

INTERIM FINANCIAL INFORMATION

March 31, 2017

(A free translation of the original in Portuguese)

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Company Information / Capital

Number of shares (thousands)	Current quarter 03/31/2017
Paid-in capital	
Common shares	211,793
Preferred shares	0
Total	211,793
Treasury shares	
Common shares	2,951
Preferred shares	0
Total	2,951

Company Information / Cash proceeds

Event	Approval	Proceeds	Beginning of payment	Type of share	Class of share	Earnings per share (Brazilian reais / share)
Meeting of the Board of Directors	03/08/2017	Interest on capital	05/02/2017	Common shares		0.19161
Meeting of the Board of Directors	12/15/2016	Interest on capital	02/08/2017	Common shares		0.22446

Individual Financial Statements / Balance Sheet – Assets

(In thousands of Brazilian reais – R\$)

Code	Description	Current quarter 03/31/2017	Prior year 12/31/2016
1	Total assets	5,671,255	6,019,436
1.01	Current assets	1,430,040	1,565,255
1.01.01	Cash and cash equivalents	968,302	1,133,711
1.01.03	Accounts receivable	266,950	336,457
1.01.03.01	Trade receivables	266,950	336,457
1.01.06	Recoverable taxes	8,495	14,702
1.01.06.01	Current recoverable taxes	8,495	14,702
1.01.07	Prepaid expenses	37,646	5,134
1.01.08	Other current assets	148,647	75,251
1.01.08.01	Non-current assets available for sale	4,161	441
1.01.08.03	Other	144,486	74,810
1.01.08.03.01	Dividends receivable	30,836	7,472
1.01.08.03.02	Other	113,650	65,128
1.01.08.03.03	Derivatives - swaps	0	2,210
1.02	Non-current assets	4,241,215	4,454,181
1.02.01	Long-term assets	44,098	39,005
1.02.01.08	Due from related parties	801	778
1.02.01.08.02	Receivables from subsidiaries	801	778
1.02.01.09	Other non-current assets	43,297	38,227
1.02.01.09.03	Escrow deposits	43,214	38,144
1.02.01.09.04	Other	83	83
1.02.02	Investments	814,446	851,109
1.02.02.01	Ownership interests	814,446	851,109
1.02.02.01.02	Investments in subsidiaries	814,446	851,109
1.02.03	Property and equipment	3,327,825	3,508,455
1.02.03.01	Property and equipment in use	3,317,762	3,499,877
1.02.03.02	Leased property and equipment	2,036	2,378
1.02.03.03	Constructions in progress	8,027	6,200
1.02.04	Intangible assets	54,846	55,612
1.02.04.01	Intangible assets	54,846	55,612
1.02.04.01.02	Software in service	54,732	55,453
1.02.04.01.03	Software leased	114	159

Individual Financial Statements / Balance Sheet – Liabilities**(In thousands of Brazilian reais – R\$)**

Code	Description	Current quarter 03/31/2017	Prior year 12/31/2016
2	Total liabilities	5,671,255	6,019,436
2.01	Current liabilities	985,561	1,441,522
2.01.01	Payroll and related taxes	92,482	73,224
2.01.01.01	Payroll taxes	9,547	8,878
2.01.01.02	Related taxes	82,935	64,346
2.01.02	Trade payables	599,791	803,601
2.01.02.01	Domestic suppliers	599,791	803,594
2.01.02.02	Foreign suppliers	0	7
2.01.03	Taxes payable	22,676	18,398
2.01.03.01	Taxes payable - Federal	20,499	16,905
2.01.03.01.01	Income tax and social contribution payable	13,986	8,530
2.01.03.01.02	Other federal taxes	6,513	8,375
2.01.03.03	Taxes payable - Municipal	2,177	1,493
2.01.04	Loans and financing	143,090	407,425
2.01.04.01	Loans and financing	0	228,154
2.01.04.01.02	In foreign currency	0	228,154
2.01.04.02	Debentures	142,387	178,328
2.01.04.03	Finance lease	703	943
2.01.05	Other payables	127,522	138,874
2.01.05.01	Payables to related parties	1,717	812
2.01.05.01.02	Payables to subsidiaries	1,717	812
2.01.05.02	Other	125,805	138,062
2.01.05.02.01	Dividends and interest on capital payable	33,955	39,749
2.01.05.02.04	Other current liabilities	91,850	98,313
2.02	Non-current liabilities	2,382,504	2,380,924
2.02.01	Loans and financing	2,280,909	2,280,369
2.02.01.02	Debentures	2,280,736	2,280,115
2.02.01.03	Finance lease	173	254
2.02.02	Other payables	5,965	5,973
2.02.02.02	Other	5,965	5,973
2.02.02.02.03	Other non-current liabilities	5,965	5,973
2.02.03	Deferred taxes	42,771	46,017
2.02.03.01	Deferred income tax and social contribution	42,771	46,017
2.02.04	Provisions	52,762	48,457
2.02.04.01	Provision for tax, social security, labor and civil risks	52,762	48,457
2.02.04.01.01	Provisions for tax risks	4,317	2,185
2.02.04.01.02	Provisiond for social security and labor risks	31,093	30,048
2.02.04.01.04	Provisiond for civil risks	17,352	16,224
2.02.06	Unearned profit and revenue	97	108
2.02.06.02	Unearned revenue	97	108
2.03	Equity	2,303,190	2,196,990
2.03.01	Paid-in capital	976,708	976,708
2.03.02	Capital reserves	59,802	33,977
2.03.02.01	Share issuance premium	132,553	119,244
2.03.02.04	Stock options granted	3,377	10,559
2.03.02.05	Treasury shares	-76,128	-95,826

Individual Financial Statements / Balance Sheet – Liabilities**(In thousands of Brazilian reais – R\$)**

Code	Description	Current quarter 03/31/2017	Prior year 12/31/2016
2.03.04	Earnings reserves	1,186,305	1,186,305
2.03.04.01	Legal reserve	120,625	120,625
2.03.04.02	Statutory reserve	828,787	828,787
2.03.04.05	Earnings retention reserve	236,893	236,893
2.03.05	Retained earnings (accumulated losses)	80,375	0

Individual Financial Statements / Income Statement**(In thousands of Brazilian reais – R\$)**

Code	Description	Accumulated - Current year 01/01/2017 to 03/31/2017	Accumulated - Prior year 01/01/2016 to 03/31/2016
3.01	Revenue from sales and/or services	1,076,756	758,654
3.02	Cost of sales and/or services	-825,925	-555,387
3.03	Gross profit	250,831	203,267
3.04	Operating income (expenses)	-60,190	-42,895
3.04.01	Selling expenses	-79,272	-67,115
3.04.02	General and administrative expenses	-29,269	-31,143
3.04.05	Other operating expenses	-226	-115
3.04.06	Equity in the earnings of subsidiaries	48,577	55,478
3.05	Profit (loss) before finance income (expenses) and taxes	190,641	160,372
3.06	Finance income (expenses)	-59,181	-51,526
3.06.01	Finance income	35,976	32,005
3.06.02	Finance expenses	-95,157	-83,531
3.07	Net income before income taxes	131,460	108,846
3.08	Income tax and social contribution on profit	-11,194	-5,832
3.08.01	Current	-14,440	-5,415
3.08.02	Deferred	3,246	-417
3.09	Net income from continuing operations	120,266	103,014
3.11	Net income for the period	120,266	103,014
3.99	Earnings per share (R\$/share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	0.57788	0.49488
3.99.02	Diluted earnings per share		
3.99.02.01	Common shares	0.57604	0.49506

Individual Financial Statements / Statement of Comprehensive Income**(In thousands of Brazilian reais – R\$)**

Code	Description	Accumulated - Current year 01/01/2017 to 03/31/2017	Accumulated - Prior year 01/01/2016 to 03/31/2016
4.01	Net income for the period	120,266	103,014
4.03	Comprehensive income for the period	120,266	103,014

Individual Financial Statements / Statement of Cash Flows – Indirect Method**(In thousands of Brazilian reais – R\$)**

Code	Description	Accumulated - Current year 01/01/2017 to 03/31/2017	Accumulated - Prior year 01/01/2016 to 03/31/2016
6.01	Net cash provided by operating activities	64,294	27,096
6.01.01	Cash provided by operations	732,386	459,022
6.01.01.01	Net income for the year	120,266	103,014
6.01.01.02	Depreciation and amortization	38,679	22,671
6.01.01.03	Residual value of property and equipment written off	617,459	384,156
6.01.01.04	Deferred income tax and social contribution	-3,246	417
6.01.01.05	Equity in the earnings of subsidiaries	-48,577	-55,478
6.01.01.06	Other	7,805	4,242
6.01.02	Changes in assets and liabilities	-564,825	-345,596
6.01.02.01	Trade receivables	67,750	3,571
6.01.02.02	Acquisition of cars, net of changes in balances with car manufacturers	-645,587	-402,639
6.01.02.03	Escrow deposits	-5,070	-833
6.01.02.04	Recoverable taxes	6,207	4,607
6.01.02.05	Prepaid expenses	-32,512	0
6.01.02.06	Other current and non-current assets	-45,749	-29,280
6.01.02.07	Trade payables (except car manufacturers)	-26,863	-2,641
6.01.02.08	Payroll and related taxes	19,258	15,728
6.01.02.09	Income tax and social contribution	14,440	5,415
6.01.02.10	Interest on, loans, financing, debentures and fixed-rate swap	89,209	82,345
6.01.02.11	Insurance premiums	12,796	-6,802
6.01.02.12	Other current and non-current liabilities	-18,704	-15,067
6.01.03	Other	-103,267	-86,330
6.01.03.01	Income tax and social contribution paid	-8,984	-4,883
6.01.03.02	Interest on loans, financing and debentures paid	-94,283	-81,447
6.02	Net cash provided by investing activities	49,434	11,285
6.02.02	Dividends from subsidiaries	61,900	16,000
6.02.03	Purchase of other property and equipment	-9,972	-3,522
6.02.04	Purchase of intangible assets	-2,494	-1,193
6.03	Net cash provided by financing activities	-279,137	126,665
6.03.02	Loans and financing - repayments	-219,011	-465
6.03.03	Debentures – funding	0	197,413
6.03.04	Debentures – repayments	-37,500	-37,500
6.03.06	Interest on capital	-46,708	-33,197
6.03.08	Exercise of stock options with treasury shares, net	24,082	414
6.05	Increase (decrease) in cash and cash equivalents	-165,409	165,046
6.05.01	Opening balance of cash and cash equivalents	1,133,711	881,659
6.05.02	Closing balance of cash and cash equivalents	968,302	1,046,705

Individual Financial Statements / Statement of Changes in Equity – 01/01/2017 to 03/31/2017**(In thousands of Brazilian reais – R\$)**

Code	Description	Capital Paid in	Capital reserves, Options granted and Treasury shares	Earnings reserves	Retained earnings or (accumulated losses)	Other comprehensive income	Equity
5.01	Opening balances	976,708	33,977	1,186,305	0	0	2,196,990
5.03	Adjusted opening balances	976,708	33,977	1,186,305	0	0	2,196,990
5.04	Capital transactions with shareholders	0	25,825	0	-39,891	0	-14,066
5.04.03	Options granted recognized	0	1,743	0	0	0	1,743
5.04.07	Interest on capital	0	0	0	-39,891	0	-39,891
5.04.08	Exercise of stock options with treasury shares	0	24,082	0	0	0	24,082
5.05	Total comprehensive income	0	0	0	120,266	0	120,266
5.05.01	Profit for the period	0	0	0	120,266	0	120,266
5.07	Closing balances	976,708	59,802	1,186,305	80,375	0	2,303,190

Individual Financial Statements / Statement of Changes in Equity – 01/01/2016 to 03/31/2016**(In thousands of Brazilian reais – R\$)**

Code	Description	Capital Paid in	Capital reserves, Options granted and Treasury shares	Earnings reserves	Retained earnings or (accumulated losses)	Other comprehensive income	Equity
5.01	Opening balances	976,708	35,923	928,946	0	0	1,941,577
5.03	Adjusted opening balances	976,708	35,923	928,946	0	0	1,941,577
5.04	Capital transactions with shareholders	0	1,787	0	-35,423	0	-33,636
5.04.03	Options granted recognized	0	1,373	0	0	0	1,373
5.04.05	Treasury shares sold	0	414	0	0	0	414
5.04.07	Interest on capital	0	0	0	-35,423	0	-35,423
5.05	Total comprehensive income	0	0	0	103,014	0	103,014
5.05.01	Profit for the period	0	0	0	103,014	0	103,014
5.07	Closing balances	976,708	37,710	928,946	67,591	0	2,010,955

Individual Financial Statements / Statement of Value Added**(In thousands of Brazilian reais – R\$)**

Code	Description	Accumulated - Current year 01/01/2017 to 03/31/2017	Accumulated - Prior year 01/01/2016 to 03/31/2016
7.01	Revenues	1,094,409	771,021
7.01.01	Sales of goods, products and services	1,093,776	771,784
7.01.03	Revenues related to the construction of own assets	2,390	1,843
7.01.04	Allowance/reversal of allowance for doubtful debts	-1,757	-2,606
7.02	Inputs acquired from third parties	-723,221	-480,790
7.02.01	Cost of products, goods and services sold	-674,894	-441,047
7.02.02	Materials, power, third-party services and other	-48,327	-39,743
7.03	Gross value added	371,188	290,231
7.04	Retentions	-38,679	-22,671
7.04.01	Depreciation, amortization and depletion	-38,679	-22,671
7.05	Net wealth created	332,509	267,560
7.06	Wealth received in transfer	84,553	87,483
7.06.01	Equity in the earnings of subsidiaries	48,577	55,478
7.06.02	Finance income	35,976	32,005
7.07	Total wealth for distribution	417,062	355,043
7.08	Wealth distributed	417,062	355,043
7.08.01	Personnel	94,141	79,799
7.08.01.01	Salaries and wages	71,029	62,550
7.08.01.02	Benefits	15,934	11,643
7.08.01.03	Severance Pay Fund (FGTS)	5,434	4,233
7.08.01.04	Other	1,744	1,373
7.08.02	Taxes, fees and contributions	66,049	51,000
7.08.02.01	Federal	41,499	31,589
7.08.02.02	State	20,628	17,432
7.08.02.03	Municipal	3,922	1,979
7.08.03	Lenders and lessors	136,606	121,230
7.08.03.01	Interest	95,157	83,531
7.08.03.02	Rentals	37,869	34,804
7.08.03.03	Other	3,580	2,895
7.08.03.03.01	Other rentals	3,580	2,895
7.08.04	Shareholders	120,266	103,014
7.08.04.01	Interest on capital	39,891	35,423
7.08.04.03	Retained earnings / Loss for the period	80,375	67,591

Consolidated Financial Statements / Balance Sheet - Assets**(In thousands of Brazilian reais – R\$)**

Code	Description	Current quarter 03/31/2017	Prior Year 12/31/2016
1	Total assets	7,119,533	7,417,255
1.01	Current assets	2,035,544	2,242,761
1.01.01	Cash and cash equivalents	1,484,711	1,692,261
1.01.03	Accounts receivable	341,803	424,528
1.01.03.01	Trade receivables	341,803	424,528
1.01.06	Recoverable taxes	24,127	31,539
1.01.06.01	Current recoverable taxes	24,127	31,539
1.01.07	Prepaid expenses	51,074	5,134
1.01.08	Other current assets	133,829	89,299
1.01.08.01	Non-current assets available for sale	9,885	8,787
1.01.08.03	Other	123,944	80,512
1.01.08.03.01	Derivatives - swaps	0	2,210
1.01.08.03.02	Other	123,944	78,302
1.02	Non-current assets	5,083,989	5,174,494
1.02.01	Long-term assets	82,394	70,765
1.02.01.03	Accounts receivable	3,749	3,169
1.02.01.03.01	Trade receivables	3,749	3,169
1.02.01.09	Other non-current assets	78,645	67,596
1.02.01.09.03	Escrow deposits	65,746	60,127
1.02.01.09.04	Other	83	83
1.02.01.09.06	Derivatives - swaps	12,816	7,386
1.02.03	Property and equipment	4,919,562	5,020,596
1.02.03.01	Property and equipment in use	4,404,039	4,477,966
1.02.03.02	Leased property and equipment	507,496	536,430
1.02.03.03	Constructions in progress	8,027	6,200
1.02.04	Intangible assets	82,033	83,133
1.02.04.01	Intangible assets	82,033	83,133
1.02.04.01.02	Goodwill on acquisition of investments	22,077	22,077
1.02.04.01.03	Software in service	59,842	60,897
1.02.04.01.04	Software leased	114	159

Consolidated Financial Statements / Balance Sheet - Liabilities**(In thousands of Brazilian reais – R\$)**

Code	Description	Current quarter 03/31/2017	Prior year 12/31/2016
2	Total liabilities	7,119,533	7,417,255
2.01	Current liabilities	1,435,893	1,841,699
2.01.01	Payroll and related taxes	120,252	94,982
2.01.01.01	Payroll taxes	12,089	11,918
2.01.01.02	Related taxes	108,163	83,064
2.01.02	Trade payables	739,006	910,901
2.01.02.01	Domestic suppliers	739,006	910,894
2.01.02.02	Foreign suppliers	0	7
2.01.03	Taxes payable	45,758	36,589
2.01.03.01	Taxes payable - Federal	42,891	34,021
2.01.03.01.01	Income tax and social contribution payable	34,613	23,036
2.01.03.01.02	Other federal taxes	8,278	10,985
2.01.03.03	Taxes payable - Municipal	2,867	2,568
2.01.04	Loans and financing	396,701	654,586
2.01.04.01	Loans and financing	24,698	253,599
2.01.04.01.01	In local currency	24,698	25,445
2.01.04.01.02	In foreign currency	0	228,154
2.01.04.02	Debentures	153,870	181,596
2.01.04.03	Finance lease	218,133	219,391
2.01.05	Other payables	134,176	144,641
2.01.05.02	Other	134,176	144,641
2.01.05.02.01	Dividends and interest on capital payable	33,955	39,749
2.01.05.02.04	Other current liabilities	98,667	104,892
2.01.05.02.05	Derivatives - swaps	1,554	0
2.02	Non-current liabilities	3,380,450	3,378,566
2.02.01	Loans and financing	3,124,969	3,131,303
2.02.01.01	Loans and financing	523,184	520,174
2.02.01.01.01	In local currency	523,184	520,174
2.02.01.02	Debentures	2,530,695	2,530,072
2.02.01.03	Finance lease	71,090	81,057
2.02.02	Other payables	11,375	7,223
2.02.02.02	Other	11,375	7,223
2.02.02.02.03	Other non-current liabilities	7,216	7,223
2.02.02.02.04	Derivatives - swaps	4,159	0
2.02.03	Deferred taxes	171,299	171,913
2.02.03.01	Deferred income tax and social contribution	171,299	171,913
2.02.04	Provisions	68,340	63,074
2.02.04.01	Provision for tax, social security, labor and civil risks	68,340	63,074
2.02.04.01.01	Provisions for tax risks	8,396	5,789
2.02.04.01.02	Provisions for social security and labor risks	40,519	39,228
2.02.04.01.04	Provisions for civil risks	19,425	18,057
2.02.06	Unearned profit and revenue	4,467	5,053
2.02.06.02	Unearned revenue	4,467	5,053
2.03	Consolidated equity	2,303,190	2,196,990
2.03.01	Paid-in capital	976,708	976,708
2.03.02	Capital reserves	59,802	33,977

Consolidated Financial Statements / Balance Sheet - Liabilities**(In thousands of Brazilian reais – R\$)**

Code	Description	Current quarter 03/31/2017	Prior year 12/31/2016
2.03.02.01	Share issuance premium	132,553	119,244
2.03.02.04	Stock options granted	3,377	10,559
2.03.02.05	Treasury shares	-76,128	-95,826
2.03.04	Earnings reserves	1,186,305	1,186,305
2.03.04.01	Legal reserve	120,625	120,625
2.03.04.02	Statutory reserve	828,787	828,787
2.03.04.05	Earnings retention reserve	236,893	236,893
2.03.05	Retained earnings (accumulated losses)	80,375	0

Consolidated Financial Statements / Income Statement**(In thousands of Brazilian reais – R\$)**

Code	Description	Accumulated - Current year 01/01/2017 to 03/31/2017	Accumulated - Prior year 01/01/2016 to 03/31/2016
3.01	Revenue from sales and/or services	1,339,578	1,046,965
3.02	Cost of sales and/or services	-969,476	-720,628
3.03	Gross profit	370,102	326,337
3.04	Operating income (expenses)	-140,033	-123,894
3.04.01	Selling expenses	-103,299	-85,675
3.04.02	General and administrative expenses	-36,503	-38,068
3.04.05	Other operating expenses	-231	-151
3.05	Profit (loss) before finance income (expenses) and taxes	230,069	202,443
3.06	Finance income (expenses)	-74,829	-67,669
3.06.01	Finance income	54,314	44,549
3.06.02	Finance expenses	-129,143	-112,218
3.07	Net income before income taxes	155,240	134,774
3.08	Income tax and social contribution on profit	-34,974	-31,760
3.08.01	Current	-35,588	-25,566
3.08.02	Deferred	614	-6,194
3.09	Net income from continuing operations	120,266	103,014
3.11	Consolidated net income for the period	120,266	103,014
3.11.01	Attributable to the Company's owners	120,266	103,014
3.99	Equity in the earnings of subsidiaries		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	0.57788	0.49488
3.99.02	Diluted earnings per share		
3.99.02.01	Common shares	0.57604	0.49506

Consolidated Financial Statements / Statement of Comprehensive Income**(In thousands of Brazilian reais – R\$)**

Code	Description	Accumulated - Current year 01/01/2017 to 03/31/2017	Accumulated - Prior year 01/01/2016 to 03/31/2016
4.01	Consolidated net income for the period	120,266	103,014
4.03	Consolidated comprehensive income for the period	120,266	103,014
4.03.01	Attributable to the Company's owners	120,266	103,014

Consolidated Financial Statement / Statement of Cash Flows – Indirect Method**(In thousands of Brazilian reais – R\$)**

Code	Description	Accumulated - Current year 01/01/2017 to 03/31/2017	Accumulated - Prior year 01/01/2016 to 03/31/2016
6.01	Net cash provided by operating activities	117,336	119,005
6.01.01	Cash provided by operations	886,764	647,220
6.01.01.01	Net income for the year	120,266	103,014
6.01.01.02	Depreciation and amortization	66,940	55,910
6.01.01.03	Residual value of property and equipment written off	688,391	477,292
6.01.01.04	Deferred income tax and social contribution	-614	6,194
6.01.01.05	Other	11,781	4,810
6.01.02	Changes in assets and liabilities	-623,491	-395,097
6.01.02.01	Accounts receivable	79,542	23,112
6.01.02.02	Acquisition of cars, net of changes in balances with car manufacturers	-764,566	-510,729
6.01.02.03	Escrow deposits	-5,619	-1,181
6.01.02.04	Recoverable taxes	7,033	11,889
6.01.02.05	Prepaid expenses	-45,940	0
6.01.02.06	Other current and non-current assets	-42,851	-44,571
6.01.02.07	Trade payables (except car manufacturers)	-25,507	-5,933
6.01.02.08	Payroll and related taxes	25,270	20,751
6.01.02.09	Income tax and social contribution	35,588	25,566
6.01.02.10	Interest on, loans, financing, debentures and fixed-rate swap	123,696	104,211
6.01.02.11	Insurance premiums	12,796	-6,802
6.01.02.12	Other current and non-current liabilities	-22,933	-11,410
6.01.03	Other	-145,937	-133,118
6.01.03.01	Income tax and social contribution paid	-24,014	-28,786
6.01.03.02	Interest on loans, financing and debentures paid	-121,923	-104,332
6.02	Net cash provided by investing activities	-38,761	-8,601
6.02.01	Purchase of other property and equipment	-36,173	-7,360
6.02.02	Purchase of intangible assets	-2,588	-1,241
6.03	Net cash provided by financing activities	-286,125	115,268
6.03.01	Loans and financing - funding	59,333	63,723
6.03.02	Loans and financing - repayments	-285,332	-75,585
6.03.03	Debentures – funding	0	197,413
6.03.04	Debentures – repayments	-37,500	-37,500
6.03.06	Interest on capital	-46,708	-33,197
6.03.07	Exercise of stock options with treasury shares, net	24,082	414
6.05	Increase (decrease) in cash and cash equivalents	-207,550	225,672
6.05.01	Opening balance of cash and cash equivalents	1,692,261	1,385,103
6.05.02	Closing balance of cash and cash equivalents	1,484,711	1,610,775

Consolidated Financial Statements / Statement of Changes in Equity – 01/01/2017 to 03/31/2017**(In thousands of Brazilian reais – R\$)**

Code	Description	Capital Paid in	Capital reserves, Options granted and Treasury shares	Earnings reserves	Retained earnings or (accumulated losses)	Other comprehensive income	Equity	Noncontrolling interests	Consolidated Equity
5.01	Opening balances	976,708	33,977	1,186,305	0	0	2,196,990	0	2,196,990
5.03	Adjusted opening balances	976,708	33,977	1,186,305	0	0	2,196,990	0	2,196,990
5.04	Capital transactions with shareholders	0	25,825	0	-39,891	0	-14,066	0	-14,066
5.04.03	Options granted recognized	0	1,743	0	0	0	1,743	0	1,743
5.04.07	Interest on capital	0	0	0	-39,891	0	-39,891	0	-39,891
5.04.08	Exercise of options with treasury shares	0	24,082	0	0	0	24,082	0	24,082
5.05	Total comprehensive income	0	0	0	120,266	0	120,266	0	120,266
5.05.01	Profit for the period	0	0	0	120,266	0	120,266	0	120,266
5.07	Closing balances	976,708	59,802	1,186,305	80,375	0	2,303,190	0	2,303,190

Consolidated Financial Statements / Statement of Changes in Equity – 01/01/2016 to 03/31/2016**(In thousands of Brazilian reais – R\$)**

Code	Description	Capital Paid in	Capital reserves, Options granted and Treasury shares	Earnings reserves	Retained earnings or (accumulated losses)	Other comprehensive income	Equity	Noncontrolling interests	Consolidated Equity
5.01	Opening balances	976,708	35,923	928,946	0	0	1,941,577	0	1,941,577
5.03	Adjusted opening balances	976,708	35,923	928,946	0	0	1,941,577	0	1,941,577
5.04	Capital transactions with shareholders	0	1,787	0	-35,423	0	-33,636	0	-33,636
5.04.03	Options granted recognized	0	1,373	0	0	0	1,373	0	1,373
5.04.05	Treasury shares sold	0	414	0	0	0	414	0	414
5.04.07	Interest on capital	0	0	0	-35,423	0	-35,423	0	-35,423
5.05	Total comprehensive income	0	0	0	103,014	0	103,014	0	103,014
5.05.01	Profit for the period	0	0	0	103,014	0	103,014	0	103,014
5.07	Closing balances	976,708	37,710	928,946	67,591	0	2,010,955	0	2,010,955

Consolidated Financial Statements / Statement of Value Added**(In thousands of Brazilian reais – R\$)**

Code	Description	Accumulated - Current year 01/01/2017 to 03/31/2017	Accumulated - Prior year 01/01/2016 to 03/31/2016
7.01	Revenues	1,362,433	1,063,963
7.01.01	Sales of goods, products and services	1,362,646	1,065,232
7.01.03	Revenues related to the construction of own assets	2,390	1,843
7.01.04	Allowance/reversal of allowance for doubtful debts	-2,603	-3,112
7.02	Inputs acquired from third parties	-826,994	-598,893
7.02.01	Cost of products, goods and services sold	-774,190	-556,276
7.02.02	Materials, power, third-party services and other	-52,804	-42,617
7.03	Gross value added	535,439	465,070
7.04	Retentions	-66,940	-55,910
7.04.01	Depreciation, amortization and depletion	-66,940	-55,910
7.05	Net wealth created	468,499	409,160
7.06	Wealth received in transfer	54,314	44,549
7.06.02	Finance income	54,314	44,549
7.07	Total wealth for distribution	522,813	453,709
7.08	Wealth distributed	522,813	453,709
7.08.01	Personnel	122,928	106,240
7.08.01.01	Salaries and wages	95,288	85,007
7.08.01.02	Benefits	18,796	13,979
7.08.01.03	Severance Pay Fund (FGTS)	7,100	5,881
7.08.01.04	Other	1,744	1,373
7.08.02	Taxes, fees and contributions	108,317	93,655
7.08.02.01	Federal	75,421	66,499
7.08.02.02	State	27,402	24,056
7.08.02.03	Municipal	5,494	3,100
7.08.03	Lenders and lessors	171,302	150,800
7.08.03.01	Interest	129,143	112,218
7.08.03.02	Rentals	38,470	35,542
7.08.03.03	Other	3,689	3,040
7.08.03.03.01	Other rentals	3,689	3,040
7.08.04	Shareholders	120,266	103,014
7.08.04.01	Interest on capital	39,891	35,423
7.08.04.03	Retained earnings / Loss for the period	80,375	67,591

1Q17 Highlights

Innovation and Engagement

- ✓ Localiza *FAST* - pioneer in 100% digital rent (counter by-pass)
- ✓ More than 6 million customers in Localiza Loyalty Program
- ✓ More than 1 million followers on Facebook, with the highest engagement in the category



Platinum

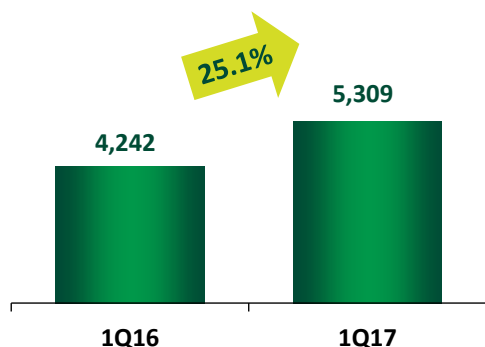


Gold

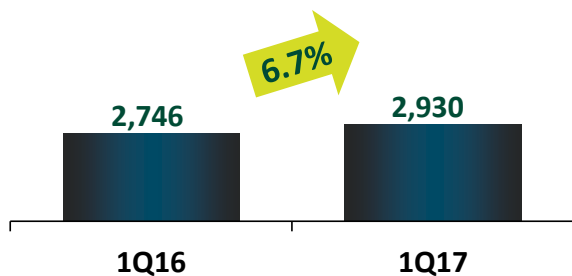


Verde

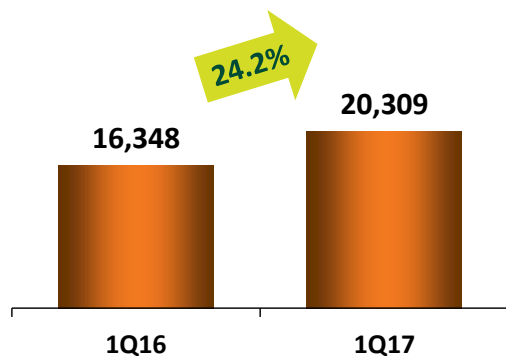
Rental days – Car Rental (Thousand)



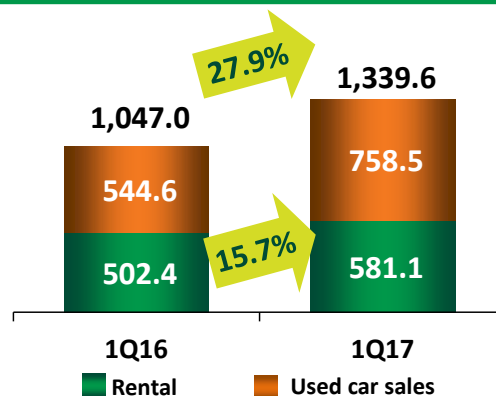
Rental days – Fleet Rental (Thousand)



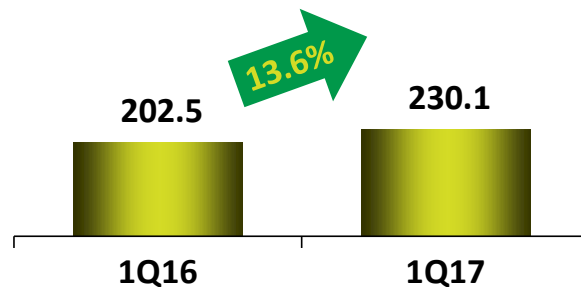
Cars Sold



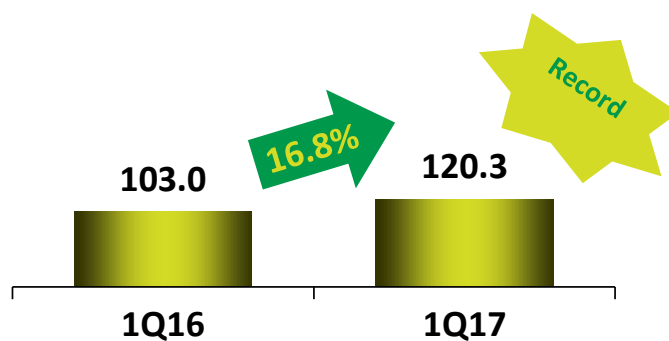
Net revenues (R\$ million)



EBIT (R\$ million)

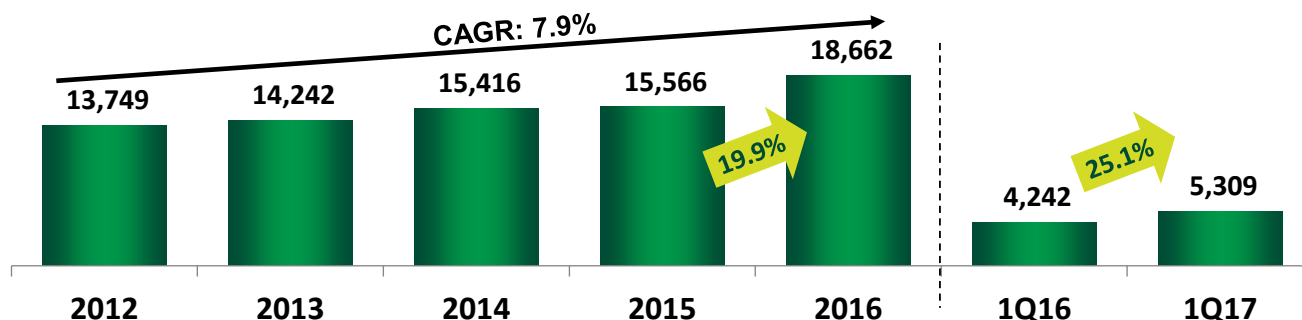


Net Income (R\$ million)

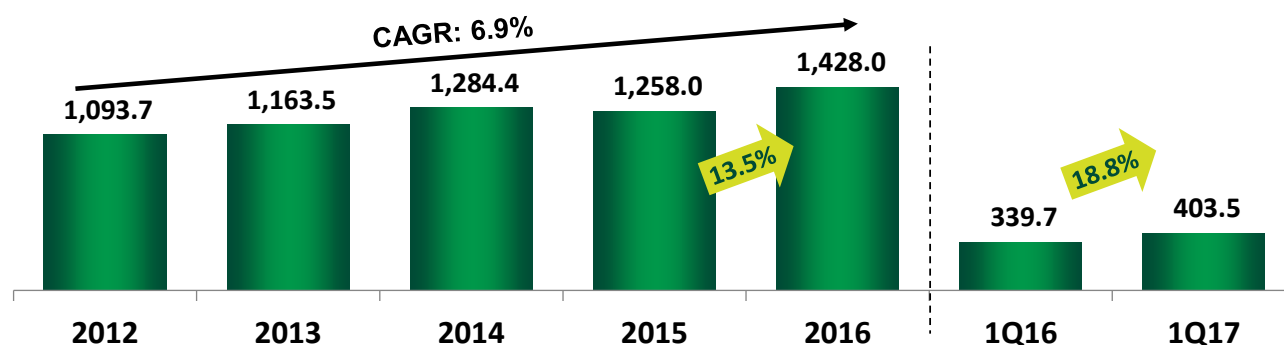


1 – Car Rental

Number of Daily Rentals (thousand)



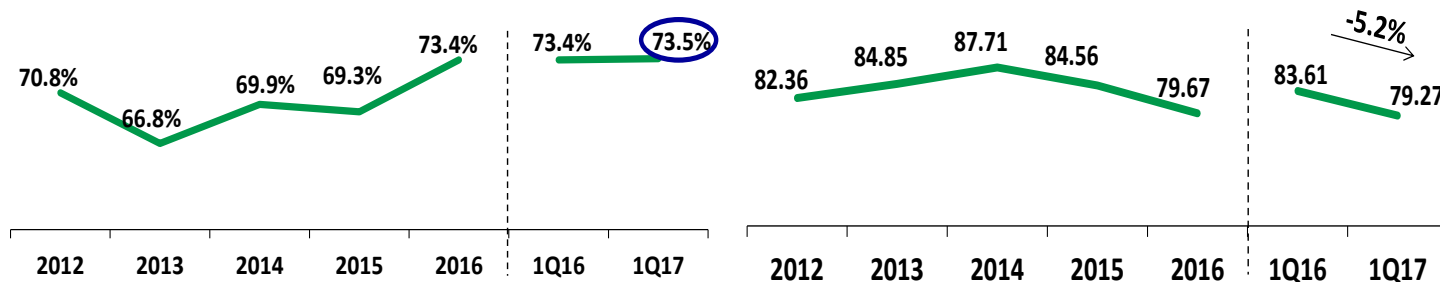
Net Revenues (R\$ million)



In 1Q17, **Car Rental Division's** daily rentals presented a growth of 25.1% and net revenues grew 18.8%, due to a 5.2% reduction on average rental rate, when compared with 1Q16.

Utilization Rate Evolution
Car Rental

Average daily rental rate evolution
Car Rental- In R\$

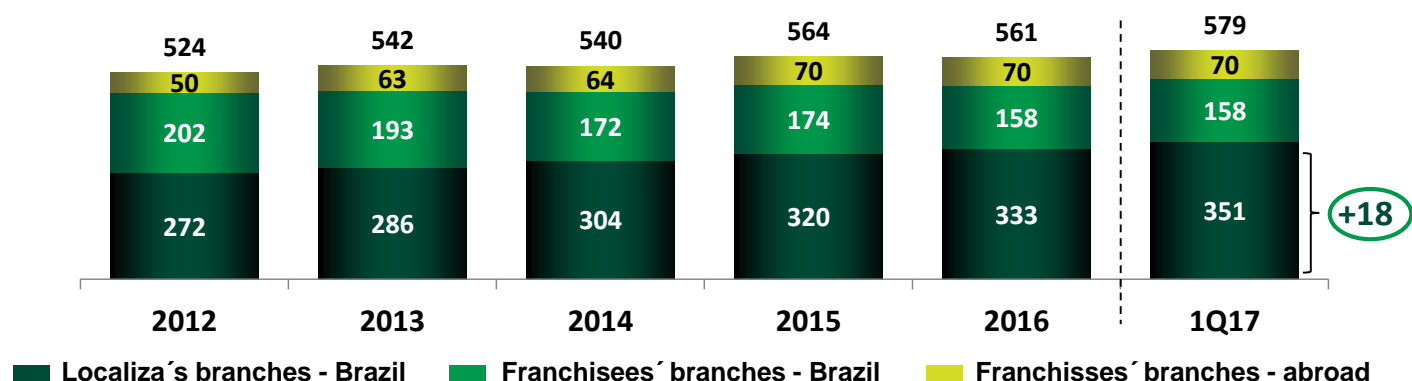


The 73.5% utilization rate of the 1Q17 is a result of the Company's initiative to manage its rates in order to stimulate demand, the mix of segments and the improvement in the fleet management.

The criteria used to calculate Localiza's utilization rate includes the period of: transportation from the OEM to our branches, rental operation and car preparation for sale.

1.1 – Distribution network

Number of car rental locations (Brazil and abroad)

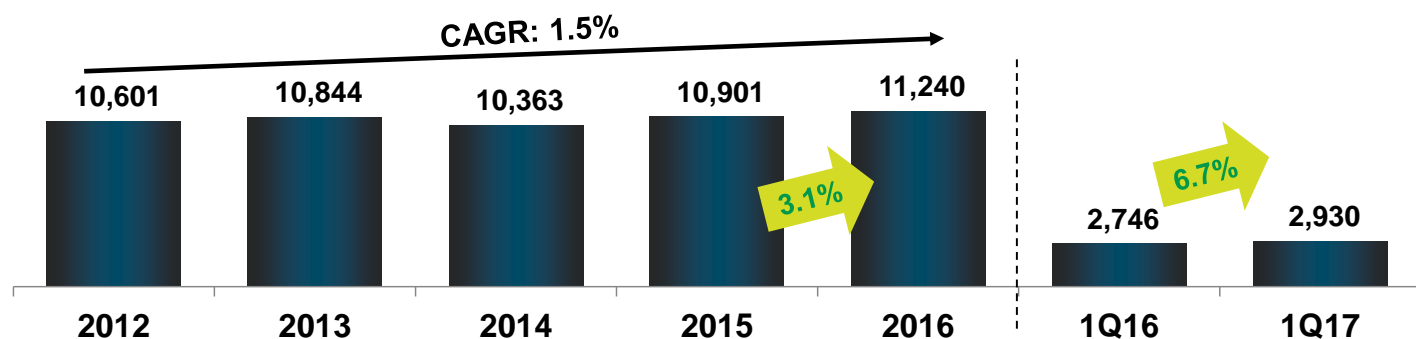


In 1Q17 the number of corporate branches was increased by 18 locations, from 333 in 12/31/2016 to 351 in 03/31/2017.

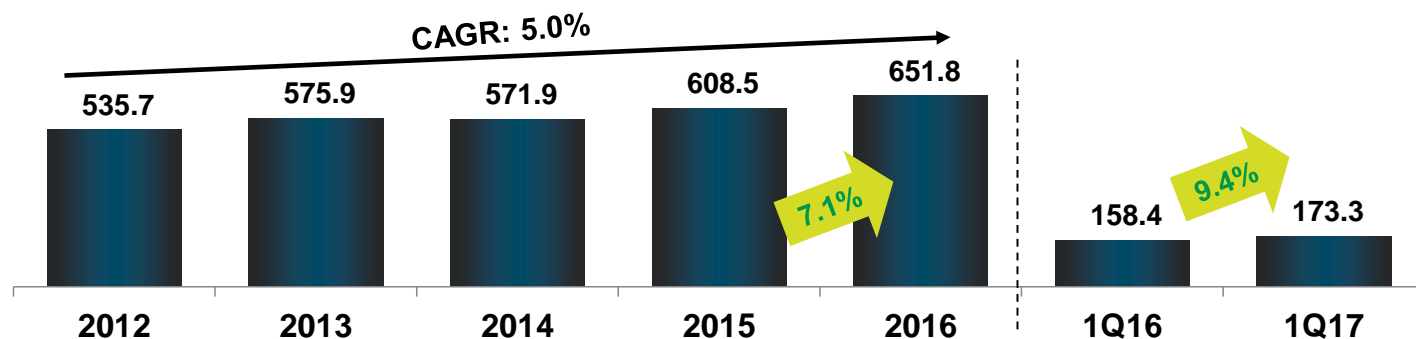
In the end of March 2017, Localiza's system totaled 579 locations in Brazil and in 6 other South American countries.

2 – Fleet Rental

Number of Daily Rentals (thousand)



Net Revenues (R\$ million)

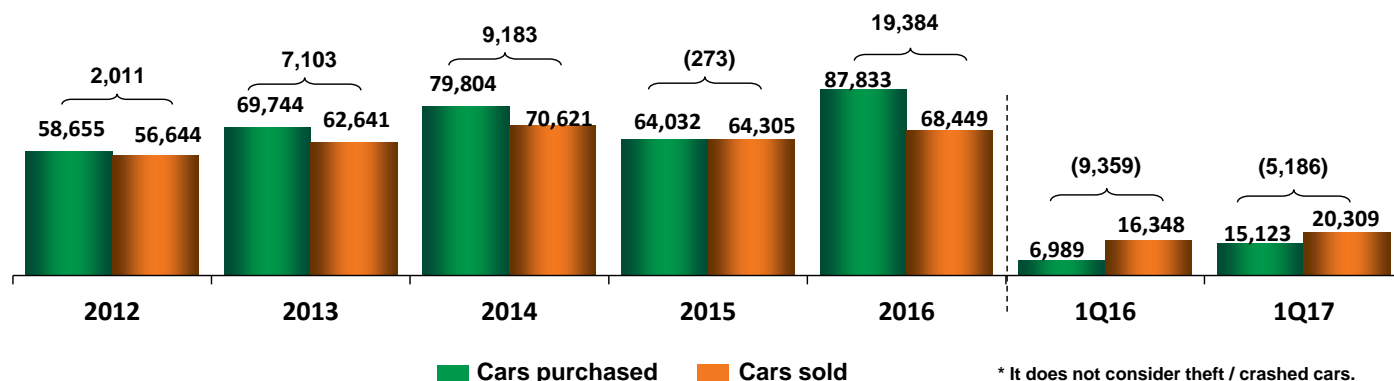


In 1Q17, **Fleet Rental Division's** daily rentals presented a growth of 6.7% and net revenues grew 9.4%, mainly due to a 4.0% increase on average rental rate, when compared with 1Q16.

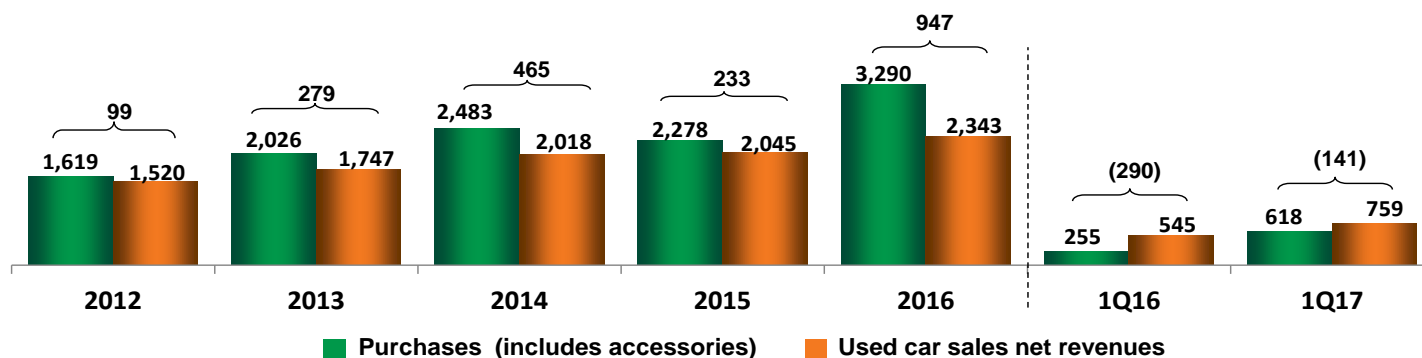
3 – Fleet

3.1 – Net investment in the fleet

Fleet Expansion (reduction)* (quantity)



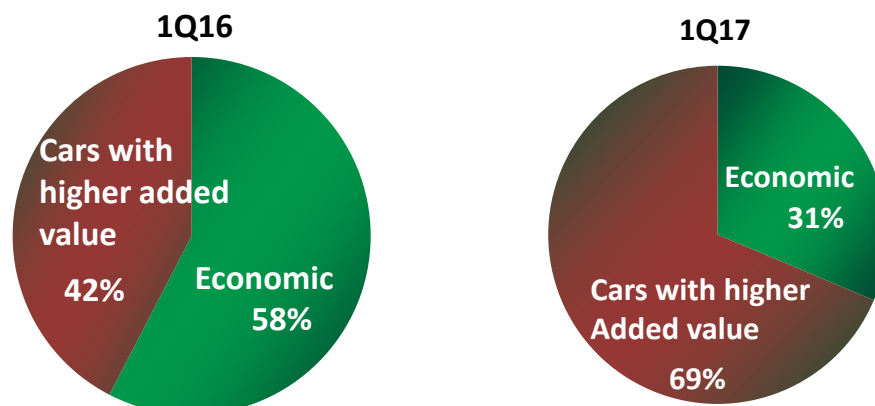
Net Investment in Fleet (R\$ million)



In 1Q17, **Car Rental Division's** fleet was reduced after the peak demand of summer vacation. In the consolidated, 15,123 cars were purchased and 20,309 were sold (reduction of 5,186 cars), totaling a divestment of R\$141.0 million.

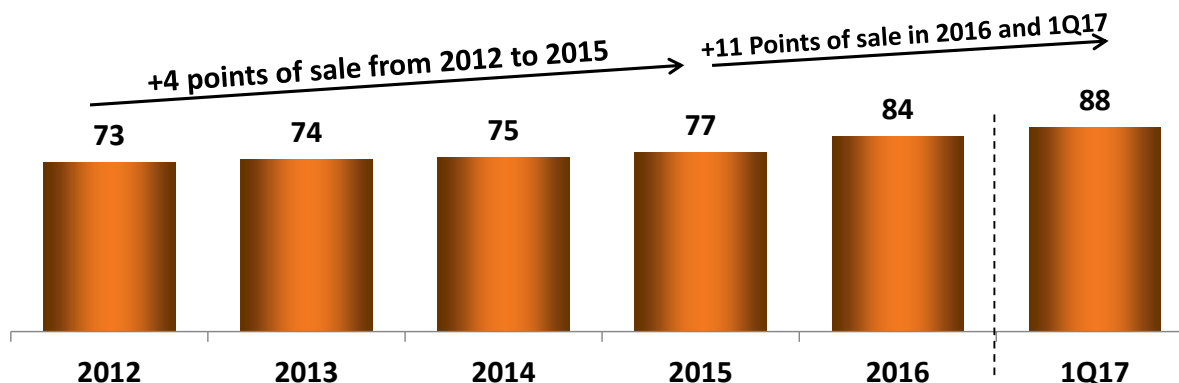
	Car Rental		Variation %
	1Q16	1Q17	
Average price of cars purchased (R\$ thousand)	34.9	40.7	16.6%

The increase in the average price of cars purchased in the **Car Rental Division** is due to the purchased mix, as shown below:



4 – Seminovos

Number of Points of sale (Brazil)

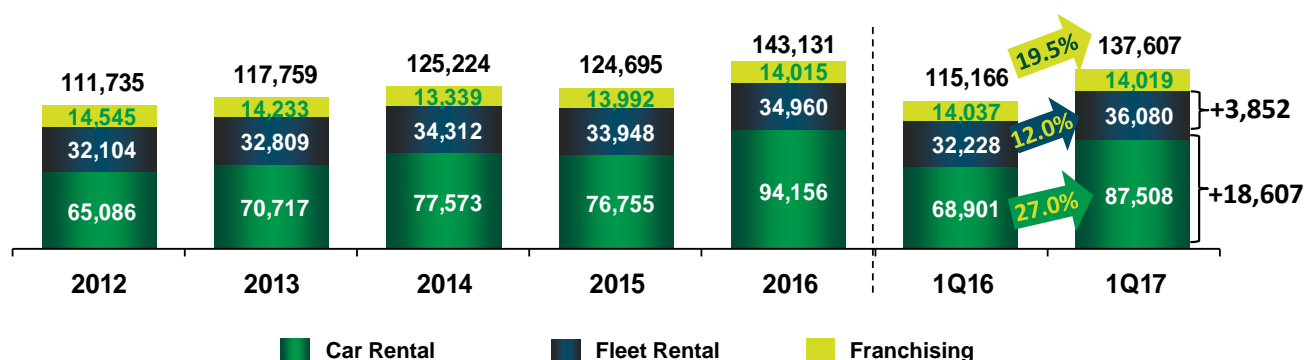


As of 03/31/2017, **Seminovos** was comprised of 88 stores distributed across 56 Brazilian cities. Since 2013, **Seminovos** started to look for outlets ready to use (former dealers and resellers), to open new points of sale, reducing capex per store.

New stores shall be opened, to support the fleet renewal, due to the strong growth of the **Car Rental Division**.

5 – End of period fleet

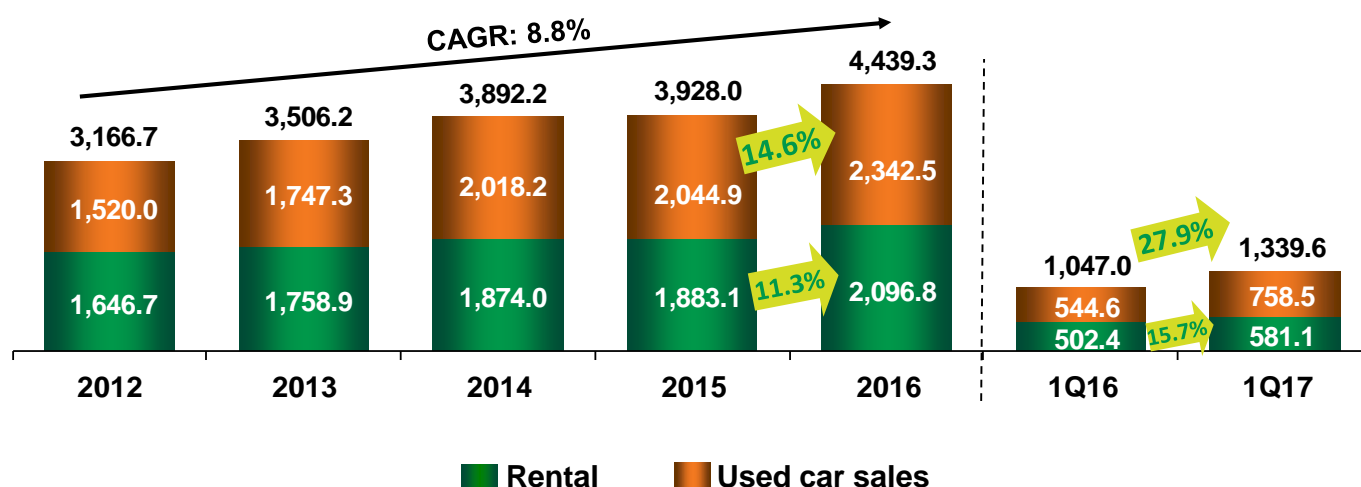
End of Period Fleet (quantity)



In the 1Q17 the consolidated fleet totaled 137,607, an increase of 22,441 cars. The fleet of the **Car Rental Division** grew 27.0% when compared to the same period of the previous year to support the strong growth of the rental demand.

6 – Net revenues - consolidated

Consolidated net revenues (R\$ million)

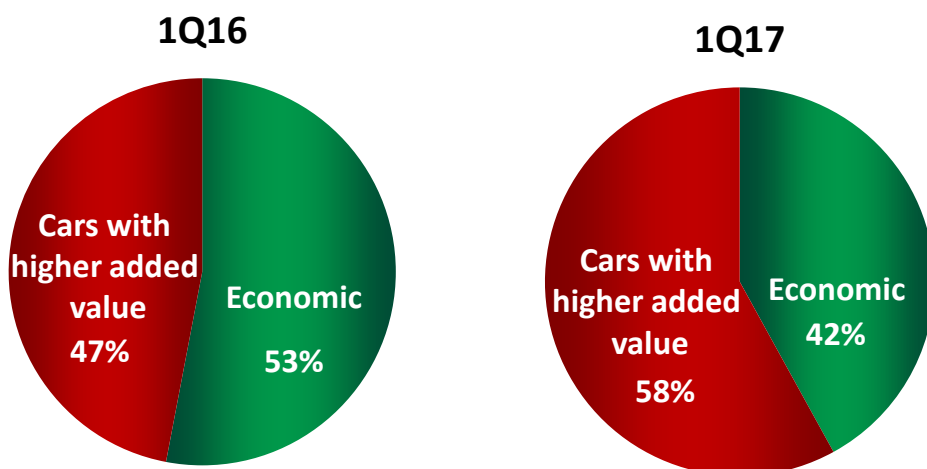


In 1Q17, consolidated net revenues grew 27.9% when compared with 1Q16.

Rental revenues grew 15.7%, being 18.8% growth in the **Car Rental Division** and 9.4% increase in the **Fleet Rental Division**.

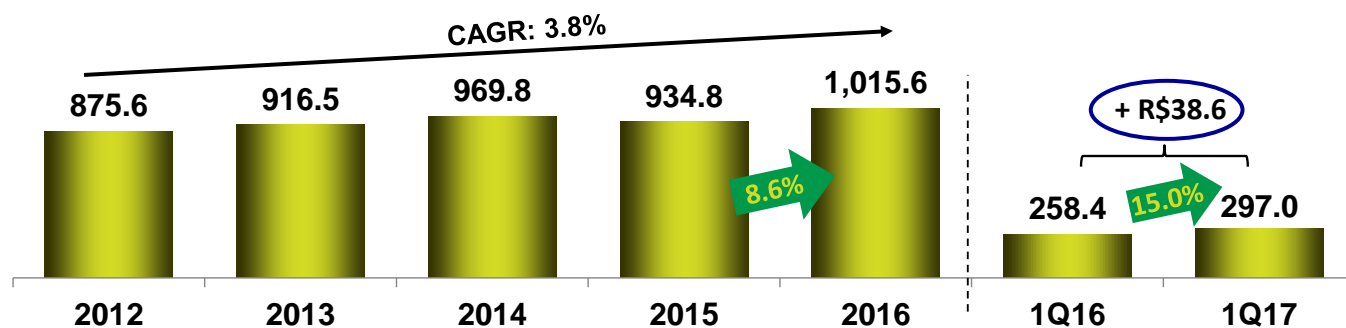
Net revenue from **Seminovos** in 1Q17 grew 39.3% when compared with 1Q16, due to the increase of 24.2% in the volume of cars sold and 12.2% in the average car sales price, mainly due to the change of mix in purchased cars with higher aggregated value in 4Q15 for the **Car Rental Division**.

	Car Rental		Variation %
	1Q16	1Q17	
Average price of cars sold (R\$ thousand)	34.0	38.0	11.7%



7 – EBITDA

Consolidated EBITDA (R\$ million)



Divisions	2012	2013	2014*	2015	2016	1Q16	1Q17
Car Rental	40.9%	36.8%	38.7%	31.8%	32.3%	34.5%	36.6%
Fleet Rental	66.4%	65.5%	60.0%	62.2%	64.5%	64.5%	63.0%
Rental Consolidated	49.3%	46.5%	45.3%	41.7%	42.3%	44.1%	44.5%
Used Car Sales	4.2%	5.7%	6.0%	7.3%	5.5%	6.8%	5.0%

(*) It considers the new appropriation criteria of the overhead, which is also appropriated to Seminovos.

In 1Q17, consolidated EBITDA totaled R\$297.0 million, 14.9% higher than the same period last year.

In the **Car Rental Division**, the EBITDA margin was 36.6% in 1Q17, an increase of 2.1 p.p in relation to the 1Q16. This increase is mainly due to the growth of daily rental volume and consequent gains of scale in the operating expenses (SG&A).

In the **Fleet Rental Division**, EBITDA margin was 63.0% in 1Q17, 1.5p.p lower when compared to 1Q16.

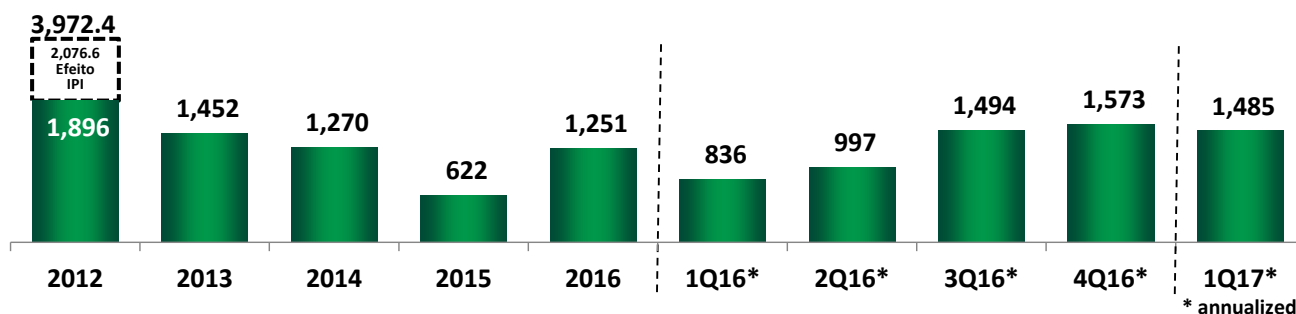
Seminovos EBITDA margin was 5.0% in 1Q17, 1.8p.p lower when compared to 1Q16.

8 – Depreciation

8.1 – Car Rental



Average depreciation per car (R\$) – Car Rental



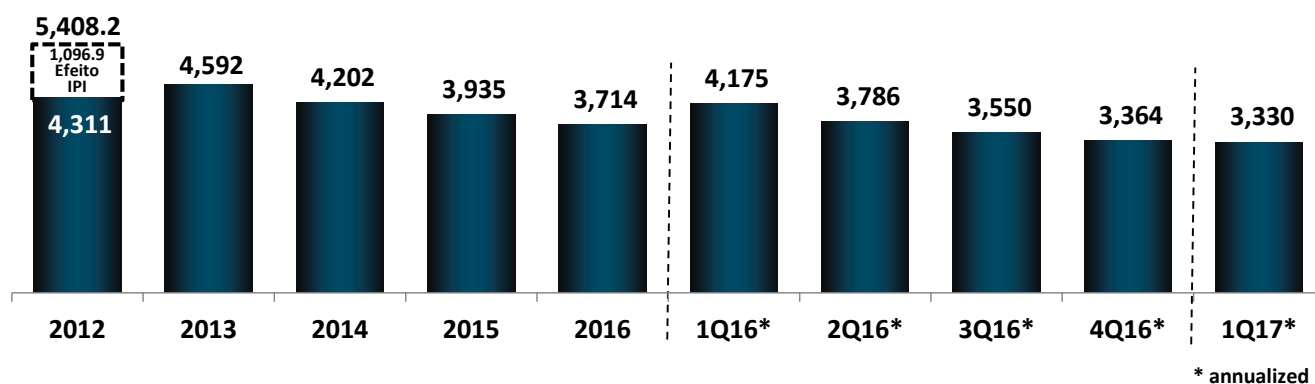
In the 1Q17 the average depreciation per car in the **Car Rental Division** was R\$1,484.8, R\$648.8 higher when compared to 1Q16. The increase in depreciation occurred in 3Q16 and since then the depreciation per car has remained stable.

Depreciation is calculated based on the future expectation of the car price, less average discounts and sales expenses. 1Q17 depreciation was higher in comparison to 1Q16, due to the new cars prices charged by the dealers are not increasing, as occurred in 2015.

8.2 – Fleet Rental



Average depreciation per car (R\$) – Fleet Rental

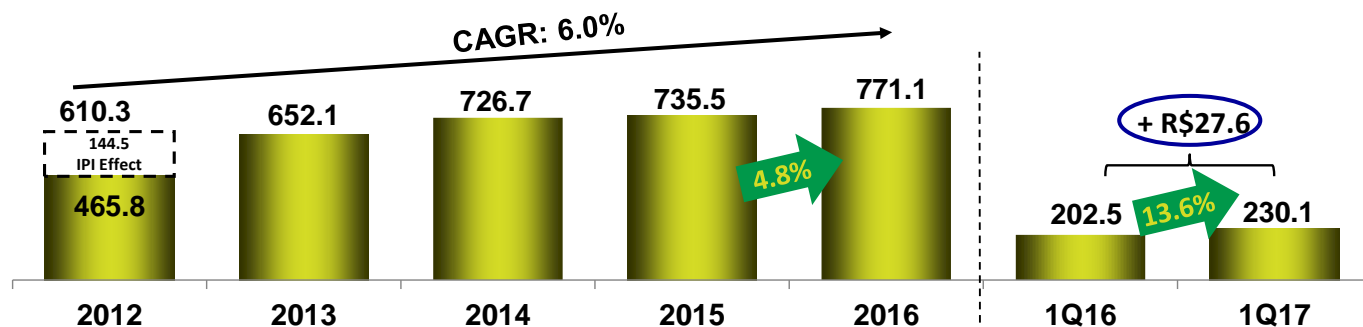


In the **Fleet Rental Division**, average depreciation per car in 1Q17 totaled R\$3,330.1, a 20.2% decrease if compared with 1Q16's depreciation.

Due to the longer cycle, the cars depreciation of this division benefits from the increase in new cars price, which occurs during the car's useful life.

9 – EBIT

Consolidated EBIT (R\$ million)



EBIT margin calculated on rental revenues:

Divisions	2012	2013	2014	2015	2016	1Q16	1Q17
Car Rental	23.7%	32.8%	36.2%	34.3%	30.2%	35.6%	34.8%
Fleet Rental	36.9%	45.1%	44.3%	48.9%	51.2%	50.3%	50.9%
Consolidated	28.3%	37.1%	38.8%	39.1%	36.8%	40.3%	39.6%

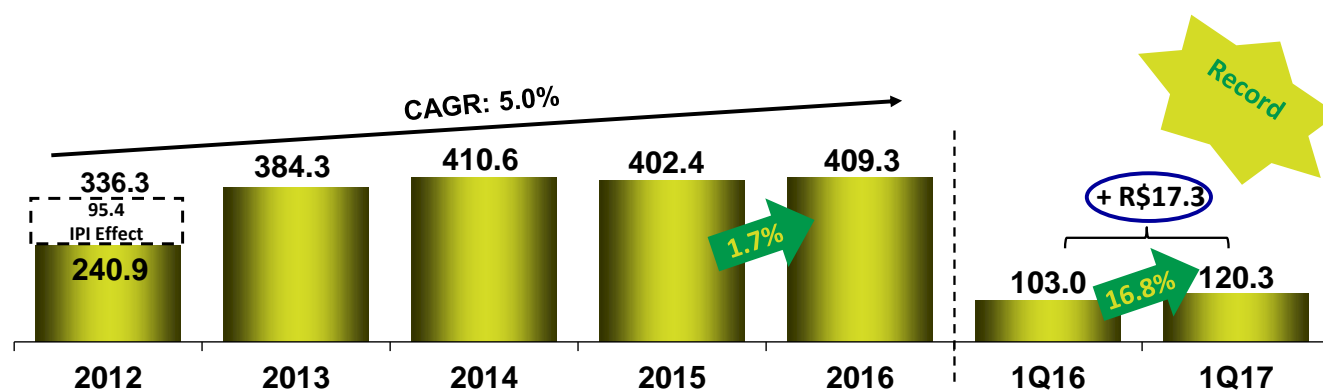
Consolidated EBIT increased 13.6% in the 1Q17 when compared with 1Q16.

The EBIT margin of the **Car Rental Division** in 1Q17 was 34.8%, a drop of 0.8 p.p in relation to 1Q16, due to the increase of the average depreciation per car.

The EBIT margin of the **Fleet Rental Division** in the 1Q17 was 50.9%, practically stable when compared to 1Q16.

10 – Consolidated net income

Consolidated net income (R\$ million)



Reconciliation EBITDA x Net income	2012	2013	2014	2015	2016	1Q16	1Q17	Var. R\$	Var. %
Consolidated EBITDA	875.6	916.5	969.8	934.8	1,015.6	258.4	297.0	38.6	14.9%
Cars depreciation	(232.4)	(229.0)	(207.4)	(163.6)	(206.3)	(46.3)	(57.9)	(11.6)	25.1%
Cars additional depreciation – IPI effect	(144.5)	-	-	-	-	-	-	-	-
Other property depreciation and amortization	(32.9)	(35.4)	(35.7)	(35.7)	(38.2)	(9.6)	(9.0)	0.4	-6.3%
EBIT	465.8	652.1	726.7	735.5	771.1	202.5	230.1	27.6	13.6%
Financial expenses, net	(138.7)	(110.6)	(151.1)	(202.7)	(243.5)	(67.7)	(74.8)	(7.1)	10.5%
Income tax and social contribution	(135.3)	(157.2)	(165.0)	(130.4)	(118.3)	(31.8)	(35.0)	(3.2)	10.1%
Income tax and social contribution – IPI effect	49.1	-	-	-	-	-	-	-	-
Net income of the period	240.9	384.3	410.6	402.4	409.3	103.0	120.3	17.3	16.8%

Record quarterly net income of R\$120.3 million in 1Q17, a 16.8% increase when compared with 1Q16, mainly due to:

- R\$38.6 million increase in EBITDA;

Partially offset by:

- R\$11.2 million increase in depreciation due to the increase in the fleet and in the average depreciation per car in the **Car Rental Division**; and
- R\$7.1 million increase of net financial expenses, due to the increase in the average net debt due to the investment in 22,459 cars for fleet increase, partially offset by the drop in the basic interest rate.

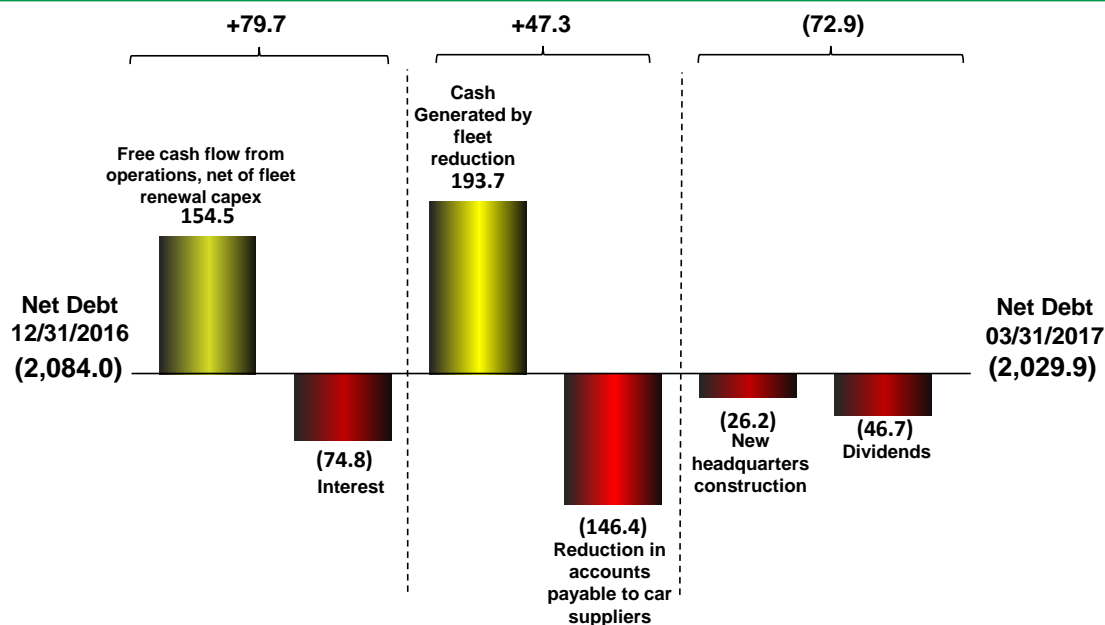
11 – Free cash flow (FCF)

Free cash flow - R\$ million		2012	2013	2014	2015	2016	1Q17
Operations	EBITDA	875.6	916.5	969.8	934.8	1,015.6	297.0
	Used car sale revenue, net from taxes	(1,520.0)	(1,747.3)	(2,018.2)	(2,044.9)	(2,342.5)	(758.5)
	Depreciated cost of cars sold	1,360.2	1,543.8	1,777.0	1,769.1	2,102.5	688.4
	(-) Income tax and social contribution	(100.9)	(108.5)	(113.1)	(110.7)	(93.3)	(24.0)
	Change in working capital	37.1	2.9	(27.1)	(30.0)	113.2	17.6
Cash generated by rental operations		652.0	607.4	588.4	518.3	795.5	220.5
Capex - Renewals	Used car sale revenue, net from taxes	1,520.0	1,747.3	2,018.2	2,036.3	2,342.5	564.8
	Fleet renewal investment	(1,563.3)	(1,819.7)	(2,197.7)	(2,278.4)	(2,563.6)	(618.2)
	Net investment for fleet renewal	(43.3)	(72.4)	(179.5)	(242.1)	(221.1)	(53.4)
	Fleet renewal – quantity	56,644	62,641	70,621	64,032	68,449	12,123
Investment, other property and intangibles investments		(77.8)	(47.5)	(46.3)	(29.7)	(42.2)	(12.6)
Free cash flow from operations, net of fleet renewal capex		530.9	487.5	362.6	246.5	532.2	154.5
Capex - Growth	Fleet growth (investment)	(55.5)	(209.4)	(286.8)	8.6	(726.0)	193.7
	Change in accounts payable to car suppliers	(116.9)	89.7	334.4	(121.2)	190.7	(146.4)
	Fleet growth	(172.4)	(119.7)	47.6	(112.6)	(535.3)	47.3
	Fleet increase / (reduction) – quantity	2,011	7,103	9,183	(273)	19,384	(5,186)
Free cash flow after growth, and before interest and new HQ		358.5	367.8	410.2	133.9	(3.1)	201.8
New headquarters construction		(2.4)	(6.5)	(148.3)	(30.7)	(84.4)	(26.2)
Free cash flow before interest		356.1	361.3	261.9	103.2	(87.5)	175.6

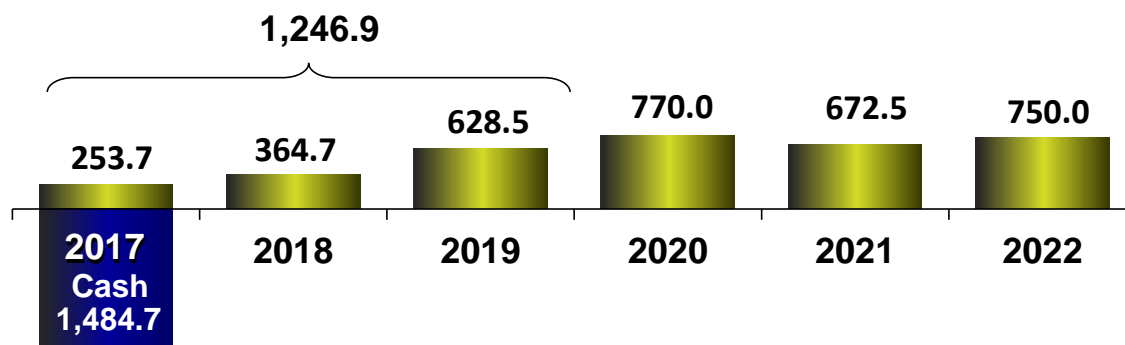
The cash generated by fleet reduction after the peak of summer vacation was used to reduce the accounts payable to car suppliers.

12 – Debt

12.1 – Change in debt – R\$ million



12.2 – Debt maturity profile at March 31, 2017 – Principal – R\$ million

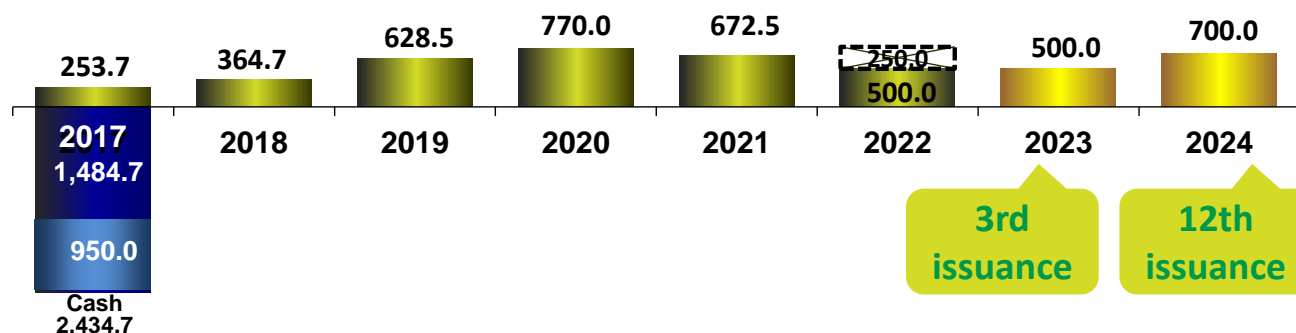


Debt	Contract rate	2017	2018	2019	2020	2021	2022	Total
Debentures 6th Issuance	CDI + 0.95% pa	30.0	120.0	120.0	-	-	-	270.0
Debentures 7th Issuance	110.95% CDI	37.5	75.0	75.0	100.0	100.0	-	387.5
Debentures 8th Issuance	109.5% CDI	-	-	250.0	250.0	-	-	500.0
Debentures 9th Issuance	113.2% CDI	-	-	50.0	150.0	300.0	-	500.0
Debentures 10th Issuance	113.9% CDI	-	-	-	100.0	100.0	-	200.0
Debentures 11th Issuance	111.5% CDI	-	-	-	-	-	500.0	500.0
Debentures 2nd Issuance of Localiza Fleet	106.8% CDI	-	-	-	-	-	250.0	250.0
CCBI – New headquarters	98.8% CDI	-	-	47.5	95.0	47.5	-	190.0
Working Capital / Others	Several	186.2	169.7	86.0	75.0	125.0	-	641.9
Interest accrued and paid	-	75.2	-	-	-	-	-	75.2
Cash and cash equivalents on 03/31/2017	-	(1,484.7)	-	-	-	-	-	(1,484.7)
Net debt	-	(1,155.8)	364.7	628.5	770.0	672.5	750.0	(2,029.9)

Comfortable debt profile and cash position

12.3 – Debt maturity profile proforma after the issuances – Principal – R\$

Proforma debt profile after 12th debenture issuance of Localiza and 3rd debenture issuance of Localiza Fleet

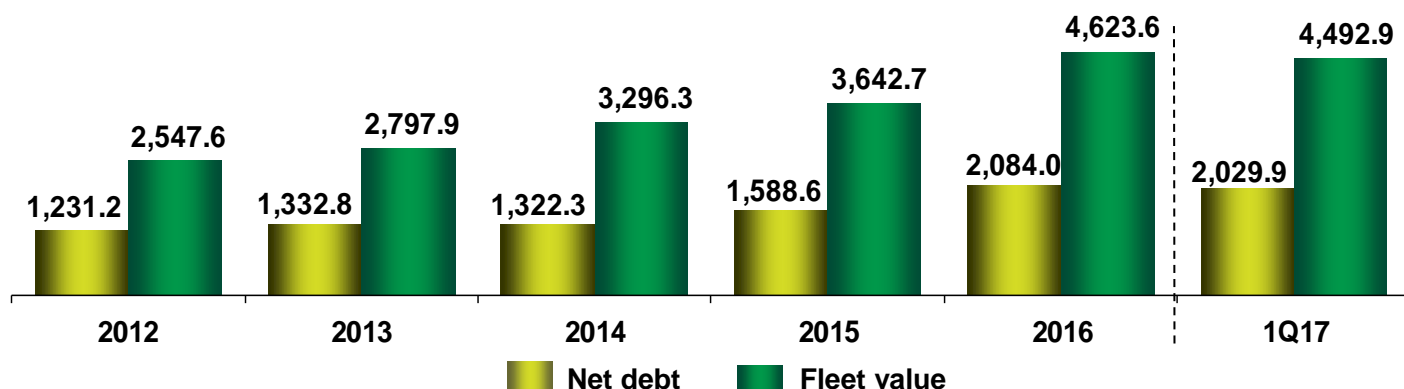


On April 17, 2017, the Board of Directors approved: (i) 12th public debenture issuance in the amount of R\$700.0 million and (ii) 3rd Localiza Fleet debenture issuance in the amount of R\$500.0 million. The proceeds will be used for an optional early redemption of the 2nd public debentures issuance totaling R\$250.0 million and to recompose cash position.

Both issuances will be subject to public distribution with restricted placement efforts and with placement commitment guarantee, pursuant to CVM Instruction 476/09.

12.4 – Debt ratios

Net debt vs. Fleet value



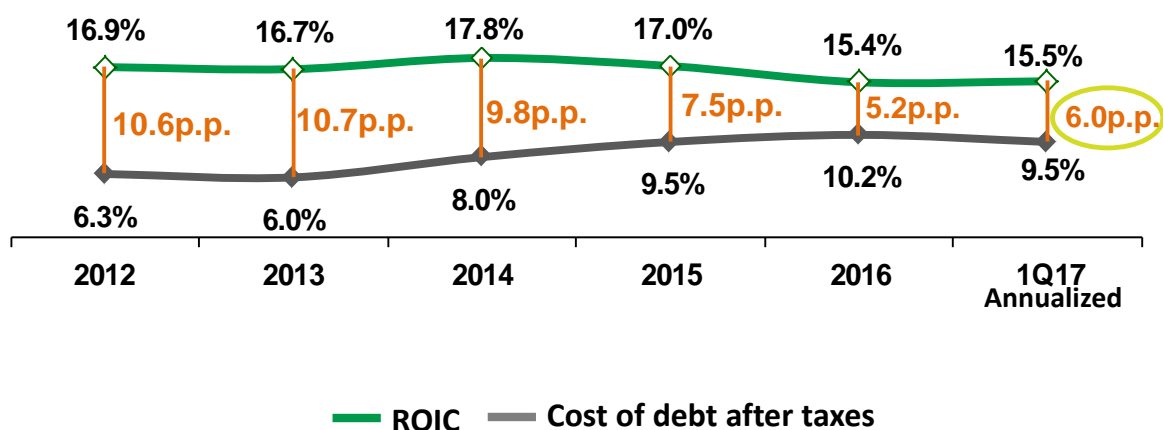
BALANCE AT THE END OF PERIOD	2012	2013	2014	2015	2016	1Q17
Net debt / Fleet value	48%	48%	40%	44%	45%	45%
Net debt / EBITDA(*)	1.4x	1.5x	1.4x	1.7x	2.1x	1.7x
Net debt / Equity	0.9x	1.0x	0.8x	0.8x	0.9x	0.9x
EBITDA / Net financial expenses	6.3x	8.3x	6.4x	4.6x	4.2x	4.0x

(*)Annualized

The Company continues to present comfortable leverage levels.

13 – Spread (ROIC minus cost of debt after taxes)

SPREAD



ROIC considered effective income tax rate

2012 ROIC was calculated excluding additional fleet depreciation that was treated as an equity loss since it relates to extraordinary non-recurring event caused by external factors (IPI tax reduction for new cars), following the concepts recommended by Stern Value Management.

Increase of 0.8p.p in 1Q17 spread.

14 – Dividends and interest on capital (IOC)

2016 dividends and interest on capital were approved as follow:

Nature	Reference period	Approval date	Shareholding position date	Payment date	Gross amount (R\$ million)	Gross amount per share (R\$)
IOC	2016	03/17/2016	03/31/2016	05/12/2016	35.4	0.170149
IOC	2016	06/23/2016	06/30/2016	08/17/2016	36.8	0.176597
IOC	2016	09/29/2016	09/30/2016	11/23/2016	33.0	0.158655
Dividends	2015	04/29/2016	04/29/2016	05/20/2016	1.0	0.005004
IOC	2016	12/15/2016	12/22/2016	02/08/2017	46.7	0.224468
Total					152.9	

2017 interest on capital were approved as follow:

Nature	Reference period	Approval date	Shareholding position date	Payment date	Gross amount (R\$ million)	Gross amount per share (R\$)
IOC	2017	03/08/2017	03/15/2017	05/02/2017	39.9	0.191612
Total					39.9	

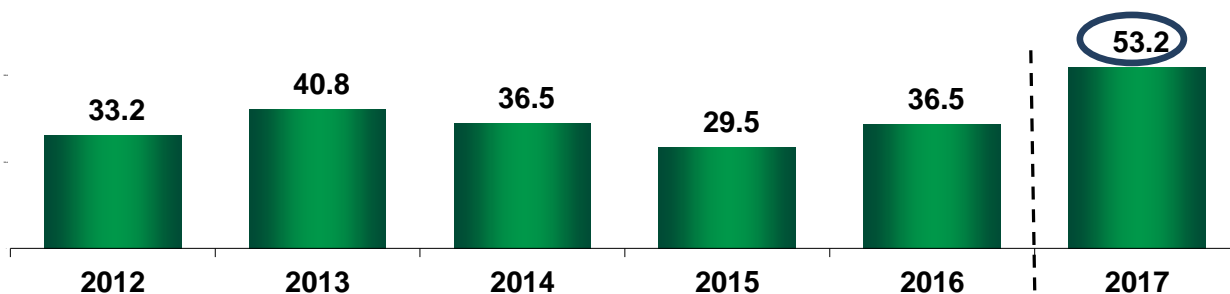
15 – RENT3

On 03/31/2017, the Company had 211,793,400 issued shares, being 2,950,932 held in treasury.

There were 7,014,518 level 1 ADRs issued as of March 31, 2017, compared with 6,868,001 on December 31, 2016.

Until 03/31/2017, ADTV of RENT3 was R\$53.2 million.

Average daily volume - Until March 31, 2017 (R\$ million)



About Localiza's financial information:

The financial information is audited and presented in million of Brazilian Reais, unless where otherwise stated, and from 2011 on, is based on financial information prepared in accordance with International Financial Reporting Standards (IFRS).

16 – Results per division

16.1 –Table 1 – Car Rental – R\$ million

CAR RENTAL RESULTS	2012	2013	2014	2015	2016	Var.	1Q16	1Q17	Var.
Car rental gross revenues (*)	1,132.3	1,208.4	1,352.1	1,316.9	1,486.9	12.9%	354.7	420.8	18.6%
Taxes on revenues	(38.6)	(44.9)	(67.7)	(58.9)	(58.9)	0.0%	(15.0)	(17.3)	15.3%
Car rental net revenues	1,093.7	1,163.5	1,284.4	1,258.0	1,428.0	13.5%	339.7	403.5	18.8%
Car rental costs	(476.6)	(536.9)	(577.3)	(618.1)	(707.4)	14.4%	(160.4)	(189.7)	18.3%
Gross profit	617.1	626.6	707.1	639.9	720.6	12.6%	179.3	213.8	19.2%
Operating expenses (SG&A)	(170.2)	(197.9)	(209.7)	(239.9)	(258.8)	7.9%	(62.0)	(66.0)	6.5%
Other assets depreciation and amortization	(19.9)	(22.2)	(22.2)	(22.3)	(23.9)	7.2%	(6.1)	(5.4)	-11.5%
Operating profit before financial results and taxes (EBIT)	427.0	406.5	475.2	377.7	437.9	15.9%	111.2	142.4	28.1%
Financial expenses, net	(2.7)	(1.3)	(1.5)	(2.0)	(1.4)	-30.0%	(0.4)	(0.3)	-25.0%
Income tax and social contribution	(123.8)	(119.5)	(136.2)	(89.9)	(95.9)	6.7%	(25.2)	(31.8)	26.2%
Net income for the period	300.5	285.7	337.5	285.8	340.6	19.2%	85.6	110.3	28.9%
Net Margin	27.5%	24.6%	26.3%	22.7%	23.9%	1.2p.p.	25.2%	27.3%	2.1p.p.
EBITDA	446.9	428.7	497.4	400.0	461.8	15.5%	117.3	147.8	26.0%
EBITDA Margin	40.9%	36.8%	38.7%	31.8%	32.3%	0.5p.p.	34.5%	36.6%	2.1p.p.

USED CAR SALES RESULTS (SEMINOVOS)	2012	2013	2014	2015	2016	Var.	1Q16	1Q17	Var.
Gross revenues (*)	1,253.6	1,486.1	1,671.4	1,679.2	1,997.8	19.0%	436.2	678.8	55.6%
Taxes on revenues	(3.3)	(3.1)	(3.5)	(2.5)	(2.7)	8.0%	(0.4)	(0.9)	125.0%
Net revenues	1,250.3	1,483.0	1,667.9	1,676.7	1,995.1	19.0%	435.8	677.9	55.6%
Book value of cars sold	(1,068.5)	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	23.7%	(371.6)	(595.6)	60.3%
Gross profit	181.8	211.1	239.5	280.4	267.6	-4.6%	64.2	82.3	28.2%
Operating expenses (SG&A)	(125.6)	(138.7)	(160.7)	(178.8)	(176.8)	-1.1%	(39.0)	(51.8)	32.8%
Cars depreciation	(212.7)	(85.8)	(78.1)	(38.9)	(87.8)	125.7%	(13.4)	(30.1)	124.6%
Other assets depreciation and amortization	(11.5)	(11.7)	(11.3)	(8.8)	(9.1)	3.4%	(2.1)	(2.5)	19.0%
Operating profit (loss) before financial results and taxes (EBIT)	(168.0)	(25.1)	(10.6)	53.9	(6.1)	-111.3%	9.7	(2.1)	-121.6%
Financial expenses, net	(92.6)	(76.6)	(106.3)	(138.4)	(174.4)	26.0%	(47.7)	(55.6)	16.6%
Income tax and social contribution	83.1	30.3	33.2	17.6	37.2	111.4%	6.7	12.6	88.1%
Net loss for the period	(177.5)	(71.4)	(83.7)	(66.9)	(143.3)	114.2%	(31.3)	(45.1)	44.1%
Net Margin	-14.2%	-4.8%	-5.0%	-4.0%	-7.2%	-3.2p.p.	-7.2%	-6.7%	0.5p.p.
EBITDA	56.2	72.4	78.8	101.6	90.8	-10.6%	25.2	30.5	21.0%
EBITDA Margin	4.5%	4.9%	4.7%	6.1%	4.6%	-1.5p.p.	5.8%	4.5%	-1.3p.p.

CAR RENTAL TOTAL FIGURES	2012	2013	2014	2015	2016	Var.	1Q16	1Q17	Var.
Car rental gross revenues (*)	1,132.3	1,208.4	1,352.1	1,316.9	1,486.9	12.9%	354.7	420.8	18.6%
Car sales for fleet renewal - gross revenues (*)	1,253.6	1,486.1	1,671.4	1,679.2	1,997.8	19.0%	436.2	678.8	55.6%
Total gross revenues (*)	2,385.9	2,694.5	3,023.5	2,996.1	3,484.7	16.3%	790.9	1,099.6	39.0%
Taxes on revenues	(38.6)	(44.9)	(67.7)	(58.9)	(58.9)	0.0%	(15.0)	(17.3)	15.3%
Car rental	(3.3)	(3.1)	(3.5)	(2.5)	(2.7)	8.0%	(0.4)	(0.9)	125.0%
Car sales for fleet renewal	1,093.7	1,163.5	1,284.4	1,258.0	1,428.0	13.5%	339.7	403.5	18.8%
Car rental revenues - net revenues	1,250.3	1,483.0	1,667.9	1,676.7	1,995.1	19.0%	435.8	677.9	55.6%
Car sales for fleet renewal - net revenues	2,344.0	2,646.5	2,952.3	2,934.7	3,423.1	16.6%	775.5	1,081.4	39.4%
Total net revenues	2,344.0	2,646.5	2,952.3	2,934.7	3,423.1	16.6%	775.5	1,081.4	39.4%
Direct costs	(476.6)	(536.9)	(577.3)	(618.1)	(707.4)	14.4%	(160.4)	(189.7)	18.3%
Car rental	(1,068.5)	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	23.7%	(371.6)	(595.6)	60.3%
Car sales for fleet renewal	798.9	837.7	946.6	920.3	988.2	7.4%	243.5	296.1	21.6%
Gross profit	798.9	837.7	946.6	920.3	988.2	7.4%	243.5	296.1	21.6%
Operating expenses (SG&A)	(170.2)	(197.9)	(209.7)	(239.9)	(258.8)	7.9%	(62.0)	(66.0)	6.5%
Car rental	(125.6)	(138.7)	(160.7)	(178.8)	(176.8)	-1.1%	(39.0)	(51.8)	32.8%
Car sales for fleet renewal	(212.7)	(85.8)	(78.1)	(38.9)	(87.8)	125.7%	(13.4)	(30.1)	124.6%
Cars depreciation	(19.9)	(22.2)	(22.2)	(22.3)	(23.9)	7.2%	(6.1)	(5.4)	-11.5%
Other assets depreciation and amortization	(11.5)	(11.7)	(11.3)	(8.8)	(9.1)	3.4%	(2.1)	(2.5)	19.0%
Operating profit before financial results and taxes (EBIT)	259.0	381.4	464.6	431.6	431.8	0.0%	120.9	140.3	16.0%
Financial expenses, net	(95.3)	(77.9)	(107.8)	(140.4)	(175.8)	25.2%	(48.1)	(55.9)	16.2%
Income tax and social contribution	(40.7)	(89.2)	(103.0)	(72.3)	(58.7)	-18.8%	(18.5)	(19.2)	3.8%
Net income for the period	123.0	214.3	253.8	218.9	197.3	-9.9%	54.3	65.2	20.1%
Net margin	5.2%	8.1%	8.6%	7.5%	5.8%	-1.7p.p.	7.0%	6.0%	-1.0p.p.
EBITDA	503.1	501.1	576.2	501.6	552.6	10.2%	142.5	178.3	25.1%
EBITDA margin	21.5%	18.9%	19.5%	17.1%	16.1%	-1.0p.p.	18.4%	16.5%	-1.9p.p.

OPERATING DATA	2012	2013	2014	2015	2016	Var.	1Q16	1Q17	Var.
Average operating fleet	53,548	59,094	61,525	62,513	70,185	12.3%	64,191	81,011	26.2%
Average rented fleet	37,932	39,475	42,999	43,315	51,515	18.9%	47,139	59,508	26.2%
Average operating fleet age (in months)	7.8	7.2	7.2	7.4	7.9	6.8%	8.6	6.8	-20.9%
End of period fleet	65,086	70,717	77,573	76,755	94,156	22.7%	68,901	87,508	27.0%
Number of rental days - in thousands	13,748.8	14,241.7	15,416.0	15,566.1	18,662.4	19.9%	4,242.3	5,308.5	25.1%
Average daily rental revenues per car (R\$)	82.36	84.85	87.71	84.56	79.67	-5.8%	83.61	79.27	-5.2%
Annualized average depreciation per car (R\$)	3,972.4	1,452.4	1,270.0	622.1	1,251.2	101.1%	836.0	1,484.8	77.6%
Utilization rate	70.8%	66.8%	69.9%	69.3%	73.4%	4.1p.p.	73.4%	73.5%	0.1p.p.
Number of cars purchased	47,623	58,826	64,908	52,343	76,071	45.3%	5,123	11,518	124.8%
Number of cars sold	46,115	52,759	57,578	52,508	57,596	9.7%	12,822	17,857	39.3%
Average sold fleet age (in months)	15.7	15.3	14.4	14.9	16.8	12.8%	16.6	15.9	-4.2%
Average total fleet	60,773	68,251	70,982	72,169	80,765	11.9%	70,299	87,008	23.8%
Average value of total fleet - R\$ million	1,595.9	1,776.8	1,963.8	2,205.9	2,790.2	26.5%	2,337.5	3,189.4	36.4%
Average value per car in the period - R\$ thsd	26.3	26.0	27.7	30.6	34.5	12.7%	33.3	36.7	10.2%

(*) Gross revenues from car rental and car sales for fleet renewal are net of discounts and cancellations.

16.2 – Table 2 – Fleet Rental – R\$ million

FLEET RENTAL RESULTS	2012	2013	2014	2015	2016	Var.	1Q16	1Q17	Var.
Fleet rental gross revenues (*)	552.4	592.8	589.5	619.6	664.1	7.2%	160.9	177.8	10.5%
Taxes on revenues	(16.7)	(16.9)	(17.6)	(11.1)	(12.3)	10.8%	(2.5)	(4.5)	80.0%
Fleet rental net revenues	535.7	575.9	571.9	608.5	651.8	7.1%	158.4	173.3	9.4%
Fleet rental costs	(146.3)	(161.1)	(190.8)	(189.3)	(193.7)	2.3%	(46.8)	(51.4)	9.8%
Gross profit	389.4	414.8	381.1	419.2	458.1	9.3%	111.6	121.9	9.2%
Operating expenses (SG&A)	(33.5)	(37.5)	(38.1)	(40.7)	(37.9)	-6.9%	(9.5)	(12.8)	34.7%
Other assets depreciation and amortization	(1.1)	(1.1)	(1.1)	(2.2)	(2.9)	31.8%	(0.7)	(0.6)	-14.3%
Operating profit before financial results and taxes (EBIT)	354.8	376.2	341.9	376.3	417.3	10.9%	101.4	108.5	7.0%
Financial expenses, net	(0.5)	(0.1)	(0.2)	(0.1)	(1.1)	1000.0%	-	(0.1)	1.00
Income tax and social contribution	(104.3)	(111.4)	(99.2)	(90.5)	(90.4)	-0.1%	(21.0)	(24.2)	15.2%
Net income for the period	250.0	264.7	242.5	285.7	325.8	14.0%	80.4	84.2	4.7%
Net Margin	46.7%	46.0%	42.4%	47.0%	50.0%	3.0p.p.	50.8%	48.6%	-2.2p.p.
EBITDA	355.9	377.3	343.0	378.5	420.2	11.0%	102.1	109.1	6.9%
EBITDA Margin	66.4%	65.5%	60.0%	62.2%	64.5%	2.3p.p.	64.5%	63.0%	-1.5p.p.

USED CAR SALES RESULTS (SEMINOVOS)	2012	2013	2014	2015	2016	Var.	1Q16	1Q17	Var.
Gross revenues (*)	270.2	264.6	350.8	368.6	347.8	-5.6%	108.9	80.7	-25.9%
Taxes on revenues	(0.5)	(0.3)	(0.5)	(0.4)	(0.4)	0.0%	(0.1)	(0.1)	0.0%
Net revenues	269.7	264.3	350.3	368.2	347.4	-5.6%	108.8	80.6	-25.9%
Book value of cars sold	(237.3)	(214.1)	(276.3)	(286.7)	(279.4)	-2.5%	(87.2)	(66.5)	-23.7%
Gross profit	32.4	50.2	74.0	81.5	68.0	-16.6%	21.6	14.1	-34.7%
Operating expenses (SG&A)	(25.1)	(23.4)	(32.6)	(33.6)	(31.0)	-7.7%	(9.8)	(6.3)	-35.7%
Cars depreciation	(164.2)	(143.2)	(129.3)	(124.7)	(118.5)	-5.0%	(32.9)	(27.8)	-15.5%
Other assets depreciation and amortization	-	-	(0.6)	(2.0)	(1.8)	-10.0%	(0.6)	(0.3)	-50.0%
Operating profit (loss) before financial results and taxes (EBIT)	(156.9)	(116.4)	(88.5)	(78.8)	(83.3)	5.7%	(21.7)	(20.3)	-6.5%
Financial expenses, net	(43.8)	(34.0)	(44.9)	(63.8)	(68.7)	7.7%	(20.2)	(19.8)	-2.0%
Income tax and social contribution	59.9	44.7	38.4	33.7	32.3	-4.2%	8.1	8.9	9.9%
Net loss for the period	(140.8)	(105.7)	(95.0)	(108.9)	(119.7)	9.9%	(33.8)	(31.2)	-7.7%
Net Margin	-52.2%	-40.0%	-27.1%	-29.6%	-34.5%	-4.9p.p.	-31.1%	-38.7%	-7.6p.p.
EBITDA	7.3	26.8	41.4	47.9	37.0	-22.8%	11.8	7.8	-33.9%
EBITDA Margin	2.7%	10.1%	11.8%	13.0%	10.7%	-2.3p.p.	10.8%	9.7%	-1.1p.p.

FLEET RENTAL TOTAL FIGURES	2012	2013	2014	2015	2016	Var.	1Q16	1Q17	Var.
Fleet rental gross revenues (*)	552.4	592.8	589.5	619.6	664.1	7.2%	160.9	177.8	10.5%
Car sales for fleet renewal - gross revenues (*)	270.2	264.6	350.8	368.6	347.8	-5.6%	108.9	80.7	-25.9%
Total gross revenues (*)	822.6	857.4	940.3	988.2	1,011.9	2.4%	269.8	258.5	-4.2%
Taxes on revenues	(16.7)	(16.9)	(17.6)	(11.1)	(12.3)	10.8%	(2.5)	(4.5)	80.0%
Fleet rental	(16.7)	(16.9)	(17.6)	(11.1)	(12.3)	10.8%	(2.5)	(4.5)	80.0%
Car sales for fleet renewal	(0.5)	(0.3)	(0.5)	(0.4)	(0.4)	0.0%	(0.1)	(0.1)	0.0%
Fleet rental - net revenues	535.7	575.9	571.9	608.5	651.8	7.1%	158.4	173.3	9.4%
Car sales for fleet renewal - net revenues	269.7	264.3	350.3	368.2	347.4	-5.6%	108.8	80.6	-25.9%
Total net revenues (**)	805.4	840.2	922.2	976.7	999.2	2.3%	267.2	253.9	-5.0%
Direct costs	(146.3)	(161.1)	(190.8)	(189.3)	(193.7)	2.3%	(46.8)	(51.4)	9.8%
Fleet rental	(146.3)	(161.1)	(190.8)	(189.3)	(193.7)	2.3%	(46.8)	(51.4)	9.8%
Car sales for fleet renewal	(237.3)	(214.1)	(276.3)	(286.7)	(279.4)	-2.5%	(87.2)	(66.5)	-23.7%
Gross profit	421.8	465.0	455.1	500.7	526.1	5.1%	133.2	136.0	2.1%
Operating expenses (SG&A)	(33.5)	(37.5)	(38.1)	(40.7)	(37.9)	-6.9%	(9.5)	(12.8)	34.7%
Fleet rental	(33.5)	(37.5)	(38.1)	(40.7)	(37.9)	-6.9%	(9.5)	(12.8)	34.7%
Car sales for fleet renewal	(25.1)	(23.4)	(32.6)	(33.6)	(31.0)	-7.7%	(9.8)	(6.3)	-35.7%
Cars depreciation	(164.2)	(143.2)	(129.3)	(124.7)	(118.5)	-5.0%	(32.9)	(27.8)	-15.5%
Other assets depreciation and amortization	(1.1)	(1.1)	(1.1)	(2.2)	(2.9)	31.8%	(0.7)	(0.6)	-14.3%
Fleet rental	(1.1)	(1.1)	(1.1)	(2.2)	(2.9)	31.8%	(0.7)	(0.6)	-14.3%
Car sales for fleet renewal	-	-	(0.6)	(2.0)	(1.8)	-10.0%	(0.6)	(0.3)	(0.5)
Operating profit before financial results and taxes (EBIT)	197.9	259.8	253.4	297.5	334.0	12.3%	79.7	88.2	10.7%
Financial expenses, net	(44.3)	(34.1)	(45.1)	(63.9)	(69.8)	9.2%	(20.2)	(19.9)	-1.5%
Income tax and social contribution	(44.4)	(66.7)	(60.8)	(56.8)	(58.1)	2.3%	(12.9)	(15.3)	18.6%
Net income for the period	109.2	159.0	147.5	176.8	206.1	16.6%	46.6	53.0	13.7%
Net margin	13.6%	18.9%	16.0%	18.1%	20.6%	2.5p.p.	17.4%	20.9%	3.5p.p.
EBITDA	363.2	404.1	384.4	426.4	457.2	7.2%	113.9	116.9	2.6%
EBITDA margin	45.1%	48.1%	41.7%	43.7%	45.8%	2.1p.p.	42.6%	46.0%	3.5p.p.

OPERATING DATA	2012	2013	2014	2015	2016	Var.	1Q16	1Q17	Var.
Average operating fleet	30,357	31,188	30,778	31,676	31,908	0.7%	31,480	33,389	6.1%
Average rented fleet	29,444	30,121	28,787	30,280	31,222	3.1%	30,506	32,558	6.7%
Average operating fleet age (in months)	16.8	18.6	18.0	16.7	18.0	7.8%	17.4	18.9	8.5%
End of period fleet									
Rented Fleet	32,104	32,809	34,312	33,948	34,960	3.0%	32,228	36,080	12.0%
Managed Fleet	162	30	267	207	145	-30.0%	139	121	-12.9%
Number of rental days - in thousands	10,600.7	10,843.7	10,363.3	10,900.9	11,240.0	3.1%	2,745.5	2,930.0	6.7%
Average daily rental revenues per car (R\$)	51.59	53.83	56.16	56.08	58.23	3.8%	57.65	59.94	4.0%
Annualized average depreciation per car (R\$)	5,408.2	4,592.3	4,202.1	3,935.2	3,714.0	-5.6%	4,175.1	3,330.1	-20.2%
Utilization rate	97.0%	96.6%	93.5%	95.6%	97.9%	2.3p.p.	96.9%	97.5%	0.6p.p.
Number of cars purchased	11,032	10,918	14,896	11,689	11,762	0.6%	1,866	3,605	93.2%
Number of cars sold	10,529	9,882	13,043	11,797	10,853	-8.0%	3,526	2,452	-30.5%
Average sold fleet age (in months)	31.8	32.4	35.1	33.4	31.4	-6.1%	30.8	32.1	4.2%
Average total fleet	31,688	32,488	32,686	33,446	33,436	0.0%	32,660	35,373	8.3%
Average value of total fleet - R\$ million	886.3	887.3	943.3	1,067.1	1,130.4	5.9%	1,079.9	1,233.8	14.3%
Average value per car in the period - R\$ thsd	28.0	27.3	28.9	31.9	33.8	6.0%	33.1	34.9	5.4%

(*) Gross revenues from fleet rental and car sales for fleet renewal are net of discounts and cancellations.

16.3 – Table 3 – *Franchising* – R\$ million

FRANCHISING RESULTS	2012	2013	2014	2015	2016	Var.	1Q16	1Q17	Var.
Gross revenues(*)	18.3	20.6	18.7	17.8	18.0	1.1%	4.6	4.6	0.0%
Taxes on revenues	(1.0)	(1.1)	(1.0)	(1.2)	(1.0)	-16.7%	(0.3)	(0.3)	0.0%
Net revenues	17.3	19.5	17.7	16.6	17.0	2.4%	4.3	4.3	0.0%
Costs	(7.9)	(8.1)	(7.8)	(9.2)	(9.7)	5.4%	(2.0)	(2.3)	15.0%
Gross profit	9.4	11.4	9.9	7.4	7.3	-1.4%	2.3	2.0	-13.0%
Operating expenses (SG&A)	(0.1)	(0.1)	(0.7)	(0.6)	(1.5)	150.0%	(0.3)	(0.2)	(0.33)
Other assets depreciation and amortization	(0.4)	(0.4)	(0.5)	(0.4)	(0.5)	25.0%	(0.1)	(0.2)	100.0%
Operating profit before financial results and taxes (EBIT)	8.9	10.9	8.7	6.4	5.3	-17.2%	1.9	1.6	-15.8%
Financial expenses, net	0.9	1.4	1.8	1.6	2.1	31.3%	0.6	1.0	66.7%
Income tax and social contribution	(1.1)	(1.3)	(1.2)	(1.3)	(1.5)	15.4%	(0.4)	(0.5)	25.0%
Net income for the period	8.7	11.0	9.3	6.7	5.9	-11.9%	2.1	2.1	0.0%
Net Margin	50.3%	56.4%	52.5%	40.4%	34.7%	-5.7p.p.	48.8%	48.8%	0.0p.p.
EBITDA	9.3	11.3	9.2	6.8	5.8	-14.7%	2.0	1.8	-10.0%
EBITDA Margin	53.8%	57.9%	52.0%	41.0%	34.1%	-6.9p.p.	46.5%	41.9%	-4.6p.p.

(*) Gross revenues are net of discounts and cancellations.

16.4 – Table 4 – Consolidated – R\$ million

CONSOLIDATED RESULTS	2012	2013	2014	2015	2016	Var.	1Q16	1Q17	Var.
Car rental gross revenues (*)	1,132.3	1,208.4	1,352.1	1,316.9	1,486.9	12.9%	354.7	420.8	18.6%
Franchising gross revenues (*)	18.3	20.6	18.7	17.8	18.0	1.1%	4.6	4.6	0.0%
Car Rental and Franchising total gross revenues (*)	1,150.6	1,229.0	1,370.8	1,334.7	1,504.9	12.8%	359.3	425.4	18.4%
Fleet Rental gross revenues (*)	552.4	592.8	589.5	619.6	664.1	7.2%	160.9	177.8	10.5%
Car and Fleet Rentals and Franchising total gross revenues (*)	1,703.0	1,821.8	1,960.3	1,954.3	2,169.0	11.0%	520.2	603.2	16.0%
Taxes on revenues - Car and Fleet Rentals and Franchising	(56.3)	(62.9)	(86.3)	(71.2)	(72.2)	1.4%	(17.8)	(22.1)	24.2%
Car and Fleet Rentals and Franchising net revenues	1,646.7	1,758.9	1,874.0	1,883.1	2,096.8	11.3%	502.4	581.1	15.7%
Car sales gross revenues									
Car sales for fleet renewal - Car Rental (*)	1,253.6	1,486.1	1,671.4	1,679.2	1,997.8	19.0%	436.2	678.8	55.6%
Car sales for fleet renewal - Fleet Rental (*)	270.2	264.6	350.8	368.6	347.8	-5.6%	108.9	80.7	-25.9%
Car sales for fleet renewal - total gross revenues (*)	1,523.8	1,750.7	2,022.2	2,047.8	2,345.6	14.5%	545.1	759.5	39.3%
Taxes on revenues - Car sales for fleet renewal	(3.8)	(3.4)	(4.0)	(2.9)	(3.1)	6.9%	(0.5)	(1.0)	100.0%
Car sales for fleet renewal - net revenues	1,520.0	1,747.3	2,018.2	2,044.9	2,342.5	14.6%	544.6	758.5	39.3%
Total net revenues	3,166.7	3,506.2	3,892.2	3,928.0	4,439.3	13.0%	1,047.0	1,339.6	27.9%
Direct costs and expenses:									
Car rental	(476.6)	(536.9)	(577.3)	(618.1)	(707.4)	14.4%	(160.4)	(189.7)	18.3%
Franchising	(7.9)	(8.1)	(7.8)	(9.2)	(9.7)	5.4%	(2.0)	(2.3)	15.0%
Total Car rental and Franchising	(484.5)	(545.0)	(585.1)	(627.3)	(717.1)	14.3%	(162.4)	(192.0)	18.2%
Fleet Rental	(146.3)	(161.1)	(190.8)	(189.3)	(193.7)	2.3%	(46.8)	(51.4)	9.8%
Total Car and Fleet Rentals and Franchising	(630.8)	(706.1)	(775.9)	(816.6)	(910.8)	11.5%	(209.2)	(243.4)	16.3%
Car sales for fleet renewal - Car rental	(1,068.5)	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	23.7%	(371.6)	(595.6)	60.3%
Car sales for fleet renewal - Fleet Rental	(237.3)	(214.1)	(276.3)	(286.7)	(279.4)	-2.5%	(87.2)	(66.5)	-23.7%
Total Car sales for fleet renewal (book value)	(1,305.8)	(1,486.0)	(1,704.7)	(1,683.0)	(2,006.9)	19.2%	(458.8)	(662.1)	44.3%
Total costs	(1,936.6)	(2,192.1)	(2,480.6)	(2,499.6)	(2,917.7)	16.7%	(668.0)	(905.5)	35.6%
Gross profit	1,230.1	1,314.1	1,411.6	1,428.4	1,521.6	6.5%	379.0	434.1	14.5%
Operating expenses									
Advertising, promotion and selling:									
Car rental	(93.3)	(103.5)	(117.8)	(127.9)	(148.6)	16.2%	(34.2)	(42.0)	22.8%
Franchising	(0.1)	(0.1)	(0.8)	(0.6)	(0.6)	0.0%	(0.1)	(0.1)	-
Total car rental and Franchising	(93.4)	(103.6)	(118.6)	(128.5)	(149.2)	16.1%	(34.3)	(42.1)	22.7%
Fleet Rental	(11.6)	(14.4)	(15.1)	(18.2)	(14.0)	-23.1%	(3.6)	(4.8)	33.3%
Car sales for fleet renewal	(150.6)	(162.1)	(172.3)	(191.1)	(191.6)	0.3%	(45.4)	(54.0)	18.9%
Total advertising, promotion and selling	(255.6)	(280.1)	(306.0)	(337.8)	(354.8)	5.0%	(83.3)	(100.9)	21.1%
General, administrative and other expenses	(98.9)	(117.5)	(135.8)	(155.8)	(151.2)	-3.0%	(37.3)	(36.2)	-2.9%
Total Operating expenses	(354.5)	(397.6)	(441.8)	(493.6)	(506.0)	2.5%	(120.6)	(137.1)	13.7%
Depreciation expenses:									
Cars depreciation:									
Car rental	(212.7)	(85.8)	(78.1)	(38.9)	(87.8)	125.7%	(13.4)	(30.1)	124.6%
Fleet Rental	(164.2)	(143.2)	(129.3)	(124.7)	(118.5)	-5.0%	(32.9)	(27.8)	-15.5%
Total cars depreciation expenses	(376.9)	(229.0)	(207.4)	(163.6)	(206.3)	26.1%	(46.3)	(57.9)	25.1%
Other assets depreciation and amortization	(32.9)	(35.4)	(35.7)	(35.7)	(38.2)	7.0%	(9.6)	(9.0)	-6.3%
Total depreciation and amortization expenses	(409.8)	(264.4)	(243.1)	(199.3)	(244.5)	22.7%	(55.9)	(66.9)	19.7%
Operating profit before financial results and taxes (EBIT)	465.8	652.1	726.7	735.5	771.1	4.8%	202.5	230.1	13.6%
Financial expenses, net:									
Expense	(199.3)	(187.1)	(276.4)	(370.1)	(445.5)	20.4%	(112.2)	(129.1)	15.1%
Income	60.6	76.5	125.3	167.4	202.0	20.7%	44.5	54.3	22.0%
Financial (expenses) revenues, net	(138.7)	(110.6)	(151.1)	(202.7)	(243.5)	20.1%	(67.7)	(74.8)	10.5%
Income before tax and social contribution	327.1	541.5	575.6	532.8	527.6	-1.0%	134.8	155.3	15.2%
Income tax and social contribution	(86.2)	(157.2)	(165.0)	(130.4)	(118.3)	-9.3%	(31.8)	(35.0)	10.1%
Net income for the period	240.9	384.3	410.6	402.4	409.3	1.7%	103.0	120.3	16.8%
EBITDA	875.6	916.5	969.8	934.8	1,015.6	8.6%	258.4	297.0	14.9%
EBIT	465.8	652.1	726.7	735.5	771.1	4.8%	202.5	230.1	13.6%
Consolidated EBIT Margin	28.3%	37.1%	38.8%	39.1%	36.8%	-2.3p.p.	40.3%	39.6%	-0.7p.p.
Car and Fleet Rentals and Franchising EBITDA	812.1	817.3	849.6	785.3	887.8	13.1%	221.4	258.7	16.8%
EBITDA Margin	49.3%	46.5%	45.3%	41.7%	42.3%	0.6p.p.	44.1%	44.5%	0.4p.p.
Used Car Sales (Seminovos) EBITDA	63.5	99.2	120.2	149.5	127.7	-14.6%	37.0	38.3	3.5%
EBITDA Margin	4.2%	5.7%	6.0%	7.3%	5.5%	-1.8p.p.	6.8%	5.0%	-1.8p.p.

(*) Gross revenues are net of discounts and cancellations.

16.5 – Table 5 – Operating data

SELECTED OPERATING DATA	2012	2013	2014	2015	2016	Var.	1Q16	1Q17	Var.
Average operating fleet:									
Car Rental	53,548	59,094	61,525	62,513	70,185	12.3%	64,191	81,011	26.2%
Fleet Rental	30,357	31,188	30,778	31,676	31,908	0.7%	31,480	33,389	6.1%
Total	83,905	90,282	92,303	94,189	102,093	8.4%	95,671	114,400	19.6%
Average rented fleet:									
Car Rental	37,932	39,475	42,999	43,315	51,515	18.9%	47,139	59,508	26.2%
Fleet Rental	29,444	30,121	28,787	30,280	31,222	3.1%	30,506	32,558	6.7%
Total	67,376	69,596	71,786	73,595	82,737	12.4%	77,645	92,066	18.6%
Average age of operating fleet (months)									
Car Rental	7.8	7.2	7.2	7.4	7.9	6.8%	8.6	6.8	-20.9%
Fleet Rental	16.8	18.6	18.0	16.7	18.0	7.8%	17.4	18.9	8.5%
Average age of total operating fleet	11.0	11.1	10.0	10.6	11.0	3.8%	11.6	10.6	-8.6%
Fleet at end of period:									
Car Rental	65,086	70,717	77,573	76,755	94,156	22.7%	68,901	87,508	27.0%
Fleet Rental	32,104	32,809	34,312	33,948	34,960	3.0%	32,228	36,080	12.0%
Total	97,190	103,526	111,885	110,703	129,116	16.6%	101,129	123,588	22.2%
Managed fleet at end period - Fleet Rental	162	30	267	207	145	-30.0%	139	121	-12.9%
Fleet investment (R\$ million)									
Car Rental	1,227.2	1,634.5	1,909.1	1,773.1	2,782.2	56.9%	178.7	468.6	162.2%
Fleet Rental	386.4	389.7	571.2	502.0	503.4	0.3%	75.7	148.8	96.6%
Total	1,613.6	2,024.2	2,480.3	2,275.1	3,285.6	44.4%	254.4	617.4	142.7%
Number of rental days (In thousands):									
Car Rental - Total	13,886.3	14,414.7	15,696.2	15,815.8	18,864.8	19.3%	4,292.6	5,361.6	24.9%
Rental days for Fleet Rental replacement service	(137.5)	(173.0)	(280.2)	(249.7)	(202.4)	-18.9%	(50.3)	(53.1)	5.6%
Car Rental - Net	13,748.8	14,241.7	15,416.0	15,566.1	18,662.4	19.9%	4,242.3	5,308.5	25.1%
Fleet Rental	10,600.7	10,843.7	10,363.3	10,900.9	11,240.0	3.1%	2,745.5	2,930.0	6.7%
Total	24,349.5	25,085.4	25,779.3	26,467.0	29,902.4	13.0%	6,987.8	8,238.5	17.9%
Annualized average depreciation per car (R\$)									
Car Rental	3,972.4	1,452.4	1,270.0	622.1	1,251.2	101.1%	836.0	1,484.8	77.6%
Fleet Rental	5,408.2	4,592.3	4,202.1	3,935.2	3,714.0	-5.6%	4,175.1	3,330.1	-20.2%
Total	4,491.9	2,537.1	2,247.7	1,736.3	2,020.9	16.4%	1,934.7	2,023.4	4.6%
Average annual revenues per operating car (R\$ thousand)									
Car Rental	20.4	19.7	20.9	20.1	20.3	1.1%	21.3	20.2	-5.2%
Fleet Rental	17.5	18.2	18.3	18.9	20.1	6.5%	19.8	20.5	3.5%
Average daily rental (R\$)									
Car Rental (**)	82.36	84.85	87.71	84.56	79.67	-5.8%	83.61	79.27	-5.2%
Fleet Rental	51.59	53.83	56.16	56.08	58.23	3.8%	57.65	59.94	4.0%
Utilization rate:									
Car Rental	70.8%	66.8%	69.9%	69.3%	73.4%	4.1p.p.	73.4%	73.5%	0.1p.p.
Fleet Rental	97.0%	96.6%	93.5%	95.6%	97.9%	2.3p.p.	96.9%	97.5%	0.6p.p.
Number of cars purchased - consolidated	58,655	69,744	79,804	64,032	87,833	37.2%	6,989	15,123	116.4%
Average price of cars purchased (R\$ thsd) - consolidated	27.51	29.02	31.08	35.53	37.41	5.3%	36.40	40.83	12.2%
Numbers of cars sold - consolidated	56,644	62,641	70,621	64,305	68,449	6.4%	16,348	20,309	24.2%
Average price of cars sold (R\$ thsd) (*) - consolidated	24.24	25.36	25.90	28.54	31.23	9.4%	30.36	34.54	13.8%

(*) Net of SG&A expenses related to the sale of cars deactivated for fleet renewal.

(**) Not included the rentals for Fleet Rental Division.

17 – Consolidated financial statements – IFRS – R\$/million

ASSETS	2012	2013	2014	2015	2016	1Q17
CURRENT ASSETS:						
Cash and cash equivalents	823.9	1,010.7	1,390.2	1,385.1	1,692.3	1,484.7
Trade accounts receivable	361.1	408.3	459.6	486.1	424.5	341.8
Derivative financial instruments - swap	-	-	-	-	2.2	-
Other current assets	50.0	57.9	94.6	102.6	115.0	199.1
Decommissioning cars to fleet renewal	13.3	16.5	18.3	31.8	8.8	9.9
Total current assets	1,248.3	1,493.4	1,962.7	2,005.6	2,242.8	2,035.5
NON CURRENT ASSETS:						
Long-term assets:						
Marketable securities	-	-	92.5	-	-	-
Derivative financial instruments - swap	-	-	-	45.6	7.4	12.8
Trade accounts receivable	4.0	7.1	3.2	4.7	3.2	3.8
Escrow deposit	23.0	38.1	41.9	52.9	60.1	65.7
Deferred income tax and social contribution	24.5	32.4	-	-	-	-
Other non current assets	0.1	0.1	0.1	0.1	0.1	0.1
Total long-term assets	51.6	77.7	137.7	103.3	70.8	82.4
Property and equipment						
Cars	2,534.3	2,781.4	3,278.0	3,610.9	4,614.8	4,483.0
Other	171.0	166.1	203.9	314.1	405.8	436.6
Intangible:						
Software	36.2	47.3	60.3	67.1	61.1	60.0
Goodwill on acquisition of investments	4.5	12.3	22.0	22.0	22.0	22.0
Total non current assets	2,797.6	3,084.8	3,701.9	4,117.4	5,174.5	5,084.0
TOTAL ASSETS	4,045.9	4,578.2	5,664.6	6,123.0	7,417.3	7,119.5

LIABILITIES AND SHAREHOLDERS' EQUITY	2012	2013	2014	2015	2016	1Q17
CURRENT LIABILITIES:						
Trade accounts payable	356.2	460.5	828.4	690.6	910.9	739.0
Social and labor obligations	53.2	73.9	86.3	85.6	95.0	120.3
Loans, financing and debentures	210.1	275.4	300.9	422.4	654.6	396.7
Derivative financial instruments - swap	-	-	-	-	-	1.6
Income tax and social contribution	26.0	35.2	41.3	28.3	23.0	34.6
Dividends and interest on capital	18.7	53.1	59.2	29.3	39.7	34.0
Other current liabilities	70.0	78.6	82.3	99.9	118.5	109.7
Total current liabilities	734.2	976.7	1,398.4	1,356.1	1,841.7	1,435.9
NON CURRENT LIABILITIES:						
Loans, financing and debentures	1,845.0	2,068.1	2,411.6	2,596.9	3,131.3	3,125.0
Derivative financial instruments - swap	-	-	-	-	-	4.1
Provisions	35.2	50.9	69.9	68.3	63.1	68.3
Deferred income tax and social contribution	76.8	111.8	106.0	141.6	171.9	171.3
Other non current liabilities	30.0	29.5	23.2	18.5	12.3	11.7
Total non current liabilities	1,987.0	2,260.3	2,610.7	2,825.3	3,378.6	3,380.4
Total liabilities	2,721.2	3,237.0	4,009.1	4,181.4	5,220.3	4,816.3
SHAREHOLDERS' EQUITY:						
Capital	601.7	976.7	976.7	976.7	976.7	976.7
Capital Reserves	48.0	30.2	40.4	35.9	34.0	59.8
Earnings Reserves	675.0	334.3	638.4	929.0	1,186.3	1,266.7
Valuation adjustments to equity	-	-	-	-	-	-
Total shareholders' equity	1,324.7	1,341.2	1,655.5	1,941.6	2,197.0	2,303.2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,045.9	4,578.2	5,664.6	6,123.0	7,417.3	7,119.5

18 – Consolidated financial statements – Income statements and reconciliations - R\$/million

STATEMENT OF INCOME	2012	2013	2014	2015	2016	1Q17
Total net revenues	3,166.7	3,506.2	3,892.2	3,928.0	4,439.3	1,339.6
COSTS AND EXPENSES:						
Direct costs	(1,936.6)	(2,192.1)	(2,480.6)	(2,499.6)	(2,917.7)	(905.5)
Taxes on revenues	-	-	-	-	-	-
Selling, general, administrative and other expenses	(354.5)	(397.6)	(441.8)	(493.6)	(506.0)	(137.1)
Cars depreciation	(376.9)	(229.0)	(207.4)	(163.6)	(206.3)	(57.9)
Other assets depreciation and amortization	(32.9)	(35.4)	(35.7)	(35.7)	(38.2)	(9.0)
Total costs and expenses	(2,700.9)	(2,854.1)	(3,165.5)	(3,192.5)	(3,668.2)	(1,109.5)
Income before financial results and taxes (EBIT)	465.8	652.1	726.7	735.5	771.1	230.1
FINANCIAL EXPENSES, NET	(138.7)	(110.6)	(151.1)	(202.7)	(243.5)	(74.8)
Income before taxes	327.1	541.5	575.6	532.8	527.6	155.3
INCOME TAX AND SOCIAL CONTRIBUTION						
Current	(106.5)	(130.1)	(139.5)	(94.8)	(88.0)	(35.6)
Deferred	20.3	(27.1)	(25.5)	(35.6)	(30.3)	0.6
	(86.2)	(157.2)	(165.0)	(130.4)	(118.3)	(35.0)
Net income	240.9	384.3	410.6	402.4	409.3	120.3

19 – Statements of Cash Flows – R\$/million

CONSOLIDATED CASH FLOW	2012	2013	2014	2015	2016	1Q17
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net income	240.9	384.3	410.6	402.4	409.3	120.3
Adjustments to reconcile net income and cash and cash equivalents provided by operating activities:						
Depreciation and amortization	409.8	264.4	243.2	199.3	244.5	66.9
Net book value of vehicles written off	1,360.2	1,543.8	1,777.0	1,769.1	2,102.5	688.4
Deferred income tax and social contribution	(20.3)	27.1	25.5	35.6	30.3	(0.6)
Other	21.8	33.7	32.0	17.3	26.9	11.7
(Increase) decrease in assets:						
Trade receivable	(14.6)	(54.7)	(49.9)	(36.6)	56.8	79.5
Purchases of cars (see supplemental disclosure below)	(1,735.7)	(1,939.4)	(2,150.2)	(2,399.6)	(3,098.9)	(764.6)
Escrow deposits	0.7	(15.1)	(5.7)	(15.3)	(7.2)	(5.6)
Taxes recoverable	(11.4)	(20.3)	(43.4)	(5.2)	(6.0)	7.0
Prepaid expenses	-	-	-	-	-	(45.9)
Other assets	8.5	6.1	(5.7)	(1.3)	(3.6)	(42.9)
Increase (decrease) in liabilities:						
Accounts payable (except car manufacturers)	(15.6)	14.6	33.5	(16.7)	29.6	(25.5)
Social and labor obligations	(5.5)	20.7	12.4	(0.5)	9.4	25.3
Income tax and social contribution	106.5	130.1	139.5	94.8	88.0	35.6
Interest on loans, financing, debentures and swaps of fixed rates	195.9	181.6	281.7	406.6	438.1	123.7
Insurance premium	15.8	4.0	(0.6)	4.4	8.6	12.8
Other liabilities	16.0	1.1	(5.4)	5.9	(19.5)	(22.9)
Cash provided by operating activities	573.0	582.0	694.5	460.2	308.8	263.2
Income tax and social contribution paid	(100.9)	(108.5)	(113.1)	(110.7)	(93.3)	(24.0)
Interest on loans, financing and debentures paid(*)	(190.6)	(152.0)	(328.0)	(352.9)	(442.3)	(121.9)
Net cash provided by operating activities	281.5	321.5	253.4	(3.4)	(226.8)	117.3
CASH FLOWS FROM INVESTING ACTIVITIES:						
(Investments) withdraw in marketable securities	-	-	(92.6)	92.6	-	-
Acquisition of investment, goodwill and fair value surplus	-	(12.5)	(14.4)	-	-	-
Purchases of other property and equipment and addition to intangible assets	(80.8)	(41.5)	(87.3)	(153.0)	(126.6)	(38.8)
Net cash provided by (used in) investing activities	(80.8)	(54.0)	(194.3)	(60.4)	(126.6)	(38.8)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Loans and financings:						
Proceeds	125.9	112.6	499.1	747.1	266.3	59.3
Repayment	(359.9)	(129.4)	(490.4)	(368.4)	(297.9)	(285.3)
Debentures						
Proceeds	300.2	496.3	497.3	496.8	943.4	-
Repayment	(90.6)	(220.7)	(90.8)	(668.0)	(105.0)	(37.5)
Treasury shares acquired	-	(36.8)	-	(27.5)	(25.0)	-
Exercise of stock options with treasury shares, net	21.9	12.8	5.5	18.0	18.2	24.1
Dividends paid	(26.3)	(255.1)	(38.6)	(44.7)	(1.0)	-
Interest on capital	(59.0)	(60.4)	(61.7)	(94.6)	(138.4)	(46.7)
Net cash provided by (used in) financing activities	(87.8)	(80.7)	320.4	58.7	660.6	(286.1)
NET CASH FLOW PROVIDED (USED) IN THE YEAR	112.9	186.8	379.5	(5.1)	307.2	(207.6)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	711.0	823.9	1,010.7	1,390.2	1,385.1	1,692.3
CASH AND CASH EQUIVALENTS AT END OF YEAR	823.9	1,010.7	1,390.2	1,385.1	1,692.3	1,484.7
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	112.9	186.8	379.5	(5.1)	307.2	(207.6)
Supplemental disclosure of cash flow information:						
Cash paid during the period to:						
Statement of the cash paid for cars acquisition						
Cars acquisition in the year/period - renewal	(1,563.3)	(1,819.7)	(2,197.7)	(2,278.4)	(2,563.6)	(618.2)
Cars acquisition in the year/period - growth	(55.5)	(209.4)	(286.9)	-	(726.0)	-
Suppliers - automakers:						
Balance at the end of the year	288.4	378.1	712.5	591.3	782.0	635.7
Balance at the beginning of the year	(405.3)	(288.4)	(378.1)	(712.5)	(591.3)	(782.1)
Cash paid for cars purchased	(1,735.7)	(1,939.4)	(2,150.2)	(2,399.6)	(3,098.9)	(764.6)

(*) In 2014, R\$90.0 million interest was paid due to the settlement of one operation. The interest was accrued over many years.

20 – Glossary and other information

- **CAGR:** Compounded average growth rate.
- **CAPEX:** Capital expenditure.
- **Car depreciation:** the amount to be depreciated is the positive difference between the acquisition price of the vehicle and its estimated residual value. Depreciation is calculated as long as the assets' estimated residual value does not exceed its accounting value. Depreciation is recognized during the estimated life cycle of each asset. In the Car Rental Division, depreciation method used is linear. In the Fleet Rental Division, depreciation is recorded according to the sum of the years' digits (SOYD) method, which better reflects the consumption pattern of the economic benefits that decrease during the cars' useful life. The residual value is the estimated sale price net of the estimated selling expense.
- **Depreciated cost of used cars sales (book value):** consists of the acquisition value of vehicles, depreciated up to the date of sale, less the technical discount. The **technical discount** is the discount given to the buyer for any required repairs that were not made. These repair costs are recorded as a charge to operating costs and as a credit to cost of cars sold.
- **EBITDA:** EBITDA is the net income of the period, added by the income tax, net financial expenses, depreciation, amortization and exhaustions, as defined by CVM instruction 527/12.
- **EBITDA Margin:** EBITDA divided by the net revenues.
- **EBIT:** EBIT is the net income of the period added by the income tax and net financial expenses.
- **EBIT Margin:** EBIT divided by the net revenues.
- **IPI tax:** Tax over industrialized products. In May, 2012 Government announced an IPI tax exemption valid initially up to August, 2012, however, successively extended in 2012. In 2013 IPI tax for compact cars was increased to 2% and was kept at this level until December 2014. On January 1, 2015 the tax was fully reinstated. Those measures aim at incentivizing the automotive industry by stimulating demand, since the tax reduction tends to be passed on to the final consumer.
- **Net debt:** Short and long term debts minus cash and cash equivalents. The "net debt" term is a Company's measure and cannot be compared with similar terms used by other companies.
- **Net (Divestment) Investment in cars:** capital investment in cars acquisition, net of the revenues from selling decommissioned cars.
- **NOPAT:** Net operating profit after tax.
- **Average Rented Fleet:** In the car rental division it is the number of daily rentals in the period divided by the number of days in the period.
- **Operating Fleet:** Operating fleet is comprised by the cars that are at the rental locations, either rented or not, under maintenance, as well as cars in transit from OEMs to car rental locations and those being prepared for sale, and not yet delivered to the Seminovos stores.
- **Utilization Rate:** It is the number of rental days of the period divided by the operating fleet. It is a Company's measure and cannot be compared with similar terms used by other companies.
- **ROIC:** Return on invested capital.

LOCALIZA RENT A CAR S.A.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE PERIODS ENDED MARCH 31, 2017 AND 2016

(Amounts in thousands of Brazilian reais - R\$, unless otherwise stated)

1. GENERAL INFORMATION

Localiza Rent a Car S.A. ("Localiza"), headquartered at Bernardo Monteiro Avenue, 1.563, Belo Horizonte, Minas Gerais State, has been since May 2005 a Brazilian publicly-held company, listed in the BM&FBovespa (São Paulo Securities, Commodities and Futures Exchange) *Novo Mercado*, which characterizes the highest corporate governance level in the Brazilian capital market. Localiza's shares are traded under the ticker symbol RENT3.

Localiza and its subsidiaries ("Company") are mainly engaged in: car rental, fleet rental and franchising. In order to renew the fleet, Localiza and its subsidiary Localiza Fleet S.A. ("Localiza Fleet") sell their decommissioned cars, thereby generating cash to pay car manufacturers that provide the new cars.

As at March 31, 2017, the Localiza Platform (including its franchisees in Brazil and abroad) was comprised of 579 car rental locations (not reviewed by the auditors), being: (i) 509 locations in 361 cities in Brazil, 351 of which were operated by Localiza and 158 by franchisees; and (ii) 70 locations in 41 cities in 6 South American countries, all operated by franchisees.

As at March 31, 2017, Localiza's Platform fleet was comprised of 137,607 cars (not reviewed by the auditors), of which: (i) 123,588 belonged to the Company, including 87,508 of the Car Rental Division and 36,080 of the Fleet Rental Division; (ii) 8,825 belonged to its franchisees in Brazil; and (iii) 5,194 belonged to its franchisees abroad. Decommissioned cars are substantially sold to final consumers through 88 points of sale owned by the Company, located in 56 cities throughout Brazil, without intermediation costs, maximizing cash flow generation for fleet renewal and reducing the depreciation cost.

2. BASIS OF PREPARATION, PRESENTATION OF INTERIM FINANCIAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's interim financial information comprises individual and consolidated interim financial information, identified as "Individual" and "Consolidated", and is prepared and presented in accordance with the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), and also in accordance with the accounting practices adopted in Brazil. In turn, the accounting practices adopted in Brazil comprise those included in the Brazilian Corporate Law as well as the technical pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities Commission ("CVM"), and disclose all relevant information that should be reported in the interim financial information, and only such information, which is consistent with the information used by Management in the performance of its duties.

The individual interim financial information discloses the measurement of investments in subsidiaries under the equity method of accounting, in accordance with the accounting practices adopted in Brazil and the IFRSs.

The other information on the basis of preparation, presentation of the interim financial information and summary of significant accounting policies has not significantly changed compared with that disclosed in note 2.7 and other notes to the annual financial statements for the year ended December 31, 2016 (hereinafter referred to as "Financial Statements for the year ended December 31, 2016"), published on February 5, 2017 through the following websites: www.cvm.gov.br, www.bmfbovespa.com.br and www.localiza.com/ri and disclosed on February 16, 2017 in the "Diário do Comércio Minas Gerais" and "Diário Oficial de Minas Gerais" (Minas Gerais Official Gazette) newspapers.

3. RECENTLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

The accounting pronouncements and interpretations in this interim financial information have not significantly changed in relation to those disclosed in the financial statements for the year ended December 31, 2016.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Cash and banks	4,226	2,781	6,582	5,222
Bank Certificates of Deposit ("CDB")	37,705	52,517	49,518	70,967
Short-term investments with repurchase guarantee (*)	58,601	237,228	120,123	301,014
Fixed-income investment fund units	867,770	841,185	1,308,488	1,315,058
Total	968,302	1,133,711	1,484,711	1,692,261

(*) As at March 31, 2017, Localiza has redeemed short-term investments with repurchase guarantee for settlement, with bank of Tokyo-Mitsubishi UFJ Brasil S.A., of a loan in the amount of US\$70,000 thousand, corresponding to R\$218,729 (note 12).

As at March 31, 2017, investments in CDB, short-term investments with repurchase guarantee and fixed-income investment fund units posted weighted annual average yield of 105.0% of the Interbank Deposit Certificate ("CDI") rate fluctuation (104.2% as at December 31, 2016), are highly liquid and have insignificant risk of value change.

5. TRADE RECEIVABLES

Trade receivables are broken down as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Car rental (*)	223,499	265,343	223,498	265,341
Fleet rental	-	-	65,824	75,743
Sale of decommissioned cars (*)	69,467	95,130	84,789	113,514
Franchising	1,699	1,942	11,138	10,193
	294,665	362,415	385,249	464,791
Allowance for doubtful debts	(27,715)	(25,958)	(39,697)	(37,094)
Total	266,950	336,457	345,552	427,697
Current	266,950	336,457	341,803	424,528
Non-current	-	-	3,749	3,169

(*) The changes in trade receivables from car rental and sale of decommissioned cars refers to the decrease in the volume of car rentals and sales of decommissioned cars in the period.

The aging list of trade receivables is as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Current	225,692	288,456	287,901	350,351
Up to 30 days past-due	13,776	27,041	26,694	50,810
31 to 60 days past-due	10,925	9,954	13,549	13,129
61 to 90 days past-due	9,515	6,437	10,224	7,386
91 to 180 days past-due	15,407	11,675	17,208	13,306
Over 181 days past-due	19,350	18,852	29,673	29,809
Total	294,665	362,415	385,249	464,791

The balance of trade receivables includes past-due amounts at the end of the period/year, for which the allowance for doubtful debts was not recognized, as there was no significant change in the credit quality and these amounts are still considered recoverable. The aging list of past-due amounts not included in the allowance for doubtful debts is as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Up to 60 days past-due	23,496	34,095	38,486	60,673
61 to 180 days past-due	19,196	13,806	21,300	16,063
Over 181 days past-due	3,930	4,240	4,578	5,490
Total	46,622	52,141	64,364	82,226

The variation in the allowance for doubtful debts is as follows:

	Individual		Consolidated	
	1Q17	1Q16	1Q17	1Q16
Balance at the beginning of the period	(25,958)	(20,157)	(37,094)	(30,773)
Recognition	(1,932)	(2,858)	(2,803)	(3,486)
Reversal	175	252	200	374
Balance at the end of the period	(27,715)	(22,763)	(39,697)	(33,885)

The aging list of the allowance for doubtful debts is as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Current	(5,364)	(4,140)	(6,713)	(4,880)
Up to 60 days past-due	(1,205)	(2,900)	(1,757)	(3,266)
61 to 180 days past-due	(5,726)	(4,306)	(6,132)	(4,629)
Over 181 days past-due	(15,420)	(14,612)	(25,095)	(24,319)
Total	(27,715)	(25,958)	(39,697)	(37,094)

6. OTHER CURRENT AND NON-CURRENT ASSETS

Other current and non-current assets are broken down as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Balances stated separately in current assets:				
Prepaid expenses (*)	37,646	5,134	51,074	5,134
Recoverable taxes	8,495	14,702	24,127	31,539
Derivative instruments - swap (note 12)	-	2,210	-	2,210
	46,141	22,046	75,201	38,883
Other current assets:				
Receivables from insurance company (**)	74,473	54,320	77,623	61,994
Other receivables - subsidiaries (note 7(b) (i))	941	1,329	-	-
Other current assets	38,236	9,479	46,321	16,308
	113,650	65,128	123,944	78,302
Total other current assets	159,791	87,174	199,145	117,185
Balances stated separately in noncurrent assets:				
Other receivables - subsidiaries (note 7(b) (i))	801	778	-	-
Derivative instruments - swap (note 12)	-	-	12,816	7,386
Other non-current assets	83	83	83	83
Total other non-current assets	884	861	12,899	7,469
Total other current and non-current assets	160,675	88,035	212,044	124,654

(*) Basically refers to prepaid expenses on Vehicle Tax ("IPVA"), which are amortized in the year or based on the estimated useful life of each car, when the sale is expected to be made before December 31, 2017.

(**) Expenses incurred on claims, cost of stolen cars and receivables from the insurance company for insurance intermediation services (note 2.7.5 to the financial statements for the year ended December 31, 2016). The variation refers to the increase in claims in the 1Q17 as a result of the growth in the volume of rented cars during the peak season.

7. INVESTMENTS IN SUBSIDIARIES AND RELATED-PARTY TRANSACTIONS

(a) Information on subsidiaries

Car rental, fleet rental and franchising activities in Brazil and abroad are conducted by Localiza or its subsidiaries.

The operations of the main subsidiaries are as follows:

- **Localiza Fleet S.A. (“Localiza Fleet”)**: Privately-held company engaged in fleet rental business.
- **Localiza Serviços Prime S.A. (“Localiza Prime”)**: Privately-held company mainly engaged in the intermediation of sales of decommissioned cars previously used by Localiza and Localiza Fleet.
- **Rental Brasil Administração e Participação S.A. (“Rental Brasil”)**: Privately-held company engaged in managing and holding ownership interests in other entities, as a quotaholder or shareholder, and acquiring, selling and renting own properties.
- **Localiza Franchising Brasil S.A. (“Franchising Brasil”)**: Privately-held company engaged in conducting the franchise business of "Localiza" brand in Brazil.

The other Company’s subsidiaries, Rental International LLC (“Rental International”), Car Assistance Serviços de Administração de Sinistros S.A. (“Car Assistance”), Localiza Franchising International S.R.L. (“LFI S.R.L.”) and FR Assistance Serviços de Administração de Sinistros S.A. (“FR Assistance”) are also wholly-owned subsidiaries and privately-held companies.

The interests in capital, equity and net income / (loss) of direct and indirect subsidiaries are as follows:

	Number of shares		Interest					
			In capital (%)		In equity		In net income / (loss)	
	03/31/17	12/31/16	03/31/17	12/31/16	03/31/17	12/31/16	1Q17	1Q16
Direct subsidiaries:								
Localiza Fleet	103,280,354	103,280,354	100.0	100.0	537,895	551,289	49,455	45,007
Rental Brasil	15,000,000	15,000,000	100.0	100.0	150,107	150,107	-	-
Localiza Prime	15,000	15,000	100.0	100.0	95,994	104,208	(8,214)	2,078
Car Assistance	200,000	200,000	100.0	100.0	4,727	15,389	4,487	5,567
Franchising Brasil	399,069	399,069	100.0	100.0	3,296	7,869	2,693	2,889
LFI S.R.L.	130,078	130,078	98.0	98.0	350	170	180	(39)
Rental International	1,000	1,000	100.0	100.0	-	-	(24)	(24)
					792,369	829,032	48,577	55,478
Goodwill in the acquisition of investments:								
Goodwill (note 9(b))					22,077	22,077	-	-
Total					814,446	851,109	48,577	55,478
Indirect subsidiary:								
FR Assistance	150,000	150,000	100.0	100.0	150	150	-	-
Indirect interest:								
LFI S.R.L.	2,160	2,160	2.0	2.0	4	4	-	-

Variations in the balance of investments in subsidiaries are as follows:

	03/31/17	03/31/16
Balance at the beginning of the period	829,032	854,908
Equity in the earnings of subsidiaries	48,577	55,478
Dividends from subsidiaries (item (iii) below)	(85,264)	(16,000)
Provision for equity deficiency of subsidiary Rental International	24	24
Balance at the end of the period	792,369	894,410

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

(i) *Balance sheets*

03/31/17	Localiza Fleet	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.	Rental International
Assets							
Current	477,168	9,550	107,078	26,030	19,248	1,074	20
Non-current							
Long-term assets	15,830	12,816	12,082	-	7,449	-	-
Investment	4	-	-	-	-	-	-
Property plant and equipment	1,259,234	332,096	377	-	30	-	-
Intangible assets	4,332	-	-	-	778	-	-
Total	1,756,568	354,462	119,537	26,030	27,505	1,074	20
Liabilities							
Current	423,729	8,780	15,146	21,303	16,129	690	-
Non-current	794,944	195,575	8,397	-	8,080	30	801
Equity	537,895	150,107	95,994	4,727	3,296	354	(781)
Total	1,756,568	354,462	119,537	26,030	27,505	1,074	20
12/31/16	Localiza Fleet	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.	Rental International
Assets							
Current	494,944	40,023	116,796	21,511	16,935	606	21
Non-current							
Long-term assets	15,488	7,386	8,956	-	6,748	-	-
Investment	4	-	-	-	-	-	-
Property plant and equipment	1,205,827	305,895	388	-	31	-	-
Intangible assets	4,583	-	-	-	861	-	-
Total	1,720,846	353,304	126,140	21,511	24,575	606	21
Liabilities							
Current	377,140	8,611	13,667	6,122	8,322	402	-
Non-current	792,417	194,586	8,265	-	8,384	30	778
Equity	551,289	150,107	104,208	15,389	7,869	174	(757)
Total	1,720,846	353,304	126,140	21,511	24,575	606	21

(ii) Income statements

1Q17	Localiza Fleet	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.	Rental International
Net revenue	253,785	4,833	4,718	3,774	211	-
Gross profit	106,906	4,824	4,642	2,679	220	-
Net income / (loss) before income tax and social contribution	74,785	(11,256)	5,198	3,474	180	(24)
Net income / (loss)	49,455	(8,214)	4,487	2,693	180	(24)

1Q16	Localiza Fleet	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.	Rental International
Net revenue	266,547	16,095	5,965	3,844	17	-
Gross profit	99,680	14,545	5,879	2,962	4	-
Net income / (loss) before income tax and social contribution	68,099	3,299	6,516	3,555	(39)	(24)
Net income / (loss)	45,007	2,078	5,567	2,889	(39)	(24)

(iii) Dividends from subsidiaries

1Q17	Localiza Fleet	Car Assistance	Franchising Brasil	Total
Dividends for 2016 (mandatory minimum)	-	5,050	2,422	7,472
Dividends in addition to the mandatory minimum for 2016	30,949	15,149	7,266	53,364
Prepaid dividends for 2017	31,900	-	-	31,900
Total approved dividends	62,849	20,199	9,688	92,736
Dividends in addition to the mandatory minimum for 2016 paid	30,000	-	-	30,000
Prepaid dividends for 2017	31,900	-	-	31,900
Total dividends paid	61,900	-	-	61,900

1Q16	Localiza Fleet
Prepaid dividends for 2016	16,000
Total	16,000

(b) Balances and transactions with related parties

(i) Balances and transactions with subsidiaries and other related parties

	Localiza Fleet		Other subsidiaries		Total	
	03/31/17	12/31/16	03/31/17	12/31/16	03/31/17	12/31/16
Balances:						
Trade receivables	1,942	4,470	40	38	1,982	4,508
Dividends receivable	949	-	29,887	7,472	30,836	7,472
Other receivables						
(current and non-current) (note 6)	-	667	1,742	1,440	1,742	2,107
Trade payables	31	1,060	-	-	31	1,060
Other payables (note 13)	901	-	816	812	1,717	812

	Localiza Fleet		Other subsidiaries		Total	
	1Q17	1Q16	1Q17	1Q16	1Q17	1Q16
Transactions:						
Recoverable costs and expenses	6,050	3,781	1,233	1,587	7,283	5,368
Revenues	4,479	4,131	20	24	4,499	4,155

As at March 31, 2017, there were collateral signatures related to guarantees for loans, financing and debentures amounting to: (i) R\$1,644,894 issued by Localiza Fleet to Localiza; (ii) R\$908,155 issued by Localiza to Localiza Fleet; and (iii) R\$186,955 issued by Localiza to Rental Brasil. There were also collateral signatures between companies when bank guarantees and guarantees insurances were issued for several lawsuits totaling R\$29,450. Additionally, the Company has guarantees insurances with Pottencial Seguradora, a company in which Salim Mattar and Eugênio Mattar, the founding partners of Localiza, jointly hold 40% of the capital. In transactions made under normal market conditions, the amount of the accumulated premium paid through March 31, 2017 was R\$825 related to guarantees insurances in the current insured amount of R\$46,647. Aiming at cost reduction, the Company is migrating from bank guarantees to surety bonds in the legal proceedings.

The Company optimizes cash through a centralized management. Transactions are conducted based on conditions agreed upon between the parent company and its wholly-owned subsidiaries.

(ii) Key management compensation

	Individual		Consolidated	
	1Q17	1Q16	1Q17	1Q16
Compensation of the Board of Directors	3,436	3,443	3,436	3,443
Management and Executive Board				
Fees and compensation	3,364	3,983	5,314	6,633
Payroll taxes	1,085	995	1,573	1,649
Options granted recognized	1,297	1,144	1,297	1,144
Supplementary pension plan (note 25) (*)	112	-	172	-
Total	9,294	9,565	11,792	12,869

(*) As at March 31, 2017, the Company offered a pension plan for Management, the contribution of which by the Company was suspended between January 1, 2016 and June 30, 2016 (see further information in note 25). Except for this plan, the Company does not have other management retirement programs.

8. PROPERTY AND EQUIPMENT

The variations in cost, accumulated depreciation and net carrying amount of property and equipment in each period are as follows:

	Individual						
	Cars	Leasehold improvements	Furniture and fixtures	IT equipment	Constructions in progress	Land	Other
Cost:							
As at December 31, 2015	2,561,691	146,115	40,567	24,931	4,063	681	29,160
Additions	178,740	-	166	792	1,843	-	721
Write-offs/transfers (*)	(398,332)	3,670	-	-	(3,670)	-	(5,957)
As at March 31, 2016	2,342,099	149,785	40,733	25,723	2,236	681	23,924
As at December 31, 2016	3,486,670	153,455	45,038	28,652	6,200	681	26,984
Additions	468,640	-	2,690	3,896	2,782	-	604
Write-offs/transfers (*)	(646,035)	955	-	(315)	(955)	-	(4)
As at March 31, 2017	3,309,275	154,410	47,728	32,233	8,027	681	27,584
Accumulated depreciation:							
As at December 31, 2015	(38,945)	(85,972)	(24,203)	(16,343)	-	-	(16,206)
Additions	(13,416)	(3,705)	(868)	(888)	-	-	(508)
Write-offs/transfers (*)	13,022	-	-	-	-	-	3,225
As at March 31, 2016	(39,339)	(89,677)	(25,071)	(17,231)	-	-	(13,489)
As at December 31, 2016	(77,298)	(100,107)	(27,628)	(19,168)	-	-	(15,024)
Additions	(30,072)	(3,149)	(827)	(895)	-	-	(476)
Write-offs/transfers (*)	22,212	-	-	315	-	-	4
As at March 31, 2017	(85,158)	(103,256)	(28,455)	(19,748)	-	-	(15,496)
Net carrying amount:							
As at March 31, 2016	2,302,760	60,108	15,662	8,492	2,236	681	10,435
As at March 31, 2017	3,224,117	51,154	19,273	12,485	8,027	681	12,088

(*) Include write-offs due to sale, robbery, damage and transfer of decommissioned cars for fleet renewal to assets for sale.

	Consolidated								
	Cars	Leasehold improvements	Furniture and fixtures	IT equipment	New head office	Constructions in progress	Land	Other	Total
Cost:									
As at December 31, 2015	3,924,542	146,115	42,237	25,232	191,754	4,126	19,503	29,548	4,383,057
Additions	255,169	-	167	792	3,560	1,843	-	998	262,529
Write-offs/transfers (*)	(501,551)	3,670	-	-	-	(3,670)	-	(5,957)	(507,508)
As at March 31, 2016	3,678,160	149,785	42,404	26,024	195,314	2,299	19,503	24,589	4,138,078
As at December 31, 2016	4,991,127	153,455	46,708	28,981	276,163	6,200	29,279	28,784	5,560,697
Additions	618,178	-	2,690	3,896	26,201	2,782	-	604	654,351
Write-offs/transfers (*)	(733,757)	955	-	(315)	-	(955)	-	(4)	(734,076)
As at March 31, 2017	4,875,548	154,410	49,398	32,562	302,364	8,027	29,279	29,384	5,480,972
Accumulated depreciation:									
As at December 31, 2015	(313,623)	(85,972)	(25,501)	(16,603)	-	-	-	(16,331)	(458,030)
Additions	(46,274)	(3,705)	(885)	(895)	-	-	-	(520)	(52,279)
Write-offs/transfers (*)	40,615	-	-	-	-	-	-	3,225	43,840
As at March 31, 2016	(319,282)	(89,677)	(26,386)	(17,498)	-	-	-	(13,626)	(466,469)
As at December 31, 2016	(376,334)	(100,107)	(28,992)	(19,457)	-	-	-	(15,211)	(540,101)
Additions	(57,869)	(3,149)	(843)	(900)	-	-	-	(491)	(63,252)
Write-offs/transfers (*)	41,624	-	-	315	-	-	-	4	41,943
As at March 31, 2017	(392,579)	(103,256)	(29,835)	(20,042)	-	-	-	(15,698)	(561,410)
Net carrying amount:									
As at March 31, 2016	3,358,878	60,108	16,018	8,526	195,314	2,299	19,503	10,963	3,671,609
As at March 31, 2017	4,482,969	51,154	19,563	12,520	302,364	8,027	29,279	13,686	4,919,562

(*) Include write-offs due to sale, robbery, damage and transfer of decommissioned cars for fleet renewal to assets for sale.

As at March 31, 2017, the consolidated balances include the net carrying amounts of property and equipment items acquired as finance leases in the amount of R\$507,496 (R\$536,430 as at December 31, 2016). For further information on finance leases, see note 23.

The other information on property and equipment (individual and consolidated) was not significantly changed in relation to that disclosed in note 8 to the financial statements for the year ended December 31, 2016.

(a) Decommissioned cars for fleet renewal

The balances for each of the periods are as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Cost	4,270	459	11,769	11,230
Accumulated depreciation	(109)	(18)	(1,884)	(2,443)
Net carrying amount	4,161	441	9,885	8,787

(b) Construction of the Company's new head office

The expected investment for the construction of the new head office amounts to approximately R\$330,000. This investment will allow: (i) reducing expenses on property rental in the future; (ii) gaining productivity upon the centralization of administrative and back-office activities, which are currently located in four rented buildings; and (iii) supporting the Company's growth upon the integration of central management at one location. Up to March 31, 2017, R\$302,364 (R\$276,163 up to December 31, 2016) was spent.

9. INTANGIBLE ASSETS

(a) Software

The variations in cost, accumulated amortization and net carrying amount in each period are as follows:

	Individual		Consolidated	
	1Q17	1Q16	1Q17	1Q16
Cost:				
Amount at the beginning of the period	93,065	86,270	102,652	93,862
Additions	2,494	1,193	2,588	1,241
Amount at the end of the period	95,559	87,463	105,240	95,103
Accumulated amortization:				
Amount at the beginning of the period	(37,453)	(24,152)	(41,596)	(26,819)
Additions	(3,260)	(3,286)	(3,688)	(3,631)
Amount at the end of the period	(40,713)	(27,438)	(45,284)	(30,450)
Net carrying amount at the end of the period	54,846	60,025	59,956	64,653

The other information on intangible assets – software (individual and consolidated) has not significantly changed in relation to that disclosed in note 9 to the financial statements for the year ended December 31, 2016.

(b) Goodwill on acquisition of investments

Goodwill is broken down as follows:

	Consolidated	
	03/31/17	12/31/16
Goodwill on acquisition of noncontrolling interest in subsidiaries, net of amortization	4,508	4,508
Goodwill on acquisition of investments in companies	17,569	17,569
Net carrying amount (note 7(a))	22,077	22,077

10. TRADE PAYABLES

Trade payables are broken down as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Car manufacturers (*)	521,839	698,786	635,676	782,064
Maintenance services and parts	20,757	24,703	35,869	39,147
Rentals	12,281	12,923	12,281	12,923
Insurance premiums	30,421	34,916	30,421	34,916
IT services and other (**)	14,493	32,273	24,759	41,851
Total	599,791	803,601	739,006	910,901

(*) The balance payable to car manufacturers refer to cars acquired at the end of each period, interest-free, and with average payment term of 48 days. The decrease in line item refers basically to payments made in the 1Q17 for cars bought in the 4Q16 to support the growth in the volume of daily rental fees of the Car Rental Division.

(**) The decrease in line item "IT services" refers to payments made in the 1Q17, the amounts of which were accrued as at December 31, 2016.

11. PAYROLL AND RELATED TAXES

Payroll and related taxes are broken down as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Accrued vacation pay	26,365	25,825	33,894	32,812
Accrued 13 th salary (*)	4,850	-	6,394	-
Accrued profit sharing (**)	51,720	38,521	67,875	50,252
Social security contribution ("INSS")	5,949	5,342	7,411	7,105
Government Severance Indemnity Fund for Employees ("FGTS")	1,360	1,195	1,738	1,625
Other	2,238	2,341	2,940	3,188
Total	92,482	73,224	120,252	94,982

(*) Accrued 13th salary accumulated during the year, which is usually paid by the Company in every November.

(**) The total amount of the accrual for the period ended March 31, 2017 includes: (i) the amounts relating to the accrual for the first quarter of 2017; and (ii) the accrual amounts as at December 31, 2016, net of profit sharing prepaid in July 2016.

The Company has a profit sharing program as prescribed in Law 10101/00 based on profit recognized on an annual basis. The annual amount payable is defined through the combination of the Company's profit and performance indicators, which determine the maximum amount payable, in addition to the individual performance of each employee, which is mainly measured based on objective, measurable indicators and goals deriving from the management agreement and the annual budget approved by the Board of Directors.

Localiza pays profit sharing to employees in April and July that are classified as "cost", "selling expenses" and "general, administrative and other expenses" in the income statement for the year, based on the function exercised by the respective employees.

12. LOANS, FINANCING, DEBENTURES AND SWAP

Loans, financing, debentures and swap are broken down as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
In local currency				
Debentures – 6 th issue	286,542	277,399	286,542	277,399
Debentures – 7 th issue	386,073	438,591	386,073	438,591
Debentures – 8 th issue	502,133	520,233	502,133	520,233
Debentures – 9 th issue	527,171	509,732	527,171	509,732
Debentures – 10 th issue	204,182	212,685	204,182	212,685
Debentures – 11 th issue	517,022	499,803	517,022	499,803
Debentures of Localiza Fleet	-	-	261,442	253,225
Working capital	-	-	346,281	346,017
Real estate credit note ("CCBI")	-	-	195,888	-
Lease	876	-	294,936	-
Other (*)	-	1,197	-	500,050
In foreign currency				
Loan in US dollar	-	228,154	-	228,154
	2,423,999	2,687,794	3,521,670	3,785,889
Loans, financing and debentures				
Current liabilities	143,090	407,425	396,701	654,586
Non-current liabilities	2,280,909	2,280,369	3,124,969	3,131,303
	2,423,999	2,687,794	3,521,670	3,785,889
Derivatives - swap				
Current assets (note 6)	-	(2,210)	-	(2,210)
Non-current assets (note 6)	-	-	(12,816)	(7,386)
Current liabilities (note 13)	-	-	1,554	-
Non-current liabilities (note 13)	-	-	4,159	-
Total loans, financing and debentures, net of swap	2,423,999	2,685,584	3,514,567	3,776,293

(*) As at December 31, 2016, the balance of "other" refers to: (i) loan contracted by Rental Brasil in the form of CCBI in the amount of R\$195,063; (ii) finance lease transactions in the amount of R\$1,197 in Localiza and R\$300,448 in Localiza Fleet; and (iii) balance payable of fixed-rate swap transactions in the amount of R\$4,539 in Localiza Fleet.

Variations in loans, financing and debentures, net of swap are as follows:

	Individual		Consolidated	
	1Q17	1Q16	1Q17	1Q16
Balance at the beginning of the period	2,685,584	2,084,488	3,776,293	2,973,696
Loans	-	197,413	59,333	261,136
Interest and finance charges (*)	89,209	82,345	123,696	104,211
Repayment of principal (**)	(256,511)	(37,965)	(322,832)	(113,085)
Interest amortization	(94,283)	(81,447)	(121,923)	(104,332)
Balance at the end of the period	2,423,999	2,244,834	3,514,567	3,121,626

(*) The Consolidated balance includes the net amount of R\$1,052 (interest of R\$5,836 and credit effect from marked-to-market of R\$4,784) as at March 31, 2017 and credit amount of R\$6,313 as at March 31, 2016 (interest of R\$6,034 and credit effect from marked-to-market of swap of R\$12,347) on loans of Rental Brasil capitalized according to CPC 20.

(**) As at March 31, 2017, Localiza settled, with bank of Tokyo-Mitsubishi UFJ Brasil S.A., a loan in the amount of US\$70,000 thousand, corresponding to R\$218,729. Concurrently, the swap transaction (plain vanilla) was settled to mitigate the risk of exposure to foreign currency in the amount of R\$12,091.

As at March 31, 2017, Localiza had six issues of outstanding debentures and Localiza Fleet, had one, all not convertible into shares. These issues have accelerated maturity events, including, without limitation: (i) filing for or adjudication of bankruptcy by the Issuer or third parties that is not duly eliminated within the legal term; (ii) matters related to the default in individual or aggregate amount equal to or above R\$25,000 (6th to 10th issue of Localiza) or 3% of the consolidated average equity calculated in the past three quarters (11th issue of Localiza and 2nd issue of Localiza Fleet); (iii) decrease of capital of Localiza and/or repurchase of its own shares for cancellation, other than if previously

authorized by debenture holders; (iv) Localiza's merger, consolidation or spin-off, except if, as set forth in article 231 of Law 6404/76, the spun-off portion or the company resulting from the transaction continues to be controlled by the Issuer; (v) failure to maintain financial ratios on a quarterly basis, based on the Company's consolidated financial statements; and (vi) the Company's downgrading, as follows:

Issue	Downgrading in national scale (*)
6 th issue	If the rating is downgraded to brA+ (BR, A, positive) by Standard & Poor's (**).
7 th issue	Corporate rating granted by Moody's, Standard & Poor's or Fitch Ratings to the Issuer for the following risk rating levels or less, in national scale: Aa3, AA- and AA- respectively.
8 th issue	Downgraded by two grades or more in relation to the rating brAAA (BR, triple A) by Standard & Poor's (**).
9 th issue	Downgraded by two grades or more by two corporate risk rating agencies in relation to the rating brAAA (BR, triple A) by Standard & Poor's and AAA (BR, triple A) by Fitch.
10 th and 11 th issues	Downgraded by two grades or more in relation to the rating AAA (BR, triple A) by Fitch (**).
2 nd issue of Localiza Fleet	Downgraded by two grades or more in relation to the rating AAA (BR, triple A) by Fitch (**).

(*) Corporate credit ratings in national scale effective as at March 31, 2017: Standard & Poor's (brAA+/negative), Moody's (Aa1.br/stable) and Fitch Ratings (AAA(br)/ stable).

(**) Due to any change in the shareholding structure that results in loss, transfer or disposal of the "Controlling power" of the Issuer by the current controlling shareholders.

The General Debenture Holders Meeting of the 9th Public Issue held on June 22, 2016 approved certain clauses of the Indenture: (i) change in the event of automatic accelerated maturity of the debentures to non-automatic accelerated maturity; (ii) change of the yield period of the debentures, so that the percentage interest of debentures is applied as from such meeting date; (iii) change in the quorum of, at least, 80% of the outstanding debentures, for approval of the decision of debenture holders in the sense of not declaring the debentures accelerated maturity; (iv) possibility of optional early redemption, in the whole or in part, of the debentures, at the Company's sole discretion, upon payment of premium to debenture holders.

The financial covenants were met as at March 31, 2017 and December 31, 2016 as shown below:

Ratio	Limits	12-month period ended 03/31/17	12-month period ended 12/31/16
Net debt/ Adjusted EBITDA (*)	Below 4.00	1.92	2.04
Adjusted EBITDA/ Finance costs, net	Above 1.50	4.23	4.19

(*) EBITDA corresponds to the Issuer's net profit or loss, on a consolidated basis, relating to the 12 last months, before: (i) finance income (costs); (ii) income tax and social contribution; and (iii) depreciation and amortization expenses. For all issues, EBITDA is also adjusted by the costs on stock options, nonrecurring expenses and impairment.

Additionally, the Company has loans and financing that includes certain accelerated maturity events under conditions similar to those applicable to debentures. As at March 31, 2017, the Company's management understands that restrictive covenants applicable to loans, financing and debentures are being met.

The other information on loans, financing, debentures and swap (individual and consolidated) was not significantly changed in relation to that disclosed in note 12 to the financial statements for the year ended December 31, 2016.

13. OTHER CURRENT AND NON-CURRENT LIABILITIES

Other current and non-current liabilities are broken down as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Balances stated separately in current liabilities:				
Payables to related parties (note 7(b) (i))	1,717	812	-	-
Federal taxes withheld from third parties	6,513	8,375	8,278	10,985
Municipal taxes payable	2,177	1,493	2,867	2,568
Derivative instruments - swap (note 12)	-	-	1,554	-
	10,407	10,680	12,699	13,553
Other current liabilities:				
Advances from car rental and decommissioned sale customers (*)	24,650	43,536	25,554	44,297
Insurance premiums for transfer (**)	59,178	46,382	59,273	46,779
Deferred revenues	28	30	5,669	5,284
Other	7,994	8,365	8,171	8,532
	91,850	98,313	98,667	104,892
Total other current liabilities	102,257	108,993	111,366	118,445
Balances stated separately in non-current liabilities:				
Deferred revenues	97	108	4,467	5,053
Derivative instruments - swap (note 12)	-	-	4,159	-
Other	5,965	5,973	7,216	7,223
Total other non-current liabilities	6,062	6,081	15,842	12,276
Total other current and non-current liabilities	108,319	115,074	127,208	130,721

(*) The decrease of R\$18,886 in the Individual and R\$18,743 in the Consolidated in the balance of advances from customers as at March 31, 2017 when compared with December 31, 2016 was due to the peak in car rental and decommissioned car sale demand by the end of the year.

(**) Premiums received from customers that took insurance for rented cars and which will be transferred by Localiza to the insurance company (note 2.7.5 to the financial statements for the year ended December 31, 2016).

14. PROVISIONS AND ESCROW DEPOSITS

(a) Legal provisions recognized

The balance of legal provisions is broken down as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Tax	4,317	2,185	8,396	5,789
Social security and labor	31,093	30,048	40,519	39,228
Civil	17,352	16,224	19,425	18,057
Total	52,762	48,457	68,340	63,074

(b) Escrow deposits

The balance of escrow deposits is broken down as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Tax (*)	26,738	23,138	46,177	42,106
Social security and labor	15,277	14,567	18,337	17,548
Civil	1,199	439	1,232	473
Total	43,214	38,144	65,746	60,127

(*) The changes in tax-related escrow deposits was mainly due to inflation-adjusted escrow deposits totaling R\$3,591, made by Localiza and its wholly-owned subsidiary Localiza Fleet, in connection with litigations discussing the collection of IPVA in the State of São Paulo. These deposits are intended to suspend the payment of the tax and challenge those payments in court.

The other information on provisions and escrow deposits (individual and consolidated) was not significantly changed in relation to that disclosed in note 14 to the financial statements for the year ended December 31, 2016.

15. TAXES ON INCOME – INCOME TAX AND SOCIAL CONTRIBUTION

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

The breakdown of deferred income tax and social contribution as at March 31, 2017 and December 31, 2016 is as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Temporary differences in the deductibility of provisions:				
Legal and other provisions	16,476	15,737	17,835	16,977
Allowance for doubtful debts and other allowances	11,731	11,223	13,005	12,253
Provision of payment of services in progress and others (*)	26,151	20,956	32,334	25,547
Swap transaction with payment on a cash basis	-	425	1,943	1,968
Income tax and social contribution losses	6,560	12,861	15,328	18,592
Total deferred income tax and social contribution assets	60,918	61,202	80,445	75,337
Car depreciation (**)	103,044	106,551	127,052	129,054
Leasing in the purchase of property and equipment (***)	645	668	124,692	118,196
Total deferred income tax and social contribution liabilities	103,689	107,219	251,744	247,250
Total deferred income tax and social contribution, net	42,771	46,017	171,299	171,913

(*) Refers mainly to the deferred tax on temporary differences of the accrued loyalty program and other accruals.

(**) Refers to the temporary difference in the calculation of depreciation and residual value, introduced by the new accounting practices (adoption of IFRS). Localiza and Localiza Fleet calculate, for tax purposes, car depreciation expenses based on the depreciation criteria used through December 31, 2007, as prescribed by Law 12973/14. The difference as at December 31, 2014, in conformity with chapter IV, articles 64, 66 and 67 of Law 12973/14, is accounted for in asset-related sub-accounts, being added to the extent of their realization beginning January 1, 2015.

(***) Refers to the temporary difference arising from the deduction of leasing installments amortization on the acquisition of property and equipment items as a contra entry to the depreciation addition to the income tax and social contribution tax bases.

Based on expected future taxable income generation determined in a technical study approved by Management, the Company has recognized a balance, as at March 31, 2017, as tax credit on tax loss carryforwards of R\$6,560 (Individual) and R\$15,328 (Consolidated). This tax credit can be carried forward indefinitely and its offset is limited to 30% of annual taxable income.

The realization of deferred income tax and social contribution credits, relating to temporary differences, is contingent upon future events that will make the provisions that gave rise to them deductible, in accordance with prevailing tax legislation.

(b) Income tax and social contribution - reconciliation of expenses at statutory and effective rates

The reconciliation between the statutory and effective rates for the quarters ended March 31, 2017 and 2016 is as follows:

	Individual		Consolidated	
	1Q17	1Q16	1Q17	1Q16
Net income before taxes	131,460	108,846	155,240	134,774
Statutory rate	34%	34%	34%	34%
Expense at statutory rate	(44,696)	(37,008)	(52,782)	(45,823)
Adjustments to expense at statutory rate:				
Equity in the earnings of subsidiaries	16,516	18,863	-	-
Effect of deduction of interest on capital	13,563	12,044	13,563	12,044
Income tax and social contribution due by subsidiaries (deemed income)	-	-	1,456	1,809
Other, net	3,423	269	2,789	210
Expense at effective rate	(11,194)	(5,832)	(34,974)	(31,760)
Current income tax and social contribution	(14,440)	(5,415)	(35,588)	(25,566)
Deferred income tax and social contribution	3,246	(417)	614	(6,194)

16. EQUITY

(a) Changes in equity

Changes in equity are as follows:

	Note	Capital	Capital reserves		Treasury shares	Earnings reserves		Earnings retention	Retained earnings	Total
			Options granted recognized	Goodwill on share subscription		Legal reserve	Statutory reserve			
Balances as at December 31, 2015		976,708	14,590	99,321	(77,988)	100,159	828,787	-	-	1,941,577
Options granted recognized		-	1,373	-	-	-	-	-	-	1,373
Exercise of stock options with treasury shares		-	(411)	483	342	-	-	-	-	414
Net profit for the period		-	-	-	-	-	-	-	103,014	103,014
Allocation of profit for the period: Interest on capital (R\$0.17 per share)	16(c)	-	-	-	-	-	-	-	(35,423)	(35,423)
Balances as at March 31, 2016		976,708	15,552	99,804	(77,646)	100,159	828,787	-	67,591	2,010,955
Balances as at December 31, 2016		976,708	10,559	119,244	(95,826)	120,625	828,787	236,893	-	2,196,990
Options granted recognized	16(d)	-	1,743	-	-	-	-	-	-	1,743
Exercise of stock options with treasury shares	16(d)	-	(8,925)	13,309	19,698	-	-	-	-	24,082
Net profit for the period		-	-	-	-	-	-	-	120,266	120,266
Allocation of profit for the period: Interest on capital (R\$0.16 per share)	16(c)	-	-	-	-	-	-	-	(39,891)	(39,891)
Balances as at March 31, 2017		976,708	3,377	132,553	(76,128)	120,625	828,787	236,893	80,375	2,303,190

(b) Capital

As of March 31, 2017, the Company's capital was R\$976,708, comprised of 211,793,400 common shares. The ownership of capital and the related reconciliation of the number of outstanding shares are as follows:

	Management				
	Founding partners	Board of Directors and Statutory Board	Treasury shares	Outstanding shares	Number of shares - ON
Balances as at December 31, 2015	59,014,152	379,102	3,635,945	148,764,201	211,793,400
Acquisition (sale) of shares, net	-	(1,713)	-	1,713	-
Exercise of stock options with treasury shares	-	-	(32,475)	32,475	-
Balances as at March 31, 2016	59,014,152	377,389	3,603,470	148,798,389	211,793,400
Balances as at December 31, 2016	59,028,084	337,778	3,692,636	148,734,902	211,793,400
Acquisition (sale) of shares, net	(2,325,937)	(128,418)	-	2,454,355	-
Exercise of stock options with treasury shares	383,963	95,938	(741,704)	261,803	-
Renting of shares	9,522	-	-	(9,522)	-
Balances as at March 31, 2017	57,095,632	305,298	2,950,932	151,441,538	211,793,400

Pursuant to article 6 of the Bylaws, the Company is authorized to increase capital up to the limit of 257,953,500 registered common shares, regardless of any amendment to the bylaws, so that an additional 46,160,100 registered common shares can be issued.

The Company participates in the Level I of the American Depositary Receipts ("ADR") Program since its approval by CVM on May 22, 2012 and the beginning of trading on June 5, 2012. As at March 31, 2017, the Company's position was 7,014,518 ADRs issued in the United States (6,868,001 as at December 31, 2016). Each ADR corresponds to 01 (one) Company's share.

(c) Interest on capital and dividends

The Company pays interest on capital to shareholders on a quarterly basis. The Board of Directors' meetings approved the payment of interest on capital as follows:

1Q17				
Approval date	Total amount approved	Amount per share (R\$)	Shareholding position date	Payment date
03/08/17	39,891	0.19161	03/15/17	05/02/17
Total	39,891			

1Q16				
Approval date	Total amount approved	Amount per share (R\$)	Shareholding position date	Payment date
03/17/16	35,423	0.17015	03/31/16	05/12/16
Total	35,423			

Dividends and interest on capital payable are broken down as follows:

	Consolidated	
	03/31/17	12/31/16
Proposed interest on capital in profit or loss for the period	39,891	46,708
Withholding income tax on interest on capital	(5,936)	(6,959)
Total dividends and interest on capital payable	33,955	39,749

(d) Capital reserve

In 1Q17, 741,704 stock options related to the Stock Option Programs from 2009 to 2013 were exercised, using treasury shares. The weighted average exercise price of options exercised, as well as the weighted average fair value of Localiza's shares on the vesting date, were as follows:

Program	Number of options exercised	Fair value (R\$)	Calculation by the fair value (R\$ thousands)	Weighted average exercise price (R\$)	Weighted average market value (R\$)
2009 Program	154	12.21	2	9.08	37.75
2010 Program	139,840	12.10	1,782	25.16	41.18
2011 Program	328,546	11.12	3,624	36.02	41.55
2012 Program	151,064	12.82	1,937	31.70	41.75
2013 Program	122,100	12.94	1,580	32.59	41.52
Total	741,704		8,925		

All options were exercised using treasury shares and, therefore, it was not necessary to issue new shares.

The goodwill reserve on share subscription refers to the remaining balance of goodwill arising on the primary offering of shares of Localiza in 2006 in the amount of R\$48,174. In addition, goodwill in the amount of R\$13,309 was generated upon the exercise of 741,704 stock options during the 1Q17. Between 2011 and 2016, goodwill in the amount of R\$71,070 was generated, resulting in a total accumulated balance of R\$132,553 as at March 31, 2017.

Other information on the Stock Option Programs did not significantly change in relation to that disclosed in note 16 to the financial statements for the year ended December 31, 2016.

(e) Treasury shares

The number of treasury shares as at March 31, 2017 was 2,950,932 shares (3,603,470 as at March 31, 2016), acquired under the 1st, 4th, 6th, 7th and 8th Share Repurchase Programs, with fair value of R\$122,965 (quotation of R\$41.67 per share as at March 31, 2017).

Other information on the treasury shares did not significantly change in relation to that disclosed in note 16 to the financial statements for the year ended December 31, 2016.

(f) Earnings retention

In order to raise funds for the fleet renewal in 2017, Management has prepared a capital budget and proposed to the Ordinary General Meeting to be held on April 25, 2017 the earnings retention in the amount of R\$236,893 relating to the remaining balance of the 2016 profit, after deduction of the legal reserve and distribution of interest on capital. This reserve was recognized based on item (g), paragraph 2, article 24 of Localiza's Bylaws.

(g) Proposal for capital increase against earnings reserves

Management proposed for approval by the Extraordinary General Meeting, to be held on April 25, 2017, the increase of subscribed, paid-in capital in the amount of R\$523,292, from R\$976,708 to R\$1,500,000, upon the use of part of the balance of the Company's statutory reserve.

The capital increase proposed, which is not reflected in the financial statements, will be made based on stock bonus at the rate of 5% (five per cent), upon the issue of 10,589,670 book-entry new common shares, without par value, which will be assigned to the holders of shares as bonus, at the ratio of 1 (one) new share, of the same class, for every 20 (twenty) shares held; treasury shares are also subject to bonus, and the stock option programs will be adjusted proportionally.

The purpose of the proposal is to increase liquidity of shares, as the trading at a more accessible level coupled with a higher number of outstanding shares, potentially generates more business and a higher financial volume, which

results in creation of value to shareholders. The new shares issued will be distributed free of charge and will benefit the shareholders proportionately to the interest held prior to the bonus.

17. EARNINGS PER SHARE

The methods used to calculate basic and diluted earnings per share are the same as those disclosed in note 17 to the financial statements for the year ended December 31, 2016.

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

	Individual and Consolidated	
	1Q17	1Q16
Net income for the period	120,266	103,014
Basic earnings per share:		
Weighted average number of outstanding common shares (units) (*)	208,116,132	208,159,298
Basic earnings per share (R\$)	0.57788	0.49488
Diluted earnings per share:		
Weighted average number of outstanding common shares (units) (*)	208,116,132	208,159,298
Dilutive effect of stock options (units)	662,818	(76,571)
Total shares subject to dilution (units)	208,778,950	208,082,727
Diluted earnings per share (R\$)	0.57604	0.49506

(*) According to CPC 41 - Earnings per Share, all shares (except treasury shares) are considered for the calculation of the weighted average number of outstanding shares.

18. SEGMENT REPORTING

An operating segment is a component of an entity that engages in business activities: (i) which can earn revenues and incur expenses; (ii) the results of operations of which are regularly reviewed by the chief operating decision maker regarding funds to be allocated to the segment and for performance evaluation; and (iii) for which individual financial information is available.

Management has defined three operating segments that are separately managed based on the reports used by the Board of Directors to make strategic decisions. The accounting policies of these operating segments are the same as those described in note 2 or the notes of the respective captions of the financial statements for the year ended December 31, 2016.

- **Car Rental:** This division is responsible for car rentals in locations located inside and outside airports. Cars are rented by legal entities and individuals, in some cases using distribution channels. Given the need to renew the fleet, Localiza sells its cars after they have been used for 12 to 18 months. In order to reduce intermediation costs on the sale of decommissioned cars, half of the cars is directly sold to the final consumers. Consequently, the Company maximizes the recoverable amount of these assets, by reducing the depreciation of cars and the net amount invested in fleet renewal, as the selling expense of the Company's own stores is smaller than the discount required by resellers.
- **Fleet Rental:** This division is responsible for fleet rental to legal entities for long periods, usually 24 to 36 months. Cars are purchased after contracts have been signed, according to the needs of each customer. The fleet rental division decommissions its cars at the end of the contract. On average, decommissioned cars are sold after 32 months of use directly to final consumers by means of a proprietary network of points of sale and also to car dealers.
- **Franchising:** This division is responsible for the management and licensing of the right to use the Localiza brand, including the transfer of the necessary know-how to operate the business.

(a) Operating segment financial reporting

(i) Consolidated assets and liabilities by operating segment

	Car Rental		Fleet Rental		Franchising		Unallocated balances		Deductions/ Reclassifications		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16	03/31/17	12/31/16	03/31/17	12/31/16	03/31/17	12/31/16	03/31/17	12/31/16
Assets												
Cash and cash equivalents	-	-	-	-	-	-	1,484,711	1,692,261	-	-	1,484,711	1,692,261
Trade receivables	268,252	338,932	69,805	84,986	9,477	8,287	-	-	(1,982)	(4,508)	345,552	427,697
Decommissioned cars for fleet renewal	4,161	441	5,724	8,346	-	-	-	-	-	-	9,885	8,787
Property and equipment	3,660,298	3,814,738	1,259,234	1,205,827	30	31	-	-	-	-	4,919,562	5,020,596
Other assets	344,422	241,299	42,404	29,344	6,480	6,871	-	-	(33,483)	(9,600)	359,823	267,914
Total assets	4,277,133	4,395,410	1,377,167	1,328,503	15,987	15,189	1,484,711	1,692,261	(35,465)	(14,108)	7,119,533	7,417,255
Liabilities												
Trade payables	608,244	811,995	132,546	102,967	163	412	-	-	(1,947)	(4,473)	739,006	910,901
Loans, financing and debentures	-	-	-	-	-	-	3,521,670	3,785,889	-	-	3,521,670	3,785,889
Other liabilities	379,111	351,062	186,089	166,079	24,766	16,726	-	-	(34,299)	(10,392)	555,667	523,475
Total liabilities	987,355	1,163,057	318,635	269,046	24,929	17,138	3,521,670	3,785,889	(36,246)	(14,865)	4,816,343	5,220,265
Equity	-	-	-	-	-	-	2,303,190	2,196,990	-	-	2,303,190	2,196,990
Total liabilities and equity	987,355	1,163,057	318,635	269,046	24,929	17,138	5,824,860	5,982,879	(36,246)	(14,865)	7,119,533	7,417,255

(ii) Consolidated income statements per operating segment

	Car Rental		Fleet Rental		Franchising		Deductions/ Reclassifications		Consolidated	
	1Q17	1Q16	1Q17	1Q16	1Q17	1Q16	1Q17	1Q16	1Q17	1Q16
Net revenue	1,081,362	775,510	253,905	267,165	4,311	4,290	-	-	1,339,578	1,046,965
Costs	(819,846)	(550,314)	(146,185)	(167,362)	(2,406)	(2,017)	(1,039)	(935)	(969,476)	(720,628)
Gross profit	261,516	225,196	107,720	99,803	1,905	2,273	(1,039)	(935)	370,102	326,337
Operating expenses										
Selling expenses	(92,818)	(72,535)	(10,900)	(13,510)	(115)	(123)	534	493	(103,299)	(85,675)
General, administrative and other expenses	(28,477)	(31,866)	(8,615)	(6,583)	(147)	(212)	505	442	(36,734)	(38,219)
Profit (loss) before finance costs, net (EBIT)	140,221	120,795	88,205	79,710	1,643	1,938	-	-	230,069	202,443
Finance costs, net									(74,829)	(67,669)
Profit before income tax and social contribution									155,240	134,774
Income tax and social contribution									(34,974)	(31,760)
Net income									120,266	103,014

The Company operates in Brazil and had, as at March 31, 2017, a network of franchisees in six South American countries (six as at December 31, 2016); its revenue is derived mainly from its operations in the Brazilian market. The consolidated net revenue, in Brazil and abroad, is broken down as follows:

	Consolidated	
	1Q17	1Q16
Revenue in Brazil	1,331,612	1,038,956
Exports revenue (*)	7,626	7,562
Royalties abroad	340	447
Net revenue	1,339,578	1,046,965

(*) Revenue from car rental in Brazil to customers resident and domiciled abroad.

(iii) Consolidated depreciation and amortization expenses per operating segment

	Consolidated	
	1Q17	1Q16
Car Rental		
Car depreciation	30,072	13,416
Depreciation of other property and equipment and amortization of intangible assets	7,892	8,221
Fleet Rental		
Car depreciation	27,797	32,858
Depreciation of other property and equipment and amortization of intangible assets	1,024	1,294
Franchising		
Depreciation of other property and equipment and amortization of intangible assets	155	121
Total	66,940	55,910

19. NET REVENUES

The reconciliation between gross revenue and net revenue in the income statement for the periods is as follows:

	Individual		Consolidated	
	1Q17	1Q16	1Q17	1Q16
Gross revenue	1,094,889	772,742	1,365,725	1,069,792
Deductions:				
Discounts	(1,113)	(958)	(3,079)	(4,560)
Taxes (*)	(17,020)	(13,130)	(23,068)	(18,267)
Net revenue	1,076,756	758,654	1,339,578	1,046,965

(*) Refers to: (i) Service Tax ("ISSQN") and (ii) the taxes on revenue ("PIS" and "COFINS"), net of credits generated.

The breakdown of the net revenue recognized in each significant category is as follows:

	Individual		Consolidated	
	1Q17	1Q16	1Q17	1Q16
Revenue from car rental	403,097	324,848	403,469	339,717
Revenue from fleet rental	-	-	173,256	158,351
Franchising	340	447	4,311	4,290
Cars sold for fleet renewal	673,319	433,359	758,542	544,607
Net revenue	1,076,756	758,654	1,339,578	1,046,965

20. NATURE OF COSTS AND OPERATING EXPENSES

The information on the nature of costs and operating expenses recognized in the income statement is as follows:

	Individual					
	Costs		Selling, general, administrative and other expenses		Total	
	1Q17	1Q16	1Q17	1Q16	1Q17	1Q16
Cost of cars sold	(595,634)	(371,643)	-	-	(595,634)	(371,643)
Car maintenance, IPVA and others	(76,817)	(56,132)	-	-	(76,817)	(56,132)
Car depreciation	(30,072)	(13,416)	-	-	(30,072)	(13,416)
Payroll, related taxes and benefits	(58,763)	(47,316)	(36,410)	(33,329)	(95,173)	(80,645)
Real estate rental	(25,841)	(23,280)	(12,028)	(11,524)	(37,869)	(34,804)
Third-party services	(9,910)	(4,606)	(15,935)	(15,232)	(25,845)	(19,838)
Profit sharing	(7,456)	(6,393)	(5,481)	(5,343)	(12,937)	(11,736)
Depreciation and amortization of property and equipment and intangible assets	(4,621)	(5,119)	(3,986)	(4,136)	(8,607)	(9,255)
Water, electricity and telephone	(2,666)	(2,411)	(1,938)	(1,738)	(4,604)	(4,149)
Travel	(1,627)	(1,690)	(746)	(775)	(2,373)	(2,465)
Advertising	-	-	(8,579)	(6,052)	(8,579)	(6,052)
Commissions	-	-	(11,396)	(8,046)	(11,396)	(8,046)
Allowance for doubtful debts and write-off of uncollectible amounts	-	-	(6,238)	(7,235)	(6,238)	(7,235)
Other	(12,518)	(23,381)	(6,030)	(4,963)	(18,548)	(28,344)
Total	(825,925)	(555,387)	(108,767)	(98,373)	(934,692)	(653,760)

	Consolidated					
	Costs		Selling, general, administrative and other expenses		Total	
	1Q17	1Q16	1Q17	1Q16	1Q17	1Q16
Cost of cars sold	(662,274)	(458,801)	-	-	(662,274)	(458,801)
Car maintenance, IPVA and others	(111,098)	(89,451)	-	-	(111,098)	(89,451)
Car depreciation	(57,869)	(46,274)	-	-	(57,869)	(46,274)
Payroll, related taxes and benefits	(65,554)	(55,096)	(58,544)	(51,960)	(124,098)	(107,056)
Real estate rental	(26,144)	(23,699)	(12,326)	(11,843)	(38,470)	(35,542)
Third-party services	(11,777)	(5,572)	(18,219)	(16,047)	(29,996)	(21,619)
Profit sharing	(8,736)	(7,815)	(8,889)	(8,352)	(17,625)	(16,167)
Depreciation and amortization of property and equipment and intangible assets	(5,074)	(5,496)	(3,997)	(4,140)	(9,071)	(9,636)
Water, electricity and telephone	(2,687)	(2,413)	(2,053)	(1,831)	(4,740)	(4,244)
Travel	(1,681)	(1,743)	(1,351)	(1,168)	(3,032)	(2,911)
Advertising	-	-	(8,753)	(6,114)	(8,753)	(6,114)
Commissions	-	-	(11,615)	(8,329)	(11,615)	(8,329)
Allowance for doubtful debts and write-off of uncollectible amounts	-	-	(7,189)	(7,862)	(7,189)	(7,862)
Other	(16,582)	(24,268)	(7,097)	(6,248)	(23,679)	(30,516)
Total	(969,476)	(720,628)	(140,033)	(123,894)	(1,109,509)	(844,522)

21. FINANCE INCOME (EXPENSES)

Finance income (expenses) recognized in the income statement are as follows:

	Individual		Consolidated	
	1Q17	1Q16	1Q17	1Q16
Interest income on short-term investments	33,061	31,273	49,968	43,125
PIS/COFINS on finance income	(1,757)	(1,574)	(2,566)	(2,118)
Other interest income	4,672	2,306	6,912	3,542
Total finance income	35,976	32,005	54,314	44,549
Interest expense on loans, financing, debentures and swap	(89,209)	(82,345)	(122,644)	(110,524)
Other interest expenses	(5,948)	(1,186)	(6,499)	(1,694)
Total finance expenses	(95,157)	(83,531)	(129,143)	(112,218)
Total finance income (expenses)	(59,181)	(51,526)	(74,829)	(67,669)

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The carrying amounts of financial assets and liabilities by category are as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Financial assets				
Loans and receivables measured at amortized cost				
Cash and cash equivalents (note 4)	968,302	1,133,711	1,484,711	1,692,261
Trade receivables (note 5)	266,950	336,457	345,552	427,697
Escrow deposits (note 14)	43,214	38,144	65,746	60,127
Financial liabilities				
Other financial liabilities measured at amortized cost				
Trade payables (note 10)	599,791	803,601	739,006	910,901
Loans, financing and debentures, net of swap (note 12)	2,423,999	2,685,584	3,514,567	3,776,293

(a) Risk management

In the normal course of operations, the Company is exposed to the following risks related to its financial instruments: (i) market risk; (ii) credit risk; and (iii) liquidity risk.

The Company's risk management is monitored by the Audit, Risk Management and Compliance Committee. In addition, the risk identification, analysis and monitoring is accompanied by the Board of Directors, which has the power to decide on the strategies to be adopted by the Company.

(i) Market risk

The market risk is managed in order to ensure that the Company is exposed only to risk levels considered acceptable in the context of its operations.

The Company's financial instruments that are affected by the market risk include: (i) cash and cash equivalents; and (ii) loans, financing, debentures and fixed-rate swap.

- **Interest rate risk** – Is the risk that the fair value or future cash flows of a certain financial instrument fluctuate due to market interest rate changes.

The Company uses cash from operating activities to conduct its daily business activities and finance its fleet renewal and part of its growth. To supplement its cash requirements for growth, the Company obtains loans and financing from major financial institutions in Brazil and issues debt securities (debentures and promissory notes), which are

mainly indexed to the CDI rate fluctuation. The inherent risk arises from the possibility of relevant increases in CDI rate.

As a strategy to manage interest rate risk, Management continuously monitors CDI in order to, if necessary, adjust car rental fees to mitigate such fluctuations. For fleet rentals, Localiza Fleet enters into fixed-rate loans and swaps floating interest rates for fixed interest rates, thus eliminating the risk of fluctuation in the benchmark interest rate in long-term contracts. In addition, almost all the Company's cash and cash equivalents balance is also indexed to the CDI rate fluctuation, which is the same rate adopted for debts related to car rental.

The Company has performed sensitivity tests for adverse scenarios (deterioration of the CDI rate by 25% or 50% above of the probable scenario), considering the following assumptions:

- As at March 31, 2017, the Company's net debt totaled R\$2,029,856. Of this total, R\$643,573, with fixed cost at an average rate of 15.63% per year, was excluded, as it is related to the transactions contracted at a fixed-rate and amounts corresponding to the hedge from the swap transactions, changing the rates indexed to the CDI for fixed-rates, so that the net debt subject to the CDI fluctuation amounts to R\$1,386,283 as at March 31, 2017.
- The probable scenario for the next 12 months was estimated, according to information in the Focus Bulletin issued by the Central Bank of Brazil, based on an average CDI rate of 9.42% against the effective annual rate of 12.70% in the quarter ended March 31, 2017.

Description	Consolidated		
	Probable scenario (*)	Scenario I - 25% deterioration	Scenario II - 50% deterioration
Net debt as at March 31, 2017 (letter (b) (i))	2,029,856	2,029,856	2,029,856
Debts at a fixed-rate and amounts hedged with swap to a fixed-rate (letter (d) (iii) e note 12)	(643,573)	(643,573)	(643,573)
Net debt subject to the CDI fluctuation	1,386,283	1,386,283	1,386,283
Effective average annual CDI rate for the quarter ended March 31, 2017	12.70%	12.70%	12.70%
Estimated average annual CDI rate, according to stress scenarios	9.42%	11.78%	14.13%
Effect on finance costs subject to the CDI rate fluctuation:			
- according to effective rates	(176,058)	(176,058)	(176,058)
- according to scenarios	(130,588)	(163,304)	(195,882)
(Increase) / Decrease in finance expenses for the next 12 months	45,470	12,754	(19,824)

(*) As required by IFRS 7 and based on the average rate of 9.42%, which is the projected scenario for the next 12 months, as reasonably as possible, based on market information in the Focus Bulletin issued by the Central Bank of Brazil, on March 31, 2017.

- **Currency risk** – As stated in letter (d) and note 12(d), the Company is not exposed to currency risk since it enters into swap transactions tied to foreign currency-denominated loans. Additionally, the Company currently has no financial liabilities denominated in foreign currency (see note 12).

(iii) Credit risk

The credit risk is the risk that a counterparty does not comply with its contractual obligations, thereby causing the Company to incur financial losses. The Company's credit risk basically arises from trade receivables and cash and cash equivalents deposited/invested in banks and financial institutions.

The maximum exposure to the Company's credit risk, based on the residual value of the underlying financial assets, is as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Loans and receivables				
Cash and cash equivalents:				
Short-term investments:				
At least Aa3 in the Moody's scale or equivalent in another rating agency	964,076	1,130,930	1,478,129	1,687,039
Cash and banks	4,226	2,781	6,582	5,222
Total cash and cash equivalents (note 4)	968,302	1,133,711	1,484,711	1,692,261
Trade receivables - customers	258,317	292,927	335,612	382,765
Trade receivables - credit card				
Aaa in the Moody's scale	2,852	16,946	2,940	17,144
Sundry	5,781	26,584	7,000	27,788
Total trade receivables (note 5)	266,950	336,457	345,552	427,697
Total	1,235,252	1,470,168	1,830,263	2,119,958

- **Cash and cash equivalents** – The credit risk in balances with banks and financial institutions is managed by the Company's Finance Department, according to policies defined by the Board of Directors, with the purpose of mitigating risk concentration and, therefore, minimizing financial losses in the case of bankruptcy of one counterparty.

As established by the Board of Directors, the maximum fund allocation limits per financial institution, on a consolidated basis, must comply with the following criteria: (i) the maximum amount of 20% of the total available funds must be allocated only in financial institutions that are listed in the Investment, Indebtedness, Derivatives and Guarantees Policy and (ii) the maximum amount of 40% of the total available funds must be allocated only in the financial institutions that are listed in the Investment, Indebtedness, Derivatives and Guarantees Policy and the equity of which is higher than R\$10.0 billion.

- **Trade receivables** – The management of the credit risk related to trade receivables is constantly monitored by the Company, which has established control policies.

The Company mitigates its credit risk by operating significantly with credit cards for car rentals, mainly in transactions with individuals. The credit risk in transactions with legal entities for car rental and fleet rental is reduced by a credit limit granting policy, based on the analysis of the financial position of the customer, past experience and the position of past-due receivables. The financial position of customers is continuously monitored in order to assess and adjust, if necessary, the credit limit previously granted. The credit risk in the sale of decommissioned cars is mitigated through the use of financing and/or leasing companies with well-known financial and liquidity capacity.

Additionally, the management of credit risk includes the periodic analysis of the impairment of trade receivables, in which the need to recognize an allowance for doubtful debts is analyzed in order to adjust receivables to their probable realizable values. This analysis, which is intended to assign a risk rating to the customer according to internal criteria defined by Management, takes into consideration the current financial position of the customer, past experience and the position of past-due receivables. Therefore, according to the customer risk rating, receivables are adjusted to their probable realizable amounts through the recognition of an allowance for doubtful debts, and it may be applied both to past-due and current receivables, depending on the risk rating assigned to the customer.

Credit risk concentration is limited because the customer basis is extensive. All significant transactions and customers are located in Brazil, and there is no customer that individually accounts for more than 10% of the Company's revenues.

(iii) Liquidity risk

Liquidity risk is the risk of the Company not having sufficient funds to settle its obligations. The liquidity risk management seeks to ensure that the Company has the necessary funds to settle its financial liabilities at the maturity dates.

Liquidity risk is managed by the Finance Department, monitored by the Board of Directors and is conducted considering funding requirements and liquidity management in the short, medium and long terms. The Company manages the liquidity risk by maintaining appropriate financial resources available in cash and cash equivalents and by means of credit facilities, based on the continuous monitoring of estimated and realized cash flows, and the combination of the maturity profiles of financial assets and financial liabilities.

Management also considers that the access to third-party credit is facilitated by the corporate credit rating of Localiza according to the main market rating agencies.

The analysis of the maturities of undiscounted consolidated contractual cash flows of loans, financing, debentures and swap, based on the interest rate contracted for each transaction and a CDI rate of 12.13% as at March 31, 2017, is as follows:

	Individual						Total
	2017	2018	2019	2020	2021	2022	
Debentures – 6 th issue	57,719	147,324	132,235	-	-	-	337,278
Debentures – 7 th issue	19,240	115,697	106,260	119,592	106,502	-	467,291
Debentures – 8 th issue	47,856	64,151	305,272	283,289	-	-	700,568
Debentures – 9 th issue	65,299	66,396	112,686	196,604	313,039	-	754,024
Debentures – 10 th issue	20,084	26,727	27,058	113,696	100,276	-	287,841
Debentures – 11 th issue	49,090	65,367	66,177	65,637	65,607	502,045	813,923
Leases	696	197	-	-	-	-	893
Total	259,984	485,859	749,688	778,818	585,424	502,045	3,361,818

	Consolidated						Total
	2017	2018	2019	2020	2021	2022	
Debentures – 6 th issue	57,719	147,324	132,235	-	-	-	337,278
Debentures – 7 th issue	19,240	115,697	106,260	119,592	106,502	-	467,291
Debentures – 8 th issue	47,856	64,151	305,272	283,289	-	-	700,568
Debentures – 9 th issue	65,299	66,396	112,686	196,604	313,039	-	754,024
Debentures – 10 th issue	20,084	26,727	27,058	113,696	100,276	-	287,841
Debentures – 11 th issue	49,090	65,367	66,177	65,637	65,607	502,045	813,923
Debentures of Localiza Fleet	23,437	31,264	31,651	119,144	399,921	-	605,417
Commercial Credit Note (“NCC”)	54,036	90,529	110,195	92,589	126,963	-	474,312
Leases	330,169	219,225	11,740	-	-	-	561,134
CCBI new head office/with swap	14,737	18,745	65,340	104,677	48,716	-	252,215
Total	681,667	845,425	968,614	1,095,228	1,161,024	502,045	5,254,003

(b) Capital management

The Company's businesses require intensive long-term capital to finance the fleet, in order to implement its growth strategy. The main objectives of capital management are to: (i) ensure the Company's operational continuity; (ii) ensure a strong credit rating; (iii) maximize the return to shareholders; and (iv) ensure the Company's competitive edge in the raising of funds.

The Company's management continuously monitors capital management, adjusting its capital structure to the economic conditions.

(i) **Debt ratio**

Capital is monitored based on the Company's debt ratio, which corresponds to net debt divided by equity. Net debt, in turn, is defined by the Company as short- and long-term debts, including the positive or negative balances of the swap transactions entered into to hedge these debts, less cash and cash equivalents. The Company's overall capital management strategy has remained unchanged over the last years.

The table below shows the Company's debt ratios as at March 31, 2017 and December 31, 2016:

	Consolidated	
	03/31/17	12/31/16
Short and long-term debts, net of the swap transactions classified in current and non-current assets and liabilities (note 12)	3,514,567	3,776,293
Cash and cash equivalents (note 4)	(1,484,711)	(1,692,261)
Net debt	2,029,856	2,084,032
Equity	2,303,190	2,196,990
Debt ratio (net debt / equity)	0.88	0.95
Fleet value (*)	4,492,854	4,623,580
Net debt / fleet value	0.45	0.45

(*) Cars and decommissioned cars for fleet renewal (note 8).

(c) **Fair value of financial instruments**

The estimated carrying amounts and fair values of loans, financing and debentures are calculated based on models that use observable inputs and future assumptions related to fixed and floating interest rates, among other applicable variables. The rates used are obtained from financial institutions for transactions with similar conditions or based on market information, when available. The Company makes a reasonable analysis of the calculations presented by these financial institutions by comparing them with similar calculations made by other parties for the same applicable period. Fair values are calculated by projecting the future flows of transactions based on the projection of the interest rate curves, discounted to present value using indicative data on prices and benchmark rates available in the market or based on premium payment conditions upon the early optional redemption established in the debenture indenture of each issuance.

In addition, for financial reporting purposes, fair value measurements are categorized into Levels 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in their entirety, as described below:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The summary of the consolidated fair values of the swap transactions recorded in line item "derivative instruments - swap" account is as follows:

	Level 2	
	03/31/17	12/31/16
Fixed-rate swap (letter (d) (iii))	(5,713)	(4,539)
U.S. dollar swap (letter (d) (i))	-	2,210
TR swap (letter (d) (ii))	12,816	7,386
Total	7,103	5,057

There are no financial instruments measured at fair value at the Levels 1 and 3 of the fair value hierarchy.

The financial liabilities measured at fair value in the Company's balance sheet as at March 31, 2017 and the categories of the data related to the respective liabilities are as follows:

	Individual			
	Carrying amount		Fair value	
	03/31/17	12/31/16	03/31/17	12/31/16
Financial liabilities - other financial liabilities:				
Loans, financing, debentures and swap	(2,423,999)	(2,685,584)	(2,438,940)	(2,700,209)
Swap transactions – amount receivable	-	2,210	-	2,210
	Consolidated			
	Carrying amount		Fair value	
	03/31/17	12/31/16	03/31/17	12/31/16
Financial liabilities - other financial liabilities:				
Loans, financing, debentures and swap	(3,514,567)	(3,776,293)	(3,529,507)	(3,790,918)
Swap transactions – amount payable	(5,713)	(4,539)	(5,713)	(4,539)
Swap transactions – amount receivable	12,816	9,596	12,816	9,596

Management understands that the carrying amounts of other financial instruments, such as cash and cash equivalents, trade receivables and trade payables, which are recognized in the individual and consolidated financial statements, do not differ significantly from their fair values, as the maturity dates of a substantial portion of the balances are close to the balance sheet date.

(d) Derivatives

(i) U.S. dollar x Brazilian reais

As at March 31, 2017, a Localiza settled with bank of Tokyo-Mitsubishi UFJ Brasil S.A., a loan in the amount of US\$70,000 thousand, corresponding to R\$218,729. Concurrently, the Company settled a swap transaction (plain vanilla) that was entered into only for purposes of mitigating the risk of exposure to foreign currency in the amount of R\$12,091.

(ii) TR x CDI

As at March 31, 2017, the subsidiary Rental Brasil had a current swap transaction (plain vanilla), with the sole purpose of hedging its loan in the form of CCBI, which transaction was contracted with a major financial institution.

The specific characteristics of this swap transaction, as well as its respective notional and carrying amounts, are as follows:

Swap transaction	Contract date	Maturity date	Counterparty	Rates		Consolidated 03/31/17	
				Assets	Liabilities	Notional amount R\$ thousand	Payables/ receivables R\$ thousand
TR x CDI	06/25/14	06/15/21	Itaú Unibanco	TR fluctuation + coupon of 9.5% p.a.	98.8% of CDI fluctuation	190,000	12,816

Amounts receivable are recognized in line item “derivatives – swap” (notes 6 and 12).

(iii) CDI x Fixed-rate

Fleet rental contracts vary from 24 to 36 months and include an annual adjustment clause based on the inflation rate. As the rental contracts cannot be adjusted based on the benchmark interest rates, Localiza Fleet has entered into swap transactions by swapping the CDI fluctuation for a fixed-rate in order to hedge against the risk of loss of profit on rental contracts and maintain its competitiveness.

The specific characteristics of this swap transaction, as well as its respective notional and carrying amounts, are as follows:

Swap transaction	Contract date	Maturity date	Counterparty	Rates		Consolidated 03/31/17	
				Assets	Liabilities	Notional amount R\$ thousand	Payables/ receivables R\$ thousand
CDI x Fixed-rate	06/02/16	07/02/18	Sundry banks	111.1% of CDI fluctuation	15.6% p.a.	400,000 (*)	(5,713)

(*) The swaps short-position (fixed-rate) corresponds to R\$348,637 as at March 31, 2017 (R\$451,486 as at December 31, 2016).

23. FINANCE LEASES

The net carrying amounts by category of assets acquired under finance leases as at March 31, 2017 and December 31, 2016 are as follows:

	Individual		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Cars	-	-	505,460	534,052
Hardware	2,036	2,378	2,036	2,378
Total property and equipment	2,036	2,378	507,496	536,430
Software	114	159	114	159
Total intangible assets	114	159	114	159
Total	2,150	2,537	507,610	536,589

Other information on finance leases (individual and consolidated) has not significantly changed compared to that disclosed in note 23 to the financial statements for the year ended December 31, 2016.

24. RENTAL COMMITMENTS

The Company has property lease contracts for its car rental locations located in airports, off-airports (downtown locations), head office, stores and parking lots.

Property rentals for the car rental locations in airports and shopping malls have a fixed and a variable portion, the latter linked to the location's revenue. Other property rentals for car rental locations, head office, stores and parking lots do not have contingent payment clauses.

Other information on rental commitments (individual and consolidated) has not significantly changed compared with that disclosed in note 24 to the financial statements for the year ended December 31, 2016.

25. SUPPLEMENTARY PENSION PLAN

Since August 2011, the Company offers a retirement benefit pension plan, through a supplementary pension plan, established as a "defined contribution" plan and managed by a major independent pension fund manager.

There are no actuarial and investment risks to be assumed by the Company as its sponsor; consequently, no actuarial valuation is required and there is no possibility of recognizing actuarial gains or losses. Under this plan's regulations, the cost is shared between the employer and the employees, where the Company matches the employee's contribution, which varies according to a contribution scale based on salary ranges of 1% to 5% of the employee's compensation.

As a result of the competitive environment and the political and economic recession in Brazil, in the first half of 2016, the contributions by the Company to the pension plans were suspended. However, on June 23, 2016, the Board of Directors approved the Company to resume contributing to the pension plan again beginning July 1, 2016.

In the 1Q17, contributions made by the Company totaled R\$531 in the individual and R\$766 in the consolidated, which were allocated to line items "cost", "selling expenses" and "general, administrative and other expenses" in profit or loss.

Other information on pension plan has not changed compared with that disclosed in note 25 to the financial statements for the year ended December 31, 2016.

26. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

This individual and consolidated interim financial information was approved and authorized for issue by the Executive Board on April 26, 2017.

27. EVENTS AFTER THE REPORTING PERIOD

(a) Debentures issuance

On April 17, 2017, Localiza's Board of Directors approved: (i) the 12th issue of Localiza's debentures in the amount of R\$700,000 for cash recovery; and (ii) the 3rd issue of Localiza Fleet's debentures in the amount of R\$500,000, as approved by Localiza, for the early redemption of the 2nd issue of da Localiza Fleet, of R\$250,000, and for cash recovery. The final maturities of the transactions above are May 15, 2024 and May 15, 2023, respectively.

The two issues will be subject to public distribution with restricted placement efforts and firm placement guarantee, as set forth in CVM Instruction 476/09.

(b) Ordinary General Meeting

The Ordinary General Meeting held on April 25, 2017 approved the retention of earnings in the amount of R\$236,893 relating to the remaining balance of 2016 earnings, after deduction of legal reserve and distribution of interest on capital. This reserve was recognized based on item (g), paragraph 2, article 24 of Localiza's Bylaws.

(c) Extraordinary General Meeting

The Extraordinary General Meeting held on April 25, 2017 approved the increase of the subscribed, paid-in capital in the amount of R\$523,292, from R\$976,708 to R\$1,500,000, upon the use of part of the balance of the Company's statutory reserve.

Comments on the behavior of business projections

The Company did not disclose any projections for 2017.

1. SOCIAL STATEMENT

The Company's Consolidated Social Statement (not reviewed by the auditors) for the quarter ended March 31, 2017 and 2016 is as follows:

	Consolidated					
	1Q17			1Q16		
1. Calculation basis of social indicators						
Net revenue ("NR")	1,339,578			1,046,965		
Earnings before taxes ("EBT")	155,240			134,774		
Gross payroll ("GP")	121,302			105,171		
2. Internal social indicators						
	1Q17			1Q16		
	Amount	% on	% on	Amount	% on	% on
	R\$ thousand	GP	NR	R\$ thousand	GP	NR
Meals	9,611	8%	1%	5,535	5%	0%
Compulsory payroll taxes	25,887	21%	2%	22,861	22%	2%
Health	7,121	6%	1%	7,308	7%	1%
Professional training and development	325	0%	0%	178	0%	0%
Daycare centers or childcare allowance	58	0%	0%	60	0%	0%
Profit sharing	17,625	15%	1%	16,167	15%	2%
Other	1,771	1%	0%	1,165	2%	0%
Total - internal social indicators	62,398	51%	5%	53,274	51%	5%
3. External social indicators						
	1Q17			1Q16		
	Amount	% on	% on	Amount	% on	% on
	R\$ thousand	EBT	NR	R\$ thousand	EBT	NR
Education	143	0%	0%	77	0%	0%
Culture	572	0%	0%	307	0%	0%
Other	121	0%	0%	77	0%	0%
Total contributions to society	836	0%	0%	461	0%	0%
Taxes (excluding payroll taxes)	89,193	58%	7%	76,448	57%	7%
Total - external social indicators	90,029	58%	7%	76,909	57%	7%
4. Staff Indicators						
	03/31/17			03/31/16		
No. of employees at the end of the period	6,374			6,132		
No. of new hires during the period	424			290		
No. of third-party workers	131			170		
No. of interns	18			30		
No. of employees above 45 years old	728			688		
No. of female employees	2,769			2,831		
% of lead positions held by female employees	48.42%			49.48%		
No. of disabled employees	288			225		

03/31/17				2017 goals		
5. Relevant information on the exercise of corporate citizenship						
Highest wage to entry level wage ratio in the Company			119.4(*)	80.00(*)		
Total number of work accidents during the period			4	-		
- Social and environmental projects developed by the company were defined by	(x) directors	() directors and managers	() all employees	(x) directors	() directors and managers	() all employees
- Safety and health in the work environment were defined by	() directors and managers	() all employees	(x) all + Cipa	() directors and managers	() all employees	(x) all + Cipa
- With respect to union freedom, the right of collective agreement and internal representation of employees, the company	() is not involved	(x) follows the standards of the ILO	() encourages and follows the standards of the ILO	() will not be involved	(x) will follows the standards of the ILO	() will encourage and follow the standards of the ILO
- Profit sharing contemplates	() directors	() directors and managers	(x) all employees	() directors	() directors and managers	(x) all employees
- In the selection of suppliers, the same ethical and social and environmental responsibility standards adopted by the company	() are not considered	() are suggested	(x) are required	() will not be considered	() will be suggested	(x) will be required
- With respect to the participation of employees in voluntary work programs, the company	() is not envolved	() supports	(x) organizes and encourages	() will not be involved	() will support	(x) will organize and encourage
- Total number of complaints and criticisms from consumers	In the Company (**)	In Procon 148	In court 648	In the Company (**)	In Procon NA	In court NA
- % of complaints and criticisms settled or solved	In the Company (**)	In Procon 53.4%	In court 41.2%	In the Company (**)	In Procon NA	In court NA

(*)For the calculation of the Highest wage to entry level wage ratio in the Company, the head office (Belo Horizonte) wages were used.

(**)The customer service area answers calls relating to mechanical problems, accidents, doubts in relation to the bill, as well as praises and complaints. The Company does not have information on the number of calls involving complaints only.

ILO – International Labor Organization
Cipa – Internal Accident Prevention Committee
Procon – Consumer Protection Agency

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Management and Shareholders of
Localiza Rent a Car S.A.
Belo Horizonte - MG

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Localiza Rent a Car S.A. ("Company"), included in the Interim Financial Information Form (ITR), for the quarter ended March 31, 2017, which comprises the balance sheet as at March 31, 2017, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the interim financial information in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2140 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

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Other matters

Statements of value added

We have also reviewed the interim statement of value added ("DVA"), for the three-month period ended March 31, 2017, prepared under the responsibility of the Company's management, the presentation of which is required by the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Interim Financial Information (ITR), and is considered as supplemental information for IFRS which does not require the presentation of a DVA. This statement was 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 it is not prepared, in all material respects, in relation to the interim financial information.

Corresponding figures audited or reviewed by the previous auditor

The audit of the individual and consolidated balance sheet as at December 31, 2016 and the review of the individual and consolidated interim financial information for the period ended March 31, 2016, presented for purposes of comparison, were conducted by another auditor, who issued an unmodified audit report and review report, dated February 3, 2017 and April 25, 2016, respectively.

The accompanying interim financial information has been translated into English for the convenience of readers outside Brazil.

Belo Horizonte, April 26, 2017

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Walmir Bolgheroni
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