%	15	0%	0%
Culture	240	0%	0%	369	6%	0%
Sports	60	0%	0%	-	0%	-
Other	60	0%	0%	74	1%	0%
Total contributions to society	385	1%	0%	458	8%	0%
Taxes (excluding payroll related charges)	45,595	66%	8%	20,794	364%	6%
Total - External social indicators	**45,980**	**67%**	**8%**	**21,252**	**372%**	**6%**

Personnel indicators	**03.31.2010**	**03.31.2009**
Headcount at end of period	3,719	3,261
Number of employees hired during the period	313	198
Number of outsourced employees	96	86
Number of interns	43	67
Number of employees above age 45	214	175
Number of women working in the Company	1,768	1,570
% of supervisory positions held by women	50.4%	52.85%
Number of blacks working in the Company	1,851	1,695
% of supervisory positions held by blacks	34.7%	35.43%
Number of persons with disability or special needs	55	63

	03.31.2010			Goals 2010		
Significant information regarding corporate citizenship						
Highest/lowest compensation ratio			39.2 (*)			39.2 (*)
Total number of occupational accidents			9			-
- The social and environmental projects developed by the company were established by	( ) directors	( ) directors and managers	(x) all employees	( ) directors	( ) directors and managers	(x) all employees
- The safety and health standards in the workplace were established by	( ) directors and managers	( ) all employees	(x) all + Cipa (Internal Accident Prevention Commission)	( ) directors and managers	( ) all employees	(x) all + Cipa
- Regarding union freedom, right to collective bargaining and internal workers representation, the company	( ) is not involved	(x) follows the standards of the International Labor Organization (ILO)	( ) encourages and follows the standards of the ILO	( ) will not be involved	(x) will follow the standards of the ILO	( ) will encourage and follow the standards of the ILO
- The profit sharing plan covers	( ) directors	( ) directors and managers	(x) all employees	( ) directors	( ) directors and managers	(x) all employees
- In selecting suppliers, the same ethical, social responsibility and environmental standards adopted by the company	(x) are not considered	( ) are suggested	( ) are required	(x) will not be considered	( ) will be suggested	( ) will be required
- As to the participation of employees in volunteer work programs, the company	( ) is not involved	( ) supports	(x) organizes and encourages	( ) will not be involved	( ) supports	(x) will organize and encourage
- Total number of complaints and criticisms from consumers	In the company (**)	In Procon 11	In court 67	In the company (**)	In Procon None	In court None
- % of complaints and criticisms from consumers handled or solved	In the company (**)	In Procon 18.2%	In court 49.3%	In the company (**)	In Procon None	In court None

(*) For the highest/lowest compensation ratio computation only employee data from headquarters (Belo Horizonte) was used.

(**) The client assistance department receives phone calls concerning mechanical problems, accidents, billing doubts of clients, as well as compliments and complaints. The Company does not compute complaints calls separately.

07.01 Management Report/Comments on the Company's Performance

See comments in the group 12.01 – Management Report/Comments on the Company's Consolidated Performance

12.01 Management Report/Comments on the Company's Consolidated Performance

In R$ thousand

1 - Car Rental	1Q09	1Q10	Var. %
Net revenues	295,340	405,978	**37.5%**
Costs	(231,660)	(308,009)	**33.0%**
Operating expenses (SG&A):			
Advertising and sales	(23,464)	(30,457)	**29.8%**
General, administrative and other	(8,831)	(9,585)	**8.5%**
Financial expenses, net	(24,506)	(18,669)	**-23.8%**
Income tax and social contribution	3,703	(10,009)	**-370.3%**
Net income from car rentals and sales	**10,582**	**29,249**	**176.4%**

2 - Fleet Rental	1Q09	1Q10	Var. %
Net revenues	139,704	144,298	**3.3%**
Costs	(118,561)	(97,283)	**-17.9%**
Operating expenses (SG&A):			
Advertising and sales	(6,365)	(6,159)	**-3.2%**
General, administrative and other	(2,715)	(2,686)	**-1.1%**
Financial expenses, net	(14,366)	(9,568)	**-33.4%**
Income tax and social contribution	(2,341)	(9,435)	**303.0%**
Net income from car rentals and sales	**(4,644)**	**19,167**	**-512.7%**

3 - Franchising	1Q09	1Q10	Var. %
Net revenues	2,254	2,509	**11.3%**
Costs	(1,160)	(1,111)	**-4.2%**
Operating expenses (SG&A):			
Advertising and sales	(9)	-	**-100.0%**
General, administrative and other	(9)	(2)	**-77.8%**
Financial expenses, net	64	64	**0.0%**
Income tax and social contribution	(218)	(310)	**42.2%**
Net income	**922**	**1,150**	**24.7%**

4 - Consolidated	1Q09	1Q10	Var. %
Net revenues	437,298	552,785	**26.4%**
Costs	(351,381)	(406,403)	**15.7%**
Advertising and sales	(29,838)	(36,616)	**22.7%**
General, administrative and other	(11,555)	(12,273)	**6.2%**
	44,524	**97,493**	**119.0%**
Financial expenses, net	(38,808)	(28,173)	**-27.4%**
Operating profit	**5,716**	**69,320**	**1112.7%**
Income tax and social contribution	1,144	(19,754)	**-1826.7%**
Net income	**6,860**	**49,566**	**622.5%**

Net revenues

Consolidated net revenues increased 26.4% (RS$115.5 million), from R$437.3 million in 1Q09 to R$552.8 million in 1Q10, primarily due to:

- Increase of 37.5% in net revenues from car rentals, from R$295.3 million in 1Q09 to R$406.0 million in 1Q10, representing a growth of 20.2% in revenues from car rentals and 54.2% in revenues from sales of decommissioned cars to fleet renewal. This increase was primarily due to:

  i) an increase of 21.4% in the volume of daily car rental; and
  ii) increases of 58.2% in the volume of cars sold for fleet renewal.

- Revenues from fleet rental increased 3.3% (R$4.6 million). This increase was primarily due to the growth of 6.2% in rental volumes, partially offset by a decrease of 4.1% in the number of cars sold for fleet renewal.

- Revenues from franchising increased 11.3% (R$0.3 million).

Costs

Consolidated costs increased 15.7%, from R$351.4 million in 1Q09 to R$406.4 million in 1Q10. This increase is basically explained by:

i) An increase of 33.0% in the costs on car rental, which grew from R$231.7 million in 1Q09 to R$308.8 million in 1Q10. This increase was basically due to the growth of 59.0% (R$76.1 million) in the cost of cars sold for fleet renewal. The growth of the cost of cars sold was in line with the increase of 58.2% in the volume of cars sold.

   Car rental operating costs remained stable nearby R$103.0 million and depreciation significantly decrease in 1Q10 when compared to the same period of 2009, due to the fleet renewal occurred from second half of 2009 on, as the cars were purchased with reduced IPI (excise tax). The decrease in depreciation was offset by other costs, which grew in line with revenues.

ii) Fleet rental operating costs decrease 17.9%, from R$118.6 million in 1Q09 to R$97,3 million in 1Q10. Such decrease was mainly due to the decrease of 31.3% in fleet rental operating costs, basically caused by the decrease in cars depreciation. In 1Q10, fleet's depreciation significantly decreased when compared to the same period of 2009, due to the fleet renewal occurred from second half of 2009 on, as the cars were purchased with reduced IPI. Costs of cars sold for fleet renewal remained stable nearby R$56.0 million.

Operating expenses (SG&A)

Consolidated operating expenses (SG&A) increased 18.1%, from R$41.4 million in 1Q09 to R$48.9 million in 1Q10. As a percentage of revenues, operating expenses was not significantly changed, from 9.5% in 1Q09 to 8.8% in 1Q10 (-0.7 p.p.).

Financial expenses, net

Consolidated financial expenses, net decreased 27.4%, from R$38.8 million in 1Q09 to R$28.2 million in 1Q10, mainly due to the decrease in average annualized rate of CDI, from 12.5% in 1Q09 to 8.6% in 1Q10.

Operating Income and tax and social contribution

1Q09 operating income was strongly affected with the adoption of deemed cost, on January 1, 2009, when IFRS was adopted. Fleet's value was determined based on car's fair value at that date, which negatively affected 1Q09 operating income, since effective sales price were lower than deemed cost.

The growth of R$63.6 million in operating income of 1Q10 when compared to 1Q09, affected tax and social contribution, from R$1.1 million revenues in 1Q09 to R$19.8 million expenses in 1Q10.

Net income

The 622.5% growth in consolidated net income, corresponding to an increase of R$42.7 million (from R$6.9 million in 1Q09 to R$49.6 million in 1Q10), is due to the increase in car and fleet rental volumes, as mentioned in the paragraphs above, and also due to the adoption of deemed cost to the fleet on January 1, 2009, which negatively affected 1Q09 income.

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01973-9	LOCALIZA RENT A CAR S.A.	16.670.085/0001-55

09.01 - HOLDINGS IN SUBSIDIARIES AND/OR AFFILIATED COMPANIES

1 - ITEM	2 - NAME OF SUBSIDIARY/ASSOCIATED COMPANY	3 - CNPJ (Corporate Taxpayer's ID)	4 - CLASSIFICATION	5 - INTEREST IN CAPITAL OF INVESTEE - %	6 – INVESTOR'S SHAREHOLDERS' EQUITY - %
7 - TYPE OF COMPANY		8 - NUMBER OF SHARES HELD IN CURRENT QUARTER (in thousands)		9 - NUMBER OF SHARES HELD IN PREVIOUS QUARTER (in thousands)	
01	TOTAL FLEET S.A.	02.286.479/0001-08	CLOSELY-HELD SUBSIDIARY COMPANY	100.00	40.30
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		103,280		103,280	
02	LOCALIZA FRANCHISING BRASIL S.A.	06.291.437/0001-08	CLOSELY-HELD SUBSIDIARY COMPANY	100.00	0.29
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		399		399	
04	PRIME PRESTADORA DE SERVIÇOS S.A.	02.887.100/0001-07	CLOSELY-HELD SUBSIDIARY COMPANY	100.00	0.00
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		15		15	
05	LOCALIZA FRANCHISING INTERNATIONAL SRL	. . / -	CLOSELY-HELD SUBSIDIARY COMPANY	100.00	0.01
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		25		25	
06	LOCALIZA CAR RENTAL S.A.	07.150.288/0001-20	CLOSELY-HELD SUBSIDIARY COMPANY	100.00	0.86
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		1,340		1,340	
07	RENTAL INTERNATIONAL LLC	. . / -	CLOSELY-HELD SUBSIDIARY COMPANY	100.00	0.00
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		1		1	
08	CAR ASSISTANCE SER ADM DE SINISTROS S.A.	10.863.913/0001-95	CLOSELY-HELD SUBSIDIARY COMPANY	100.00	0.23
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		200		200	
09	TF ASSISTANCE SER ADM DE SINISTROS S.A.	10.866.914/0001-93	INVESTEE OF THE SUBSIDIARY/AFFILIATED COMPANY	100.00	0.06
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		150		150	

01.01 - IDENTIFICATION

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14.01 – CARACTERISTICS OF PUBLIC OR PRIVATE ISSUE OF DEBENTURES

1- ITEM	01
2 - No. ORDER	2
3 - No. REGISTRY AT CVM	CVM-SRE-DEB-2007-016
4 - REGISTRY DATE AT CVM	7/10/2007
5 - ISSUED SERIES	U
6 - TYPE OF ISSUANCE	SIMPLE
7 - NATURE OF ISSUANCE	PUBLIC
8 - DATE OF ISSUANCE	7/2/2007
9 - MATURITY DATE	7/2/2014
10 - TYPE OF DEBENTURE	FLOATING
11 - CONDITION OF CURRENT REMUNERATION	CDI + 0.44% p.a.
12 - PREMIUM/DISCOUNT	0.00
13 - PAR VALUE (Reais)	10,000.00
14 - AMOUNT ISSUED (Thousands of Reais)	200,000
15 - NUMBER OF SECURITIES ISSUED (UNIT)	20,000
16 - OUTSTANDING SECURITIES (UNIT)	20,000
17 - TREASURY SECURITIES (UNIT)	0
18 - REDEEMED SECURITIES (UNIT)	0
19 - CONVERTED SECURITIES (UNIT)	0
20 - SECURITIES TO BE DISTRIBUTED (UNIT)	0
21 - DATE OF THE LAST RENEGOTIATION	
22 - DATE OF NEXT EVENT	

Other Relevant Information

In compliance with "Novo Mercado" Regulation, the Additional Requirements for the Interim Financial Statements – ITR on March 31, 2010 are as follows:

1) Localiza Rent a Car S.A.'s shareholding with participation greater than 5%, up to the individual level, as of March 31, 2010.

Participants	# of Common Shares (in units)	%
Jose Salim Mattar Junior	26,348,314	13.07
Antonio Claudio Brandao Resende	24,204,960	12.00
Eugenio Pacelli Mattar	17,351,363	8.60
Flavio Brandao Resende	17,351,364	8.60
Treasury shares	4,226,300	2.10
Free Float	112,225,699	55.63
Total	**201,708,000**	**100.00**

2) Controlling Shareholders, Management shares and free float:

a) As of March 31, 2010:

	# of Common Shares (in units)	%
Controlling shareholders	85,256,001	42.27
Free float	111,985,277	55.51
Treasury shares	4,226,300	2.10
Board of Directors' Members	26,105	0.01
Executive Officers	214,317	0.11
Total	**201,708,000**	**100.00**

b) As of March 31, 2009;

	# of Common Shares (in units)	%
Controlling shareholders	100,876,378	50.01
Free float	96,353,400	47.77
Treasury shares	4,226,300	2.10
Board of Directors' Members	29,105	0.01
Executive Officers	222,817	0.11
Total	201,708,000	100.00

3) The Company does not have Fiscal Council.

4) The Company is entailed to Market Arbitration Panel Rules, as provisions of Company's Bylaws.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT ACCOUNTANTS'SPECIAL REVIEW REPORT

To the Shareholders and Board of Directors of

Localiza Rent a Car S.A.

Belo Horizonte, MG

1. We have reviewed the interim accounting information included in the accompanying (restated) interim individual and consolidated financial statements of Localiza Rent a Car S.A. for the quarter ended March 31, 2010, consisting of the balance sheets, the statements of income, changes in shareholders' equity and cash flows, the performance report and the related notes, prepared under the responsibility of its Management.

2. Our review was conducted in accordance with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), together with the Brazilian Federal Accounting Council (CFC), and consisted, principally, of: (a) inquiries of and discussions with certain officials of the Company and its subsidiaries who have responsibility for accounting, financial and operating matters about the criteria adopted in the preparation of the interim financial statements; and (b) review of the information and subsequent events that had, or might have had, material effects on the financial position and results of operations of the Company and its subsidiaries.

3. Based on our review, we are not aware of any material modifications that should be made to the: a) interim individual accounting information included in the interim financial statements referred to in paragraph 1 for them to be prepared in conformity with CPC 21 - Interim Financial Statements and presented in accordance with the standards established by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the interim financial statements; and b) interim consolidated accounting information included in the interim financial statements referred to in paragraph 1 for them to be prepared in conformity with CPC 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB and presented in accordance with the standards established by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the interim financial statements.

4. We have also reviewed the interim individual and consolidated statements of value added (DVA) for the three-month period ended March 31, 2010, the presentation of which is required by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of interim financial information and considered supplemental information by IFRS, which does not require the presentation of a DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not fairly presented, in all material respects, in relation to the interim individual and consolidated financial statements taken as a whole.

5. As mentioned in Note 4, the interim financial statements as of March 31, 2010 were originally presented in conformity with the accounting practices adopted in Brazil through December 31, 2009, as permitted by CVM Resolution 603/09, amended by CVM Resolution 656/11. This Resolution also established that, those companies that elected to adopt the aforementioned procedure are required to restate their 2010 interim financial statements comparatively to 2009 also adjusted to the standards effective 2010, at least when disclosing the first interim financial statements for 2011. Accordingly, the accounting information included in the individual and consolidated interim financial statements are a restatement of the interim financial statements originally presented on which we issued an unqualified special review report, dated April 30, 2010.

6. The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Belo Horizonte, May 10, 2011

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Delio Rocha Leite
Engagement Partner

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01973-9	LOCALIZA RENT A CAR S.A.	16.670.085/0001-55

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